



اميد نو

Umeed-e-Nau

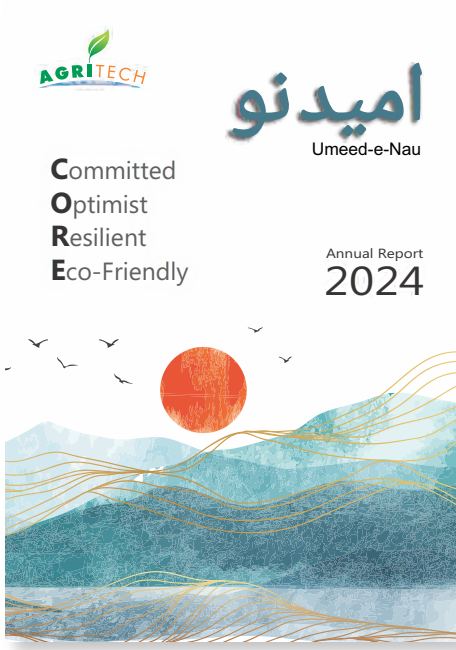
Committed
Optimist
Resilient
Eco-Friendly

Annual Report
2024





This annual report can be accessed and downloaded from Agritech's website
<https://agritech.com.pk/wp-content/uploads/2025/03/Annual-Report-31-December-2024.pdf>



دیارِ عشق میں اپنا مقام پیدا کر
نیازمانہ، نئے صبح و شام پیدا کر
— علامہ اقبال —

Cover Story

Every journey of resilience begins with a single step forward—one taken despite uncertainty, driven by an unshakable belief in a brighter future. The road to transformation is seldom easy. It tests our strength, our resolve, and our vision. Yet, those who dare to move forward, undeterred by setbacks, find themselves standing at the threshold of renewal.

Last year, Agritech Limited stood tall, having conquered immense challenges. It emerged stronger, turning adversity into opportunity, fueled by perseverance and strategic action. The transformation was evident—a testament to the Company's unwavering commitment to rebuilding and redefining its path.

Now, as we move ahead, a new dawn of hope—**UMEED-e-NAU**—rises over Agritech. The seeds of resilience sown in past years are beginning to bear fruit. The Company's foundation has strengthened, its momentum has accelerated, and the vision for the future is clearer than ever. The journey is not yet complete, but with every challenge overcome, the promise of success grows brighter.

At the heart of this transformation lies a renewed purpose—the **CORE** philosophy:

- **C**ommitted to innovation, excellence, and sustainable growth.
- **O**ptimist in our vision, embracing every challenge as an opportunity.
- **R**esilient in the face of adversity, forging ahead with unwavering determination.
- **E**co-Friendly in ensuring our progress aligns with environmental responsibility.

This guiding principle defines who we are and where we are headed. Agritech is not just recovering; it is evolving, setting new benchmarks in the industry while staying true to its values.

Hope is not just a sentiment; it is the fuel that propels progress. Umeed-e-Nau is the guiding force behind Agritech's continued ascent. Strengthened by its CORE values, the Company stands prepared to seize the opportunities ahead, ensuring a future built on commitment, optimism, resilience, and environmental stewardship.

The journey continues. The future is calling. And this time, we rise with a new hope.

Contents

Annual Report 2024

In presenting its Annual Report 2024, Agritech has adopted the 'International Integrated Reporting (IR) Framework to provide a comprehensive portrayal of the Company's business affairs, elucidating all financial and non-financial information in a manner designed to augment user understanding of the Company's concerted efforts to enhance its performance.

The adoption of the IR Framework necessitates a robust commitment from the Company's management, who bear ultimate responsibility for communicating the Company's message to all stakeholders. Additionally, the Board of Directors, elected by shareholders, plays an integral role in upholding an integrated reporting mechanism and fostering long-term value creation while concurrently augmenting transparency for shareholders.

Although the adoption of the International Integrated Reporting Framework hinges upon the unique circumstances of each entity and is deemed to be in its nascent stages, Agritech remains steadfast in its commitment to refining the information provided, thereby enhancing its accessibility and comprehensibility, while considering the perspectives of stakeholders perusing this report. The Company has incorporated the following content elements for the benefit of report users:

1

2024 in Numbers

Provides a snapshot of Agritech Limited's financial and non-financial performance for the year. It includes key financial ratios, non-financial performance indicators, and segmental analysis, offering a concise preview of the Company's results. Graphical illustrations of revenue, profitability, and cash flows visually represent performance trends, serving as a quick reference for stakeholders before the detailed discussions in later sections of the report.

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Best Corporate Report Awards 2023

Highlights Agritech Limited's recognition at the Best Corporate Report Awards 2023, organized by Institute of Chartered Accountants of Pakistan and Institute of Cost and Management Accountants of Pakistan. Participating for the first time, Agritech achieved second position in the Chemical and Fertilizer sector and fifth position overall, reflecting its commitment to transparency and top-quality reporting.

5

Integrated Reporting

Highlights Agritech's adoption of the International Integrated Reporting Framework, ensuring a comprehensive presentation of financial and non-financial information. It outlines the Company's commitment to transparency, governance, and long-term value creation, integrating sustainability imperatives with business strategies. Also emphasizes the role of the Board and management in refining disclosures, enhancing stakeholder understanding beyond traditional financial reporting.

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Organizational Overview and External Environment

Includes details on the Agritech's history, vision, mission, principal activities and associated companies. Provides an in-depth understanding of Agritech's business model, ethics and business practices, code of conduct, core values and position within the value chain. Also covers an assessment of competitive landscape, market positioning and the significant factors affecting the external environment.

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Strategy and Resource Allocation

Covers Agritech's short, medium, and long-term strategic objectives and related strategies. Includes resource allocation plans to implement the strategies, company capabilities that provide a sustainable competitive advantage and the resulting value creation. Also details the company's strategy on market, product, and service development, key performance indicators (KPIs) for measuring strategic success, and the Board's statement on significant plans such as corporate restructuring, business expansion, and capital expenditure.

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Risks and Opportunities

Covers key internal and external risks and opportunities affecting the availability, quality, and affordability of capitals. Includes the Board's statement on risk tolerance, risk management policies, and assessment of principal risks impacting business performance, solvency, and liquidity. Outlines risk management framework, risk methodology, appetite, and reporting, along with specific steps to mitigate risks or create value from opportunities. Also discloses supply chain risks due to environmental, social, or governance incidents and the Company's mitigation strategies.



Governance

Outlines Agritech's governance framework, including the Board of Directors' roles, composition, operations and effectiveness. Covers Board policies on significant matters, governance structure. Includes information on Board Committees, and compliance with Corporate Governance Regulations. Includes disclosures on IT governance, cybersecurity policies and the Company's adherence to ethical and regulatory guidelines. Also provides information on transaction with Related Parties.

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Sustainability and Corporate Social Responsibility

Agritech's sustainability efforts, social responsibility initiatives, and commitment to ESG principles. Covers environmental impact mitigation strategies, energy efficiency programs, community engagement, employee well-being, and corporate sustainability practices. Provides insights into the Company's contributions to sustainable agriculture and long-term social and environmental impact.

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Directors' Report

Provides a comprehensive review of Agritech's financial and operational performance for the year. It includes the Board's analysis of key achievements, financial highlights and business challenges, along with insights into marketing activities, corporate governance, regulatory compliance, and strategic developments. The report also outlines significant plans, decisions, and the Board's perspective on future growth and sustainability.

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Future Outlook

Presents an analysis of Agritech's future business direction, projected market trends, and strategic initiatives. Includes forward-looking insights into planned investments, expansion strategies, anticipated industry shifts and the Company's approach to managing future risks and opportunities. Covers expected economic, regulatory, and technological developments that may impact long-term business sustainability.

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Stakeholders Relationship and Engagement

Details Agritech's policies and practices for engaging with key stakeholders, including investors, employees, customers, and regulators. Includes corporate transparency initiatives, investor relations strategies, customer satisfaction programs, supplier partnerships, and sustainability-related stakeholder collaborations. Covers measures taken to strengthen trust and long-term relationships.

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Presents the Company's audited financial statements comprising the statement of financial position as at December 31, 2024, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and notes to the financial statements drawn up in accordance with requirements of accounting and reporting standards applicable in Pakistan and the requirements of Companies Act, 2017, along with the Independent Auditors' Report on the financial statements.

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Includes the notice of upcoming Annual General Meeting including the date, venue, and agenda of the meeting. Details information on book closure dates, appointment of proxies, proposed resolutions and related statutory compliance. Proxy form is also annexed at the end of this section.

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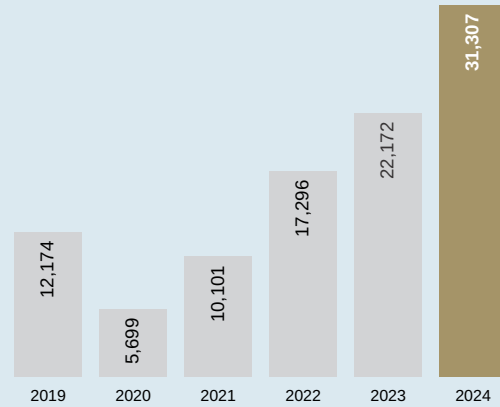
2024 IN NUMBERS

Revenue [Rs. in millions]

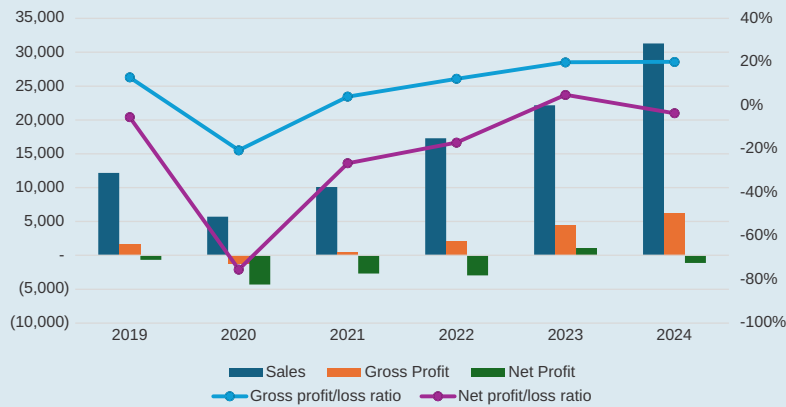
31,307



41%



Profitability [Rs. in millions]



998

Total Workforce

4,000

Training Hours

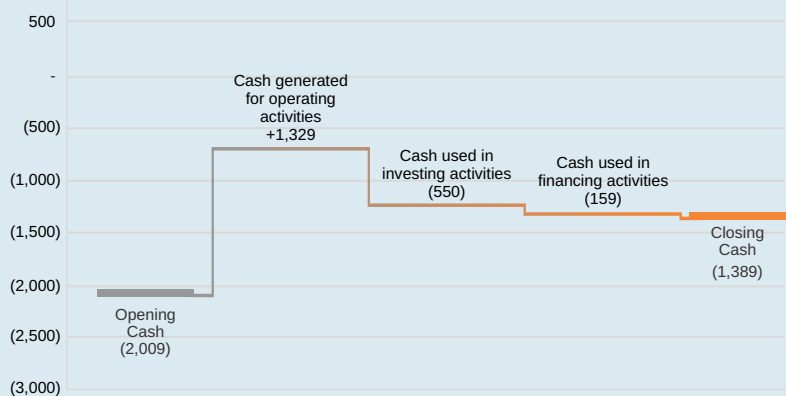
40

Farmers Engagements

2,374 mn

Contribution to National Exchequer

Cash Movement [Rs. in millions]



37.98

Market Value per Share
[Rupees]

20.01


Gross Profit Margin
[%]

9,732

Total Equity
[Rupees in millions]

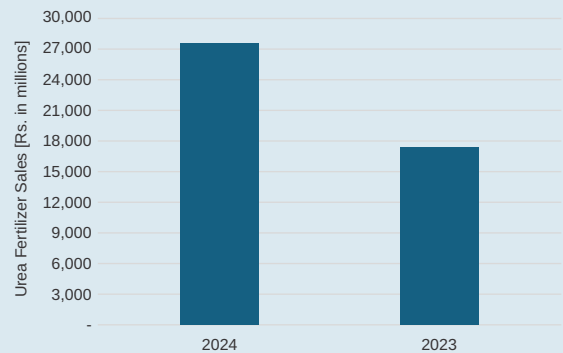
Urea Fertilizer

325K MT*
sold in 2024

 13%

		2024	2023	YoY%
Production	MT	372,012	292,255	27
Production Efficiency	%	86	67	27
Sales	Rs. M	27,377	17,548	56
Loss	Rs. M	(1,895)	(1,016)	87

* In addition to this, the Company also sold 13.5 KT of imported Urea allocated by NFML.

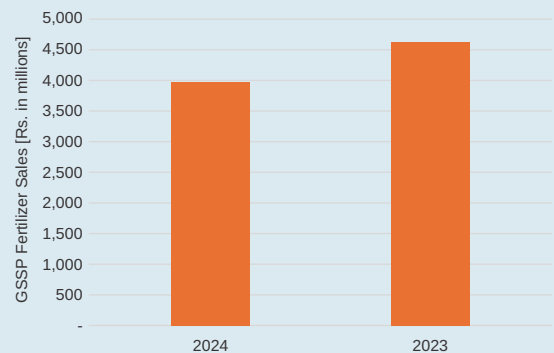


GSSP Fertilizer

71K MT
sold in 2024

 11%

		2024	2023	YoY%
Production	MT	80,341	77,150	4
Production Efficiency	%	99	95	4
Sales	Rs. M	3,929	4,624	(15)
Profit	Rs. M	812	1,891	(57)



2.71

Loss per Share
[Rupees]

(11.45)

Return on Equity
[%]

1,114

Net Loss
[Rupees in millions]



ANNUAL REPORT
2023



conquering challenges
RISING STRONG

BEST CORPORATE REPORT AWARDS 2023

The Institute of Chartered Accountants of Pakistan (ICAP) and the Institute of Cost and Management Accountants of Pakistan (ICMAP) jointly organize the Best Corporate Report (BCR) Awards annually to promote excellence in corporate reporting among listed companies in Pakistan. This competition encourages organizations to adopt the International Integrated Reporting Framework, ensuring a comprehensive and transparent representation of their business operations. The objective is to enhance stakeholders' understanding by presenting both financial and non-financial information in a manner that effectively communicates a company's strategic direction, performance, and value creation efforts.

Each year, a joint committee of ICAP and ICMAP reviews and updates the evaluation criteria to ensure alignment with evolving best practices, regulatory requirements, and global reporting standards. Listed companies are invited to submit their annual reports for consideration, with the aim of fostering timely, accurate, and insightful corporate disclosures that enhance transparency and investor confidence.

Agritech Limited participated in the Best Corporate Report Awards 2023 for the first time and achieved a remarkable milestone by securing:

- Second position in the Chemical and Fertilizer sector
- Fifth position overall across all listed companies

This recognition reflects Agritech's commitment to high-quality corporate reporting, emphasizing clarity, transparency, and a forward-looking perspective. Our annual report serves as a critical resource for investors, providing them with a comprehensive view of the Company's current position, strategic direction, and future prospects. By focusing on risk management, sustainability, and integrated reporting, Agritech ensures that its stakeholders have access to meaningful, well-structured, and insightful financial and operational information.

This achievement marks an important milestone in Agritech's journey towards excellence in corporate governance and stakeholder communication, reinforcing our dedication to continuous improvement and best reporting practices.

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INTEGRATED REPORTING

Adoption and Adherence with International Integrated Reporting Framework

Agritech Limited has consistently upheld a legacy of adhering to exemplary corporate governance practices, firmly rooted in ethical principles and professionalism. This enduring commitment underscores the company's dedication to generating enhanced value for both the organization and its stakeholders. Furthermore, Agritech is not only focused on achieving sustainable corporate value but also remains steadfast in its commitment to transparent reporting.

In today's increasingly intricate economic, technological, social, political, and environmental milieu, the amalgamation of financial information with non-financial data emerges as a pivotal means for organizations to underscore the significance of aligning sustainability imperatives with business strategies. Recognizing this imperative, Agritech has embraced the 'International Integrated Reporting (IR) Framework to provide a comprehensive portrayal of the Company's business affairs, elucidating all financial and non-financial information in a manner designed to augment user understanding of the Company's concerted efforts to enhance its performance.

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- A. Organizational Overview and External Environment
- B. Strategy and Resource Allocation
- C. Risks and Opportunities
- D. Governance
- E. Sustainability and Corporate Social Responsibility
- F. Directors' Report
- G. Future Outlook
- H. Stakeholder Relationships and Engagement
- I. Audited Financial Statements
- J. Annual General Meeting

Embracing Agritech's endeavor to furnish stakeholders with information surpassing traditional financial reporting requirements and other legal mandates, we believe stakeholders gain a deeper understanding of the Company, its operations, strategies, opportunities, risks, business model, governance, and performance, thus constituting a form of value creation for all stakeholders involved.

Unreserved Compliance with Accounting and Reporting Standards Applicable in Pakistan

Agritech prepares its financial statements in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- a) International Financial Reporting Standards ['IFRS'] issued by the International Accounting Standards Board ['IASB'] as notified under the Companies Act, 2017;
- b) Islamic Financial Accounting Standards ['IFAS'] issued by Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- c) Provisions of and directives issued under the Companies Act, 2017.

The Company has adopted all IFRSs notified under the Companies Act, 2017 and effective for the year 2024. Those IFRSs which have been notified under the Companies Act, 2017 but are not effective for the year 2024 will be adopted on their due dates.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS and IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed in preparation and presentation of financial statements.

Navigated through Annual Report 2024

The primary objective of this report is to present a comprehensive overview of Agritech Limited across twelve (12) specified domains. We have diligently outlined the value derived from the efficient allocation of resources and capital, elucidated our robust business model, and detailed our strategies aimed at fostering sustainable value for our stakeholders. Furthermore, our governance model and enterprise risk management system comprehensively address both external and internal factors, thereby contributing to value creation while mitigating key risks and identifying opportunities, in line with our commitment as a socially responsible business entity. The report meticulously breaks down the enterprise value, encompassing both financial and non-financial aspects, and includes key performance indicators [KPIs]. Additionally, forward-looking statements are included to provide insight into our anticipated business trajectory.

The systematic coverage of this report cross-referenced with the Best Corporate Reports 2024 Evaluation Criteria provided jointly by the Institute of Chartered Accountants of Pakistan and The Institute of Cost and Management Accountants of Pakistan.

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INTEGRATED REPORTING

Domain 02

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INTEGRATED REPORTING

Domain 05

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5.19 Audit Committee report should describe the work of the committee in discharging its responsibilities. The report should include:	
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INTEGRATED REPORTING

Domain 08

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ABOUT AGRITECH

HISTORY

Agritech (Formerly Pak-American Fertilizers Limited) was the first Nitrogenous fertilizer plant built in Pakistan. It was commissioned in 1958 with production capacity of 50000 MTPA of Ammonium Sulphate based on indigenous coal and gypsum as raw materials. The capacity was enhanced to 90000 MTPA in 1968. In 1973 the plant was converted from coal gasification to Natural Gas process. The old Ammonium Sulphate Plant was replaced with new, State of the Art MW Kellogg's Process Ammonia and Toyo's ACES Urea Plants. The new Plant was commissioned in September 1998 and came into commercial production in November 1999.

The Company was privatized by the Government in 2006.

The main business of the Company is the manufacturing and marketing of fertilizers. The Company owns and operates one of the country's newest and most efficient urea manufacturing plant at Mianwali.

The Company also manufactures SSP [Single Super Phosphate] at its plant at Haripur Hazara, which is the largest Single Super Phosphate [SSP] manufacturing plant in the country.

PRODUCTS

Having achieved the company's strategic goal to become a diversified fertilizer manufacturer producing both nitrogenous and phosphatic fertilizers, the Company's products are sold under one of the most celebrated and trusted brand names "Tara" in the fertilizer market.

Urea Fertilizer

Pakistani soil is deficient in Nitrogen. Urea provides 46 percent nitrogen and is the most widely used fertilizer in the country. Urea is the most trusted fertilizer with guaranteed 46% Nitrogen.

Agritech's urea plant is located about 50 kilometers north of Mianwali city. Its location is strategically important from a marketing point of view. Major portion of production is sold in a 150~200 kilometer radius thus giving a clear advantage over the competitors. Also, it is the closest plant to fertilizer-consuming areas of Khyber Pakhtunkhwa Province. The plant is designed to produce 810 metric tons per day of Ammonia and 1420 metric tons per day of Urea.

Phosphate Fertilizer

Single Superphosphate [SSP] is currently one of the most widely used fertilizers as an alternative source for phosphorus and sulphur throughout the world.

In Pakistan, SSP is considered as the cheapest source of Phosphate content. Being acidic in nature, it is meant to be the best phosphate fertilizer for Pakistan's alkaline soils.

The SSP manufacturing unit of superphosphate is located in HARIPUR. It is designed to produce 300 metric tons per day of Granular Single Superphosphate.



CORPORATE INFORMATION

Board of Directors

Mr. Shahid Iqbal Choudhri (Chairman)
Mr. Muhammad Faisal Muzammil (Chief Executive)
Mr. Hasan Ahmed
Mr. Osman Malik
Syed Mohsin Raza Naqvi
Syed Mustafa Haider Hamdani
Ms. Minahil Mohsin Naqvi
Mr. Haroon Farooq

Audit Committee

Mr. Hasan Ahmed (Chairman)
Mr. Osman Malik
Syed Mohsin Raza Naqvi
Mr. Haroon Farooq

HR & Remuneration Committee

Syed Mustafa Haider Hamdani (Chairman)
Mr. Haroon Farooq
Mr. Osman Malik
Ms. Minahil Mohsin Naqvi

Chief Finance 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

Legal Advisor

Mr. Wasif Majeed
Lexium Attorneys At Law
61-C, Main Gulberg, Lahore
Tel: +92 42 35870961-63
E-mail: wasif.majeed@lexiumlaw.com

Shares Registrar

Corplink (Private) Limited
Wings Arcade, 1 – K Commercial, Model Town, Lahore.
Tel: +92 (42) 35916714 – 19
E-mail: shares@corplink.com.pk

Auditors

Grant Thornton Anjum Rahman
Chartered Accountants
135 Ferozepur Road, Lahore.
Tel: +92 42 37423621 -23

Bankers

Shariah-compliant

Al baraka Bank (Pakistan) Limited
BankIslami Pakistan Limited
Bank Makramah Limited (Formerly Summit Bank Limited)
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Meezan Bank Limited

Conventional

Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
CitiBank N.A.
Habib Bank Limited
JS Bank Limited
MCB Bank Limited
National Bank of Pakistan
Silkbank Limited
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Limited
The Bank of Punjab
United Bank Limited

Registered Office

Askari Corporate Tower, 4th Floor 75-76, Block D 1,
Main Boulevard, Gulberg III, Lahore.
Ph: +92 (0) 42 36401000-3
Fax: +92 (0) 42 37897691
Email: corporate@pafl.com.pk

Project Locations

Urea Plant

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

SSP Plant

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

GEOGRAPHICAL PRESENCE

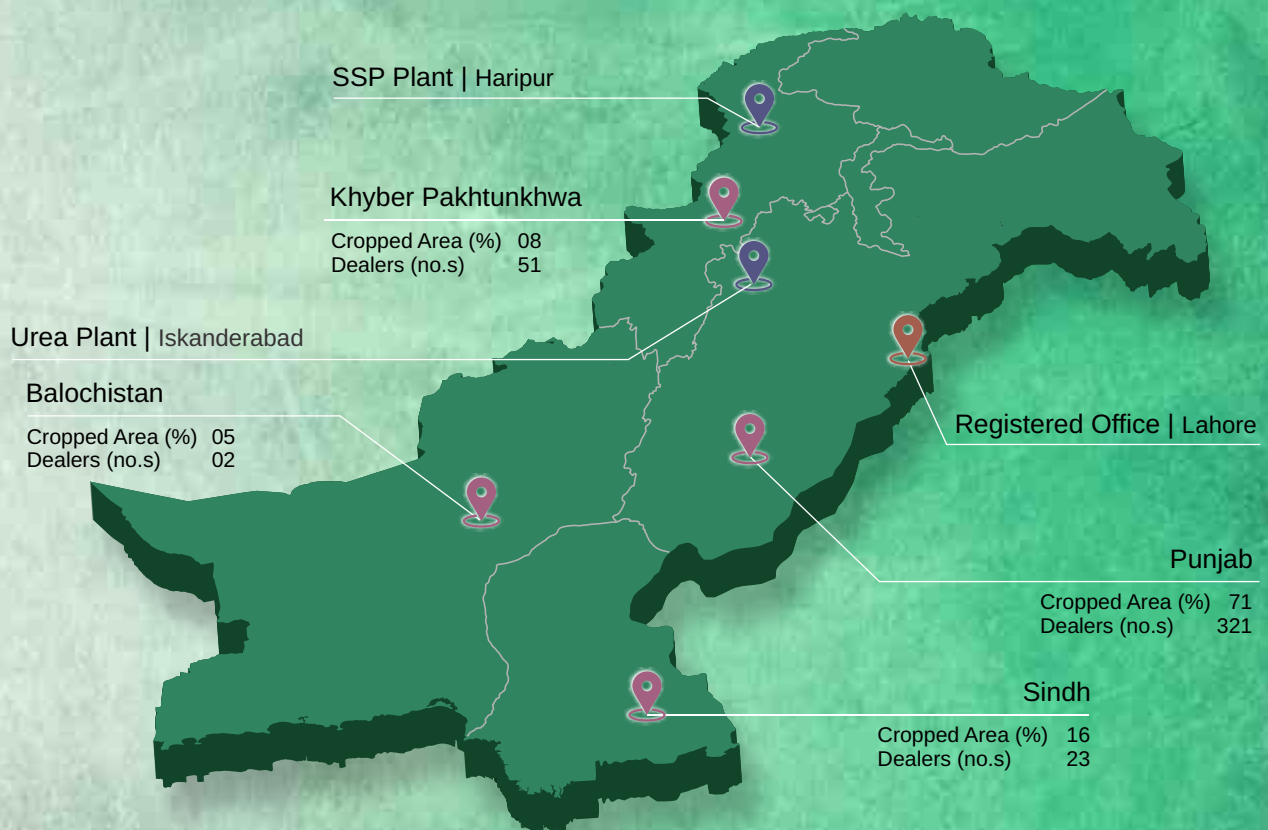
Plant Locations

AgriTech urea plant is located about 50 kilometers toward North of Mianwali city. Its location is strategically important from marketing point of view. Major portion of production is sold in 150–200 kilometers radius thus giving clear advantage over the competitors. Also it is the closest plant to fertilizer consuming areas of Khyber Pakhtunkhwa Province.

The SSP (Single Super Phosphate) plant, which is the largest SSP manufacturing plant in the country, is situated in Haripur Hazara.

Dealers' Network

The Company has an extensive dealer network, spread across all four provinces of Pakistan, which ensures the efficient supply and availability of fertilizers to farmers nationwide. By leveraging strong partnerships with dealers, the Company maintains a reliable distribution system, ensuring that its fertilizers reach all agricultural markets in a timely and consistent manner. This widespread presence allows AgriTech to meet the growing demand for quality fertilizers, supporting farmers in achieving better crop yields and agricultural productivity.



Vision

Transform into a sustainable fertilizer company boosting agricultural performance through local, integrated manufacturing of all key nutrients.

Mission

To develop into an innovative player among the Farming Community through Quality Products and Services contributing towards National Food Security.

Redefining Agritech's Vision and Mission: A Future-Ready Approach

A Vision for Sustainability, Growth, and Agricultural Excellence

Agritech envisions transforming into a sustainable fertilizer company, emphasizing efficient resource utilization, responsible production, and long-term environmental viability. By focusing on boosting agricultural performance, the Company aims to enhance crop yields and productivity, ensuring farmers have access to high-quality, locally manufactured key nutrients for sustainable growth.

A Mission Driven by Innovation, Quality, and National Impact

Agritech's mission reflects a consumer-first approach, evolving from a fertilizer manufacturer to an innovative partner of the farming community. Through superior products, agronomic support, and sustainability-focused solutions, the Company strengthens its commitment to national food security, ensuring a stable agricultural future and economic prosperity.

Aligning with CORE Values for a Sustainable Future

The revised Vision and Mission align with Agritech's CORE philosophy—Committed, Optimist, Resilient, Eco-Friendly—establishing a unified corporate culture. This transformation ensures Agritech remains a leader in Pakistan's agricultural sector, committed to innovation, sustainability, and long-term value creation.

With this new guiding framework, Agritech Limited is poised to redefine its legacy, inspire progress, and lead the transformation of Pakistan's agricultural sector for years to come.

Agritech Limited is poised to redefine its legacy, inspire progress, and lead the transformation of Pakistan's agricultural sector for years to come.



ETHICS AND BUSINESS PRACTICES

We understand the profound impact that our actions can have on our stakeholders, communities, and the environment. Therefore, we are committed to upholding the highest standards of integrity, transparency, and fairness in all aspects of our operations. From manufacturing high-quality products to interacting with customers and employees, ethical considerations guide every decision we make. In the following content, we will delve into our approach to ethics and business practices, exploring how these principles shape our organizational culture and drive our success.

DEDICATED SERVICE TO THE NATION

Our commitment to serving the nation is unwavering, demonstrated through the production of high-quality fertilizer products. This dedication extends beyond mere production; it encompasses a profound sense of responsibility to uphold ethical standards throughout our operations. Every action we take, from manufacturing to distribution, reflects our core values and principles. As directors and employees, we recognize the significance of our role in representing the ethical responsibilities of our company. This commitment drives us to continually strive for excellence in all aspects of our work.

PASSIONATE COMMITMENT TO EXCELLENCE

Within our organization, there exists a deep-rooted passion for our work. As directors and employees, we are driven by a shared commitment to excellence. This commitment is not merely a professional obligation but a personal ethos that guides our actions both within and outside the workplace. Collaboration is fundamental to our success, as we recognize that our strength lies in our collective efforts towards a common goal. Each of us holds ourselves accountable for our actions, adhering to principles of honesty, integrity, and fairness in all endeavors.

PRIORITIZING SAFETY AND RELIABILITY

The safety and reliability of our operations are paramount. We understand the importance of safeguarding human life and the resources entrusted to us. Therefore, we maintain an unwavering commitment to creating a workplace environment that prioritizes safety above all. This commitment extends beyond mere compliance with regulations; it is a fundamental aspect of our organizational culture. We are dedicated to ensuring that every individual within our organization feels secure and valued, knowing that their well-being is our top priority.

DELIVERING ON PROMISES TO CUSTOMERS

Our success is intertwined with the success of our customers. Therefore, we are dedicated to fulfilling our promises to them. This dedication is evident in our relentless pursuit of excellence in all aspects of our work. Whether internal or external, customer satisfaction is our primary focus. We understand that our reputation hinges on the quality of our products and services, which is why we go above and beyond to exceed customer expectations. By prioritizing customer satisfaction, we ensure the long-term success and sustainability of our business.

VALUING EMPLOYEE WELL-BEING

Our employees are our most valuable asset. As such, we prioritize their well-being above all else. Each individual within our organization is valued for their unique contributions and treated with the utmost respect and dignity. We understand that a positive work environment is essential for fostering employee morale and productivity. Therefore, we strive to create a workplace culture that promotes inclusivity, fairness, and mutual respect. By prioritizing employee well-being, we ensure that our organization remains strong and resilient in the face of challenges.

EMBRACING PROGRESS AND GROWTH

Progress and growth are essential components of our organizational ethos. We understand that in order to thrive in a competitive market, we must continually innovate and adapt to changing circumstances. Therefore, we are committed to fostering a culture of continuous improvement within our organization. This involves not only the expansion of our company but also the personal and professional growth of our employees. By providing opportunities for learning and development, we empower our employees to reach their full potential and contribute to the success of our organization.

MAINTAINING ORGANIZATIONAL DISCIPLINE

Discipline is the foundation of our organization. We understand the importance of adhering to rules and regulations in order to maintain order and consistency within our operations. Therefore, we are committed to strict compliance with all company policies and procedures. This ensures that every member of our organization understands their responsibilities and is held accountable for their actions. By maintaining organizational discipline, we create a culture of accountability and professionalism that sets us apart from our competitors.

PROMOTING ETHICAL CONDUCT AND COLLABORATION

Ethical conduct and collaboration are fundamental to our success. We understand that by acting with integrity and transparency, we can build trust and credibility with our stakeholders. Therefore, we are committed to promoting ethical behavior at all levels of our organization. This involves not only adhering to legal and regulatory requirements but also upholding principles of fairness, honesty, and respect in all interactions and hence creating an environment where innovation flourishes, and teamwork thrives.

CODE OF CONDUCT

The Code of Conduct of Agritech outlines the Company's commitment to conducting business responsibly, with integrity, and respect for all stakeholders. It emphasizes the importance of ethical and behavioral standards that exceed legal requirements. Employees are encouraged to seek guidance from managers when unsure about applying the code and to report any breaches promptly. Agritech aims to uphold a culture of responsibility, integrity, and respect, fostering excellence at all levels of operation.

RESPECT FOR THE INDIVIDUAL

Agritech's commitment to respect for individuals entails treating all employees based on their abilities, irrespective of factors such as race, religion, age, disability, gender, sexual orientation, or marital status. Harassment of any kind is strictly prohibited within the company, and Agritech dissociates from any activities that challenge its commitment to diversity and equal opportunities.

CONFLICT OF INTEREST

Employees are obligated to act in the best interests of the company and avoid situations where personal interests conflict with those of Agritech. This includes refraining from activities such as personal gain at the expense of the company, participating in competing activities, or holding ownership interests in Agritech's customers, suppliers, or competitors without proper authorization. Any potential conflicts must be promptly disclosed to managers.

CONFIDENTIALITY

Agritech emphasizes the responsible handling of confidential information received during work activities, stressing that such information should only be used for job-related purposes. Employees are required to prevent inadvertent disclosure of confidential information, and any breaches or suspected breaches must be reported immediately to managers. Compliance with confidentiality agreements with third parties is also required.

BRIBERY

Agritech strictly prohibits the payment of bribes, kickbacks, or other payments to gain business advantages, whether made directly or through intermediaries. Such actions are deemed inconsistent with the company's integrity standards and can lead to severe consequences. Employees are expected to adhere to ethical standards in all business dealings and report any instances of bribery promptly.

GIFTS AND ENTERTAINMENTS

While acknowledging the customary nature of business gifts and entertainment, Agritech advises caution in accepting or offering such gestures. Reasonable business-related entertainment is acceptable, but excessive gifts or entertainment that could compromise business judgment or create undue expectations are discouraged. Cash gifts are generally prohibited, except in certain ceremonial or festive occasions with proper approval. Any gifts with a value exceeding a certain threshold must be reported, and strict guidelines apply to interactions with politicians or government officials.

COMMUNITY RELATIONS

Agritech endeavors to operate as a responsible corporate citizen, considering the impact of its operations on communities. Employees are encouraged to engage in and contribute to local community affairs. Agritech refrains from making contributions to political parties or candidates, focusing instead on responsible business practices.

COMPETITION LAW

Agritech supports free enterprise and competitive market systems while fully complying with competition laws in all jurisdictions where it operates. Employees are responsible for familiarizing themselves with relevant competition laws and ensuring compliance in their business activities. The company emphasizes the severity of

penalties for non-compliance and encourages consultation with managers or legal experts when in doubt.

SAFETY, HEALTH AND ENVIRONMENT

Agritech maintains a steadfast commitment to safety, health, and responsible environmental practices. Compliance with Occupational Safety and Health Administration (OSHA) standards is mandatory and the company implements specific rules, policies and programs to ensure safety and environmental responsibility across its operations. Compliance with these standards is a condition of employment at Agritech, emphasizing the importance of maintaining a safe and sustainable work environment.

REGULATORY COMPLIANCE AND CORPORATE GOVERNANCE

Agritech is committed to full cooperation with governmental and regulatory bodies and maintains high standards of corporate governance. Compliance with listing rules and other applicable regulations is paramount, and the company is committed to providing accurate and transparent information to investors and stakeholders. Agritech emphasizes the importance of ethical conduct and accountability in all aspects of its operations.

FINANCIAL AND OPERATIONAL INTEGRITY

Agritech requires strict adherence to accepted accounting rules and procedures, with all transactions being properly recorded and accurately documented. Employees are prohibited from engaging in fraudulent activities and must report any suspected fraudulent behavior promptly. The company emphasizes the importance of financial and operational integrity in maintaining trust with stakeholders and ensuring long-term sustainability.

CORE VALUES

REDEFINING OUR CORE VALUES: A STRATEGIC STEP FORWARD

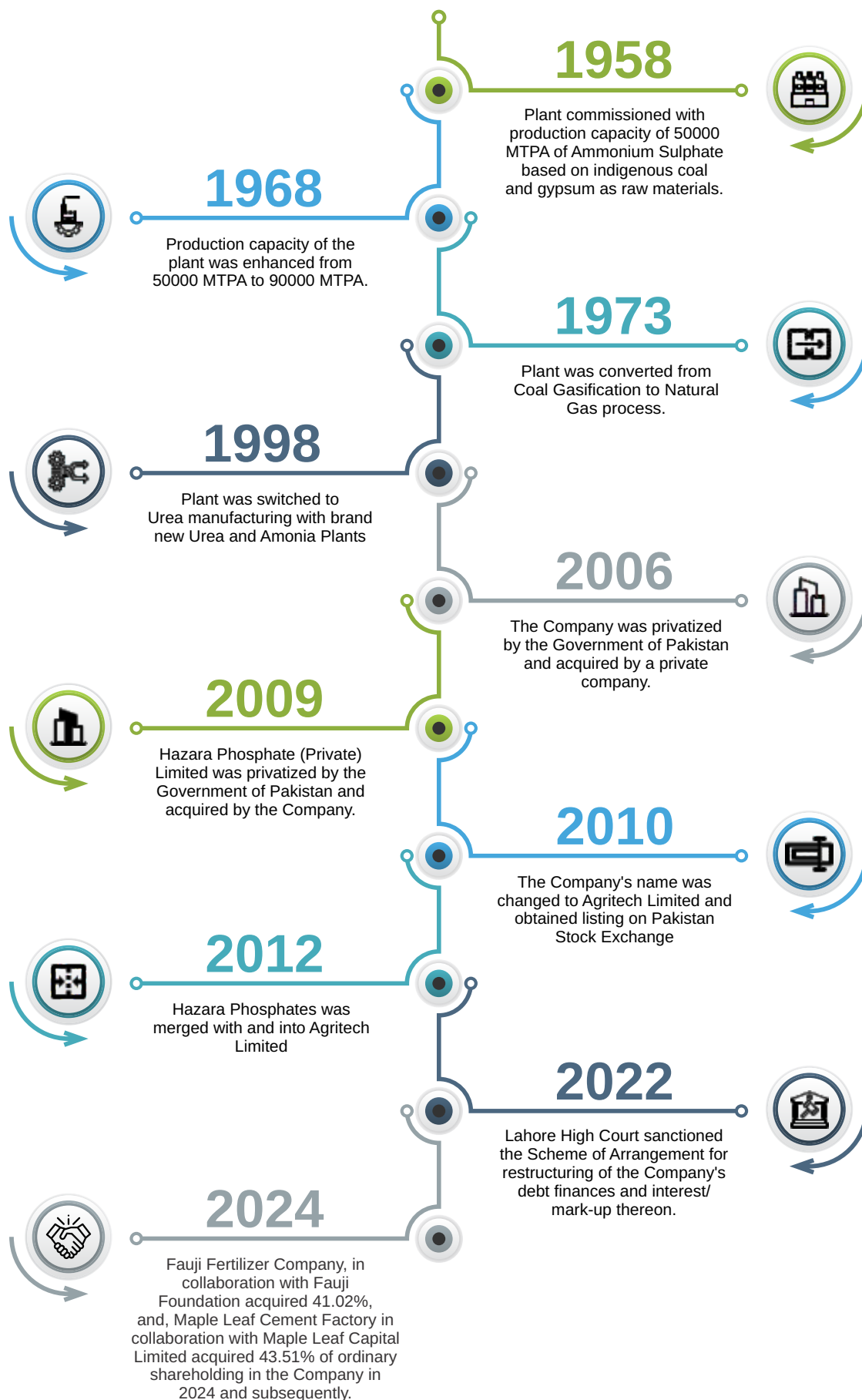
As Agritech Limited continues its transformation journey, it has redefined its Core Values to align with its evolving business strategy, cultural identity, and long-term vision. This exercise was undertaken to ensure that the values guiding the organization reflect the present-day realities, future aspirations, and the mindset necessary for success.

The revision process was driven by the need to create a unified organizational culture, where every employee operates with a shared sense of purpose and responsibility. Through collaborative discussions and deep introspection, the new Core Values were crafted to resonate with every aspect of Agritech's operations, ensuring they serve as a guiding compass for decision-making, behavior, and company growth.

These values are not just principles but a way of life at Agritech, shaping how the company interacts with employees, partners, customers, and stakeholders. Each value embodies a commitment to continuous improvement, innovation, and excellence, forming the foundation for a resilient, adaptable, and purpose-driven organization.



OUR JOURNEY THROUGH TIME



CALENDER OF EVENTS

JAN 24

Green Drive

This plantation drive represents a key milestone in Agritech's journey towards sustainability. The Company remains committed to expanding such green initiatives annually aiming to support Pakistan's broader environmental and climate change goals. Further efforts will include monitoring tree growth and survival rates and exploring high-carbon-capture species for future drives.

Annual General Meeting

Annual General Meeting for the year ended 31 December 2023 was held on 29 April 2024. The meeting was attended by shareholders of the Company who approved the audited financial statements of the Company for the year ended 31 December 2023 together with auditors' and directors' report thereon as well as the appointment of statutory auditors for the next financial year.

APR 24

JUL 24

Preference Shareholders' Meeting

The preference shareholders of the Company convened on 19 July 2024 and recorded their approval for one time option to partially redeem preference shares to the extent of issue price component of the redemption price and confirmation of the Company's liability to pay accumulated dividend up to the date of redemption for any partially redeemed preference shares.

Election of Directors

The election of board of directors of the Company was held in its extra ordinary general meeting convened on 22 July 2024. A total of seven (7) directors were elected, comprising four (4) nominee directors, two (2) independent directors and one female director. All directors were elected unopposed and were thus appointed as directors of the Company with effect from the date of election.

JUL 24

SEP 24

Relocation to New Office

The Company relocated its corporate head office to the Fourth Floor, Askari Corporate Towers, Main Boulevard Gulberg, Lahore in September 2024. Situated in the heart of Lahore's business hub, Askari Corporate Towers is a state-of-the-art corporate facility known for its modern and contemporary design. Spanning 7,850 square feet, the new office was designed by a highly acclaimed interior expert.

Best Corporate Report Awards 2023

Agritech Limited participated in the Best Corporate Report Awards, jointly organized by the Institute of Chartered Accountants of Pakistan and the Institute of Cost and Management Accountants of Pakistan for the financial year 2023 and secured second position in the Chemical and Fertilizer sector and fifth position overall across all listed companies. The ceremony was held on 18 October 2024

OCT 24

OCT 24

Sponsors Acquisition

Offer for acquisition by 2 major conglomerates namely Fauji Fertilizer Company along with Fauji Foundation, the largest fertilizers producer and Maple Leaf Cement Factory jointly with Maple Leaf Capital Limited in ordinary shares and debt capital of AGL. Both these groups bring in a wealth of experience in the manufacturing sector that can add enormous value to the future growth of Agritech.



Annual General Meeting



Election of Directors



Annual General Meeting



Best Corporate Report Awards 2023

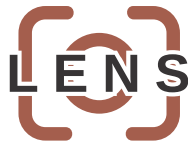


Election of Directors



Green Drive

Year 2024 through the



New Office at Askari Corporate Towers



Best Corporate Report Awards 2023



New Office at Askari Corporate Towers



Preference Shareholders' Meeting



Preference Shareholders' Meeting



New Board Members' Meeting Post Directors' Election

ASSOCIATED COMPANIES

Fauji Fertilizer Company Limited [FFC] is a public limited company incorporated in Pakistan and is listed on Pakistan Stock Exchange Limited. The principal activity of FFC is manufacturing, import and subsequently marketing of fertilizer products. FFC holds 31.12% ordinary shareholding in Agritech Limited.

Financial Performance FY 2024

Revenue: Rs. 373,536 million | Net Profit: Rs. 64,731 million



Fauji Foundation established in 1954 is a Pakistani conglomerate active in fertilizer, cement, food, power generation, gas exploration, LPG marketing and distribution, financial services, security services. The foundation was set up in order to provide employment opportunities to Pakistani ex-military personnel and to generate funds for the welfare of widows, and families of martyrs. It also undertakes welfare projects in education, medical, training, and rehabilitation for military personnel. Fauji Foundation holds 9.9% ordinary shareholding in Agritech Limited.

Maple Leaf Cement Factory Limited [MLCFL] is a public limited company incorporated in Pakistan and is listed on Pakistan Stock Exchange Limited. The principal activity of the Company is production and sale of cement. MLCFL holds 34.4% ordinary shareholding in Agritech Limited

Financial Performance FY 2024

Revenue: Rs. 66,452 million | Net Profit: Rs. 5,273 million



Maple Leaf Capital Limited [MLCL] is a public limited company incorporated in Pakistan. The principal object of MLCL is to buy, sell, hold or otherwise acquire or invest its capital in any sort of financial instruments. MLCL holds 9.11% ordinary shareholding in Agritech Limited

Financial Performance FY 2024

Revenue: Rs. 9,183 million | Net Profit: Rs. 5,972 million

National Bank of Pakistan [NBP] is a public limited company incorporated in Pakistan. NBP is a scheduled commercial bank and is principally engaged in the business of banking as defined in the Banking Companies Ordinance, 1962. NBP is an associated company by virtue of common directorship and shareholding.

Financial Performance FY 2024:

Interest Income: Rs. 1,089,414 million | Net Profit: Rs. 26,866 million



Askari Bank Limited [ABL] is a public limited company incorporated in Pakistan. ABL is a scheduled commercial bank and is principally engaged in the business of banking as defined in the Banking Companies Ordinance, 1962. ABL is an associated company by virtue of shareholding.

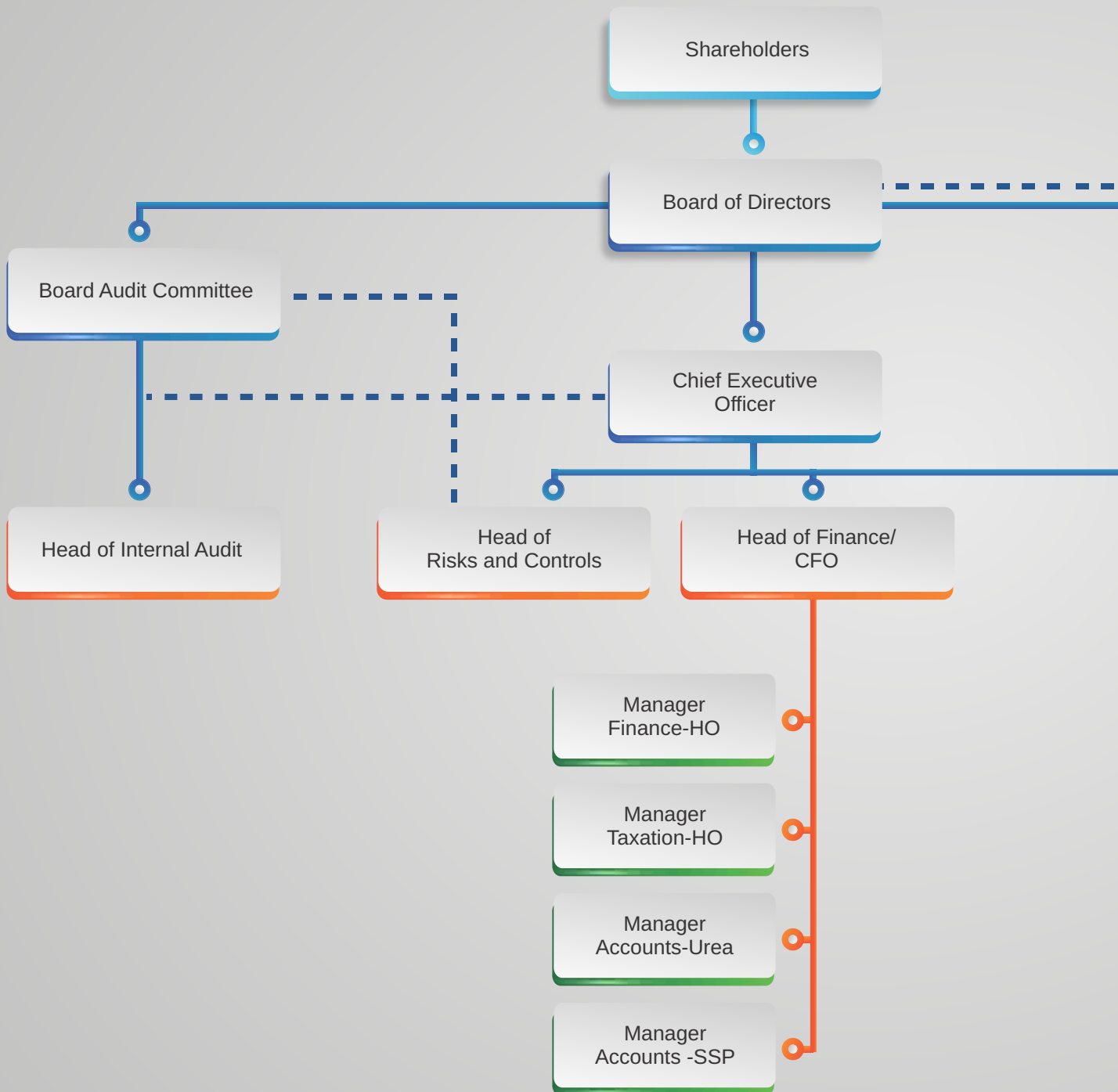
Financial Performance FY 2024

Interest Income: Rs. 401,028 million | Net Profit: Rs. 21,023 million

POSITION WITHIN THE VALUE CHAIN

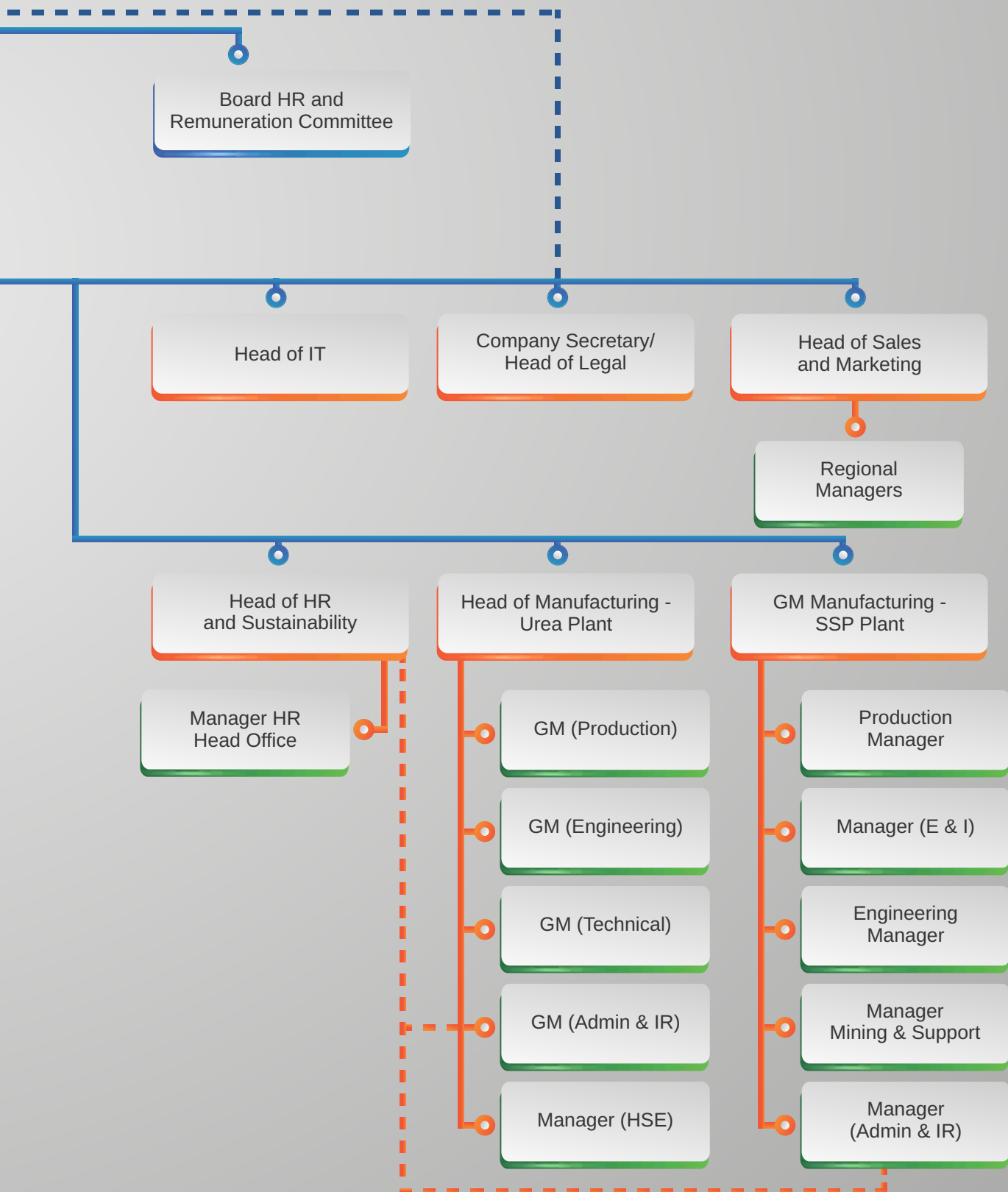


ORGANIZATIONAL CHART



———— Functional Reporting

- - - - - Administrative Reporting



HUMAN CAPITAL

Our Corporate culture is nurtured through setting world class performance standards and then focusing, empowering, encouraging and challenging all our employees to develop their capabilities to deliver this mind set transcends all levels of the organization.

This forms the core of the underlying HR policies at Agritech which are designed to deliver outstanding business performance by supporting and developing the Company's most important asset, its people.

Our culture empowers people to contribute to our business objectives and to simultaneously achieve their own personal and career goals. Every day our employees are challenged and motivated to seek the state of the art knowledge and skills required to stay ahead in today's changing business environment.

Teams and individuals are constantly encouraged to develop their professional capabilities, to question the status quo with courage of conviction, and reinvent themselves and their systems of work to confront the dynamics of a fast changing world.

Bureaucracy is constantly pruned to enable people to work with each other without being encumbered and to keep the focus on outcomes and delivery rather than just effort.

We have a strong commitment to meritocracy, and complying with our human resource polices, the Company does not employ any child labor and is an equal opportunity employer.

SUCCESSION PLANNING

In terms of succession planning, the Board emphasizes the importance of leadership development and talent pipeline management. Structured programs, mentorship opportunities, and identification of high-potential employees are key components of ensuring a steady supply of future leaders within the organization.

Contingency planning is also a crucial aspect of succession planning, with the policy outlining procedures for identifying key positions and developing strategies to mitigate risks associated with potential leadership gaps or unexpected departures.

The Board takes an active role in overseeing succession planning efforts, regularly reviewing plans to ensure alignment with strategic objectives and long-term goals.

Through proactive oversight and strategic guidance, the Board aims to position the organization for sustained growth and resilience, ensuring seamless transitions in leadership and continuity in operations.

"We endeavour to be the best employer in the Fertilizer Industry with high growth opportunity in an expanding company, locally and Internationally. Employment at Agritech has an opportunity to move into Fertilizer sector enabling you to acquire experience in largest Industrial Sectors of Pakistan".

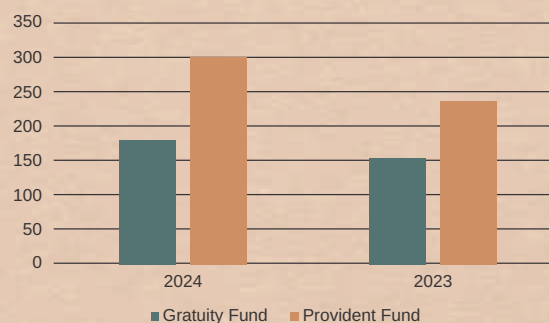
RETIREMENT BENEFITS

The Company operates an approved defined contributory provident fund for all employees. Equal contributions are made by the Company and employees at 8.33% and 10% of basic salary of executives and workers respectively.

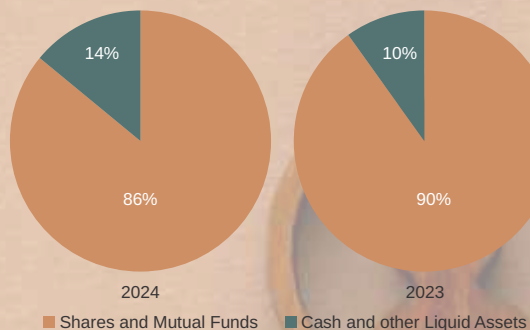
The Company also and operates approved funded gratuity scheme for its workers who have completed the minimum qualifying period of service as defined under the respective scheme. Provision is made annually to cover obligations under the scheme on the basis of actuarial valuation.

Fund/Plan Assets

[Rs. in millions]



Mix of Investments





Number of Employees

Total Strength: 998 Employees
Average Strength: 1020 Employees



Factory
973 Employees



Head Office
25 Employees

OUR BUSINESS MODEL

Our business model serves as the central axis of all our endeavors. It delineates the risks and opportunities present in our external surroundings, the resources we utilize, the operations we conduct, the partnerships we rely upon, and the results and impacts we aspire to generate. Ultimately, our aim is to foster sustainable value creation for our stakeholders across short, medium, and long-term horizons.

Strategic Objectives

- Optimize costs, improve energy efficiency & enhance synergies among functions for operational efficiency.
- Sustain growth in fertilizer business.
- Provision of top-quality fertilizers to farmers.
- Demonstrate commitment to sustainable social, environmental and governance.
- Be one of the preferred employers in the country.

Strong Governance Oversight

The Board of Directors is the primary governing body of the Company and operates in stewardship capacity on behalf of the shareholders, responsible for setting strategic direction, overseeing corporate performance, and safeguarding shareholder interests. The Board exercises its authority diligently and responsibly, adhering to thorough deliberation as mandated by the Company's Articles of Association, Companies Act 2017, Listed Companies (Code of Corporate Governance) 2019 and other relevant laws.

The Board operates as the steward of the Company's long-term interests, making high-level strategic decisions while delegating operational management to the executive team. This balanced approach ensures effective governance, strategic alignment, and accountability throughout the Company.

Capitals



Financial

Equity
Rs. 9,732 mn

Long Term Debt
24,112 mn



Manufactured

2 Manufacturing
Facilities

19 Nation-wide
Warehouses

397 Nation-wide
Dealers



Human

998
Employees

People Centered
Culture



Natural

Natural Gas

Water

Materials

Rock



Intellectual

Brands

Processes

Knowledge



Social & Relationship

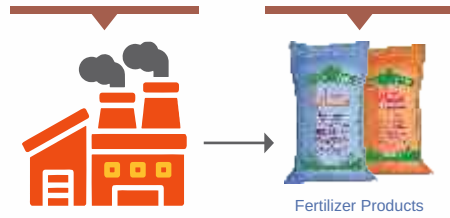
Sustainability
leadership

Relations with local
community, customers,
suppliers, and wider
stakeholders.

Value Creation and Addition

Continuous optimization
of manufacturing facilities

Widening opportunities
through top quality
fertilizer products with
nationwide dealers
network



Manufacturing

We use these capitals as
input to Manufacture top
quality Urea and
Phosphate Fertilizers.



Distribution

Through nation-wide
dealers network.

Transportation

Through contracted
transporters.

Net Revenue
41% to 31.31bn

Cost of Sales
41% to 25.04bn

Gross Profit
42% to 6.3bn

Operating & Financial Cost
26% to 9.4bn

Outcomes

We create and share value with our stakeholders, which ultimately creates value for us.

Shareholders

- Increased shareholders' wealth by Rs. 10,343 million in terms of market capitalization.

Employees

- Paid Rs. 1,529 million as salaries, wages and benefits.
- Provided 4,000 hours of extensive in-house, out sourced and online training to enhance human resource capacity and workforce skills.
- A thriving culture for nourishing valuable human capital.

Customers

- Company always manages a quality return to customers by delivering top quality fertilizer products.

Community

- Undertaking CSR initiatives to uplift the lives of community and contributing to basic public good.

Regulators

- Compliance with all the regulatory requirements
- Rs. 2,374 million to Government exchequer.

Environments

- Protecting the environment through Energy Efficient processes.

Working with customers to enhance product utilization and farm productivity



Community Engagement

We work with our employees and local community. We strive to build trust in our company to enhance business and become trusted partner for stakeholders.



Product Use

We serve our customers through a country-wide efficient after sales agri services.



Maintaining the trust of our Stakeholders

- Increasing Shareholders' wealth.
- Equity base strengthening through profits.
- Sustainable business foundations through delivering market competitive products.
- Expanded contribution to national exchequers on account of taxes and duties.
- Use of Energy Efficient production process.



Other gains
47% to 2.1bn



Loss before taxes
228% to 1.1bn



Final/minimum and income taxes
113% to 31mn



Loss after taxes
203% to 1.1bn

SIGNIFICANT FACTORS AFFECTING THE EXTERNAL ENVIRONMENT

Agritech is subject to the influence of the external environment in which it operates, alongside various situational variables shaping day-to-day circumstances. Consequently, it becomes imperative for the Company to maintain vigilance and continually assess the environment in which it functions, adapting to fluctuations proactively. Below are several significant factors that impact the external environment of the Company:

Political

Description

Political environment determines the extent to which a government may influence the economy or a certain industry.

Changes from Prior Year

Government focus on indigenous production of urea fertilizer to save foreign exchange

AGL's Response

Effective coordination with Government entities from the platform of Fertilizer Manufacturers Pakistan Advisory Council

Economical

Description

Economical factors are determinants of an economy's performance that directly impacts a business and have resonating long term effects.

Changes from Prior Year

Rising input costs of raw material and full axle load impact on distribution costs

AGL's Response

Energy efficiency projects, managing costs, achieving synergies and restructuring of loans

Social

Description

These factors scrutinize the social environment of the market and gauge the demographic characteristics, norms, customs and values of the population within which the organization operates.

Changes from Prior Year

Increased awareness in farmer community to increase crops yields

AGL's Response

Farmers' awareness programs for increasing crops yield with the use of fertilizers

Technological

Description

Technological environment pertains to innovations in technology that may affect the operations of the industry and the market favorably or unfavorably. This refers to automation, research and development and the amount of technological awareness that a market possesses.

Changes from Prior Year

Technological advancements and increased IT security risks, particularly those pertaining to cybersecurity

AGL's Response

Developed mobile application for product authentication, improved IT controls, new ERP modules implementation

Environmental

Description

Environmental factors include all those that influence or are determined by the surrounding environment.

Changes from Prior Year

Global warming and climate change

AGL's Response

Targeted improvement in plant efficiency are set that shall be translated into less CO2 emission.

Fresh water for plantation is prohibited, recycle water is being used for irrigation and plantation.

Legal

Description

Legal environment includes laws, rules and regulations that organizations are required to abide by.

Changes from Prior Year

Enhanced reporting and compliance requirements

FED imposed on sales of fertilizer products

AGL's Response

Keeping abreast with changing legal and regulatory environment by engaging internal and external experts and ensuring strict compliance

SWOT ANALYSIS



STRENGTHS

- One of the most modern and State of Art Plant and machinery
- Market leadership in SSP fertilizer
- Skilled and experienced technical and support teams
- Demonstrated resilience of the management team against multiple challenges
- Established brand name and strong dealer network
- Strong governance structure with focus on sustainability, risk and controls, meritocracy, transparency and equal opportunities
- Lean structure



WEAKNESSES

- Single source raw material supplier for urea
- Limited product line
- High leverage
- Limited access to debt capital



OPPORTUNITIES

- Implementation of Approved Re-structuring scheme
- Expansion of SSP business
- New products (Ammonium Sulphate etc)
- High cost of imported urea
- Implementation of energy efficiency projects to reduce energy cost
- Increasing market demand and limited local production facilities in the country
- Government's expression of resolve for gas reform with the possibility of uniform gas price for all players in the sector



THREATS

- Inconsistent government policy with respect to gas supply
- Frequent gas price increase alongwith product pricing pressure
- Lack of level playing field in the form of different gas prices for players in the sector
- Depleting gas reserves in the country and uncertainty about pricing and quantity of imported RLNG
- Volatility in international prices of fertilizers

COMPETITIVE LANDSCAPE AND MARKET POSITIONING

Agritech boasts an extensive dealer network catering to farmers nationwide, facilitating timely product delivery and operational efficiency. This network, comprising fertilizer dealers, optimizes logistical and capital resources while ensuring prompt service to farmers.

The myriad challenges confronting farmers present opportunities for Agritech to become a trusted business ally, offering valuable support and guidance through its Agri Advisory Services. The competitive landscape and market positioning are detailed as follows:

INDUSTRY COMPETITION

Pakistan's fertilizer retail sector features competitors of various sizes and ownership structures. Indigenous fertilizer manufacturing companies are primary competitors in the Urea market, while both large corporations and smaller independent importers dominate other fertilizer segments. High fixed costs among manufacturers incentivize aggressive market share pursuits, with each percentage gained enabling better cost distribution and enhanced net margins. Agritech captured a 6% market share in Urea and 88% in GSSP Fertilizers during the year.

POTENTIAL NEW ENTRANTS

Entry barriers in the fertilizer market, including capital intensity, raw material scarcity, and market saturation, deter new competitors. Significant financial investments in infrastructure, machinery, research, and marketing are prerequisites for entry, while distribution channel access is constrained by existing incumbents' strong ties. Moreover, established players enjoy cost advantages challenging for newcomers to replicate.

THREAT OF SUBSTITUTES

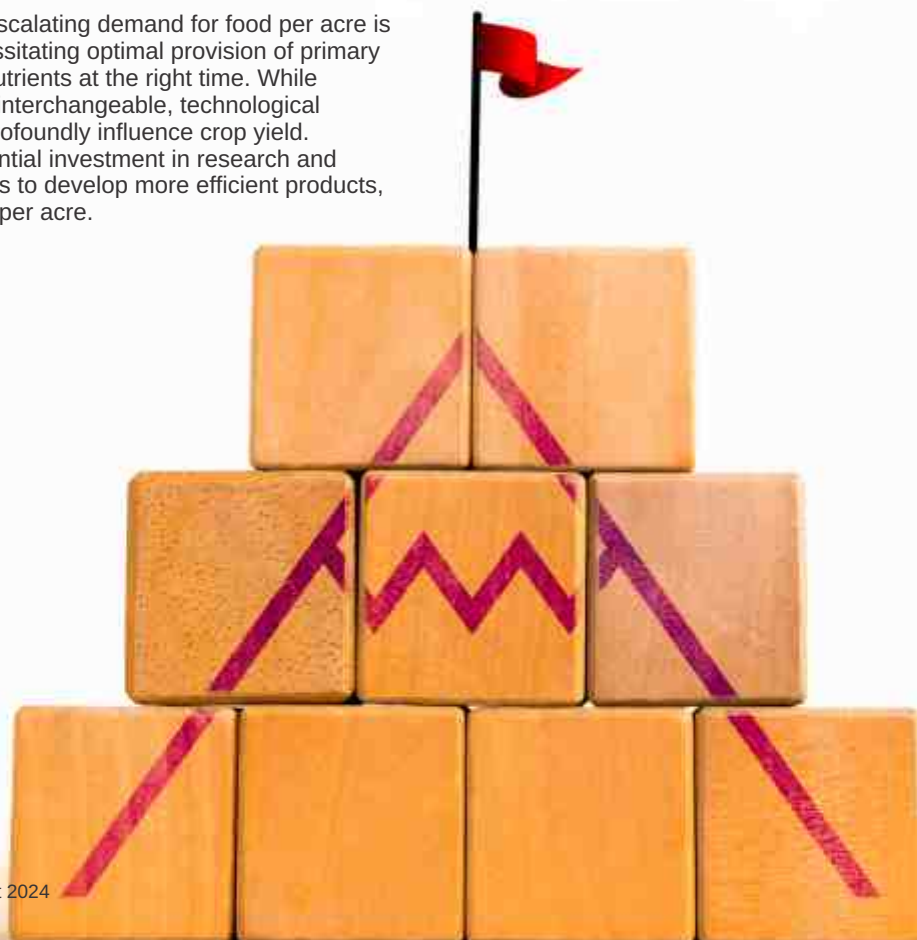
Addressing the escalating demand for food per acre is imperative, necessitating optimal provision of primary and secondary nutrients at the right time. While nutrients are not interchangeable, technological advancements profoundly influence crop yield. Agritech's substantial investment in research and development aims to develop more efficient products, maximizing yield per acre.

SUPPLIER POWER

Agritech's sustainable growth hinges on partnerships with reputable suppliers for raw materials, particularly GoP for supply of natural gas, inputs, equipment, and machinery, as well as financing. Uninterrupted gas supply and strategic procurement align with the company's budgetary objectives, ensuring operational continuity.

CUSTOMER POWER

Agritech prioritizes customer relationship management, offering more than just credit facilities and trade discounts. Through Agri Services, the company drives agricultural innovation and underscores the importance of knowledge dissemination for farmers' economic sustainability. Customer loyalty, brand preference, and efficient supply chain management are vital to Agritech's success and performance.



OTHER INFORMATION

EFFECT OF SEASONALITY ON BUSINESS

There are two major Cropping seasons in Pakistan : (a) Kharif (Summer - Apr-Sep) and (b) Rabi (Winter - Oct-Mar). Urea sales peak in June-July-Aug timeframe and Nov-Dec-Jan-Feb timeframe. SSP sales are mostly skewed towards winter (Oct-Dec) at the time of Wheat Sowing. All of these factors are accounted into, while planning for Production, Inventory Management/Sales.

LEGISLATIVE AND REGULATORY ENVIRONMENT

Legal considerations encompass existing and forthcoming legislation that may influence various aspects of the industry, including employment, competition, and health and safety. Companies are obligated to adhere to all pertinent legal mandates relevant to their operational sector. Agritech diligently complies with applicable laws such as the Companies Act, 2017, Income Tax Ordinance 2001, SECP Act, and Code of Corporate Governance, as well as regulations concerning labor and environmental standards. The company has established robust checks and balances to ensure adherence to statutory requirements, employing the services of consultants and fostering in-house expertise to achieve this objective.

LEGITIMATE NEEDS AND INTERESTS OF KEY STAKEHOLDERS

At Agritech, we prioritize the legitimate needs and interests of our key stakeholders, which encompass customers, employees, shareholders, suppliers, regulators, and the broader community in which we operate. Management is attuned to the needs and interests of shareholders, taking proactive steps to cultivate trust, loyalty, and a positive reputation. Our business strategy and operations are influenced by industry trends, with our leadership teams ensuring that market conditions, consumer behavior, technology advancements, and regulatory mandates are effectively addressed and integrated into our business processes.

POLITICAL ENVIRONMENT

Political dynamics refer to the influence of government policies and actions on the economy, specific industries, and organizations, particularly for entities like Agritech, whose operations rely on a consistent supply of natural gas and are subject to government intervention in pricing. Agritech's management closely monitors potential challenges and allocates resources accordingly to address imminent issues. Moreover, the company remains vigilant about emerging developments that could impact operations in the future, allowing for effective planning and the formulation of strategic alternatives.

SIGNIFICANT EVENTS DURING THE PERIOD

The year 2024 has been marked by many significant events including conduction of election of directors in EOGM held in July 2024. A key milestone was achieved regarding implementation of scheme of arrangement by issuance and induction of Preference Shares in December 2024. The Company's commitment to excellence was recognized with the prestigious Best Corporate Report Awards, highlighting its strong corporate practices and performance. Furthermore, the year saw a significant development with the acquisition of substantial stakes in the Company by two major industrial groups; Fauji Fertilizer Company (FFC) and Maple Leaf Cement Factory (MLCF), further strengthening the Company's financial position and market confidence.

SIGNIFICANT CHANGES FROM PRIOR YEARS

There are no significant changes from prior years regarding information disclosed in this section.



B

39-44

STRATEGY
AND RESOURCE
ALLOCATION

Objectives, Strategies And Resources

41

Debt Management

44

OBJECTIVES, STRATEGIES AND RESOURCES

STRATEGIC DECISIONS PROCESS

Our strategic decision-making process involves a systematic approach to identifying, evaluating, and selecting the best course of action to achieve Company's goals. It typically begins with business and environmental analysis, where internal and external factors are assessed to understand the current state of the organization and anticipate future opportunities and threats. Based on this analysis, strategic objectives are formulated, outlining the desired outcomes and direction for the Company. Next, alternative strategies are generated and evaluated based on criteria such as feasibility, alignment with objectives, and potential risks and benefits. Once a strategy is selected, it is translated into action through detailed planning, resource allocation, and implementation. Throughout the process, continuous monitoring and evaluation are essential to track progress, adapt to changing circumstances, and ensure that strategic objectives are being met effectively. Our strategic decision-making incorporates collaboration, creativity, and critical thinking, as well as effective communication and leadership to align stakeholders and drive organizational success.

OBJECTIVES AND STRATEGIES

Our strategy is multifaceted, encompassing various key elements aimed at driving long-term value creation and responsible business practices. We prioritize sustained growth in our fertilizer business, leveraging innovation and market expansion to ensure continued success while minimizing environmental impact. We focus on optimizing costs and fostering synergies among functions to enhance operational efficiencies, enabling us to deliver high-quality products and services in a cost-effective manner. Additionally, we are committed to providing top-quality fertilizer to farmers, supporting agricultural productivity and sustainability while meeting the needs of our customers. Furthermore, we demonstrate our dedication to sustainable practices through proactive efforts in social, environmental, and governance domains, striving to make a positive impact on society and the planet. Lastly, we aspire to be recognized as one of the preferred employers in the country, offering a supportive and inclusive workplace where employees can thrive and contribute to our shared success. Through these integrated strategies, we aim to create value for all stakeholders while advancing our sustainability goals and reinforcing our position as a responsible corporate citizen.

Optimize costs, improve energy efficiency & enhance synergies among functions for operational efficiency

 Nature
Medium Term and Long Term

 Priority
High

Strategy

To enhance operational efficiency, our strategic approach involves optimizing costs and fostering synergies among different functions within the organization. This entails identifying areas where costs can be minimized without sacrificing quality or productivity. With rising energy input costs, constant improvement in energy efficiency at urea plant is a critical strategic direction. Streamlining processes, consolidating resources, and leveraging technology are effective ways to achieve cost optimization. Additionally, fostering collaboration and communication among departments fosters synergies, allowing for better coordination and alignment of goals. By implementing these strategies, businesses can achieve higher levels of productivity, reduced expenses, and improved overall performance, ultimately driving sustainable growth and success.

Resources Allocated

Human Capital, Financial Capital, Manufactured Capital

KPIs Monitored

Net Profit Margin and Production Efficiency

Status

On-going Process

Future relevance of KPIs

The KPIs will remain relevant in future

Sustain growth in fertilizer business

 Nature
Short Term, Medium Term & Long Term

 Priority
High

Strategy

Our strategy for sustaining growth in the fertilizer business involves continuous innovation in product offerings, expansion into new markets, and prioritizing customer satisfaction through top quality products and agri-services. Operational efficiency is key, achieved through streamlining production processes and optimizing the supply chain. Embracing sustainable practices not only meets consumer demand but also ensures environmental responsibility. Regulatory compliance is crucial, as is investing in branding and marketing efforts to build trust and differentiate products. By fostering research and development initiatives, fertilizer businesses can adapt to market demands and maintain a competitive edge, driving sustainable growth in the industry.

Resources Allocated

Human Capital, Financial Capital, Manufactured Capital, Intellectual Capital and Natural Capital

KPIs Monitored

Production, Sales, Net Profit Margin and Market Share

Status

On-going Process

Future relevance of KPIs

The KPIs will remain relevant in future

Provision of top-quality fertilizers to farmers

/// Nature

★★★ Priority

Medium Term and Long Term

High

Strategy

Ensuring the provision of top-quality fertilizer to farmers involves a strategic approach focused on several key elements. We have implemented rigorous quality control measures throughout the production process to maintain consistency and reliability in the fertilizer's composition. We invest in research and development to innovate new formulations tailored to specific crop needs and soil conditions in order to enhance effectiveness and yields. Further, establishing strong distribution networks and partnerships with trusted suppliers ensuring timely delivery and accessibility for farmers in remote areas. Finally, providing ongoing agronomic support and education to farmers helps optimize fertilizer usage, leading to improved crop yields and agricultural sustainability.

Resources Allocated

Human Capital, Financial Capital, Social and Relationship Capital, Manufactured Capital

KPIs Monitored

Customer Satisfaction Index, Sales and Net Profit Margin

Status

On-going Process

Future relevance of KPIs

The KPIs will remain relevant in future

Demonstrate commitment to sustainable social, environmental and governance framework

/// Nature

★★★ Priority

Medium Term and Long Term

High

Strategy

We demonstrate our commitment to sustainable social, environmental, and governance practices through a multifaceted approach. Firstly, we prioritize environmental stewardship by implementing eco-friendly production processes, reducing waste, and promoting conservation efforts. Secondly, we actively engage with local communities through initiatives such as education programs, job creation, and infrastructure development, contributing to social well-being and economic empowerment. Thirdly, we uphold the highest standards of corporate governance, ensuring transparency, accountability, and ethical business practices in all our operations. By integrating these principles into our business strategy and decision-making processes, we aim to create long-term value for all stakeholders while fostering a more sustainable and equitable future.

Resources Allocated

Human Capital, Financial Capital, Social and Relationship Capital and Natural Capital

KPIs Monitored

Energy Efficiency, No.s of CSR and Sustainability Initiatives and Health and Safety Incidents

Status

On-going Process

Future relevance of KPIs

The KPIs will remain relevant in future

Be one of the preferred employers in the country

/// Nature

★★★ Priority

Medium Term and Long Term

High

Strategy

We at Agritech put in concerted efforts to prioritize employee satisfaction, growth, and well-being. We aim to achieve this by offering competitive compensation packages, opportunities for career advancement, and a supportive work environment that fosters collaboration and innovation. Additionally, we prioritize employee development through training programs, mentorship initiatives, and continuous feedback mechanisms. By prioritizing the needs and aspirations of our employees, we strive to create a workplace culture where talent is valued, diversity is celebrated, and individuals can thrive both personally and professionally.

Resources Allocated

Human Capital, Social and Relationship Capital

KPIs Monitored

Employee Turnover and Employee Engagement

Status

On-going Process

Future relevance of KPIs

The KPIs will remain relevant in future

OBJECTIVES, STRATEGIES AND RESOURCES

RESOURCE ALLOCATION PLANS

In pursuit of the Company's strategic goals, resource allocation plans are devised and resources are assigned to strategic initiatives. These plans encompass the necessary financial and human resources essential for executing the strategy. This ensures that business planning aligns seamlessly with strategic objectives within the Company.

KEY CAPABILITIES AND RESOURCES TO PROVIDE SUSTAINABLE COMPETITIVE ADVANTAGE

The Company's competitive advantage stems from a myriad of key resources and capabilities. These include our dynamic and innovative human and intellectual capital, supported by cutting-edge plant and machinery equipped with the latest technology. Market leadership in SSP fertilizer production further solidifies our position, complemented by a robust legacy and goodwill that underscores our reliability and trustworthiness. Our skilled technical and support teams, coupled with the resilience demonstrated by our management in the face of various challenges, further fortify our competitive edge.

Moreover, our established brand name and extensive dealer network enable us to effectively reach and serve our customers, fostering loyalty and market presence. Underpinning these strengths is a robust governance structure that prioritizes sustainability, risk management, and transparency. Our commitment to meritocracy and equal opportunities ensures that talent is recognized and leveraged to its fullest potential, contributing to our sustained success in the market. Together, these factors combine to provide a sustainable competitive advantage, positioning the company for continued growth and prosperity in the ever-evolving business landscape.

SIGNIFICANT CHANGES IN OBJECTIVES AND STRATEGIES

In response to the ever-evolving business landscape, strategic objectives and their implementation strategies are meticulously developed and executed. While the core strategic objectives and strategies remain unchanged, the Strategic Plan is continuously updated to incorporate new strategic initiatives aligned with these objectives.

EFFECTS OF EXTERNAL FACTORS

ESG Reporting and Challenges

Agritech takes a proactive approach to address emerging trends in technology, sustainability, and environmental, social, and governance (ESG) issues. In formulating its overarching business strategies, the company also considers factors such as demographic shifts, healthcare, poverty reduction, and educational needs, recognizing the evolving external business landscape. These external factors significantly influence the organization's future strategic direction. Each year, Agritech refines its well-developed strategy, converting it into a cohesive action plan. Management continually

monitors potential challenges and allocates resources accordingly to prioritize actions. Moreover, the company remains vigilant about forthcoming developments, ensuring effective planning and the formulation of alternative strategies. For further insights into Agritech's ESG journey, please refer to Section E.

Technological Changes

Agritech adeptly navigates the impacts of technological advancements on its company strategy and resource allocation, ensuring agility and resilience in an ever-evolving landscape. As technological innovations continually reshape industries, Agritech remains vigilant, proactively assessing the implications of these changes on its operations. By staying abreast of emerging technologies, the company identifies opportunities to enhance efficiency, improve product offerings, and streamline processes. Moreover, Agritech recognizes the importance of strategic resource allocation in harnessing the benefits of these advancements. Through careful planning and allocation of financial and human resources, the company optimizes its ability to leverage new technologies effectively. This proactive approach enables Agritech to maintain a competitive edge, adapt swiftly to market shifts, and position itself for sustained growth in the dynamic technological environment.

Innovation Initiatives

Agritech promotes a culture of innovation internally by encouraging creativity, experimentation, and knowledge sharing among its employees. The company provides platforms for employees to propose and develop new ideas, fostering a culture of continuous improvement and entrepreneurship.

Resource Shortages

Agritech employs several strategies to address the effects of resource shortages, including foreign currency shortages and liquidity crises, on its company strategy and resource allocation. The Company ensures resilience in its supply chain by maintaining a sufficient inventory of critical supplies to help mitigate the risk of disruptions caused by import restrictions imposed by the government due to foreign currency shortages. Additionally, Agritech explores alternate sources for procurement to diversify its supplier base and reduce dependency on a single source. In response to liquidity crises, Agritech has implemented a comprehensive restructuring scheme sanctioned by the Lahore High Court to address overdue debt finances. Through this scheme, the Company has successfully restructured majority of its overdue debts and accrued mark-up, thereby reducing financial strain and improving liquidity.

Overall, Agritech's proactive measures to address resource shortages demonstrate its commitment to maintaining operational continuity, mitigating risks, and optimizing resource allocation even in challenging circumstances. Through strategic planning and decisive actions, Agritech navigates through resource constraints while sustaining its operations and pursuing its long-term strategic objectives.

DEBT MANAGEMENT

The Company faces the challenge of long overdue financial liabilities where it was unable to meet its obligations in respect of some debt finances and is not in compliance with certain financial covenants. The details of overdue financial liabilities are as follows:

Rs. in million	Principal	Mark-up	Total
Convertible, redeemable preference shares	1,485	2,191	3,676
Short term borrowings	2,058	2,748	4,806
	3,543	4,939	8,481

SETTLEMENT WITH SHORT TERM LENDERS

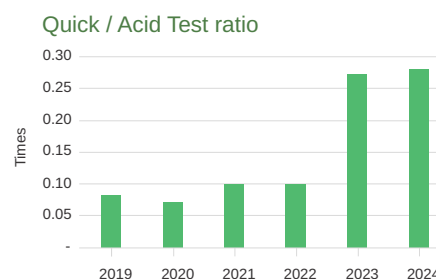
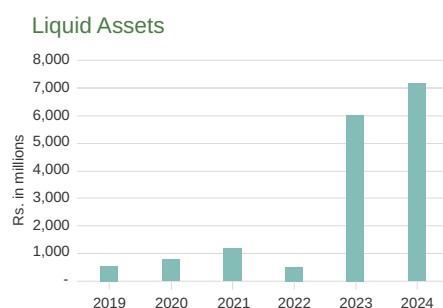
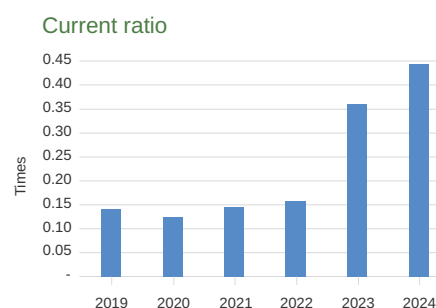
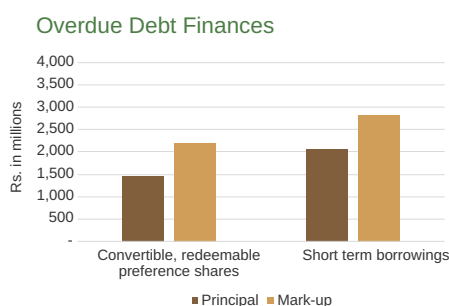
The Company has signed settlement agreements with three short term lenders till December 2024 which has resulted in gain in respect of restructured principal and accrued markup thereon. These settlements have resulted in immediate withdrawals of recovery suites filed by the lenders with principal portion to be repaid in 3 to 7 years. Management is expecting similar settlements with more lenders in 2025 as well which will further reduce the debt burden of the Company.

CONVERSION OF REDEEMABLE CONVERTIBLE PREFERENCE SHARES

As disclosed in note 10 of accompanying financial statements, the Company is in receipt of notices for conversion of major portion of outstanding preference shares. Accordingly, these convertible preference shares will be converted into ordinary shares in first half of 2025, thereby eliminating the principal and dividend payable thereon. This will result in improvement of capital structure of the Company.

IMPLEMENTATION OF SCHEME OF ARRANGEMENTS (SOA)

As explained in note 9 and 11 in the accompanying financial statements, the Company has achieved key milestones of issuance of redeemable non-convertible preference shares under SOA. Issuance of zero coupon PPTFCs is currently under progress and is expected to complete in early 2025 which will mark the completion of implementation of SOA. This implementation of the scheme will be instrumental in withdrawal of legal cases filed by the lenders as well as paving the way to attract debt capital.





C

45-60

RISK AND
OPPORTUNITIES

Risk Management Framework

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Risks and Opportunities Report

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RISK MANAGEMENT FRAMEWORK

RISK AND CONTROL POLICY

The AGL board has authorized a risk and control policy to develop and enhance internal controls, protect employees and company assets, support the accomplishment of organizational goals, and ensure the company's financial sustainability.

ENTERPRISE RISK MANAGEMENT FRAMEWORK

The risk management framework established by the AGL Board identify and evaluate the company's level of risk tolerance and provide a way to reduce the detrimental effects of such risks on the company's operations. The framework offers guidance covering important risk areas and explains the process of identifying and managing risks.

The framework enables the organization to proactively manage its risks and reduce their impact to an acceptable level within its risk tolerance.

Key elements of risk management process are described below:



RISK GOVERNANCE STRUCTURE

The Company's risk management strategy is under the Board's purview. Furthermore, the Board's Audit Committee has an oversight function to ascertain that internal controls, including financial and operational controls, are in place and that risk management procedures are sufficient.

Management of the company is responsible for implementing the Board's strategy and for developing policies and procedures to identify, manage and mitigate risks across the Company operations.

Below are the key governance structure elements:

- i) Board of directors
- ii) Board Audit Committee
- iii) Internal Risk Management Committee
- iv) Risk Function of the company
- v) Risk Champions/ Coordinators
- vi) Internal Audit Function

RISK CATEGORIES

Agritech has put in place a reliable system for quickly identifying, evaluating, and mitigating the risks and uncertainties to which it is exposed in the regular course of business.



Strategic Risk

Strategic risks arise from organization's strategic decisions, objectives and initiatives. This risk is internal in nature and can compromise the achievement of high-level goals and organizational strategies. Agritech's Board continuously oversees the strategies and takes a proactive role in managing these risks.



Financial Risk

Financial risks are the risks that could lead to financial loss and compromise the credibility of the financial reporting e.g., liquidity risk, credit risk, exchange risk. These risks are explained in detail in financial statements as well. Note 45 to the financial statements may be referred for details.



Operational Risk

Operational risks are the risks that compromise day to day operational effectiveness and efficiency of the functions and hinder the appropriate utilization of available resources. These risks are managed by ensuring robust internal controls, investing in technology and cybersecurity measures and contingency plans to avoid unforeseen events.



Reputational Risk

Reputational risks are those risks that may impact the reputation of the Company resulting in adverse impact over organization's public profile and goodwill with the stakeholders. This can arise from negative public perception, often resulting from actions, events, or circumstances that impact how the organization is perceived by its stakeholders.



Compliance Risk

Compliance risks can arise from non-compliance of applicable laws, rules and regulations and can have an impact on the organization in form of fines, penalties, litigations etc.

RISK REGISTER

Our company is committed to sound corporate governance and risk management, which is why we maintain a comprehensive risk registry across all departments. This register serves as a dynamic repository where the hazards associated with each department are described in detail. Risk champions collaborate with the risk and control function to identify, evaluate, and report to top management the risks that the department faces.

CONTROL ENVIRONMENT

Risk function, in collaboration with respective departments, devises the appropriate control measures to mitigate the identified risks and bring them to an acceptable low level. Board Audit Committee, however, has an oversight role in evaluating the effectiveness of risk response in alignment with company's risk appetite and tolerance level. Management further ensures that the company's activities are carried out in compliance with robust internal controls and a safe control environment is established.

RISK APPETITE AND TOLERANCE

It is the oversight responsibility of the board to ensure that the effective risk management and internal control systems are in place. The Board's Audit Committee facilitates the Board in discharging this responsibility. The Board Audit Committee ensures that company's activities are carried out in compliance with robust

internal controls and control environment is established. This is further driven by identification of risks and alignment of risks appetite and tolerance levels to Strategic, Operational, Financial, Regulatory & Compliance Risks.

RISK MITIGATION STRATEGIES AND POTENTIAL OPPORTUNITIES

AGL has developed Risk & Control function aiming to identify and mitigate the major risks facing the company. Board Audit Committee has oversight responsibility for risk management and has appointed Risk & Control team to conduct risk assessment for entity-wide objectives and their achievement.

A risk management framework has been designed to identify, analyze and respond to the risks while looking for opportunities as well.

Board sub-committees have their respective roles to contribute in organization risk management.

Board Audit Committee monitors the risk management process periodically with primary focus on high-risk area i.e., financial risks, regulatory risks and strategic risks. Any significant risks which require immediate remedial action are brought to their attention.

In addition to that, an Internal Risk Management Committee has been formed to oversee and manage risks within the organization in alignment with organizational goals. The RMC has specific responsibilities given below:

RISK MANAGEMENT FRAMEWORK

- i) Determining the organization's risk appetite along with crafting strategies that align with risk tolerance
- ii) Providing an independent layer of oversight regarding the organization's risk management practices
- iii) Reviewing internal control policies in respect of control procedures of risks
- iv) Reporting on risk management activities to the relevant authorities
- v) Monitoring of emerging risks and conduct annual reviews of the effectiveness of Enterprise Risk Management system to ensure that it meets organization needs
- vi) Monitoring and evaluation effectiveness of existing controls and procedures in mitigating compliance risks and ensure all departments adhere to applicable laws and regulations
- vii) Fostering a culture of risk awareness across the organization about risk management practices

IT steering Committee provides direction for overarching IT policies, strategies, stewardship and IT funding along with guidance on evolution of IT solutions through collaboration with key stakeholders and prioritization of technology plan strategic initiatives.

HR & Remuneration Committee focuses on alleviating risks pertaining to human capital of the organization. Market competitive compensation packages and effective succession planning for the growth of employees as well as sustainable human capital for AGL is their top priority.

The company keeps on exploring the best investment opportunities in the market especially pertaining to retirement funds and occasional surplus reserves. A thorough due diligence is performed before presenting such recommendations to the board including risks and rewards related to them.

RISK CHAMPIONS / COORDINATORS

Risk management champions / coordinators have been nominated and mandated to support their respective head of departments for maintaining a consistent approach to risk management within their department by identifying and reporting of risks within their area of responsibility. They are responsible for overseeing risk registers, monitor and follow-up on risk mitigation activities and reporting regarding their department.

KEY SOURCES OF UNCERTAINTY

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may

differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. Judgments made by management in the application of approved accounting standards that have significant effect on the financial statements and estimates with a risk of material adjustment in subsequent years are as follows:

Depreciation method, rates and useful lives of property, plant and equipment

The management of the Company reassesses useful lives, depreciation method and rates for each item of property, plant and equipment annually by considering expected pattern of economic benefits that the Company expects to derive from that item and the maximum period up to which such benefits are expected to be available.

Any change in estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on depreciation charge and impairment.

Amortization method, rates and useful lives of intangible assets

The management of the Company reassesses useful lives, amortization method and rates for each intangible asset having finite lives annually by considering expected pattern of economic benefits that the Company expects to derive from that item and the maximum period up to which such benefits are expected to be available.

Recoverable amount of assets / cash generating units and impairment

The management of the Company reviews carrying amounts of its assets and cash generating units for possible impairment and makes formal estimates of recoverable amount if there is any such indication of impairment.

Taxation

The management of the Company takes into account the current income tax law and decisions taken by appellate authorities while estimating its tax liabilities. For recognition of deferred tax assets, estimates of the Company's future taxable profits against which carry forward tax losses can be used are taken into account.

Provisions

Provisions are based on best estimate of the expenditure required to settle the present obligation at the reporting date, that is, the amount that the Company would rationally pay to settle the obligation at the reporting date or to transfer it to a third party.

Revaluation of property, plant and equipment

Revaluation of property, plant and equipment is carried out by an independent professional valuer. Revalued amounts of non-depreciable items are determined by reference to local market values and that of depreciable items are determined by reference to present depreciated replacement values.

The frequency of revaluations depends upon the changes in fair values of the items of property, plant and equipment being revalued. When the fair value of a revalued asset differs materially from its carrying amount, a further revaluation is required. Such frequent revaluations are unnecessary for items of property, plant and equipment with only insignificant changes in fair value. Instead, it may be necessary to revalue the item only every three or five years.

Stores, spares, loose tools and stock-in-trade

The Company reviews the stores, spares, loose tools and stock-in-trade for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of stores, spares and loose tools and stock-in-trade with a corresponding effect on the provision.

Staff retirement benefits

The Company operates a funded gratuity scheme covering all eligible employees completing the minimum qualifying period of service as specified by the scheme. Annual provision is made on the basis of actuarial valuation to cover obligations under the scheme for all employees eligible to gratuity benefits respective of the qualifying period. The projected unit credit method used for the valuation of the scheme is based on assumptions stated in note 12 to the annexed financial statements.

Fair values of financial instruments with no active market

Fair values of financial assets and financial liabilities with no active market are determined by discounting estimated future cash flows at effective interest rate; the rate that exactly discounts estimated future receipts / payments through expected life of the financial assets / liabilities or, when appropriate, a shorter period, to the net carrying amount of the financial assets / liabilities.

Other areas where estimates and judgments are involved have been disclosed in the respective notes to the financial statements.

RISK OF SUPPLY CHAIN DISRUPTION DUE TO AN ENVIRONMENTAL, SOCIAL OR GOVERNANCE INCIDENT

The Board has conducted a thorough assessment of the potential risks associated with supply chain disruption stemming from environmental, social, or governance incidents. In response, the company has devised a comprehensive strategy aimed at both monitoring and mitigating these risks proactively.

Recognizing the multifaceted nature of supply chain vulnerabilities, the company acknowledges the diverse range of factors that could precipitate disruption. These include, but are not limited to, natural calamities, governmental regulations, fluctuations in gas supply, and import restrictions. Any disruption in the supply chain could result in increased downtime.

To effectively monitor and mitigate these risks, the company has outlined several key strategies:

Enhancement of Vendor Database and Supply Mechanism

The Company will prioritize the management and improvement of its vendor database, ensuring the inclusion of reliable and sustainable suppliers. Additionally, mechanisms for timely and efficient parts supply will be optimized, with a focus on engaging operation and maintenance services experts as required.

Augmentation of Critical Spare Parts Inventory

Recognizing the importance of maintaining uninterrupted operations, the Company will increase its inventory levels of critical spare parts. This proactive measure aims to minimize downtime by ensuring the availability of essential components at all times.

Development of Local Vendor Relationships

In an effort to diversify and strengthen its supplier base, the Company will actively foster relationships with local vendors. By nurturing partnerships with local suppliers, the company aims to reduce reliance on foreign sources and enhance its resilience to supply chain disruptions.

Effective Forex Management

Given the potential impact of currency fluctuations on procurement costs, the Company will implement robust forex management practices. By closely monitoring exchange rate movements and employing hedging strategies where appropriate, the Company aims to mitigate the financial risks associated with international transactions.

In summary, the Company's strategy for monitoring and mitigating the risk of supply chain disruption due to environmental, social, or governance incidents is comprehensive and proactive. By prioritizing vendor management, inventory optimization, and strategic partnerships, the Company aims to safeguard its operations against potential disruptions and ensure the continued reliability of its supply chain.




RISK ASSESSMENT

The Board of Directors have carried out a robust assessment of the principal risks facing the Company, including those that would threaten the business model, future performance, solvency or liquidity.


The results of risk assessment carried out by the Board, risks identified, capitals affected along with the associated objectives, opportunities and mitigation strategies have been present in the Risks and Opportunities Report presented in the pages to follow.

RISKS AND OPPORTUNITIES REPORT

Material uncertainty that raises doubts about the Company's ability to continue as a going concern.


 Strategic Risk
  Operational Risk
  Financial Risk

Source




EXTERNAL

Rating




HIGH

Likelihood



MODERATE

Magnitude



HIGH

Associated Objectives

Sustain growth in fertilizer business.
Optimize costs, improve energy efficiency and enhance synergies among functions for operational efficiency.


Opportunities

Restructuring of debt finances and accrued mark-up interest thereon.
Consistent monitoring of cash flows and cost savings.

Mitigating Strategies



Engagement with finance providers and stakeholders to take a fresh look towards stable and long-term view of the Company. Close liaison with elected government to seek long-term arrangements for gas supply.

Horizon



Immediate to Long Term




Affected Capital

 Financial
  Manufactured


KPIs Monitored

Liquidity, Profits, Production Efficiency

Natural gas supply disruption/depletion causing discontinuity in manufacturing operations


 Strategic Risk
  Operational Risk
  Financial Risk

Source




EXTERNAL

Rating




HIGH

Likelihood



HIGH

Magnitude



HIGH

Associated Objectives

Sustain growth in fertilizer business.
Optimize costs, improve energy efficiency and enhance synergies among functions for operational efficiency.


Opportunities

Implementation of energy efficient technologies to conserve gas.

Mitigating Strategies




Close liaison with government to seek long-term arrangements in light of latest developments and gas pricing.
Investing in alternate sources of power to ensure sustained gas volume.

Horizon



Immediate to Long Term

Affected Capital

 Financial
  Manufactured
  Natural

KPIs Monitored

Natural Gas Supply, Downtime

Existence of fake products in market

 Strategic Risk  Financial Risk

Source



EXTERNAL

Rating



MODERATE

Likelihood



MODERATE

Magnitude



MODERATE

Associated Objectives

Sustain growth in fertilizer business
Provision of top-quality fertilizer to farmers.

Opportunities

Better engagement with farmers and dealers.
Enrichment of brand and agri services.

Mitigating Strategies

Various security features have been introduced to ensure the authenticity of the product in the market. Farmers are educated frequently about these security features.

Horizon



Immediate to Long Term

Affected Capital



Financial



Manufactured



Social & Relationship

KPIs Monitored

Sales Volume,
Farmers Engagement

Global price fluctuation of fertilizer especially DAP impacting the local market prices

 Financial Risk

Source



EXTERNAL

Rating



MODERATE

Likelihood



HIGH

Magnitude



MODERATE

Associated Objectives

Sustain growth in fertilizer business.

Opportunities

Cost controls and optimization of output to maintain margins.

Mitigating Strategies

Collaborating with the government to take an active role in evaluating the supply gap within the country, ensuring that only necessary products with shortages are imported.
Optimize costs of production to gain margins in pricing decisions.

Horizon



Short to Medium Term

Affected Capital



Financial




Manufactured





KPIs Monitored

Manufacturing Cost
and Margin per Bag

RISKS AND OPPORTUNITIES REPORT

Decline in margins due to government intervention in product prices

 Financial Risk

Source  EXTERNAL	Rating  MODERATE	Likelihood  MODERATE	Magnitude  MODERATE
--	--	---	---

Associated Objectives




Sustain growth in fertilizer business.
Optimize costs, improve energy efficiency and enhance synergies among functions for operational efficiency.

Opportunities




Cost controls and optimization of output to maintain margins.





Mitigating Strategies

Close liaison with government to ensure that the product is available to consumer at affordable prices.

Horizon  Short Term	Affected Capital  Financial  Manufactured	KPIs Monitored Manufacturing Cost and Margin per Bag
---	---	--

Lower forex reserves of government leading to import restrictions, delays in payments to foreign suppliers and disruption in supply chain

 Strategic Risk
  Operational Risk
  Financial Risk

Source  EXTERNAL	Rating  MODERATE	Likelihood  MODERATE	Magnitude  MODERATE
--	--	---	---

Associated Objectives



Sustain growth in fertilizer business.
Optimize costs, improve energy efficiency and enhance synergies among functions for operational efficiency.

Opportunities


Explore imports substitution from competitive market and identify alternate local suppliers for critical items.

Mitigating Strategies

A sufficient inventory of critical supplies is maintained throughout to ensure continuous operations while alternate sources for procurement are also being explored.

Horizon  Short Term	Affected Capital  Financial	KPIs Monitored FX Exposure and Gains / Losses
---	--	---

Reduced sales due to unfavourable farm economics, disruption of product supply chain owing to environmental, social or governance incidents.

 Operational Risk

Source



Rating



Likelihood



Magnitude



Associated Objectives

Sustain growth in fertilizer business.
Optimize costs, improve energy efficiency and enhance synergies among functions for operational efficiency.

Opportunities

Diversification of supply chain network and product range.

Mitigating Strategies

Robust inventory management, an extensive dealer network, a diverse pool of supply/service providers, provision of products on a credit basis and the dissemination of knowledge/assistance to farmer.

Horizon



Affected Capital



KPIs Monitored

Inventory Levels,
Production and Sales

Fluctuations in foreign currency rates

 Financial Risk

Source



Rating



Likelihood



Magnitude



Associated Objectives

Optimize costs, improve energy efficiency and enhance synergies among functions for operational efficiency.

Opportunities

Explore fertilizers exports.
Implementation of effective FX management.

Mitigating Strategies

Forex change rate fluctuations are managed through efficient treasury management.

Horizon



Affected Capital






KPIs Monitored

FX Exposure and
Gains / Losses

RISKS AND OPPORTUNITIES REPORT

Law and order situations / accidents impacting employees, records, property and surrounding community

 Reputational Risk
  Operational Risk
  Compliance Risk

Source



Rating



Likelihood



Magnitude



Associated Objectives

Sustain growth in fertilizer business.
Demonstrate commitment to sustainable social, environmental and governance framework.

Opportunities

Business continuity and uninterrupted operations.
Implementation of proactive risk based processes.

Mitigating Strategies

SOPs are in place for smooth operations and security management at both plants and head office. Robust safety and security measures are taken to avoid any hazards for both employees of the company, property, records and surrounding community.

Horizon




Affected Capital



KPIs Monitored

Safety and Security Incidents

Information Technology and Cyber Security

 Operational Risk

Source



Rating



Likelihood



Magnitude



Associated Objectives

Optimize costs, improve energy efficiency and enhance synergies among functions for operational efficiency.

Opportunities

Business continuity and uninterrupted operations.
Implementation of proactive risk based processes.

Mitigating Strategies

Modern IT controls and firewalls have been implemented. Additionally, regular system updates, IT audits, vulnerability assessments, and training sessions are conducted to monitor and mitigate risks effectively.

Horizon



Affected Capital



KPIs Monitored

Security Breaches, System Downtime

Interest rate risk, credit risk and liquidity risk affecting business and financial performance

Financial Risk

Source



EXTERNAL/INTERNAL

Rating



MODERATE

Likelihood



MODERATE

Magnitude



MODERATE

Associated Objectives

Sustain growth in fertilizer business.

Optimize costs, improve energy efficiency and enhance synergies among functions for operational efficiency.

Opportunities

Seek out investment opportunities to leverage higher return rates.

Effective customer relationship management and strong financial risk management practices.

Mitigating Strategies

A robust financial risk management system is in place as per Board's approved policies to secure the Company against any adverse credit, interest rate risk and liquidity risk.

Horizon



Short to Medium Term

Affected Capital



Financial

KPIs Monitored

Liquidity / Capital Structure Ratios, Receivables Days

Non-compliance with Laws and Regulations

Compliance Risk

Source



EXTERNAL/INTERNAL

Rating



MODERATE

Likelihood



LOW

Magnitude



MODERATE

Associated Objectives

Demonstrate commitment to sustainable social, environmental and governance framework.

Opportunities

Instilling a culture of compliance across the entire Company

Mitigating Strategies

Our entire business framework is designed to assess and manage regulatory risks relevant to our operations. Latest updates in regulatory frameworks are reviewed regularly to prevent any breaches of laws or regulations.

Horizon



Short to Medium Term

Affected Capital



Financial




Social & Relationship





KPIs Monitored

Instances of Non-Compliances

RISKS AND OPPORTUNITIES REPORT

High turnover of trained employees may render the disrupt operations

 **Operational Risk**

Source  EXTERNAL/INTERNAL	Rating  HIGH	Likelihood  HIGH	Magnitude  HIGH
---	--	---	---

Associated Objectives



Sustain growth in fertilizer business.
Be one of the preferred employers in the country.

Opportunities



Retention and growth of talent





Mitigating Strategies

A succession plan is in place assisted by cross-functional training programs. Company has revised its compensation packages in line with market trends to attract and retain best talent.

Horizon  Immediate To Short term	Affected Capital  Human	KPIs Monitored Employee Attrition and Engagement
--	--	--

Loss of customer confidence in "Tara" brand

 **Operational Risk**  **Reputational Risk**

Source  EXTERNAL/INTERNAL	Rating  MODERATE	Likelihood  LOW	Magnitude  MODERATE
---	--	--	---

Associated Objectives





Sustain growth in fertilizer business.
Provision of top-quality fertilizer to farmers.

Opportunities

Focused brand management aimed at enhancing the Company's business profile.

Mitigating Strategies

Over the years, the Company has upheld its brand value by consistently providing high-quality fertilizers and agricultural services. We prioritize proactive engagement with all stakeholders through effective stakeholder engagement programs.

Horizon  Immediate to Long Term	Affected Capital  Social & Relationship  Intellectual  Financial	KPIs Monitored Sales, Customer Feedback
---	---	---

Losses due to inadequate insurance cover for Property, Plant and Equipment

 Financial Risk  Operational Risk

Source



INTERNAL

Rating



HIGH

Likelihood



MODERATE

Magnitude



HIGH

Associated Objectives

Sustain growth in fertilizer business.

Opportunities

Business continuity and uninterrupted operations.
Implementation of proactive risk based processes.

Mitigating Strategies

Appropriate insurance valuation will be carried out in coming arrangements to suffice the challenge.

Horizon



Immediate To Short term

Affected Capital



Financial

Manufactured

KPIs Monitored

Adequate Insurance Coverage

Liabilities and losses arising out of tax contingencies and litigations

 Financial Risk

Source



EXTERNAL/INTERNAL

Rating



HIGH

Likelihood



MODERATE

Magnitude



MODERATE

Associated Objectives

Demonstrate commitment to sustainable social, environmental and governance framework.

Opportunities

Improved and more effective tax planning and execution

Mitigating Strategies

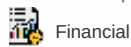
A tax risk management policy has been developed to outline the company's approach to tax planning, compliance and dispute resolution.

Horizon



Immediate to Long Term

Affected Capital




Financial





KPIs Monitored

Contingencies

RISKS AND OPPORTUNITIES REPORT

Long supply of fertilizer in market may result in high inventory holding costs

 **Financial Risk**

Source  EXTERNAL	Rating  HIGH	Likelihood  HIGH	Magnitude  HIGH
--	--	---	---

Associated Objectives




Sustain growth in fertilizer business.
 Optimize costs, improve energy efficiency and enhance synergies among functions for operational efficiency.

Opportunities


Availability of fertilizer in situation of rising demand in season.





Mitigating Strategies

Focus on better farm economics, awareness sessions for farmers, supply chain resilience along with robust inventory management measures are taken to manage this risk effectively.

Horizon  Immediate To Short term	Affected Capital  Manufactured  Financial	KPIs Monitored Inventory Turnover
--	---	---

Resource depletion, economic pressure and technological adaptation

 **Operational Risk**

Source  EXTERNAL/INTERNAL	Rating  MODERATE	Likelihood  MODERATE	Magnitude  MODERATE
---	--	---	---

Associated Objectives





Sustain growth in fertilizer business.

Opportunities

Embracing new technologies and investments in research and development.

Mitigating Strategies

Use of alternate resources and technologies

Horizon  Immediate to Long Term	Affected Capital  Intellectual  Financial  Manufactured	KPIs Monitored New Alternate Resources and Technologies Adopted
---	--	---

Greenhouse gas emissions, biodiversity loss, geopolitical tension and changing regulations



Reputational Risk



Compliance Risk

Source



EXTERNAL/INTERNAL

Rating



MODERATE

Likelihood



MODERATE

Magnitude



MODERATE

Associated Objectives

Demonstrate commitment to sustainable social, environmental and governance framework.

Opportunities

Operate in a sustainable manner while contributing towards its corporate social responsibility.

Mitigating Strategies

Our commitment to sustainability encompasses environmental stewardship, social responsibility, and strong governance practices (ESG – Environment, Social & Governance).

Horizon



Immediate to Long Term

Affected Capital



Social & Relationship

KPIs Monitored

Relevant SDGs
Materialized



D

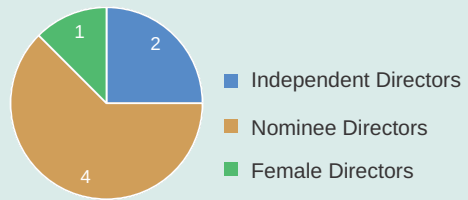
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GOVERNANCE

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BOARD COMPOSITION

To promote transparency, foster good corporate governance, and ensure the Company's smooth operation, a regulatory framework has been established regarding the qualification, experience, and composition of the Board of Directors. The Board comprises 7 directors who effectively represent shareholder interests. Notably, all 7 directors are non-executive: this includes 2 independent directors categorized as such and a diverse mix of other categories such as 1 female director in the female category representing gender diversity and 4 nominee directors in another category.



For a comprehensive overview of each Board member, please refer to detailed profiles presented on page 65.

LEADERSHIP STRUCTURE OF THOSE CHARGED WITH GOVERNANCE

The Company's Board of Directors features a carefully designed leadership structure aimed at ensuring effective governance alongside operational oversight. At its core, the Board is composed of a diverse group of individuals, each contributing unique expertise and perspectives that enrich decision-making processes. The Chairman and CEO are pivotal figures in this framework.

Key Roles

Chairman: Presides over meetings ensuring compliance with good corporate governance standards while facilitating dialogue.

CEO: Highest ranking executive responsible for overseeing daily operations, implementing strategic directives from the board and driving organizational performance.

Committee Structure

Under the umbrella of executive leadership, specialized committees such as Audit Committee and Human Resources & Remuneration Committee operate autonomously comprising non-executive and independent directors responsible for conducting reviews, making recommendations and providing oversight within their respective mandate and domain.

Governance Principles

Operating on accountability and transparency principles, the Board decisions prioritize shareholder and stakeholder interests. Regular quarterly meetings, typically held quarterly or as necessary, facilitate strategic discussions, performance evaluations and policy deliberations, fostering open communication channels with the management and

stakeholders through feedback solicitation, thus enhancing informed decision-making processes.

Our board's collaborative approach integrates diverse perspectives, serving as a beacon for the Company's strategic decision making and maintaining excellence in corporate governance. Effective oversight, transparent communication and robust mechanisms steer us toward sustained success value creation.

DIVERSITY IN THE BOARD

The Company's Board of Directors comprises a well-balanced and diverse group of highly qualified professionals, each bringing a wealth of expertise across finance, risk management, and operations. This diverse composition ensures a broad range of perspectives in decision-making, strengthening the Board's ability to drive strategic initiatives effectively.

Recognizing the importance of diversity, the Company actively fosters an inclusive environment that enhances discussions and encourages innovation. As part of this commitment, female representation is a key priority, with the Board currently including one female member. Her presence reflects the Company's dedication to gender diversity and equitable leadership, reinforcing the value of varied viewpoints in governance and strategic planning.

The Board's leadership structure is defined by a collaborative approach, where diverse insights come together to shape the Company's strategic direction and attain excellence in corporate governance. Through effective oversight, transparent communication, and strong governance mechanisms, the Board plays a pivotal role in ensuring long-term success and value creation for the Company.

INDEPENDENT DIRECTORS

The Company's Board comprises of two (2) independent directors namely Mr. Hasan Ahmed and Syed Mustafa Haider Hamdani who are not involved in the Company's management nor are connected with any business or any other relationship that could interfere materially with or appear to affect their judgment. The Company has ensured that the independent directors meet the qualification criteria of independence in compliance with the provisions of Listed Companies (Code of Corporate Governance) Regulations, 2019 and Companies Act 2017. All independent directors have submitted along with their consent to act as director, declaration to the Company that they meet the criteria of independent director as specified under the Companies Act, 2017.

The leadership structure of the Board of Directors is characterized by a **COLLABORATIVE** approach, wherein diverse perspectives converge to guide the Company's strategic direction and uphold its commitment to corporate governance **EXCELLENCE**.

Through effective oversight, transparent communication, and robust governance mechanisms, the Board plays a vital role in steering the Company towards sustained success and **VALUE CREATION**.

ATTENDANCE AT BOARD MEETINGS

Name of Director											Present	Absent	Not Eligible	Attendance Eligibility	Meetings Attended
	12-Feb-24	27-Mar-24	30-Apr-24	10-Jun-24	24-Jun-24	01-Aug-24	16-Aug-24	10-Oct-24	30-Oct-24						
Mr. Shahid Iqbal Choudhri	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	9	0	0	9	9
Mr. Hasan Raza	✓	✓	✓	✓	✗	✗	✗	✗	✗	✗	5	4	0	4	4
Mr. Asim Murtaza Khan	✓	✓	✗	✗	✗	✗	✗	✗	✗	✗	2	2	0	2	2
Mr. Hasan Ahmed	✗	✗	✓	✓	✓	✓	✓	✓	✓	✓	7	0	0	7	7
Mr. Asim Jilani	✓	✓	✓	✓	✓	✗	✗	✗	✗	✗	5	0	0	5	5
Mr. Ghazzanfar Ahsan	✓	✓	✓	✓	✓	✗	✗	✗	✗	✗	5	0	0	5	5
Ms. Sarwat Salahuddin	✗	✗	✓	✓	✗	✗	✗	✗	✗	✗	5	0	0	2	2
Mr. Osman Malik	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓	9	0	0	8	8
Syed Mustafa Haider Hamdani	✗	✗	✗	✗	✗	✓	✓	✓	✓	✓	4	0	0	4	4
Syed Mohsin Raza Naqvi	✗	✗	✗	✗	✗	✓	✓	✓	✓	✓	4	0	0	4	4
Ms. Minahil Mohsin Naqvi	✗	✗	✗	✗	✗	✓	✓	✓	✓	✓	4	0	0	4	4
Mr. Haroon Farooq	✗	✗	✗	✗	✗	✓	✓	✓	✓	✓	4	0	0	4	4

BOARD OF DIRECTORS' PROFILE



Mr. Shahid Iqbal Choudhri

Chairman

Non-Executive

Joined on 22 February 2022

Mr. Shahid Iqbal Choudhri joined Agritech board on 22nd February 2022 and is now re-appointed as Director on 22nd July, 2024. He brings in wealth of diversified professional experience with an illustrious career spanning over 30 years. For past 12 years, Mr. Shahid has been working at senior positions of large commercial & investment banks/DFIs of the country and has remained instrumental in overhauling and transformation of Businesses, Risk Architecture, Remedial Framework, Credit Policy and Human Resource capital.

During his assignments in recent past, he has developed and turned-around various core banking functions of Corporate and Remedial, which has contributed significantly to the growth of economic landscape along-with bottom line profitability of the bank.

Having served as Group Head CIBG, he spearheaded one of the largest corporate asset portfolios of the country that includes key sectors like Textile, Power, Cement, Fertilizer, Sugar, Appliances, Oil & Gas, Telecommunication, EPC, Steel, Construction, Real Estate and many other sectors/supply chains of core national importance. Under his leadership, CIBG has offered customized end-to-end structured solutions to the diverse business needs of its clientele base including but not limited to Project Finance, Investment Banking, Working Capital management, Structured Trade, FX, Trust & Custodial services and Cash management by offering Technologically driven solutions. CIBG offers its wide array of services to the large Corporates, MNCs, Government Ministries/Departments and Specialized Agencies of Government of Pakistan.

Mr. Shahid is also the Chairman Board of Directors, Agritech Limited and a nominee director on the Board of PEL. He holds an MBA Degree and has successfully completed Director Framework course from Lahore University of Management Sciences (LUMS).



Mr. Muhammad Faisal Muzammil

Chief Executive Officer

Deemed Director

Joined on 14 March 2017

Appointed as Chief Executive Officer (CEO) of Agritech Limited in 2017, Mr. Muhammad Faisal Muzammil brings a wealth of experience and expertise to his role. His journey with Agritech Limited began in 2006, when he joined as Sales and Marketing Manager. Over the years, he has seamlessly transitioned into various leadership roles, consistently demonstrating his ability to navigate complex challenges and drive growth.

Following the successful completion of his earlier tenures as CEO, he is successfully transitioned into his third tenure as CEO starting from 2023. With a strong foundation and profound understanding of the fertilizer sector, he possesses comprehensive knowledge and experience across all critical functions including operations, sales, marketing, financial restructuring, strategy and planning, gas management, government relations and has been instrumental in managing the affairs of Agritech Limited. His leadership role at Agritech underscores his strategic acumen and his unwavering dedication to advancing Agritech Limited's mission and objectives.

Prior to his tenure at Agritech Limited, Mr. Muzammil accumulated valuable diversified corporate experience while working at Engro, DHL and LTV Capital Mordaba. He holds an MBA degree from Quaid-e-Azam University, Islamabad.



Mr. Osman Malik

Director

Non-Executive

Joined on 22 February 2022

Mr. Malik has joined Agritech board on 22nd February 2022 and is now re-appointed as Director on 22nd July, 2024. He brings in a rich and diversified Islamic and conventional banking experience of over 30 years working with leading banks in Pakistan and Middle East. After his MBA from LUMS, he started his career with Citibank in 1993. He has held variety of senior positions at different banks across Pakistan and Middle East. He brings vast experience ranging across Corporate, Commercial, Retail and Remedial portfolio as well as Cash management and Risk management. He was associated with HBL-Dubai as Head of Remedial Corporate Bank prior to joining National Bank of Pakistan (NBP) as Senior Credit Officer. With his broad experience and acumen, he is presently leading the Special Assets Management Group (SAMG) as Group Head at NBP. He is currently serving as nominee director from National Bank on the board of Agritech Limited.



Syed Mohsin Raza Naqvi

Director

Non-Executive

Joined on 22 July 2024

Syed Mohsin Raza Naqvi is appointed as Director on Agritech board on 22nd July 2024. He is a Fellow Member of the Institute of Chartered Accountants of Pakistan with more than three decades of Financial Management experience. His areas of expertise include financial projections, forecasting-short term and long-term cash flows, business strategy development, acquisitions and evaluations of business units, establishing company's reporting structure, implementing budgetary control procedures, implementing financial software, organizing finance and treasury functions of the Company.

He is currently Board member of Maple Leaf Cement Factory Limited, Kohinoor Textile Mills Limited, Maple Leaf Capital Limited, Maple Leaf Power Limited and Novacare Hospitals (Private) Limited and certified Director from Pakistan Institute of Corporate Governance.

He is former Board member of Kohinoor Mills Limited and many other foreign reputable companies. He has experience of working in several countries which include Saudi Arabia, Kuwait, Philippines, Morocco, Jordan and Pakistan.

BOARD OF DIRECTORS' PROFILE



Mr. Hasan Ahmed

Director

Independent

Joined on 26 April 2024

Mr. Hasan Ahmed joined Agritech board on 26th April 2024 and re-appointed on 22nd July 2024. He is a Certified Public Accountant from American Institute of Certified Public Accountant. He has over twenty-five years of experience in finance, account, and banking. He has remained as CFO of a number of sugar, textile, and related companies. In addition, he has remained as Chief Financial Officer of Pakistan Cricket Board. He serves on the board of two listed companies. He brings considerable professional experience in the field of finance and management.



Ms. Minahil Mohsin Naqvi

Director

Independent

Joined on 22 July 2024

Ms. Minahil Mohsin Naqvi is appointed Director of Agritech Ltd on 22nd July 2024. She is an accomplished urban economist with experience in sustainable development and policy analysis. She holds an MSc in Regional and Urban Planning Studies from the London School of Economics and Political Science and a BSc (Honors) in Economics from the Lahore University of Management Sciences.

Minahil's expertise includes socioeconomic analysis, community engagement, and data-driven research. She has worked as a Research Officer at the LSE, where she also led the "Planning For Justice" initiative, advocating for equitable policy initiatives at an international level.

Minahil has contributed to various research projects, including climate migration policies in South Asia and the Middle East, and has experience in business analysis from her time at Starcom Worldwide. She is proficient in GIS, R, NVivo, and project management, and is dedicated to fostering sustainable communities through strategic planning and effective policy.



Syed Mustafa Haider Hamdani

Director

Independent

Joined on 22 July 2024

Syed Mustafa Haider Hamdani is appointed as Director on Agritech board on 22 July 2024. He completed his Master in Business Administration from IBA Karachi in May 1997. He started his career as a banker by joining Deutsche Bank where he served corporate Banking and Transaction Banking in Pakistan, Singapore, and Indonesia. He has also worked with various other local and international banks i.e. Faysal Bank, The Bank of Punjab, and Credit Suisse Singapore. During his banking career he developed diversified experience of Treasury, Capital Markets, International Banking, Merger & Acquisitions transactions, and ECA backed financing transactions. He has experience of handling finance and banking transactions of multiple industries including Soar, LNG terminal, LNG & Coal based Power Plants, Infrastructure projects and pharmaceutical companies across multiple geographical locations like USA, UK, UAE, Singapore and Hong Kong.

Since 2022 after coming back to Karachi Pakistan he has set up an investment banking advisory firm where he offers Mergers & Acquisition advisory, Project Financing and BMR financing. He also advises local banks for meeting their USD requirements.



Mr. Haroon Farooq

Director

Non-Executive

Joined on 22 July 2024

Mr. Haroon Farooq is appointed as Director on Agritech board on 22 July 2024. He is an Associate Chartered Certified Accountant with more than a decade of financial and investment management experience. His areas of expertise include financial projections, identifying investable projects, developing business strategies, risk and portfolio management, forecasting short-term and long-term cash flows.

He is currently working as Chief Investment Officer of Maple Leaf Capital Limited. He was previously working with KPMG.

ROLE OF CHAIRMAN AND CEO

The Company adheres to sound corporate governance practices, ensuring a clear and transparent division of roles by appointing separate individuals for the positions of Chairman of the Board of Directors and Chief Executive Officer. In accordance with Section 192(2) of the Companies Act 2017, the Board of Directors has explicitly defined the responsibilities of both the Chairman and the CEO, reinforcing accountability and effective leadership within the organization.

ROLE OF CHAIRMAN

The primary role of the Chairman of the Board is to lead and manage the Board of Directors while ensuring effective governance and decision-making. As the key liaison between the Board and management, the Chairman is accountable to the Board and serves as a communicator for Board decisions when appropriate. The specific duties and responsibilities of the Chairman include:

- **Acting as a bridge** between management and the Board, primarily through the CEO.
- **Staying informed** about the Company's activities and management operations.
- **Ensuring directors are well-informed** by providing them with relevant and sufficient information to facilitate sound decision-making.
- **Enabling directors** to form well-reasoned judgments and make informed decisions.
- **Preparing an annual review report** on the overall performance of the Board and assessing its effectiveness in achieving the Company's objectives.
- **Developing and setting meeting agendas** for the Board.
- **Presiding Board meetings** and ensuring all necessary information is made available.
- **Reviewing and signing meeting minutes** while ensuring they are properly recorded.
- **Confirming meeting quorum** and ensuring all materials, including the agenda and notices, are circulated within the stipulated time.
- **Ensuring compliance** with applicable laws regarding the maintenance of Board meeting minutes.
- **Issuing formal letters** to directors at the beginning of each three-year term, outlining their roles, obligations, powers, and responsibilities.
- **Chairing General Meetings** of the Company.
- **Recommending Board Committee appointments** after consulting with directors and management.
- **Conducting an annual assessment** of the Board's effectiveness and making recommendations for improvements.

Through these responsibilities, the Chairman plays a crucial role in ensuring the Board operates efficiently, adheres to corporate governance standards, and contributes to the Company's strategic objectives.

ROLE OF CEO

The Chief Executive Officer (CEO), under the direction and oversight of the Board, is entrusted with managing the Company's affairs and ensuring its effective operation. The CEO's key responsibilities include:

- **Strategic Leadership:** Planning, formulating, and implementing strategic policies to drive the Company's growth and success.
- **Operational Coordination:** Ensuring seamless coordination between various departments to facilitate efficient and effective operations.
- **Engagement with the Board:** Maintaining continuous dialogue with the Directors regarding policy changes, business performance, and the Company's overall development.
- **Asset Protection & Compliance:** Safeguarding the Company's interests and assets while ensuring full compliance with all governmental regulations in a timely manner.
- **Stakeholder Relations:** Maintaining close liaison with government authorities, customers, suppliers, and sales offices to foster strong relationships.
- **Human Resource Development:** Establishing HR policies aimed at achieving high professional standards, promoting overall progress, and enhancing the Company's growth.
- **Succession Planning:** Implementing and continuously updating succession plans across all levels of the Company's hierarchy.
- **Committee Leadership:** Overseeing the proper functioning of the Company's Management Committees as their Chairman.
- **Reporting to the Board:** Preparing and personally presenting critical reports to the Board of Directors, including:
 - The annual business plan, cash flow projections, and long-term strategies.
 - Budgets for capital, manpower, and overhead expenses, along with variance analyses.
 - Quarterly operating results for various divisions and business segments.
 - Updates on legal, regulatory, and accounting changes affecting the Company.
- **Performance Monitoring:** Evaluating financial and operational performance against budgets and targets, including revenue, capital expenditure, and other key metrics.
- **Workplace Culture & Engagement:** Fostering an open, progressive work environment that encourages employee participation, engagement, and excellence.

Through these responsibilities, the CEO plays a pivotal role in driving the Company's strategic vision, operational efficiency, and long-term sustainability.

BOARD OPERATIONS

The Board of Directors serves as the Company's primary governing body, acting as a steward on behalf of shareholders. It is responsible for defining strategic direction, overseeing corporate performance, and protecting shareholder interests. The Board exercises its authority with diligence and responsibility, adhering to the Company's Articles of Association, the Companies Act 2017, the Listed Companies (Code of Corporate Governance) 2019, and other applicable regulations.

As the guardian of the Company's long-term vision, the Board makes high-level strategic decisions while delegating day-to-day operations to the executive team. This structured approach ensures effective governance, strategic alignment, and accountability across the organization.

MATTERS RESERVED FOR THE BOARD

The Board's primary responsibility is to make critical decisions that shape the Company's long-term direction and ensure its sustainability. Its key functions include:

- **Strategic Oversight:** Approving the Company's strategic plans, including business objectives, growth initiatives, and risk management strategies.
- **Financial Governance:** Monitoring financial performance by approving budgets, financial statements, major investments, and capital allocation decisions.
- **Risk Management:** Identifying and assessing significant risks while ensuring effective mitigation measures are in place.
- **Leadership & Succession Planning:** Appointing, evaluating, and determining compensation for senior executives, including the CEO, while ensuring a strong succession plan for key leadership roles.
- **Corporate Governance & Compliance:** Upholding strong governance practices, ensuring compliance with legal and regulatory requirements, and fostering ethical conduct.
- **Board Committees & Recommendations:** Reviewing recommendations from Board committees to support informed decision-making.

- **Related Party Transactions:** Approving related party transactions based on the Audit Committee's recommendations.
- **Financial Reporting & Dividends:** Reviewing and approving financial statements and dividend distributions.

Through these responsibilities, the Board ensures strategic alignment, accountability, and sustainable growth for the Company.

RISK GOVERNANCE AND INTERNAL CONTROLS

The Board plays a crucial role in overseeing the governance of risk within the Company, tasked with determining the organization's level of risk tolerance and establishing comprehensive risk management policies. To fulfill this responsibility, the Board conducts periodic reviews of the Company's overall risk landscape, ensuring that management maintains a robust framework for risk identification, assessment, and mitigation.

Central to the Board's oversight is the commitment to safeguarding the Company's assets, resources, reputation, and the interests of its shareholders. Through diligent assessment and scrutiny, the Board evaluates both internal and external factors that may pose risks to the Company's operations and strategic objectives. This includes evaluating market dynamics, regulatory changes, competitive pressures, and emerging threats to business continuity.

In establishing risk management policies, the Board aims to strike a balance between prudent risk-taking and the preservation of shareholder value. By defining clear risk parameters and tolerance levels, the Board provides guidance to management in navigating uncertainties while staying aligned with the Company's strategic goals.

Furthermore, the Board ensures that management maintains a sound system of internal controls to effectively manage identified risks and prevent potential adverse impacts.

This encompasses implementing robust processes for risk identification, ongoing monitoring, and timely reporting to enable proactive decision-making.

Through its oversight role, the Board fosters a culture of risk awareness and accountability throughout the Company, encouraging open dialogue and transparent reporting of risks at all levels. By promoting a proactive approach to risk management, the Board seeks to enhance the Company's resilience, agility, and ability to capitalize on opportunities in a dynamic business environment.

DELEGATION OF DAY-TO-DAY OPERATIONS

While the Board retains ultimate authority over key strategic decisions, it delegates the responsibility for day-to-day operations to the executive management team, led by the CEO. This delegation includes overseeing routine business activities, implementing strategic initiatives, and executing operational plans, ensuring the smooth functioning of the Company.

The management team is accountable for maintaining operational excellence, ensuring regulatory compliance, and upholding financial integrity. While management identifies and mitigates risks, seizes growth opportunities, strengthens internal controls, and prepares financial statements in accordance with approved accounting standards, the Board provides strategic oversight and guidance to align the Company with its long-term goals.

These responsibilities must be carried out in full compliance with applicable regulations, including the Companies Act 2017 and the guidelines set by the Securities and Exchange Commission of Pakistan.

By delegating operational management, the Board enhances efficiency, promotes innovation, and empowers leadership to effectively execute the Company's strategic vision.

PERFORMANCE OF THE BOARD

ANNUAL EVALUATION OF THE BOARD'S PERFORMANCE

The Company has established a Board Performance Questionnaire to facilitate the annual evaluation of the Board, its members, and its committees, in accordance with the Listed Companies (Code of Corporate Governance) Regulations, 2019. The evaluation process is conducted with the highest level of confidentiality to ensure integrity and objectivity.

The questionnaire is designed to assess the effectiveness of the Board and its key committees based on the following criteria:

- Formation and Quality Assurance – Evaluating the composition, structure, and effectiveness of the Board and its committees.
- Business Understanding & Risk Awareness – Assessing members' comprehension of the Company's operations, industry dynamics, and associated risks.
- Processes and Procedures – Reviewing the efficiency of decision-making frameworks, governance protocols, and overall Board operations.
- Oversight of Financial Reporting & Internal Controls – Examining the Board's role in financial oversight, including internal controls and risk mitigation.
- Ethics and Compliance – Ensuring adherence to ethical standards and regulatory compliance.
- Comments Section – Providing space for qualitative feedback, incorporating insights beyond numerical ratings.

The Board's overall performance is measured using a structured quantitative assessment mechanism, with a rating scale from 5 (highest) to 1 (lowest) to ensure objective evaluation.

If any deficiencies are identified during the assessment, the Board implements an action plan to address them. This may include targeted training sessions, workshops, or seminars aimed at improving risk awareness, refining processes, enhancing financial oversight, and reinforcing ethical and compliance standards. Regular follow-up assessments are conducted to monitor progress and

ensure the effectiveness of corrective measures. Additionally, the Board may consider restructuring committees or redefining roles and responsibilities to enhance overall governance and operational effectiveness.

CHAIRMAN'S REVIEW OF BOARD'S PERFORMANCE

The Chairman conducts a comprehensive review of the Board's overall performance and evaluates its effectiveness in achieving the Company's strategic objectives. This assessment is based on a multifaceted approach that considers several key factors, including:

- The Board's strategic decision-making process and its alignment with corporate goals.
- The effectiveness of the Board's guidance and oversight on critical matters.
- The level of engagement with management, stakeholders, and external parties.
- The Board's contribution to the Company's long-term success.

To measure effectiveness, the Chairman evaluates the outcomes of Board discussions, decisions, and actions against predefined goals and performance metrics. Additionally, feedback from key stakeholders—including senior management, shareholders, and external advisors—is gathered to provide deeper insights into the Board's impact.

The review process incorporates regular self-assessments, industry benchmarking, and best practice comparisons to ensure continuous improvement. Based on these evaluations, the Chairman identifies areas for enhancement, establishes priorities for Board development, and ensures that Board activities remain aligned with the Company's strategic vision.

The Chairman's Review Report on the Board's overall performance and its effectiveness in achieving corporate objectives is presented on page 124.

EXTERNAL EVALUATION OF THE BOARD'S PERFORMANCE

The Company conducts Board performance evaluations exclusively through its internal mechanisms, without engaging external experts. This approach reflects the Company's confidence in the robustness and effectiveness of its internal evaluation processes.

Designed with precision, these internal mechanisms are structured to comprehensively assess the Board's performance, capturing its complexities and ensuring alignment with the Company's unique needs and strategic objectives.

By leveraging in-house expertise and resources, the Company reinforces its commitment to accountability, transparency, and autonomy in governance. This approach not only ensures a thorough and objective assessment but also enhances cost efficiency and operational effectiveness.

This strategic decision highlights the Company's dedication to maintaining high corporate governance standards and fostering continuous improvement. It also affirms trust in the competence and integrity of its internal stakeholders to uphold these principles effectively.

ORIENTATION AND TRAINING

ORIENTATION COURSES

The Company has developed a rigorous internal protocol in the form of a comprehensive Directors' Orientation Pack, meticulously crafted to equip Board members with a profound understanding of the Company's operations, regulatory landscape, and their critical fiduciary responsibilities. This tailored orientation program is strategically timed to coincide with the commencement of a director's tenure or upon appointment to fill an unexpected vacancy, ensuring a seamless transition into their role.

Presented in an engaging format, this initiative is far more than a simple introduction—it is a strategic immersion into the Company's ethos, core values, strategic objectives, and operational intricacies. From articulating the Company's mission and vision to navigating the complex legal and regulatory framework that governs its activities, every aspect is meticulously designed to provide Board members with essential insights and knowledge.

Beyond the mere dissemination of information, the orientation fosters an interactive and dynamic dialogue, encouraging directors to ask questions, seek clarifications, and engage in meaningful discussions. By promoting open communication and inquiry, the Company not only imparts critical knowledge but also cultivates a culture of collaborative governance and proactive engagement.

This proactive approach reflects the Company's unwavering commitment to governance excellence, transparency, and accountability. By ensuring that Board members are well-informed and fully prepared from the outset, the Company not only safeguards its interests but also strengthens the foundation for strategic decision-making and long-term value creation. Through this initiative, the Company reaffirms its dedication to establishing good corporate governance best practices, driving sustainable growth and long-term success.

The Directors' orientation is not merely an introductory program, but a strategic immersion into the Company's ethos, core values, strategic objectives, and operational complexities.

DIRECTORS' TRAINING PROGRAMS

Directors serving on the boards of listed companies in Pakistan are required to obtain certification through director training programs conducted by accredited local or international institutions. These programs must adhere to the rigorous standards set by the Securities and Exchange Commission of Pakistan (SECP), emphasizing the importance of continuous professional development.

This certification requirement reinforces the need for directors to continuously enhance their expertise and stay updated on evolving best practices, regulatory frameworks, and industry trends. The training programs are designed to provide directors with practical insights and governance skills, combining theoretical knowledge, real-world case studies, and interactive workshops to ensure they can apply their learning effectively in corporate decision-making.

By undergoing structured training and obtaining certification, directors affirm their commitment to upholding the highest standards of professionalism, integrity, and accountability. This requirement also plays a pivotal role in strengthening the governance framework of listed companies, instilling confidence among investors, regulators, and stakeholders by ensuring that directors are well-equipped to fulfill their fiduciary responsibilities and protect shareholder interests.

To reinforce these principles, the Board has arranged a refresher program for directors, ensuring continued learning and alignment with governance best practices.

The board has arranged a Directors Training Program for Mr. Shahid Iqbal Choudhri (Chairman), Syed Mustafa Haider Hamdani, Mr. Hasan Ahmed, Ms. Minahil Mohsin (Directors), Muhammad Faisal Muzammil (CEO) and Muhammad Dilpazeer – Head of HR & Sustainability during the year. Other Board members have already participated in the Directors' Training Program in the past. All the directors are professionals and senior executives, who possess extensive experience in their respective fields. The training is an on-going process and the Company is determined to comply with the Directors' Training as required by the Code and completion of certification thereof.

BOARD COMMITTEES

AUDIT COMMITTEE

Objective

The Audit Committee is tasked with overseeing various critical aspects including financial reporting, disclosure requirements, hiring, performance, and independence of external auditors. Additionally, it monitors the performance of the internal audit function, evaluates policies and principles, assesses internal control processes, scrutinizes risk management policies and practices, and ensures compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019.

Composition

The Audit Committee comprises 4 members. Among them all 4 are non-executive directors including 1 independent director and 3 nominee directors. The Chairman of the Committee is an independent director. The members of the Committee are highly qualified individuals with vast experience spanning Finance, Business, Banking and Legal.

Members of Audit Committee	
1. Mr. Hasan Ahmed - Chairman	Independent Director
2. Mr. Osman Malik	Nominee Director
3. Syed Mohsin Raza Naqvi	Nominee Director
4. Mr. Haroon Farooq	Nominee Director

Meetings and Attendance

The Committee convened on six occasions during the year. In accordance with regulatory mandates, distinct sessions were conducted with both the Company's external and internal auditors.

Name of Director	23-Jan-24	01-Feb-24	26-Mar-24	30-Apr-24	07-Jun-24	15-Aug-24	29-Oct-24	Legend: ✔ Present ✘ Absent ⊘ Not Eligible	
								Attendance Eligibility	Meetings Attended
Mr. Asim Murtaza Khan	✔	✔	✔	⊘	⊘	⊘	⊘	3	3
Mr. Hasan Ahmed	⊘	⊘	⊘	✔	✔	✔	✔	4	4
Mr. Asim Jillani	✔	✔	✘	✘	✔	⊘	⊘	5	3
Mr. Hassan Raza	✘	✘	✘	✔	✔	⊘	⊘	5	2
Mr. Osman Malik	✘	✔	✔	✔	✔	✔	✔	7	6
Mr. Ghazanfar Ahsan	✔	✔	✔	✔	✔	⊘	⊘	5	5
Syed Mohsin Raza Naqvi	⊘	⊘	⊘	⊘	⊘	✔	✔	2	2
Mr. Haroon Farooq	⊘	⊘	⊘	⊘	⊘	✔	✔	2	2

SALIENT FEATURES AND TERMS OF REFERENCE

The Board of Directors of the Company have determined the following term of reference of the Audit Committee:

- Determination of appropriate measures to safeguard the Company's assets;
- Review of preliminary announcements of results prior to publication and external communication.
- Review of quarterly/interim and annual financial statements of the company, prior to their approval by the Board of Directors, focusing on:
 - major judgmental areas;
 - significant adjustments resulting from the audit;
 - the going concern assumption;
 - any changes in accounting policies and practices;
 - compliance with regulations and other statutory, regulatory requirements, and
 - All related party transactions.
- facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);

- Review of Management Letter issued by External Auditors and management's response thereto;
- Coordination between the internal and external auditors of the Company;
- Review of the scope and extent of internal audit, audit plan, reporting framework & procedures and that the internal audit function, has adequate resources and is appropriately placed within the Company;
- Consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;
- Ascertaining that the internal control system including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments; assets and liabilities and the reporting structure are adequate and effective;
- Review of the Company's statement on internal control systems prior to endorsement by the Board of Directors and Internal Audit reports;
- Instituting special projects, value for money studies or other investigations on any matter specified by the Board of Directors, in consultation with the Chief Executive and to consider

- remittance of any matter to the external auditors or to any other external body;
- Determination of compliance with relevant statutory requirements;
- Monitoring compliance with the best practices of corporate governance and the Regulations and identification of significant violations thereof;
- Review arrangements and whistleblowing Policy, for staff and management to report to audit committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters and recommend remedial and mitigating measures;
- Recommend to the Board the appointment of external auditors, their removal, audit fees, the provision of any service permissible to be rendered to the Company by the external auditors in addition to audit of its financial statements, measures for redressal and rectification of non-compliances with the Regulations. The Board gives due consideration to the recommendations of the audit committee and where it acts otherwise it shall record the reasons thereof;
- Consideration of any other issue or matter as may be assigned by the Board of Directors.

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Objective

The Human Resource and Remuneration Committee is established to provide the Board with recommendations concerning Human Capital matters within its purview. It aids the Board in effectively managing its responsibilities regarding the oversight of the Company's Human Resource policy affairs.

Composition

The Human Resource and Remuneration Committee comprises 4 members. Among them all 4 are non-executive directors including 1 independent director and 3 nominee directors. The Chairman of the Committee is an independent director.

Members of Human Resource and Remuneration Committee	
1. Syed Mustafa Haider Hamdani - Chairman	Independent Director
2. Mr. Haroon Farooq	Nominee Director
3. Mr. Osman Malik	Nominee Director
4. Ms. Minahil Mohsin Naqvi	Nominee Director

Meetings and Attendance

The Committee convened on four occasions during the year.

✔ Present ✘ Absent ⚪ Not Eligible

Name of Director	29-Feb-24	20-Sep-24	13-Dec-24	Attendance Eligibility	Meetings Attended
Ms. Sarwat Salahuddin Khan	✔	⚪	⚪	1	1
Mr. Osman Malik	✔	✔	✔	3	3
Mr. Asim Jilani	✔	⚪	⚪	1	1
Mr. Ghazzanfar Ahsan	✔	⚪	⚪	1	1
Syed Mustafa Haider Hamdani	⚪	✔	✔	2	2
Mr. Minahil Mohsin Naqvi	⚪	✔	✔	2	2
Mr. Haroon Farooq	⚪	✔	✔	2	2

SALIENT FEATURES AND TERMS OF REFERENCE

The Board of Directors of the Company have determined the following terms of reference of the Human Resource and Remuneration Committee:

- Recommendation to the Board for consideration and approval a policy framework for determining remuneration of Directors (both Executive and Non-Executive Directors) and members of senior management. The definition of senior management will be determined by the Board which shall normally include the first layer of management below the chief executive level;
- Undertaking annually a formal process of evaluation of performance of the Board as a whole and its Committees either directly or by engaging external independent consultant and if so appointed, a statement to that effect shall be made in the Directors' Report disclosing therein name and qualifications of such consultant and major terms of his/its appointment;
- Recommending to the Board the selection, evaluation, development, compensation (including retirement benefits) of Chief Executive Officer, Chief Financial Officer, Company Secretary and Head of Internal Audit;
- Consideration and approval on recommendations of Chief Executive Officer on such matters for key management positions who report directly to Chief Executive Officer or Chief Operating Officer;
- Where human resource and remuneration consultants are appointed, the HR&R Committee shall enquire their credentials and whether they have any conflict of interest with the Company;
- Formulation of the human resources management policies and plan for the entire workforce including recruitment, training, performance management, succession planning, compensation philosophy and manpower budget for approval of the Board;
- Deal with disciplinary cases involving senior management as defined for the purpose of para (a) and monitor for enforcing proper governance all those involving reported fraud and corruption;
- To ensure that all the Codes and Policies in respect of human resources of the Company are identified, written, gotten approved by the Board and are fully complied with.
- Any other matter that the BOD desires the HR&R to deal with.

MANAGEMENT TEAM

While the Board retains ultimate authority over critical strategic decisions, it delegates the responsibility of day-to-day operational management to the executive/management team, spearheaded by the CEO. This delegation encompasses decisions related to routine operations, the implementation of strategic initiatives, and the tactical execution of plans, which are typically entrusted to the management team. The management shoulders the responsibility of ensuring operational excellence, regulatory compliance, and financial integrity, while the Board provides oversight and strategic guidance to steer the Company towards its objectives.



Muhammad Faisal Muzammil
Chief Executive Officer



Moeez Ur Rehman
Chief Financial Officer



Asma Irfan
Company Secretary and Head of Legal



Rehan Munir
Head of Manufacturing - Urea Plant



Muhammad Yahya
GM Manufacturing - SSP Plant



Muhammad Dilpazeer
Head of HR and Sustainability



Tanweer Raza
Head of Sales and Marketing



Muhammad Sajjad Anwar
Head of Information Technology



Muhammad Bashir
Commercial Manager

POLICY DISCLOSURES



GOVERNANCE OF RISK AND INTERNAL CONTROLS

The Board of Directors recognizes the paramount importance of effective governance in managing risks and ensuring robust internal controls within Agritech. This policy serves as a foundational framework outlining our commitment to overseeing risk management processes and internal control systems across all facets of our operations. At the heart of this policy is the acknowledgment that proactive identification, assessment, and mitigation of risks are essential for safeguarding the Company's assets, reputation, and long-term sustainability. Through diligent oversight and strategic guidance, the Board aims to instill a culture of risk awareness and accountability throughout the Company.

Central to our governance approach is the delineation of roles and responsibilities among key stakeholders, including the Board, management, internal audit, and other relevant functions. The Board assumes the responsibility for setting the Company's risk appetite and tolerance levels, ensuring alignment with our strategic objectives and stakeholders' expectations. Furthermore, management is tasked with implementing and maintaining effective internal controls and risk management practices, supported by clear policies and procedures developed in accordance with industry best practices and regulatory requirements.

Our risk management framework emphasizes a systematic approach to identifying, assessing, prioritizing, and mitigating risks across all operational, financial, and strategic activities. Regular monitoring and reporting mechanisms are established to provide the Board with timely insights into emerging risks, control deficiencies, and mitigation efforts. Additionally, the policy underscores the importance of a robust internal control environment in achieving Company's objectives, encompassing control activities, information and communication channels, and ongoing monitoring activities to ensure compliance and effectiveness.

In conclusion, the Board's policy on Governance of Risk and Internal Controls underscores the Board's unwavering commitment to upholding the highest standards of governance in managing risks and internal controls. By fostering a culture of transparency, accountability, and continuous improvement, the Board aims to enhance stakeholder confidence, drive operational resilience, and create sustainable value for the Company and the communities we serve. Through regular reviews and updates, we will adapt our governance practices to evolving threats and opportunities, ensuring our ability to navigate uncertainties and achieve our strategic objectives in an ever-changing business landscape.



DIVERSITY AND RELATED METRICS

The Board of Directors is deeply committed to promoting diversity, including gender diversity, throughout the Company. This policy underscores our belief that embracing diversity in all its forms fosters innovation, enhances decision-making, and strengthens our ability to effectively navigate the complexities of the modern business environment. Recognizing the inherent value of diverse perspectives and experiences, the Board is dedicated to creating an inclusive culture where every individual is valued, respected, and empowered to reach their full potential.

As part of our commitment to diversity, the Board has established measurable objectives to guide our efforts in implementing this policy effectively. These objectives include:

1. Achieving gender balance at all levels of the Company, with a particular focus on increasing the representation of women in leadership positions.
2. Implementing proactive recruitment and retention strategies to attract and retain diverse talent, including individuals from under represented groups.
3. Providing ongoing training and development opportunities to promote diversity awareness and foster an inclusive workplace culture.
4. Establishing accountability mechanisms to track progress on diversity initiatives and regularly report to stakeholders on our performance against established goals.

In terms of progress on achieving these objectives, the Board is pleased to report significant strides in advancing diversity and gender equality within the Company. The Board has implemented targeted recruitment initiatives to attract diverse candidates. Additionally, The Board has introduced training programs and workshops aimed at promoting diversity awareness and fostering an inclusive workplace culture within the Company.

Furthermore, the Board has established diversity metrics and reporting mechanisms to track progress and hold accountabilities for achieving our diversity objectives. Through regular monitoring and transparent reporting, the Board is able to identify areas for improvement and implement corrective actions as needed to ensure that we continue to make meaningful progress towards our diversity goals.

The Board remains steadfast in its commitment to promoting diversity and inclusion throughout the Company. By setting measurable objectives, tracking progress, and fostering a culture of accountability, we are confident that we will continue to build a more diverse and inclusive organization.

POLICY DISCLOSURES



DISCLOSURE OF DIRECTOR'S INTEREST IN SIGNIFICANT CONTRACTS AND ARRANGEMENTS

The Board of Directors recognizes the critical importance of transparency and accountability in managing conflicts of interest related to significant contracts and arrangements involving directors. This policy underscores our commitment to upholding the highest standards of corporate governance and ensuring that all transactions involving directors' interests are conducted in a manner that is fair, ethical, and in the best interests of the Company and its stakeholders. By establishing clear guidelines and procedures for the disclosure of directors' interests, the Board aims to mitigate the risk of potential conflicts and maintain the trust and confidence of our shareholders, employees, and other stakeholders.

Central to this policy is the requirement for directors to disclose any material interests they may have in contracts or arrangements entered into, or proposed to be entered into, by the Company. This includes any direct or indirect financial interests, as well as personal relationships or affiliations that could reasonably be perceived as influencing the director's decision-making. Directors are expected to make full and timely disclosure of their interests to the Board, in accordance with the criteria laid down under section 205 of the Companies Act, 2017, ensuring transparency and enabling appropriate oversight of the transaction in question.

In addition to disclosure requirements, the policy establishes mechanisms for assessing and managing conflicts of interest to ensure that decisions related to significant contracts and arrangements are made objectively and in the best interests of the organization. This includes forming special committees to review and approve transactions involving conflicts of interest, as well as seeking legal or financial advice to ensure compliance with applicable laws, regulations, and ethical standards. By enforcing adherence to this policy, the Board aims to safeguard the integrity of its decision-making processes and maintain the trust and confidence of stakeholders.

In conclusion, this policy reaffirms the Board's unwavering commitment to transparency, integrity, and accountability in managing conflicts of interest related to significant contracts and arrangements involving directors. Through robust disclosure requirements, independent oversight, and clear consequences for non-compliance, the Board is confident that it will uphold the highest standards of corporate governance and ensure that our decisions are made with the utmost consideration for the best interests of the Company and its stakeholders.



REMUNERATION OF NON-EXECUTIVE DIRECTORS

The Board of Directors has established a formal and transparent policy governing the remuneration of non-executive directors, including independent directors, for their participation in Board and committee meetings, in full compliance with the requirements outlined in the Listed Companies (Code of Corporate Governance) Regulations of 2019. This policy serves as a comprehensive framework outlining the principles and procedures for determining fair and appropriate compensation packages that reflect the level of responsibility and expertise required of directors.

At the core of this policy lies the principle that remuneration should be aligned with the directors' responsibilities and contributions to the Company while ensuring that it does not compromise their independence or integrity. Therefore, the Board is tasked with periodically reviewing and approving remuneration levels, ensuring they are competitive enough to attract and retain qualified directors who can effectively govern the Company and enhance shareholder value.

In order to maintain objectivity and transparency, directors are prohibited from determining their own remuneration or that of any related party. Instead, the Board may opt to engage independent consultants to assess and recommend appropriate remuneration levels, providing an unbiased perspective for consideration and approval. This ensures that decisions regarding directors' compensation are made impartially and in the best interests of the Company and its stakeholders.

Additionally, the policy recognizes the importance of reimbursing non-executive directors for any travel and other necessary expenses incurred while attending Board and committee meetings. Directors are encouraged to claim expenses incurred during their participation in Company affairs, with reimbursement being provided upon submission of original receipts and bills. This practice promotes fairness and equity among directors, facilitating their active involvement in governance activities without imposing undue financial burden.

In summary, the Board's remuneration policy underscores its commitment to transparency, fairness, and good governance practices in determining compensation for non-executive directors. By adhering to clear principles and procedures, the Board ensures that directors are fairly compensated for their contributions while upholding the highest standards of integrity and independence in decision-making processes.



RETENTION OF BOARD FEE BY EXECUTIVE DIRECTOR EARNED AS NON-EXECUTIVE DIRECTOR IN OTHER COMPANIES

The Board of Directors has instituted a stance governing the retention of board fees earned by an executive director through their service as a non-executive director in external entities. This approach encourages a stringent disclosure and approval process, ensuring transparency and accountability in managing potential conflicts of interest. The executive director is obliged to promptly disclose any board fees garnered from external directorships to the Board, offering comprehensive details of the companies involved, the nature of services rendered, and the amount of compensation received. Subsequently, the Board meticulously evaluates the implications of these external affiliations on the executive director's primary responsibilities within the Company, assessing potential conflicts of interest and ensuring alignment with the Company's objectives.

Moreover, the approach delineates recommended guidelines for the retention of board fees by the executive director, emphasizing fairness and prudence in compensation practices to guarantee that any retained compensation is reasonable and does not compromise the executive director's fidelity to their duties within the Company. To this end, the approach encourages that retained board fees align with industry standards and practices, refraining from exerting undue influence on the executive director's decision-making or independence. By adopting this, the Company can maintain the integrity of its governance practices while ensuring that the executive director's external commitments do not detract from their effectiveness or performance within the Company.



SECURITY CLEARANCE OF FOREIGN DIRECTORS

Currently, the Company's Board does not include any foreign directors. However, in the event of such appointments, foreign directors are required to furnish necessary documents to the SECP within a specified timeframe to obtain clearance from the Federal Ministry of Interior. The Company extends support in facilitating all necessary preparations in this regard. Appointment of a foreign director is subject to the provision of an official security clearance certificate from the Ministry. Failure to obtain such clearance necessitate appropriate measures by the Company with regards to replacement of said director as deemed necessary.



BOARD MEETINGS HELD OUTSIDE PAKISTAN

The Company currently does not have any business initiatives or plans for potential overseas ventures, and consequently, has not established a formal policy regarding the holding of Board meetings outside Pakistan. All meetings of the Board and its committees are consistently convened within the borders of Pakistan. This decision reflects the Company's strategic focus and operational priorities, which currently center on domestic activities.

While the absence of a formal policy regarding overseas Board meetings aligns with the Company's current business strategy, the Board remains open to reassessing this stance should circumstances change in the future. As the Company evolves and explores opportunities beyond its domestic market, the Board will carefully evaluate the necessity and feasibility of holding meetings abroad to address specific business needs or strategic imperatives.



SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

The Board of Directors has established a comprehensive policy to guide the Company's actions concerning social and environmental responsibility, recognizing the critical importance of these factors in today's business landscape. This policy underscores the commitment to conducting business ethically, respecting human rights, and positively contributing to the communities in which the organization operates. Additionally, the Board emphasizes the importance of environmental stewardship and sustainability, advocating for environmentally friendly practices, resource conservation, and the pursuit of renewable energy alternatives to minimize adverse impacts on the environment.

Integration of social and environmental responsibility principles into the organization's overarching business strategy is prioritized, ensuring that sustainability considerations are embedded across all levels of decision-making, from strategic planning to day-to-day operations.

The Board also fosters a culture of continuous improvement in social and environmental performance, setting measurable targets and benchmarks to track progress over time and encouraging innovation and collaboration to identify and implement sustainable solutions that create long-term value for both the organization and society..

POLICY DISCLOSURES



HUMAN RESOURCE MANAGEMENT AND SUCCESSION PLANNING

The Board of Directors acknowledges the pivotal role of effective human resource management and succession planning in fostering organizational resilience and long-term success. This comprehensive policy is designed to provide guidance and oversight on key aspects of talent management within the Company.

Human Resource Management

Under this policy, the Board emphasizes the importance of robust recruitment and selection processes that align with the organization's strategic goals and values. Transparency, fairness, and diversity are central tenets in attracting, hiring, and retaining top talent.

Additionally, the policy promotes continuous employee development and training initiatives to enhance skills, capabilities, and job satisfaction. It fosters a culture of accountability and recognition, with structured performance management systems in place to provide regular feedback and evaluation.

Furthermore, the Board prioritizes employee engagement and well-being, recognizing the critical link between a positive work environment and organizational success. Initiatives to promote engagement, work-life balance, and health and wellness programs are integral to maintaining a motivated and productive workforce.

Succession Planning

In terms of succession planning, the Board emphasizes the importance of leadership development and talent pipeline management. Structured programs, mentorship opportunities, and identification of high-potential employees are key components of ensuring a steady supply of future leaders within the organization.

Contingency planning is also a crucial aspect of succession planning, with the policy outlining procedures for identifying key positions and developing strategies to mitigate risks associated with potential leadership gaps or unexpected departures.

The Board takes an active role in overseeing succession planning efforts, regularly reviewing plans to ensure alignment with strategic objectives and long-term goals.

Through proactive oversight and strategic guidance, the Board aims to position the organization for sustained growth and resilience, ensuring seamless transitions in leadership and continuity in operations.



COMMUNICATION WITH STAKEHOLDERS

The Board of Directors has established a robust policy regarding communication with stakeholders, recognizing the significance of transparent and effective engagement to foster trust, accountability, and long-term relationships. This policy outlines the principles and procedures guiding communication practices to ensure alignment with the Company's objectives and values.

The Board emphasizes the importance of open and transparent communication with stakeholders, including shareholders, employees, customers, suppliers, bankers, regulators, and the broader community. This entails providing timely and relevant information on the Company's performance, strategy, governance practices, and material developments. The Board commits to facilitating two-way communication channels that enable stakeholders to express their concerns, provide feedback, and seek clarification on matters of interest.

Furthermore, the policy mandates adherence to principles of integrity, accuracy, and confidentiality in all communications with stakeholders. Information shared must be factual, complete, and free from bias or misleading statements. Confidential information is handled with the utmost care and discretion, ensuring compliance with legal and regulatory requirements, as well as ethical standards.

The Board recognizes the diversity of stakeholder interests and preferences and tailors communication strategies and channels accordingly. This includes annual reports, shareholder meetings, press releases, management reports, analyst briefings and direct engagement sessions. The Board ensures that communication materials are accessible, understandable, and culturally sensitive to reach a broad audience effectively.

Regular assessment and review of communication practices are conducted to evaluate effectiveness, identify areas for improvement, and ensure continuous alignment with stakeholder expectations and evolving needs. The Board remains committed to fostering a culture of transparency, accountability, and stakeholder engagement, recognizing that meaningful communication is essential for building and maintaining trust, enhancing organizational reputation, and driving sustainable long-term value.



INVESTORS' RELATIONSHIP AND GRIEVANCES

The Company has prepared and implemented the Communication Policy and Investors'/Shareholders' Relations (CIR). This Policy helps the Company to build trust and awareness in the investors and shareholders' community by ensuring that investors/shareholders relation activities are conducted in compliance with relevant rules, regulations and recommended practices. The policy ensures that shareholders, potential investors, the market in general and other stakeholders shall gain simultaneous access to accurate, clear, relevant, comprehensive and up-to-date information about Company.

Salient features of the policy are as follows:

- All communication with the investors/shareholders shall be on an equal treatment basis whether major investors/shareholders or minority investors/shareholders and in compliance with applicable laws and regulation. The Company shall continually provide its investors/shareholders and relevant regulators i.e. Pakistan Stock Exchange (PSX) and Securities and Exchange Commission of Pakistan (SECP) in general with timely and precise information about the Company and its operations. The CIR team comprising of Chief Executive Officer, Chief Financial Officer and Company Secretary, is responsible for all day-to-day contact with the Company's investors/shareholders on behalf of the Company.
- Insider information shall be dealt with in compliance with the legal obligations pertaining to the same. The CIR team may continually communicate with shareholders for the purposes of developing an understanding of the matters affecting the Company from time to time that are of particular importance to its shareholders.
- Relevant information about AGL shall be given in the form of quarterly, half yearly and annual reports, press releases, notices to PSX and investors/shareholders presentations in accordance with what is deemed appropriate from time to time. All such information shall be published on the Company's website www.agritech.com.pk.
- Disclosure and reporting to the financial markets and contact with shareholders, investors and financial analysts shall be based on the following main principles:

- **Compliance with Laws and Regulations:** All disclosure, communication and reporting shall be in compliance with the applicable laws and regulations from time to time, in particular the Companies Act, 2017, Securities Act, 2015 and Pakistan Stock Exchange Rule Book as amended from time to time elucidating obligations for listed companies. The Company shall also comply with the relevant recommendations and market practices for reporting financial and other CIR information.
- **Language:** All financial and other CIR information shall be published in English and Urdu or as required under law.
- **Information on Value Drivers:** The Company shall publish accurate and relevant information about its historical earnings, operations, outlook and any other information that the Company has defined as significant and relevant for the shareholders.
- **CIR Events and Arena:** In addition to making information easily available on a timely basis to shareholders and the financial markets in general, the CIR team shall prioritize raising awareness of the investors/shareholders among various market participants - both nationally and internationally as and when required.
- **Corporate Briefing Sessions:** Company shall hold regular meetings with investors and financial analysts on yearly and accounting reporting basis as defined by the PSX Rules. Company's ability to provide information to the individual market participants, including investors, stock brokers and analysts shall be limited by the regulations applicable to the listed companies, including the rules on good stock exchange practices and the general requirement of equal treatment.

In conclusion, the Company's implementation of the Communication Policy and Investors'/Shareholders' Relations (CIR) demonstrates its commitment to transparency, compliance, and stakeholder engagement. Through equal treatment of investors/shareholders, timely dissemination of accurate information, and adherence to regulations, the Company builds trust and awareness within the investor community. These efforts contribute to transparency, investor confidence, and long-term relationships, vital for the Company's success and sustainability.

POLICY DISCLOSURES



EMPLOYEE HEALTH, SAFETY AND PROTECTION

Agritech Limited (AGL) is committed to enhance customer satisfaction through continual improvement, operational excellence and timely delivery of quality products while striving to improve the Health, Safety and Environmental concerns of employees, contractors, visitors and general public with it.

In support of this policy, AGL will ensure that:

- 1) Health, Safety and Environment are Considered at par with productivity, quality and profitability when arriving at Business Plans and decisions.
- 2) All employees are made aware of their personal responsibility to deliver timely quality products, fit for internal and external customers.
- 3) The health and safety of its employees as well as the environment in which they operate are protected through risk and waste minimization.
- 4) All activities are adequately resourced through well maintained material and machinery and executed by competent and trained personnel who will exercise personal responsibility in preventing harm to themselves, others and environment.
- 5) Changes are controlled, assessed and monitored to ensure that the desired effect is achieved in all aspects of organizational performance in the areas of health, safety and quality of employees as well as the operating environment.
- 6) Continuous effort is made to comply with national/international standards and legislations relevant to health, safety and environment as well as the product quality.
- 7) Contractors adhere to relevant health, safety and environment and quality standards at AGL.
- 8) All the hazards are identified as well as rated and appropriate steps are taken to nullify/minimize their impact.
- 9) Adequate safeguards are provided for all hazardous jobs and employees are well trained in their proper use.
- 10) Continual process procedural improvements and employee's training/awareness are carried out to enhance performance and products quality.



WHISTLE BLOWING AND COMPLAIN HANDLING

The Company's Board of Directors, recognizing the critical role of whistleblowing in upholding integrity and accountability, has enacted a comprehensive Whistleblowing Policy to fortify its commitment to transparency and ethical conduct across all levels of the organization. This policy serves as a cornerstone in fostering an environment where employees, stakeholders, and other concerned parties feel empowered to report instances of misconduct, unethical behavior, or violations of laws and regulations without fear of reprisal.

Central to this policy is the establishment of robust mechanisms to receive and handle complaints in a fair, transparent, and confidential manner. Employees are encouraged to report concerns through designated channels, offering options for anonymous reporting where necessary to safeguard whistleblowers' identities.

Moreover, the Board places a strong emphasis on ensuring protection for whistleblowers against any form of victimization or retaliation. The policy explicitly prohibits retaliation against individuals who come forward with reports in good faith, reaffirming the Company's commitment to safeguarding the rights and well-being of those who speak out against wrongdoing.

Upon receiving a whistleblower report, the Company undertakes prompt and thorough investigations, assigning designated authorities or committees to examine the allegations impartially and objectively. These investigations are conducted with the utmost confidentiality, ensuring the privacy of both the whistleblower and individuals involved in the reported incident.

The findings of these investigations are then reported to the Audit Committee for further review and action as necessary. The Audit Committee plays a pivotal role in overseeing the handling of whistleblower reports, ensuring that appropriate measures are taken to address substantiated concerns and prevent recurrence of similar incidents.

Through the implementation of this Whistleblowing Policy, the Company aims to cultivate a culture of integrity, accountability, and ethical behavior. By empowering individuals to raise concerns and facilitating transparent investigations, the Board seeks to strengthen the Company's governance framework, enhance risk management practices, and uphold its reputation as a responsible corporate citizen committed to ethical conduct and compliance with applicable laws and regulations.



SAFETY OF COMPANY RECORDS

The Board of Directors has established a robust policy to ensure the safety and security of the Company's records, recognizing their critical importance in maintaining integrity, compliance, and operational efficiency. This policy encompasses a comprehensive framework aimed at safeguarding records against unauthorized access, loss, damage, or destruction, thereby mitigating risks and protecting sensitive information.

Central to this policy is the implementation of stringent access controls and authentication measures to restrict access to company records only to authorized personnel with legitimate business needs. Access permissions are carefully managed and regularly reviewed to prevent unauthorized disclosure or misuse of confidential information.

Furthermore, the policy outlines protocols for the secure storage and retention of records, including physical documents and digital data. Physical records are stored in locked cabinets or secure facilities, while digital records are password-protected and stored on secure servers with robust backup and disaster recovery mechanisms in place.

The Board emphasizes compliance with relevant laws, regulations, and industry standards governing record keeping and data protection. The policy mandates adherence to applicable legal requirements regarding record retention periods, data privacy, and confidentiality, ensuring that the Company remains fully compliant with regulatory obligations.

Regular audits and assessments evaluate the effectiveness of record keeping practices and identify areas for improvement. These audits assess the adequacy of security controls, the integrity of data storage systems, and the implementation of backup and recovery procedures to ensure resilience against potential threats or incidents.

Additionally, the policy includes provisions for employee training and awareness programs to educate staff on their responsibilities regarding record safety and security. Employees receive training on proper record handling procedures, data protection protocols, and the importance of confidentiality.

In summary, the Board's policy on the safety of company records underscores its commitment to protecting sensitive information, maintaining compliance with regulatory requirements, and safeguarding the organization's reputation and interests. Through robust security measures, regular audits, and employee training initiatives, the Board aims to mitigate risks, enhance data security, and ensure the integrity and confidentiality of company records.



MANAGING AND REPORTING POLICIES LIKE PROCUREMENT, WASTE AND EMISSIONS

The Company has adopted a comprehensive approach to managing and reporting related to procurement, waste management, and emissions, reflecting its commitment to sustainability, efficiency, and environmental responsibility. Such approach is integral to the Company's broader efforts to minimize its environmental footprint, optimize resource utilization, and comply with relevant regulations and industry standards.

Procurement Policy

The Company's procurement policy emphasizes the importance of responsible sourcing, ethical business practices, and value optimization in procurement activities. It outlines guidelines for supplier selection, contract negotiation, and procurement decision-making processes to ensure transparency, fairness, and integrity. Moreover, the policy encourages engagement with suppliers who prioritize sustainability, diversity, and social responsibility in their operations. Regular monitoring and evaluation mechanisms are in place to assess supplier performance, identify opportunities for improvement, and promote continuous enhancement of procurement practices.

Waste Management Policy

The Company's waste management policy focuses on minimizing waste generation, promoting recycling and reuse initiatives, and ensuring proper disposal of waste in accordance with applicable laws and regulations. It outlines procedures for waste segregation, handling, storage, and disposal across all company facilities, aiming to minimize environmental impact and promote resource conservation. Additionally, the policy encourages employee awareness and participation in waste reduction efforts through training programs, awareness campaigns, and incentivized initiatives to foster a culture of waste reduction and sustainability within the Company.

Emissions Management Policy

The Company's emissions management policy addresses the reduction of greenhouse gas emissions and other pollutants associated with its operations. It sets targets for emission reduction, energy efficiency improvements, and adoption of cleaner technologies to mitigate environmental impact and contribute to climate change mitigation efforts. The policy encompasses measures to monitor and report emissions data, assess emissions sources, and implement strategies to minimize emissions through operational optimization, energy conservation, and investment in renewable energy solutions. Furthermore, the policy emphasizes stakeholder engagement and transparency in reporting emissions data, ensuring accountability and demonstrating the Company's commitment to environmental stewardship.

RELATED PARTIES



APPROVED POLICY FOR RELATED PARTY TRANSACTIONS

Related parties include associated undertakings, key management personnel (including 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 and all transactions are done as per direction of the Board of Directors. All related party transactions are reviewed by the Audit Committees and recommended for approval to the Board of Directors.

CONTRACT OR ARRANGEMENT WITH THE RELATED PARTY OTHER THAN IN THE ORDINARY COURSE OF BUSINESS ON AN ARM'S LENGTH BASIS

All transactions entered into with related parties were in the ordinary course of business.

DIRECTOR'S INTEREST IN RELATED PARTY TRANSACTIONS

None of the directors was directly or indirectly interested any of the transactions with related parties except in his/her capacity as director of Agritech Limited. However, this exclusion does not apply to directors nominated by holders of special interests.

POLICY FOR DISCLOSURE OF CONFLICT OF INTEREST

Agritech has implemented a comprehensive code of business ethics aimed at fostering an environment of integrity and transparency while mitigating any actual or perceived conflicts of interest among stakeholders, including members of its Board of Directors.

As part of this initiative, it is mandatory for all members of the Board to disclose any personal interests they may have prior to engaging in any business. Upon receipt of this information, the Company Secretary meticulously incorporates these disclosures into the agenda for Board meetings.

Furthermore, directors are required to refrain from participating in discussions or decisions pertaining to matters or transactions in which they have a vested interest. In cases where a significant portion of the Board holds such interests, the issue must be brought forth at a general meeting for collective consideration and approval. This rigorous framework ensures transparency and accountability within the decision-making processes of the Company.

TRANSACTIONS WITH RELATED PARTIES

Details of transactions with related parties during the year 2024 are as follows:

Fauji Fertilizer Company Limited	Rupees	
Preference dividend	305,050,574	Nature and basis of relationship Associated undertaking by virtue of shareholding in Agritech.
Finance Cost - Unwinding of present value of PPTFCs	36,121,524	

Maple Leaf Cement Factory Limited

Preference dividend	50,407,533	Nature and basis of relationship Associated undertaking by virtue of common directorship and shareholding in Agritech.
Finance Cost - Unwinding of present value of PPTFCs	6,887,184	

Askari Bank Limited

Mark-up expense on borrowings	37,292,917	Nature and basis of relationship Associated undertaking by virtue of shareholding in Agritech.
Finance Cost - Unwinding of present value of PPTFCs	34,396,285	
Preference dividend	230,993,405	
Repayment of short term borrowings	28,287,571	
Net decrease in bank balances	11,557,574	

National Bank of Pakistan

Mark-up expense on borrowings	52,334,913	Nature and basis of relationship Associated undertaking by virtue of common directorship.
Preference dividend	529,416,532	
Repayment of short term borrowings	27,111,006	
Finance Cost - Unwinding of present value of PPTFCs	109,801,917	
Markup paid	13,584,183	
Advisory fee accrued	32,100,000	
Advisory fee paid	180,000,000	
Net increase in bank balances	1,476,741	

Faysal Bank Limited (Ceased to be related party w.e.f 22 July 2024)

Preference dividend	456,175,843	Nature and basis of relationship Associated undertaking by virtue of common directorship.
Trustee fee	4,534,172	
Finance Cost - unwinding of present value of Sukuks	63,762,917	
Net decrease in bank balances	(4,136,758)	

Bank Makramah Limited (Ceased to be related party w.e.f 22 July 2024)

Mark-up expense for the year	117,939,990	Nature and basis of relationship Associated undertaking by virtue of common directorship.
Preference dividend	141,925,119	
Net decrease in short term borrowings	154,845,938	
Finance Cost - Unwinding of present value of PPTFCs	16,999,952	
Net increase in bank balances	149,473	
Amortisation of restructured short term loan	5,231,462	

Pak China Investment Company Limited (Ceased to be related party w.e.f 22 July 2024)

Preference dividend	48,301,930	Nature and basis of relationship Associated undertaking by virtue of common directorship.
Finance Cost - unwinding of present value of Sukuks	6,905,718	

Provident Fund and Gratuity Fund Trusts

Contribution to Provident Fund Trust	27,210,333	Nature and basis of relationship Post-employment benefit plans.
Contribution to Gratuity Fund Trust	3,817,368	

CEO, Directors and Executives

Short term employee benefits	251,174,026	Nature and basis of relationship Key management personnel.
Post employment benefits	8,247,575	
Meeting fee	15,120,000	

IT GOVERNANCE

The Board of Directors has implemented a comprehensive IT Governance framework to ensure effective management and oversight of information technology resources and processes within the Company. This framework serves as a strategic foundation for aligning IT initiatives with business objectives, managing IT-related risks, and enhancing overall organizational performance. The responsibility for overseeing IT governance rests with the Board's Audit Committee (BAC), which plays a vital role in shaping the organization's IT strategy, policies, and practices.

Through the IT Governance framework, the BAC, with oversight from the IT Steering Committee, sets clear direction and priorities for IT investments, projects, and initiatives, ensuring they are in line with the organization's strategic goals and objectives. The IT Steering Committee provides guidance and recommendations to the Board on IT-related matters, leveraging IT team's expertise to assess the potential impact of IT investments on business outcomes and risk management.

Moreover, the framework establishes accountability and responsibilities for IT governance across the organization, with the IT Steering Committee playing a key role in overseeing the implementation of IT policies, procedures, and controls. The BAC collaborates with executive management and IT Steering Committee to ensure that IT-related risks are identified, assessed, and effectively managed in accordance with the organization's risk appetite and regulatory requirements.

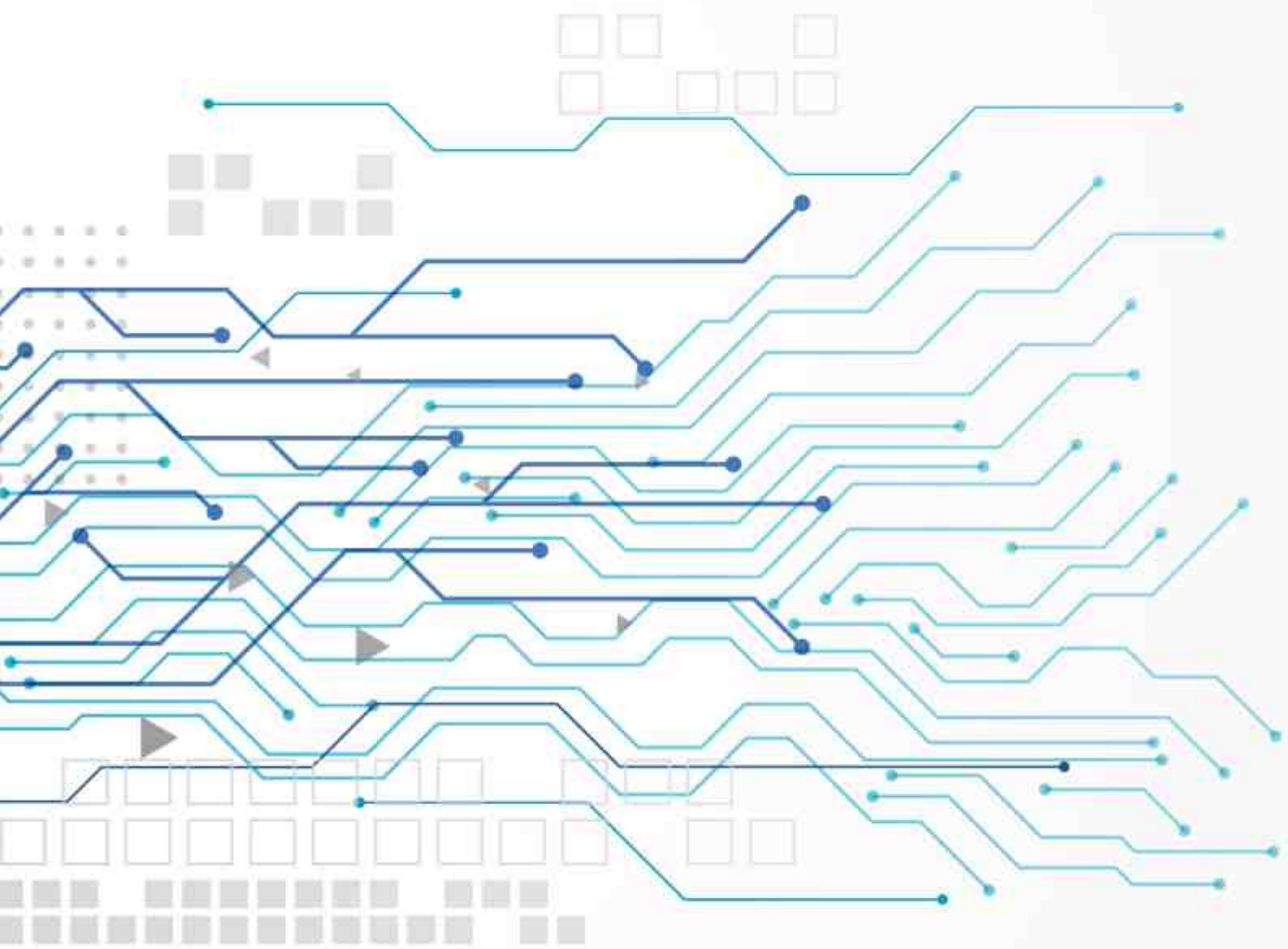
The Board also promotes a culture of continuous improvement and innovation within the IT function, encouraging the adoption of best practices, emerging technologies, and industry standards to drive efficiency, effectiveness, and innovation. It conducts regular assessments and evaluations of IT performance, working closely with IT leadership to identify areas for improvement and drive ongoing enhancements to IT governance processes and practices.

Furthermore, the IT Steering Committee collaborates with internal and external auditors to ensure that IT-related controls and processes are adequately tested and evaluated for compliance with relevant laws, regulations, and industry standards. It oversees the implementation of corrective actions and recommendations arising from audits and assessments, ensuring that the organization remains vigilant in addressing IT-related risks and vulnerabilities.

In summary, the IT Governance framework, with oversight by the BAC, reflects the Board's commitment to ensuring that IT resources and processes are effectively managed, aligned with business objectives, and contribute to the Company's long-term success and sustainability.

BOARD'S REVIEW OF THE BUSINESS CONTINUITY AND DISASTER RECOVERY

The Board of Directors ensures that AGL has an updated Business Continuity and The Disaster Recovery Plan in place to ensure the continuity of business operations in the event of unforeseen or extraordinary circumstances. The primary objective of the plan is to minimize disruption caused by adverse events, safeguarding AGL's IT, ERP, and database operations. The plan includes regular data archiving, system backups, and off-site storage at remote locations to protect critical assets. The Board's Audit Committee has overseen the implementation of comprehensive IT security measures, real-time data backup, the establishment of a disaster recovery facility at cloud, and the identification of key personnel responsible for disaster recovery. Additionally, the Board ensures that the disaster recovery plan is regularly tested to confirm the readiness of the IT infrastructure. While proactive risk mitigation strategies are in place, the organization acknowledges that certain events may still cause delays or service interruptions. As such, continual improvement efforts are being made to enhance the disaster recovery process and ensure greater resilience.



IT GOVERNANCE

CYBER SECURITY RISK MANAGEMENT

The Company maintains a robust system for Cyber Security Risk Management, prioritizing the safeguarding of its digital assets and sensitive information. Through comprehensive risk assessments, proactive monitoring, and continuous improvement initiatives, the Company ensures that its cybersecurity measures remain resilient against evolving threats.

Evaluation and Enforcement of Legal and Regulatory Implications of Cyber Risks

The Board, including the Audit Committee and IT Steering Committee, proactively evaluates and enforces legal and regulatory implications of cyber risks. In case of breaches, the IT leadership collaborates with executive management to swiftly direct necessary actions, ensuring adherence to responsibilities. This involves activating incident response protocols, assessing breach severity, and restoring operations efficiently. Transparent communication channels are established to provide stakeholders with updates, ensuring trust and confidence. Post-incident, the IT leadership conducts thorough reviews to identify lessons and enhance cybersecurity measures, reflecting the Board's commitment to prioritizing cybersecurity as a core business imperative.

Cybersecurity Programs, Policies and Procedures and Industry Specific Requirements for Cybersecurity and Strategy in Place

The Company has implemented a robust framework comprising Standard Operating Procedures (SOPs) and guidelines to ensure the security of its IT assets and data. These encompass various policies, including Information Security, Access Control, Network Security, and Systems Development, among others. Regular awareness sessions on cybersecurity risks are conducted by the IT team across all locations to educate employees and instill a culture of vigilance.

Additionally, email updates on emerging cyber threats are regularly disseminated to relevant personnel, ensuring that employees stay informed about evolving risks. Furthermore, specific trainings on cybersecurity issues are provided upon request or as needed by departments, tailoring education to address specific concerns or challenges. These efforts aim to equip employees with the knowledge and skills needed to effectively mitigate cybersecurity risks, thereby enhancing the Company's resilience against cyber threats and safeguarding its digital assets.

How Cybersecurity Fits into the Board's Risk Oversight Function

Cybersecurity is a cornerstone of the Board's risk oversight function through its Audit Committee. Through regular assessments and discussions with the management, the Board's Audit Committee (BAC) evaluates the Company's cyber resilience, reviewing reports on incidents and risk assessments. Collaboration fosters a holistic approach to cybersecurity governance, ensuring open communication between IT, risk management, and business units. This proactive engagement enables effective mitigation of cyber risks while aligning cybersecurity strategies with overall risk appetite and strategic goals. Additionally, the BAC has established a specialized IT Steering Committee to delve deeper into cybersecurity matters and stay informed about emerging threats.

Overall, the Board's engagement with management on cybersecurity reflects its commitment to effective governance and risk management, ensuring the Company remains resilient in the face of evolving cyber threats.

Oversight of the IT Governance and Cybersecurity Matters

The Board entrusts oversight of IT governance and cybersecurity matters to its Audit Committee, ensuring effective management within the Company's technological landscape. IT Steering Committee

rigorously reviews IT policies, procedures, and controls, while assessing cybersecurity risks and mitigation strategies. Collaborating with executive management and external advisors, the IT leadership monitors the Company's IT infrastructure and cybersecurity frameworks, remaining vigilant against emerging threats and industry best practices. Adequate resources are allocated to address cybersecurity risks, and robust incident response plans are established to manage potential disruptions.

In administering its IT risk oversight function related to cybersecurity risks, the Board adopts a proactive approach. Regular updates from the IT leadership enable the Board to assess the effectiveness of existing controls and policies, identifying areas for improvement to bolster the organization's resilience against cyber threats. Emphasizing collaboration and communication, the Board ensures alignment with key stakeholders, fostering a holistic strategy for IT risk oversight and safeguarding the Company's digital assets and reputation.

Controls and Procedures about "Early Warning System"

The Company has enacted controls and procedures to identify, assess, address, and disclose cybersecurity risks and incidents. This system involves continuous monitoring and utilizes advanced threat detection tools to identify potential risks in real-time. Vulnerability assessments are conducted on our IT infrastructure, to identify potential weaknesses. This proactive approach enables us to address vulnerabilities before they can be exploited. Furthermore, the Company has established clear communication channels, ensuring timely reporting of cybersecurity incidents along with awareness drives.

In the event of detecting a cybersecurity risk or incident, designated response teams are promptly mobilized to investigate and implement appropriate countermeasures.

Additionally, the Company has implemented protocols to ensure timely disclosures and communications in loop regarding cybersecurity matters. This transparent approach underscores the Company's commitment to safeguarding digital assets, protecting sensitive information, and maintaining stakeholder trust. By prioritizing robust governance and proactive risk management, the Company remains vigilant in addressing evolving cybersecurity threats.

Security Assessment of Technology Environment

Comprehensive security assessments of the Company's technology environment are conducted, including thorough evaluations of third-party risks, through internal processes with sufficient regularity.

In 2024, Agritech Ltd undertook an independent and comprehensive security assessment exercise titled "Health Check, IT Security Assessment, Infrastructure Optimization, Business Continuity Measures, and Security Mitigations." This initiative was conducted by the third-party network and security consultancy firm, M/S Iron Bridge Systems Pvt. Ltd.

The assessment provided valuable insights into the company's technology environment, including the identification and mitigation of immediate risks, particularly those associated with third-party interactions. The findings and recommendations from this exercise significantly enhanced the company's security posture and addressed critical vulnerabilities.

To ensure continuous improvement, a Phase 2 assessment is scheduled for 2025. This follow-up exercise will build on the progress made, incorporating a reviewed and updated evaluation to further strengthen the company's security framework and resilience.

Agritech Ltd remains committed to regular, independent assessments to maintain robust security, safeguard against evolving threats, and ensure compliance with industry best practices.

Contingency and Disaster Recovery Planning

Agritech Limited prioritizes the continuity of its business operations and has undertaken proactive measures by implementing Business Continuity Plans (BCPs) to effectively prepare for unforeseen adverse events, thereby minimizing potential disruptions. The IT Steering Committee plays a pivotal role in this process, as it routinely conducts thorough reviews of these BCPs, ensuring their relevance and effectiveness in addressing evolving cyber security risks and challenges. Furthermore, the Company has fortified its resilience against disasters by adopting a robust Disaster Recovery Plan (DRP), which serves as a critical component of its overall risk management strategy. This plan is meticulously designed to mitigate the impact of disasters, facilitating a seamless transition to backup operations and enabling the prompt restoration of normal data center operations in the event of an incident.

The comprehensive planning undertaken by the Company is strategically crafted to uphold essential functions with minimal disruption, underscoring the organization's commitment to maintaining operational continuity and safeguarding its stakeholders' interests. By proactively preparing for potential disruptions and implementing resilient measures, the Company demonstrates its proactive approach to risk management and its dedication to ensuring the seamless functioning of its business operations, even in the face of unforeseen challenges.

Leveraging 4.0 Industrial Revolution

The Company has initiated the implementation of cloud computing and Oracle's process manufacturing system with the objective of interconnecting machines, thereby aiming to elevate transparency, reporting mechanisms, and governance standards within its operations. This strategic move underscores the Company's commitment to leveraging cutting-edge technology to streamline its

processes and enhance operational efficiency. By adopting cloud computing solutions, the Company seeks to capitalize on the scalability and flexibility offered by cloud-based platforms, enabling seamless integration across various departments and functions. Moreover, the integration of Oracle's process manufacturing system is anticipated to revolutionize the Company's manufacturing processes, facilitating real-time monitoring and analysis of production activities.

Education and Training Efforts of the Company to Mitigate Cybersecurity Risks

We are dedicated to fortifying cybersecurity measures throughout our organization. Our education and training initiatives are centered on empowering our team with the requisite knowledge and skills to adeptly identify and mitigate cybersecurity risks. We continuously enhance our cybersecurity posture through ongoing education programs and training sessions tailored to our employees' needs.

The IT team conducts regular awareness sessions on cybersecurity risks across all locations to educate employees and cultivate a culture of vigilance. Additionally, email updates highlighting emerging cyber threats are regularly circulated to relevant personnel, ensuring that employees remain informed about evolving risks. Furthermore, specialized training on cybersecurity issues is provided upon request or as required by departments, customizing education to address specific concerns or challenges. These initiatives aim to equip employees with the proficiency needed to effectively mitigate cybersecurity risks, thereby fortifying the Company's resilience against cyber threats and safeguarding its digital assets.

ERP



The Company's endeavor to integrate core business processes and modules with one unified system was realized through the implementation of Oracle E-Business Suite comprising module such as Financials, Order Management, Purchasing, Human Resources and Payroll.

IT GOVERNANCE

USE OF ENTERPRISE RESOURCE PLANNING (ERP) SOFTWARE

Agritech has effectively deployed a cutting-edge Oracle E-Business Suite. The project received full approval from the Board of Directors, who appointed a specialized management team to supervise its documentation, assessment, negotiation, and implementation across all departments within the Company.

Management and integration of core business processes

IT AGL has successfully implemented Oracle E-Business Suite modules, including Oracle Financials, Oracle Order Management, Oracle Purchasing, Oracle Human Resources, and Payroll System. Additionally, recent implementations such as Oracle Process Manufacturing, Oracle Enterprise Asset Management, and Oracle Enterprise Command Center Dashboards have further enhanced the system's capabilities. These dashboards provide users with an information-driven interface, enabling them to access the right data at the right time for informed decision-making. The integration across these modules is powered by a centralized database, a unified data model, and standardized business processes. This seamless integration ensures real-time data flow between core business functions, minimizing manual data entry and maintaining consistency throughout the organization. In sum, Oracle E-Business Suite offers a comprehensive, integrated solution designed to manage and optimize key business processes, driving efficiency and effectiveness across the enterprise.

Management support in the effective implementation and continuous updation

Our management is fully committed to the successful implementation and continuous enhancement of Oracle E-Business modules. This support is reflected in the allocation of dedicated resources, ongoing monitoring, and a proactive approach to addressing emerging needs. Management ensures that the necessary tools, training, and guidance are available to facilitate seamless integration and to drive ongoing system improvements, ensuring the ERP system remains aligned with business objectives and industry best practices.

User training of ERP software

The user training for Oracle E-Business Suite modules is designed to provide comprehensive, hands-on learning tailored to specific modules and user roles. The training includes customized content based on job functions, ensuring relevance and efficiency. Participants have access to online resources to support their ongoing learning, and the provision of a testing server allows them to practice real-time scenarios. The primary goal of this training is to equip users with the knowledge and skills necessary for proficient use of the ERP system, ensuring effective adoption and sustained productivity throughout the organization.

Managing control risk factors on ERP projects

Agritech Limited manages risks associated with ERP E-Business Modules through a comprehensive risk management strategy. This includes thorough risk assessments, mitigation plans, access controls, continuous monitoring, user training, disaster recovery planning, and compliance with relevant standards. Additionally, the company implements robust incident response protocols and maintains close collaboration with the ERP vendor to ensure effective risk management. This integrated approach is designed to identify, assess, and control risks, safeguarding the security, integrity, and optimal performance of the ERP system.

Assessment of system security, and segregation of duties

AGL ensures system security through regular audits, vulnerability assessments, and continuous monitoring. Access to sensitive data is safeguarded using role-based access controls, limiting permissions based on job responsibilities. Additionally, segregation of duties is meticulously enforced to prevent conflicts of interest, strengthen internal controls, and uphold data integrity.

CORPORATE GOVERNANCE

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

The company has complied with the requirements of the Regulations in the following manner: -

1. The total number of directors are Seven (7) as per the following:

Gender	No.s
Male	6
Female	1

2. The Composition of Board is as follows:

Category	Names
Independent Directors	Mr. Hasan Ahmed Syed Mustafa Haider Hamdani
Non-Executive Directors	Mr. Shahid Iqbal Choudhri Mr. Osman Malik Syed Mohsin Raza Naqvi Mr. Haroon Farooq
Female Director	Ms. Minahil Mohsin Naqvi

Election of Directors was held on July 22, 2024. The Board comprised of seven elected Directors and appointed Chief Executive Officer (deemed Director). Fraction for independent Directors has not been rounded up as the Company has two independent Directors and comply with the minimum requirement of independent Directors. Both independent Directors have requisite competencies, diversity, skill, knowledge and experience to discharge and execute their duties competently, therefore, appointment of a third independent Director is not warranted.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;
4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and the CCG Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a Director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board has a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and the CCG Regulations;
9. The Board has arranged the Directors' Training Program (DTP)/ a refresher for the following:

Mr. Shahid Iqbal Choudhri	Director (Refresher)
Mr. Hasan Ahmed	Director (Refresher)
Syed Mustafa Haider Hamdani	Director (DTP)
Ms. Minahil Mohsin Naqvi	Director (DTP)
Mr. Muhammad Faisal Muzammil	CEO (Refresher)
Muhammad Dilpazeer	Head of HR & Sustainability (Refresher)

The other Board members have already participated in the Directors' Training Program in the past.

10. The Board has appointed Mr. Sohaib Roomy Salih, a fulltime employee, as its Head of Internal Audit w.e.f. 18 March 2024 to fill the post which got vacant on resignation of earlier Manager;

11. Chief Financial Officer (CFO), Chief Executive Officer (CEO) and a Director duly endorsed the financial statements before approval of the Board;

12. The Board has formed committees comprising of members given below. -

Audit Committee

Mr. Hasan Ahmed	Chairman
Syed Mohsin Raza Naqvi	Member
Mr. Osman Malik	Member
Mr. Haroon Farooq	Member

Human Resource and Remuneration Committee

Syed Mustafa Haider Hamdani	Chairman
Mr. Osman Malik	Member
Ms. Minahil Mohsin Naqvi	Member
Mr. Haroon Farooq	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;

14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following;

Meetings	Frequency
Audit Committee	Seven meetings including four quarterly meetings were held during the financial year ended December 31, 2024.
Human Resource and Remuneration Committee	Three meetings were held during the financial year ended December 31, 2024.

15. The Board has outsourced the internal audit function to who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company;

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board (AOB) of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, the CCG Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;

18. We confirm that all requirements of regulations 3, 6, 7, 8, 27,32, 33 and 36 of the CCG Regulations have been complied with; and

19. Regulation 6(1) of the Listed Companies (Code of Corporate Governance) Regulations, 2019 requires that "each listed company shall have at least two or one third members of Board, whichever is higher, as independent directors". At the time of the Election of Directors, the Company assessed its compliance with this Regulation. One third of the Company's total number of Directors results in a fractional number, i.e. 2.33. The fraction has not been rounded up therefore, the Board of Directors currently has 2 independent directors



Shahid Iqbal Choudhri
Chairman of the Board



Muhammad Faisal Muzammil
Chief Executive Officer

CORPORATE GOVERNANCE

REPORT OF THE AUDIT COMMITTEE

ON COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

Objective

The Audit Committee is responsible for overseeing key financial and governance aspects, including financial reporting, disclosure requirements, and the engagement, performance, and independence of external auditors. Additionally, it supervises internal audit activities, reviews policies and procedures, assesses internal control systems, evaluates risk management strategies, and ensures adherence to the Listed Companies (Code of Corporate Governance) Regulations, 2019.

Composition

The Audit Committee consists of four members, all of whom are Non-Executive Directors. Among them, one is an independent Director and three are Nominee Directors. The Chairman of the Committee is an Independent Director. The members bring extensive expertise in Finance, Business, Engineering, Banking, and Legal disciplines.

Members of Audit Committee

• Mr. Hasan Ahmed	Chairman
• Syed Mohsin Raza Naqvi	Member
• Mr. Haroon Farooq	Member
• Mr. Osman Malik	Member

Meetings and Attendance

The Head of Internal Audit attends all Audit Committee meetings, whereas, the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of the Company attend the meetings by invitation to elaborate on operational matters. The Audit Committee also separately meets the external auditors at least once in a year without the presence of CFO and Head of Internal Audit. Meetings of the Audit Committee are held at least once every quarter. During the year, seven (7) Audit Committee meetings were held. The Head of Internal Audit also functions as the Secretary of the Committee.

Committee Charter

The Terms of Reference of the Committee are explicitly outlined in its Charter, which has been duly approved by the Board of Directors. The key responsibilities of the Committee include:

- Examining the Company's annual and interim financial statements, including the Director's Report, before their submission for approval by the Board of Directors.
- Recommending to the Board the appointment, removal, and remuneration of external auditors, as well as determining the scope of permissible non-audit services that may be provided by them in addition to the audit of financial statements.
- Reviewing the scope, terms of reference, and overall extent of internal audit, including the audit plan, reporting framework, and procedures, while ensuring that the internal audit function is adequately resourced and positioned appropriately within the Company.
- Ensuring that the internal control systems, including financial and operational controls, accounting mechanisms for accurate and timely recording of transactions, and an effective reporting structure, are comprehensive and functioning efficiently.
- Evaluating the annual business plan and budget, including cash flow projections, financial forecasts, and the strategic plan, before recommending it to the Board for approval.

- Assisting the Board in ensuring the effectiveness of risk management procedures across the organization.
- Overseeing the implementation and functionality of a robust whistleblowing mechanism to address concerns fairly and transparently.
- Monitoring compliance with all applicable laws, regulations, and corporate governance requirements to ensure the Company operates within legal and regulatory frameworks.

Role of the Audit Committee

The Committee plays a pivotal role in assisting the Board in effectively carrying out its oversight responsibilities related to financial reporting and compliance, internal controls, risk management, and both internal and external audit functions. In accordance with its Terms of Reference, the Committee believes that it has successfully fulfilled its responsibilities.

Following its annual review of the Company's performance, financial position, and cash flows, the Committee reports that the financial statements for the year ended December 31, 2024, have been prepared on a Going Concern basis in accordance with the Companies Act, 2017. These statements incorporate the requirements of the Code of Corporate Governance, International Financial Reporting Standards, and other applicable regulations, presenting a true and fair view of the Company's financial position, operational results, profitability, cash flows, and changes in equity for the year under review. The Company has consistently applied appropriate accounting policies, with any necessary changes duly disclosed in the financial statements. The external auditors have issued modified audit reports in line with the Auditors (Reporting Obligations) Regulations, 2018, as prescribed by the Securities and Exchange Commission of Pakistan (SECP).

The Chief Executive Officer (CEO), One Director, and the Chief Financial Officer (CFO) have endorsed the financial statements, while the Directors' Report has been signed by the Chairman of the Board and CEO. They acknowledge their responsibility for ensuring a true and fair presentation of the Company's financial condition and results, compliance with relevant regulations and accounting standards, and the establishment and maintenance of effective internal controls and systems. The accounting estimates used in the financial statements are based on prudent and reasonable judgment, and the Company has maintained proper and adequate accounting records in compliance with the Companies Act, 2017. These financial statements conform to the requirements of the Fourth Schedule of the Companies Act, 2017, with external reporting aligning with management processes and adequately serving shareholders' needs.

The Committee has reviewed all related party transactions before their approval by the Board, ensuring transparency and compliance. The Company's internal control system has been designed to be robust and has been continuously evaluated for its effectiveness and adequacy. A Statement of Compliance with the Code of Corporate Governance has been issued by the Company, which has also been reviewed and certified by the External Auditors. The Board members, management, and employees have affirmed their understanding and adherence to the Company's policies and codes, ensuring the equitable treatment of shareholders.

Throughout the year, no trading of the Company's shares was undertaken by its Directors, executives, or their spouses and dependent children. As a standard practice, any trading or holding of Company shares by Directors and Executives is formally notified in writing to the Company Secretary, detailing the price, number of shares, share certificate form, and nature of the transaction, if any. These details are then communicated

to the Board by the Company Secretary and disclosed in the Pattern of Shareholdings. The Company has duly determined and announced closed periods before each Board meeting involving the announcement of interim or final results, shareholder distributions, or any other business decisions that could materially impact the market price of its shares. The confidentiality of all business-related information has been strictly maintained in accordance with regulatory requirements.

Risk Management and Internal Control

The Company has established a robust mechanism for identifying risks, assigning appropriate levels of criticality, and formulating effective mitigation strategies. These measures are actively monitored and implemented by management across all key functions and are periodically presented to the Audit Committee for review and awareness.

To strengthen risk management, the Company has developed and implemented a comprehensive internal control framework, which includes an independent Risk and Control function. This function is responsible for overseeing controls and assessing inherent and other risks associated with the Company's operations.

The Company's risk management approach has been detailed in the section C of the Annual Report, where various risk categories and their corresponding mitigation strategies are comprehensively disclosed.

Internal Audit

The Company's internal control system is well-structured in design and has been continuously assessed to ensure its effectiveness and adequacy.

The Audit Committee remains committed to achieving operational, compliance, and financial reporting objectives while safeguarding the Company's assets and shareholders' wealth through robust financial, operational, and compliance controls, as well as comprehensive risk management practices at all levels.

The Internal Audit Department conducted independent audits in alignment with the internal audit plan, which was duly approved by the Audit Committee. Additionally, the Committee has reviewed significant internal audit findings along with management's responses, taking necessary action or escalating matters to the Board when required.

The Internal Audit function is outsourced to M/s. EY Ford Rhodes, Chartered Accountants, who have ensured that the function is staffed with professionals possessing strong internal audit expertise. The Company-appointed Head of Internal Audit has direct access to the Chairman of the Audit Committee, and the function operates with unrestricted access to management, information, and explanations as needed.

To enhance efficiency and contribute to the Company's objectives, including a reliable financial reporting framework and compliance with legal and regulatory requirements, coordination between external and internal auditors was actively facilitated.

The Audit Committee has also reviewed the procedures for receiving, retaining, and addressing concerns, including anonymous complaints. A robust whistleblowing mechanism is in place, ensuring transparency and fairness while providing protection to whistleblowers against victimization.

External Audit

The Audit Committee, while maintaining the independence of both External and Internal Auditors, has actively promoted collaboration between them to ensure the effective execution of their respective responsibilities.

The Company's external auditors, M/s. Grant Thornton Anjum Rahman, Chartered Accountants, have successfully completed their audit of the financial statements and the "Statement of

Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019" for the financial year ended December 31, 2024. They are set to retire upon the conclusion of the forthcoming Annual General Meeting.

The Audit Committee has thoroughly examined and deliberated on the modifications, Key Audit Matters, and observations presented by the External Auditors.

M/s. Grant Thornton Anjum Rahman, Chartered Accountants, has received a satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan (ICAP) and is duly registered with the Audit Oversight Board of Pakistan. The firm adheres fully to the International Federation of Accountants (IFAC) Guidelines on Code of Ethics, as adopted by ICAP.

Based on its assessment, the Audit Committee has recommended the re-appointment of the existing auditors as the Company's External Auditors for the financial year ending December 31, 2025.

Sustainability Function

The Company in order to comply with the requirements of the voluntary Sustainability reporting and prepare itself for the future Mandatory Reporting has developed a separate function of Sustainability to show its commitment towards ESG related reporting and stewardship. The Audit Committee reviews Sustainability Report duly prepared by the company in accordance with the applicable guidelines of SECP.

Annual Report 2024

The Company has published a comprehensive Annual Report that, in addition to presenting the financial statements, the Directors' Report and Sustainability Report, provides a wealth of additional information to deliver a thorough understanding of the Company's management approach, established policies, operational performance throughout the year, and anticipated future developments for various stakeholders.

This report conveys insights through the use of ratios, trends, graphical representations, analytical discussions, explanatory notes, and detailed statements. The Audit Committee is of the view that the Annual Report 2024 offers an extensive perspective on the Company's growth, financial standing, and long-term outlook.



Hasan Ahmed
Chairman Audit Committee
06 March 2025

CORPORATE GOVERNANCE



INDEPENDENT AUDITORS' REVIEW REPORT

To the members of Agritech Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

Grant Thornton Anjum Rahman

1st & 3rd Floor,
Modern Motors House,
Beaumont Road,
Karachi, Pakistan

T +92 21 35672951-56

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Agritech Limited for the year ended December 31, 2024 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended December 31, 2024.


Grant Thornton Anjum Rahman
Chartered Accountants
Karachi

Date: 17 March 2025

UDIN Number: CR2024101548i9BIOhQ2

OTHER GOVERNANCE MATTERS

CHAIRMAN'S SIGNIFICANT COMMITMENTS

Mr. Shahid Iqbal Choudhri was reappointed as Chairman of the Board on 22 July 2024. He is a seasoned banker and a prominent finance professional with the diverse experience spanning over three decades in top-rated commercial and investment banks, and DFIs of Pakistan.

He is also serving as a Nominee Director on the Board of Directors of Pak Elektron Limited.

Apart from the foregoing, Mr. Choudhri has no other significant commitments.

EXTERNAL OVERSIGHT

The Company has outsourced its internal audit function to an external firm of chartered accountants.

Engaging an external firm significantly enhances the credibility of internal controls and systems within the Company. By engaging an independent and objective third-party, the Company benefits from an independent perspective and unbiased assessment of its internal processes and controls.

The external firm brings a wealth of expertise and experience to the table. Having specialized knowledge in auditing and risk management allows them to identify weaknesses or gaps in the Company's internal controls more effectively. Their familiarity with industry best practices and regulatory requirements ensures that the Company's internal controls are aligned with standards and expectations. This provides an impartial evaluation of the Company's operations, assuring stakeholders, including shareholders, regulators, and customers, of the reliability and integrity of its internal control systems.

Additionally, outsourcing internal audit functions also brings cost efficiencies for the Company. Having access to specialized tools, technologies, and methodologies, the external firm can streamline the audit process and improve its effectiveness. This can result in cost savings compared to maintaining an in-house internal audit team.

Furthermore, external firm provides valuable insights and recommendations for improving internal controls and processes. Their independent assessment identifies areas for enhancement and helps the Company implement corrective actions to strengthen its internal control environment. This proactive approach to risk management mitigates potential financial losses and regulatory non-compliance.

APPOINTMENT OF THE CHAIRMAN AND NON-EXECUTIVE DIRECTORS

No external search consultancy has been used in the appointment of the Chairman or a non-executive director.

GOVERNMENT OF PAKISTAN POLICIES RELATED TO COMPANY'S BUSINESS/SECTOR

Disclosure of the Government of Pakistan policies related to company's business/sector has been made in Directors' Report presented in section F of this report.

CHAIRMAN'S REVIEW REPORT ON THE OVERALL PERFORMANCE OF THE BOARD

The chairman's review on the overall performance of the Board and effectiveness of the role played by the Board in achieving the Company's objectives is presented on page 124.

SHAREHOLDING STRUCTURE

Category of shareholder	Share held	Percentage
Directors, Chief Executive Officer and their spouse and minor children	2,268	0.0005%
Associated Companies, undertakings and related parties, (Parent Company)	225,661,794	53.1413%
NIT and ICP	3,986,500	0.9388%
Banks Development Financial Institutions, Non Banking Financial Institutions	92,159,172	21.7026%
Insurance Companies	102,569	0.0242%
Modarabas and Mutual Funds	4,768,930	1.1230%
Share holders holding 10% or more	230,812,021	54.3541%
General Public		
a. Local	9,051,769	2.1316%
b. Foreign	400	0.0001%



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**SUSTAINABILITY
AND CORPORATE
SOCIAL
RESPONSIBILITY**

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Sustainability Report 2024

The year 2024 witnessed a significant progress toward our vision of being a sustainability-conscious organization. There is a company-wide realization and a reinforced commitment to sustainable growth by embedding Environmental, Social, and Governance (ESG) principles across all facets of our operations. This report briefly outlines our achievements, challenges, and future plans across the ESG spectrum.

This Report has been based on the “Guidelines on ESG Disclosures for Listed Companies, 2023” issued by the Securities & Exchange Commission of Pakistan (SECP) in October 2023. Going forward, the company shall be complying with the requirements of sustainability disclosure standards issued by the International Sustainability Standards Board (ISSB), i.e. IFRS S1 “General Requirements for Disclosure of Sustainability-related Financial Information” and IFRS S2 “Climate-related Disclosures” as these become applicable to the Company under SECP order of 31 December 2024.

CHAIRMAN'S OVERVIEW ON THE COMPANY'S SUSTAINABLE PRACTICES

In 2024, Agritech Limited made remarkable progress in embedding sustainability into organizational culture and integrating it across operations. There is a growing realization in the Company that sustainability is not just a moral imperative but a strategic advantage that directly impacts financial performance and long-term growth. In order to have a structured approach towards developing a compliance environment on Sustainability disclosures in future, the Board has approved setting up a separate Sustainability Function in the company. This was followed by the capacity building training programs across all functions of the company to develop understanding of the Sustainability reporting requirement of each function in the company.

Sustainability has rapidly become a key business driver, and we have embraced it as a cornerstone of our business strategy. By prioritizing resource efficiency, environmental stewardship, and community engagement, Agritech has implemented an operating model designed to reduce waste, lower costs, and enhance our reputation. This approach positions us to attract customer segments that value environmentally responsible products and services. Aligning the products with global trends in green and organic agricultural solutions not only bolsters customer loyalty but also diversifies and strengthens our revenue streams.

Moreover, sustainable practices improve operational efficiency. Investments in energy efficiency and waste reduction initiatives have yielded tangible benefits to our bottom line. Our transparent reporting, adherence to ethical practices, and proactive engagement with communities have significantly reinforced trust and credibility among our investors.

We are confident that financial benefits of our sustainability initiatives will bolster Agritech's profitability and competitiveness in a rapidly changing market. I am deeply grateful to our dedicated employees, loyal customers, and supportive shareholders for their unwavering commitment to Agritech Limited's transformative journey. Together, we are leading with purpose, creating meaningful impact, and delivering value for all stakeholders.



Shahid Iqbal Choudhri
Chairman of the Board

06 March 2025

Sustainability has rapidly become a key business driver, and we have embraced it as a cornerstone of our business strategy.

A central globe is surrounded by various green plants, including ferns and broad-leafed species, set against a light green background with soft bokeh light effects. The globe shows the continents of North and South America.

**We recognize the
profound importance of
Corporate Social
Responsibility as an
integral component of
our business
philosophy and
operations.**

ADOPTION OF BEST PRACTICES FOR CORPORATE SOCIAL RESPONSIBILITY

At Agritech Limited, we recognize the profound importance of Corporate Social Responsibility (CSR) as an integral component of our business philosophy and operations. The Board of Directors remains steadfast in its commitment to embedding CSR best practices into our organizational culture and strategies to foster sustainable growth and contribute positively to society and the environment.

We envision a future where our business decisions not only drive economic value but also create social and environmental benefits. The Board is dedicated to the continuous improvement of our CSR framework to address emerging challenges and opportunities. To this end, we will

- **Integrate CSR into Business Strategies:** Ensure that CSR considerations are embedded into our decision-making processes and aligned with our core values and long-term objectives
- **Implement Robust Monitoring Mechanisms:** Establish mechanisms to measure the impact of our CSR activities, ensuring they remain relevant and effective in achieving their intended outcomes.
- **Engage Stakeholders:** Actively collaborate with employees, customers, partners, and community members to drive initiatives that reflect shared values and priorities.

Periodic reviews of the CSR activities will enable formal evaluation of the progress, identify areas for improvement, and incorporate feedback from stakeholders to refine our approach.

As we move forward, Agritech Limited remains resolute in its mission to drive meaningful change through responsible business practices. The Board of Directors will continue to lead by example, fostering a culture of integrity, sustainability, and innovation.

ADOPTION OF CORPORATE SOCIAL RESPONSIBILITY (VOLUNTARY) GUIDELINES, 2013

Last year, we reported that Agritech is in the process for adoption of the Corporate Social Responsibility (Voluntary) Guidelines, 2013 issued by the Securities and Exchange Commission of Pakistan (SECP). This year we are pleased to report that the Board of Directors has formally adopted these Guidelines.

The SECP Corporate Social Responsibility (Voluntary) Guidelines, 2013 establish a structured framework for companies to integrate responsible business practices into their operations. These guidelines emphasize the need for corporate accountability, transparency, and ethical business conduct while promoting community development and environmental sustainability.

Under these guidelines, companies are encouraged to formulate a CSR policy that aligns with their vision, business strategy, and ethical commitments. The Board of Directors plays a crucial role in overseeing the implementation, monitoring, and evaluation of CSR initiatives, ensuring that CSR principles are embedded in corporate governance and decision-making. Companies are also advised to establish a CSR committee to provide strategic direction and oversee the execution of CSR programs.

The guidelines highlight the importance of stakeholder engagement, requiring companies to assess CSR risks, opportunities, and societal impact before undertaking major business decisions such as mergers, acquisitions, and capital expenditures. Additionally, they encourage structured CSR reporting, ensuring transparency through disclosure of CSR initiatives, objectives, achievements, and resource allocation.

Companies are expected to prioritize key CSR focus areas, including community investment (education, health, infrastructure, and poverty alleviation), environmental sustainability, corporate governance, product responsibility, workplace safety, and disaster risk management. The guidelines also recommend that companies allocate a portion of their profits (preferably 1-2%) towards CSR initiatives and seek external assurance to validate their CSR efforts.

By formally adopting these guidelines, Agritech has reinforced its commitment to responsible corporate citizenship, social impact, and ethical business conduct.

The Board and Management remain dedicated to going beyond the minimum requirements, ensuring that CSR remains an integral part of the Company's long-term strategy and value creation efforts.

The Board and the Management are committed to going beyond the minimum requirements of Corporate Social Responsibility (Voluntary) Guidelines, 2013



ESG/SUSTAINABILITY REPORTING

STRATEGIC OBJECTIVES AND IMPACT ON STAKEHOLDERS

The Board of Directors of Agritech Limited recognizes the vital role that Environmental, Social, and Governance (ESG) considerations play in long-term value creation and corporate resilience. In alignment with global best practices and evolving regulatory frameworks, we are committed to integrating sustainability into our strategic objectives. This statement outlines our ESG vision, the intended impact on stakeholders, and our proactive approach toward compliance with IFRS S1 ('General Requirements for Disclosure of Sustainability-related Financial Information') and IFRS S2 ('Climate-related Disclosures').

Although, as envisaged in Order dated 31 December 2024 by Securities & Exchange Commission of Pakistan (SECP), these disclosure standards are not yet formally applicable to Agritech Limited, we pledge to fully comply with them once mandated. In anticipation, we are taking proactive steps to align our ESG disclosures, governance structures, and sustainability initiatives with these global reporting standards.



STRATEGIC OBJECTIVES

Our sustainability-driven strategy is anchored in three core pillars: environmental stewardship, social responsibility, and robust governance.

Environmental Stewardship

Driving Sustainable Agricultural Practices

Agritech Limited is committed to minimizing its environmental footprint and mitigating climate-related risks through sustainable resource management, innovation, and operational efficiency. Our key initiatives include:

- **Carbon Footprint Reduction:** Implementing energy-efficient technologies and exploring renewable energy sources to reduce greenhouse gas emissions.
- **Sustainable Water Management:** Enhancing water conservation through precision irrigation, wastewater recycling, and sustainable farming practices.
- **Soil Health & Biodiversity:** Investing in eco-friendly fertilizers and soil management techniques to enhance biodiversity and long-term agricultural productivity.
- **Climate Resilience & Risk Management:** Developing robust climate risk assessments and adaptation strategies to ensure business continuity.

Social Responsibility

Empowering Communities and Employees

We recognize that our success is deeply intertwined with the well-being of our employees, customers, and the communities in which we operate. Our social impact strategy includes:

- **Workforce Development & Well-being:** Ensuring a safe, inclusive, and equitable workplace with continuous learning and professional development opportunities.
- **Community Engagement & Socioeconomic Upliftment:** Supporting local communities through educational programs, healthcare initiatives, and economic empowerment projects.
- **Product Responsibility & Customer Health:** Innovating sustainable agricultural solutions that improve food security and promote responsible consumption.
- **Diversity & Inclusion:** Strengthening our commitment to gender equality, inclusion, and diversity across all levels of the organization.

Governance and Compliance

Strengthening Transparency & Accountability

Agritech Limited is dedicated to upholding the highest standards of corporate governance, ethical business conduct, and regulatory compliance. Our governance initiatives include:

- **Enhanced ESG Reporting:** Implementing robust sustainability reporting in alignment with IFRS S1 and S2 to ensure transparency in ESG disclosures.
- **Board Oversight & ESG Integration:** Strengthening the role of the Board and senior management in overseeing ESG risks and integrating sustainability into corporate decision-making.
- **Anti-Corruption & Ethical Conduct:** Maintaining zero tolerance for corruption and fostering a culture of integrity and accountability.
- **Stakeholder Engagement & Transparency:** Actively engaging with investors, regulators, and other stakeholders to ensure clear communication and disclosure of ESG-related risks and opportunities.

PROACTIVE ADOPTION OF IFRS S1 & S2 STANDARDS

Agritech Limited acknowledges the transformative impact of the IFRS S1 and S2 sustainability reporting standards in providing high-quality, transparent, and comparable ESG-related financial disclosures. Although formal compliance is not yet required, we are committed to:

- **Progressively Aligning with IFRS S1 & S2 Frameworks:** We have initiated internal assessments to integrate sustainability-related financial information into our corporate reporting framework.
- **Strengthening Climate-Related Disclosures:** Enhancing our climate-related risk and opportunity assessments in line with IFRS S2 requirements.
- **Building ESG Data Infrastructure:** Investing in systems and processes to capture, analyze, and disclose material sustainability information with accuracy and reliability.
- **Training & Capacity Building:** Educating key stakeholders, including board members and employees, on the importance of sustainability reporting and compliance with IFRS standards.

IMPACT ON STAKEHOLDERS

Our ESG initiatives and commitment to sustainability reporting have tangible benefits for all our stakeholders:

- **Investors & Financial Institutions:** Greater transparency on ESG risks and opportunities fosters investor confidence and enhances long-term financial stability.
- **Employees:** A more inclusive, safe, and growth-oriented work environment boosts morale, engagement, and productivity.
- **Customers & Business Partners:** Sustainable product innovations ensure higher quality, safety, and environmental responsibility.
- **Regulators & Industry Bodies:** Active compliance with evolving sustainability standards enhances Agritech's reputation as a responsible corporate citizen.
- **Local Communities & Society:** Social impact programs improve livelihoods, environmental sustainability, and overall community well-being.

AGRITECH'S CORE SUSTAINABLE DEVELOPMENT GOALS



01 NO POVERTY
Ensure living pay for all employees



10 REDUCED INEQUALITIES
Promote inclusivity at the workplace and ensure equal pay for equal value of work for all



02 ZERO HUNGER
Develop into an innovative player among the farming community through quality products and services contributing towards National Food Security



12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Promote consumer awareness regarding responsible fertilizer use to prevent soil degradation and water pollution.



03 GOOD HEALTH & WELL-BEING
Ensure provision of quality healthcare facilities to the employees
Ensure strict compliance to highest standards of occupational health at the manufacturing sites



13 CLIMATE ACTION
Undertake an exercise to determine carbon footprint baseline and reduce it by 20% by 2030 through energy-efficient operations, waste management and renewable energy integration.



04 QUALITY EDUCATION
Provide subsidized educational facilities for communities around Urea Plant manufacturing through schools in the housing colony of the company.

Establish a comprehensive waste management program to achieve significant recycling and zero landfill waste.

Adhere to global sustainability standards, such as ISO 14001 for environmental management

Invest in afforestation and reforestation projects to balance carbon emissions.

Regularly audit and improve sustainability policies to align with evolving environmental and regulatory challenges.

Develop and implement low-emission logistics and transportation strategies for fertilizer distribution



05 GENDER EQUALITY
Increase diversity and inclusion at the workplace, ensuring equitable opportunities for all employees.
Achieve gender balance at Company's head office by 2030 and continuously improve gender diversity at the manufacturing sites.



06 CLEAN WATER AND SANITATION
Reduce water usage by 25% through efficient water reclaim and recycling systems



16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Establish transparent reporting mechanisms to track progress and impact on sustainability goals.

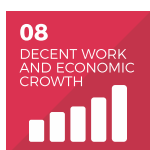


07 AFFORDABLE AND CLEAN ENERGY
Invest in renewable energy sources, such as solar, to power company's offices and facilities.



17 PARTNERSHIPS FOR THE GOALS
Undertake CSR initiatives for communities around company's manufacturing sites.

Collaborate with governmental and non-governmental organizations to advocate for sustainable agricultural and industrial policies.



08 DECENT WORK AND ECONOMIC GROWTH
Ensure fair labor practices and continuously improve working conditions for all employees



SUSTAINABILITY HIGHLIGHTS

ENVIRONMENTAL PERFORMANCE

Agritech recognizes the urgent need to reduce greenhouse gas (GHG) emissions and is committed to implementing sustainable practices across its operations. In line with global climate goals, we are optimizing energy efficiency, adopting low-carbon technologies, and promoting responsible resource management to minimize our environmental footprint. Our initiatives include making fertilizer production processes more efficient, removing waste and enhancing energy efficiency. By integrating these measures, Agritech aims to contribute to a greener future while ensuring long-term value creation for stakeholders.

GHG EMISSIONS

Metric	Description of Annual Measurement	Nature of Emission	2022	2023	2024
GHG Emissions	Scope-1 CO2 and Green House Gas Emissions in metric tons associated with Urea manufacturing; M. Tons	Scope-1 CO2 (GHG) Emissions	620,808	484,050	626,003
	Scope-2 GHG Emissions: Produced due to Nox and Diesel Oil Usage, M. Tons	CO2 Emission due to Diesel Oil	3,478	3,092	3,865
		Non CO2-GHG Emissions (Nox)	494	385	498

Increase in 2024 is attributable to enhanced production compared to last year.

EMISSIONS INTENSITY

Metric	Description of Annual Measurement	Nature of Emission	2022	2023	2024
Emissions Intensity	Total M. Ton of Urea Produced (e.g. revenues, sales, units produced); M. Tons	Total GHG Emission per Ton of Urea Produced: 1.06 M. Ton	353,284	292,255	372,012
	GHG emissions per Ton of Urea Produced (Direct & Indirect), M. Tons	CO2-GHG are: oxygen, nitrogen, and argon	1.757	1.656	1.683
		Non CO2-GHG are: oxygen, nitrogen, and argon	0.0112	0.0013	0.0013

Increase in 2024 is attributable to enhanced production compared to last year.

ENERGY USAGE

Metric	Description of Annual Measurement	Nature of Emission	2022	2023	2024
Energy Usage	Energy directly consumed for production of Urea (mmbtu)	Energy associated with Urea & NH3 production to be considered	11,700,108	9,122,689	11,798,013
	Energy indirectly consumed (MMBTU)	Energy Consumed from Diesel Oil	3,298	2,931	3,664
		Power taken from National Grid (WAPDA)	11,283	14,763	5,017

ENERGY INTENSITY

Metric	Description of Annual Measurement	Nature of Emission	2022	2023	2024
Energy Intensity	Total direct energy usage per output scaling factor	AGL output is Ammonia & Urea	33.118	31.215	31.714
	Total Indirect energy usage per output scaling factor	AGL output is Ammonia & Urea	0.041	0.061	0.023

ENERGY MIX

Metric	Description of Annual Measurement	Nature of Emission	2022	2023	2024
Energy Mix	Scope-1: Energy usage by generation type (MMBTU)	Energy for Process	62.8%	64.2%	64.2%
		Energy for Steam	31.6%	29.5%	29.0%
		Energy for Power Generation	5.3%	5.8%	6.1%
	Scope-2: Energy usage by generation type (MMBTU)	Energy as WAPDA Power use	0.03%	0.03%	0.03%
		Energy as WAPDA Power use	0.1%	0.2%	0.4%

WATER USAGE

Metric	Description of Annual Measurement	Nature of Emission	2022	2023	2024
Water Usage	Total amount of water consumed (m3)	Water Consumption directly related to Production	3,202,194	3,104,904	3,286,888
		Water recovered (Steam Cond/ Jacket Water/ Process Cond/ Irrigation water)	1,656,986	1,470,378	2,023,770
	Water Usage per Ton of Urea Produced (m3)	Water Used / Ton of Urea	9.064	10.624	8.835
	Total amount of water reclaimed (m3)	Water recovered/ Ton of Urea	4.690	5.031	5.440

Agitech utilizes water primarily for generation of steam which is critical component in the operations of ammonia and urea plants and used in various chemical processes. Apart from steam, water is also directed to the cooling towers where it is used for cooling purposes in the industrial processes and is also consumed in the housing colony. As a sustainability initiative, Agitech has implemented strategies to conserve and reclaim water. The focus is on minimizing water consumption by optimizing usage across operations. Reclaimed water is treated and reused wherever possible, reducing reliance on external water sources and mitigating environmental impact. Additionally, Agitech proactively works to minimize water losses, implementing systems to detect and repair leaks and improve overall efficiency in water management.

ENVIRONMENTAL OPERATIONS

Agitech has a formal environmental policy and follows NEQs protocols in respect of specific waste, water, energy, and recycling policies. For this purpose, EMS procedures have been formulated and ISO 14001-2015 certification obtained. Being an energy conscious business, energy consumptions/ratios are highly critical for energy efficiency and emissions reduction.

25,000

new trees plantations in 2024

ENVIRONMENTAL AND SUSTAINABILITY OVERSIGHT

The Board exercises an oversight role for Company's environmental and sustainability performance. The Board has formally adopted the Guidelines on ESG Disclosures issued by SECP for the listed companies and is in the process of establishing a Sustainability Committee for an effective supervision of Company's sustainability goals and initiatives.

SUSTAINABLE SOURCING

The Company is dependent on Sui Northern Gas Pipe Lines for raw material for urea manufacturing and relies on domestic sources for supply of raw material for SSP production.

SUSTAINABILITY HIGHLIGHTS

SOCIAL PERFORMANCE

Agritech is dedicated to fostering a positive social impact by prioritizing the well-being of employees, communities, and stakeholders. The Company upholds fair labor practices, diversity, and inclusion, ensuring a safe and equitable workplace for all. Agritech actively engages with local communities through social development initiatives, supporting education, health, and economic empowerment programs. By maintaining ethical business practices, strengthening stakeholder relationships, and investing in employee growth, Agritech aims to create a sustainable and socially responsible ecosystem that benefits both people and business.

GENDER PAY RATIO

-0.4 Gender Pay Ratio in Agritech is -0.4. This favourable ratio for female employees is primarily due to the fact that most of the women are employed in managerial category.

Employee Retention

EMPLOYEE TURNOVER

94% Agritech's 94% employee retention ratio highlights its commitment to fostering a positive and engaging workplace culture. By prioritizing employee well-being, professional growth, and a supportive work environment, the Company ensures long-term workforce stability.

Retention

CSR INITIATIVES

The Company actively engages with local communities, supports local initiatives, and contributes to community development. Further, Agritech actively engages in philanthropic initiatives and contributes to charities and social welfare programs that are aligned with its mission and values. AGL's philanthropic activities/donations/contributions will primarily be focused assisting the disadvantaged in the areas adjoining its manufacturing facilities.

2 Medical & Dialysis Centers

1203

Dialysis Patients Treated

Medical center in Isknadarbad provides essential medical care facilities to employees and the community including emergency, labour and gynecology and minor surgery. A state-of-the-art Dialysis Centre provides dialysis services to the people of the area. During the year 2024, 1,203 patients were provided state of the art medical facility by this dialysis center.

5 Schools

2000

Students

The Company operates a school for areas adjoining its manufacturing facilities. Around 2000 students are enrolled in five schools being operated by the Company.

Rs. 10M

Spent on less-privileged families

Through a local Trust, the Company provides sustenance assistance to around 200 less-privileged families living in the area. An amount of more than Rs. 10 million was spent for this purpose during the year 2024.



TEMPORARY WORKER RATIO

Temporary workers are hired for various projects and turn around activities.

NON-DISCRIMINATION

Agritech is committed to creating a culture of diversity, equity and inclusion regardless of gender, race, religion, ethnicity or disability. A diverse workforce and an inclusive workplace help nurture diversity of ideas for organizational success. A robust Diversity & Inclusion Policy has been put in place to achieve this objective. A Sexual Harassment Policy provides a robust and structured framework for reporting and addressing any incident of harassment, abuse or intimidation. Company's Speak-Up programme established under its Whistle-Blower Policy is another forum where any ethical breach can be report.

Company adheres to the statutory regulations for employing differently abled person. During the year 2024, the Company participated in Inclusivity Drive (Job Fair for Persons with Disability 2024) organized collectively by Employers Federation of Pakistan and Hamza Foundation.

CHILD & FORCED LABOUR

The Company does not allow child and forced labour and makes it a point that none of its suppliers, vendors and dealers are involved in child and/or forced labour.

EMPLOYEE TRAINING & SUCCESSION PLANNING

In line with the Company's strategic objective of human resource development through training, job rotation, career & succession planning, the Company achieved a total of 4000 hours training during the year. Twenty four (24) employees were nominated for 13 session on skill up gradation; 198 employees participated in 16 training programs on developing soft skills (leadership, negotiations, board management, supervisory skills etc). In line with Company's focus on Health safety and environment (HSE), 72 session on various related topics including emergency response planning, working at height, electrical isolation, integrated management system, safe work practices, hearing conservation, first and CPR etc were held wherein a total of 1025 employees participated.

A robust succession planning mechanism is place for developing talent pipeline for critical positions.

HUMAN RIGHTS

Agritech is committed to upholding human rights and ethical labor practices throughout the organization.

WORKING CONDITIONS

Agritech Limited provides a structured and professional work environment, focusing on employee well-being, safety, and productivity. The company adheres to industry best practices and labor regulations, ensuring fair wages, reasonable working hours, and a safe workplace. Employees benefit from modern facilities, training programs, and career growth opportunities. Workplace safety is a priority, with strict compliance with health and environmental standards. Additionally, Agritech promotes a culture of teamwork, innovation, and ethical conduct, fostering a positive and inclusive work atmosphere.

The Company relocated its head office to a modern corporate building designed to provide excellent working conditions. The new facility features a well-structured and comfortable work environment, incorporating advanced infrastructure, energy-efficient systems, enhanced safety measures with special focus on meeting the needs of female employees, ensuring a secure and inclusive workplace.

No complaint regarding working conditions was received during the year.

GLOBAL HEALTH & SAFETY

Health, Safety & Environment and Quality (HSEQ) is one of the core values at Agritech. The Company has set up a Health, Safety and Environment Policy which stipulates, among other parameters, that HSE is considered at par with productivity, quality and profitability for any business planning and decision making.

SUSTAINABILITY HIGHLIGHTS

SOCIAL PERFORMANCE

DIVERSITY AND INCLUSION

Agritech is committed to fostering an inclusive, diverse, and equitable workplace, recognizing that diversity is a key driver of innovation, growth, and long-term sustainability. The Company continuously strives to create an environment where individuals from all backgrounds, abilities, and experiences are valued, respected, and empowered. From gender diversity to the inclusion of persons with disabilities, Agritech actively promotes a workplace that embraces equal opportunities for all.

A diverse workforce enables organizations to respond effectively to evolving business challenges, enhance decision-making, and improve overall productivity. At Agritech, diversity and inclusivity are embedded in the Company's core values, ensuring that every employee has the resources and support needed to thrive and contribute meaningfully.

Advancing Diversity, Equity, and Inclusion

The Board of Directors remains deeply committed to building a workplace that reflects the broader society, ensuring fair representation and eliminating barriers to inclusion. Agritech's approach to diversity focuses on:

- Gender diversity, with initiatives to increase the representation of women at all levels, especially in leadership roles.
- Inclusion of persons with disabilities (PWDs) by creating accessible workplaces and providing equal employment opportunities.
- Cultural and ethnic diversity, fostering a respectful and collaborative work environment for employees from different backgrounds.
- Merit-based hiring and growth opportunities, ensuring fair and unbiased career advancement based on skills and performance.

Agritech's commitment to an inclusive workplace is reinforced through:

- Proactive recruitment programs to attract women and individuals from underrepresented communities into key roles.
- Workplace accessibility initiatives to accommodate employees with disabilities, ensuring equal participation.
- Diversity-focused training and awareness programs to educate employees on inclusivity and unconscious bias.
- Accountability and progress tracking through diversity metrics and structured reporting mechanisms.

Commitment to Diversity and Workplace Equity

Agritech recognizes that diversity and inclusivity are essential to building a progressive and competitive organization. By establishing measurable objectives, tracking performance, and creating an inclusive culture, the Company continues to drive meaningful change within its workforce. With structured diversity policies, hiring programs, and workplace support systems, Agritech is shaping a future that reflects fairness, opportunity, and innovation.

This comprehensive approach to diversity and inclusion ensures that Agritech remains a leader in sustainable workplace transformation, where every employee has the opportunity to succeed and contribute to long-term business growth

29%

Female representation
among head office staff

Currently, female employees represent 1% of the total full-term workforce, with Head Office successfully achieving a 29% female representation target. The Company acknowledges that additional efforts are needed at its two manufacturing sites, where structured programs are being implemented to enhance gender balance and workplace inclusivity.

Agritech has taken concrete steps toward strengthening its inclusivity commitment, as recognized by external stakeholders. In 2024, the Company was honored with an acknowledgment for its efforts in inclusive hiring at the Inclusivity Drive – Job Fair for Persons with Disabilities. This event was organized by the Pakistan Business and Disability Network (PBDN) under the Employers Federation of Pakistan (EFP), in collaboration with GIZ-WE and Hamza Foundation Academy for the Deaf.



From gender diversity to the inclusion of persons with disabilities, Agritech actively promotes a workplace that embraces equal opportunities for all.



SUSTAINABILITY HIGHLIGHTS

SOCIAL PERFORMANCE

HSEQ Management System

AGL has formulated target-oriented Health, Safety, Environment and Quality Management System. AGL got certifications in ISO 9001:2015, ISO 14001:2015 and ISO 45001 and its Management systems are being maintained under the umbrella of "Integrated Management System" and audited by 3rd party. The AGL HSEQ Management System provides a mechanism for Quality Management, Environment Management and Occupational Health & Safety throughout all areas, units and departments of AGL plant site and all stake holders. The HSEQ Management System is designed to cover Environmental Aspects and Impacts, Occupational Health & Safety Hazards and Risks which AGL can control and directly manage, and those it does not control or directly manage but can be expected to have an influence.

HSEQ Policy

Agritech Limited (AGL) is committed to enhance customer satisfaction through continual improvement, operational excellence and timely delivery of quality products while striving to improve the Health, Safety and Environmental concerns of employees, contractors, visitors and general public with it.

In support of this policy, AGL will ensure that:



Health, Safety and Environment are Considered at par with productivity, quality and profitability when arriving at Business Plans and decisions.



All employees are made aware of their personal responsibility to deliver timely quality products, fit for internal and external customers.



The health and safety of its employees as well as the environment in which they operate are protected through risk and waste minimization.



All activities are adequately resourced through well maintained material and machinery and executed by competent and trained personnel who will exercise personal responsibility in preventing harm to themselves, others and environment.



Changes are controlled, assessed and monitored to ensure that the desired effect is achieved in all aspects of organizational performance in the areas of health, safety and quality of employees as well as the operating environment.



Continuous effort is made to comply with national/international standards and legislations relevant to health, safety and environment as well as the product quality.



Contractors adhere to relevant health, safety and environment and quality standards at AGL.



All the hazards are identified as well as rated and appropriate steps are taken to nullify/minimize their impact.



Adequate safeguards are provided for all hazardous jobs and employees are well trained in their proper use.



Continual process procedural improvements and employee's training/awareness are carried out to enhance performance and products quality.

HSE STATISTICS

	Regular Employees	Contractual Staff
Safe Manhours	4.88 Million	1.396 Million
Safe Working Days	992	2717
Last LTC	08-05-2021	18-07-2014
TRIR/TOIFR	0.14/0	0/0



SUSTAINABILITY HIGHLIGHTS

GOVERNANCE PERFORMANCE

Agritech upholds the highest standards of corporate governance, ensuring transparency, accountability, and ethical decision-making across all levels of the organization. The Company adheres to regulatory compliance, risk management best practices, and a strong internal control framework to safeguard stakeholder interests. The Board of Directors provides strategic oversight, ensuring that governance policies align with business objectives, sustainability goals, and corporate ethics. By fostering a culture of integrity, responsible leadership, and stakeholder engagement, Agritech strengthens trust, enhances operational resilience, and ensures long-term value creation.

BOARD DIVERSITY

14.3%

Female Representation
on the Board of Directors

One female is on the board, making it 14.3% female presence on board. No board committee is currently chaired by a female member.

BOARD COMPETENCE

4

Directors

2

Executives

Attended Directors
Training Program

All directors of the Company are experts in their respective fields. Plans are underway to arrange their ESG certification training. All mid to senior level management staff, however, were imparted the essential sustainability awareness through an external consultant during 2024. Four (4) directors and two (2) senior executives attended Directors Training Program during 2024.

COLLECTIVE BARGAINING

37%

Full term employees
covered under the
collective bargaining

37% of the full term employees are covered under collective bargaining. Collective bargaining agreement for the term 2023-24 has been successfully completed and negotiations for next two year term is currently in process.

SUSTAINABILITY DISCLOSURES

2025

Year of adoption of
IFRS S1 and S2

The company shall adopt sustainability disclosure standards issued by the International Sustainability Standards Board (ISSB), i.e. IFRS S1 "General Requirements for Disclosure of Sustainability-related Financial Information" and IFRS S2 "Climate-related Disclosures" as these become applicable to the Company under SECP order dated 31 December 2024.

INCENTIVIZED PAY

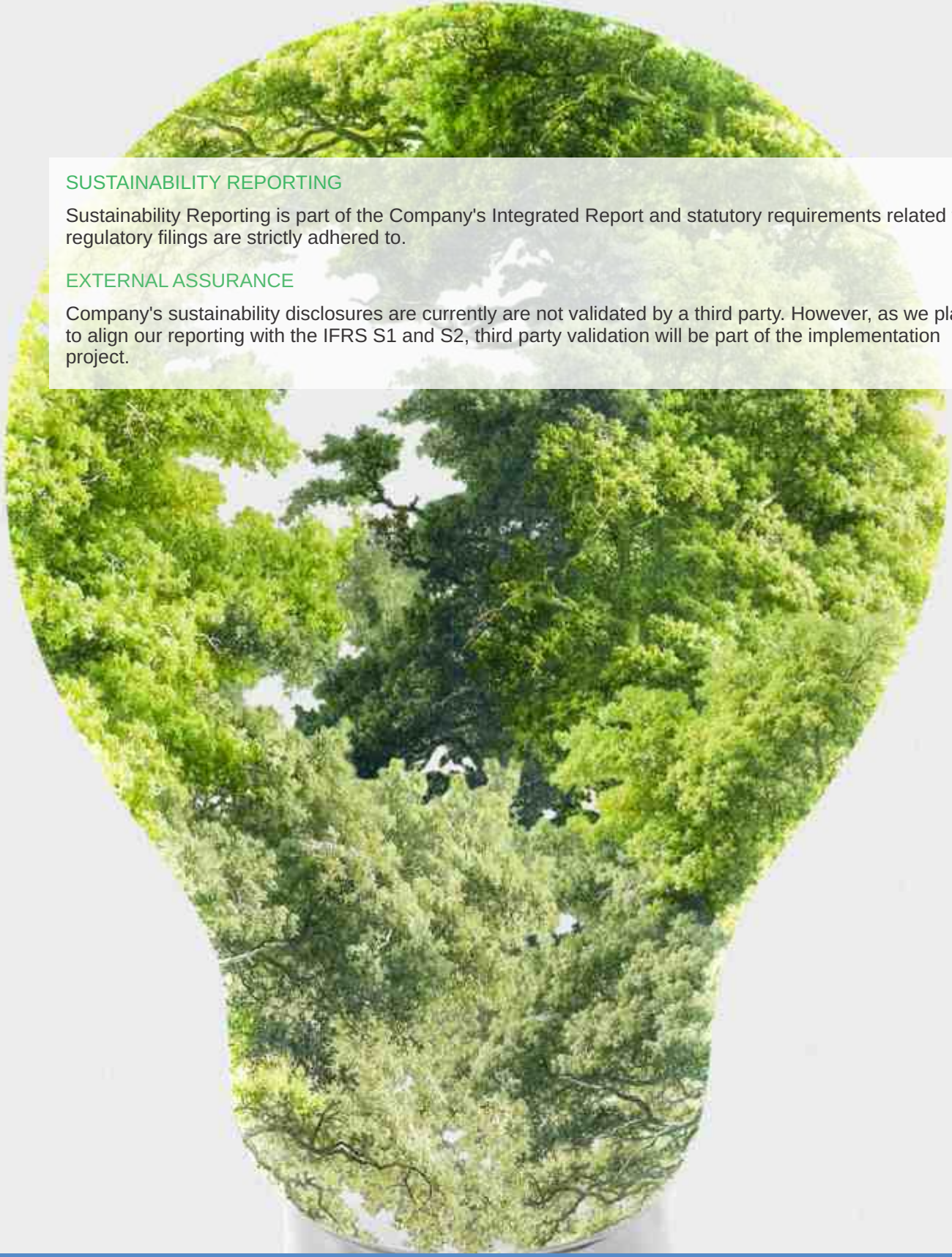
Each member of the Company's top management is required to have at least one sustainability objective every year and it forms an integral part of their performance evaluation.

ETHICS & ANTI-CORRUPTION

Company's Code of Conduct stipulates various aspects of ethics, integrity and anti corruption being the basic parameters for work ethic at Agritech. These include conflict of interest, bribery, gifts and entertainment, financial & operational integrity, insider trading, use of weapons, workplace violence, drug abuse, fair dealings etc. All company employees are required to adhere to the principles laid down therein. Company's Whistleblower Policy establishes a speak out mechanism providing an avenue for employees and other stakeholders to raise concerns with regard to any deviation from acceptable and ethical business conduct.

DATA PRIVACY

Company's Code of Conduct has provision for handling Confidential information and sensitive material. Agritech follows a data privacy policy to protect the confidentiality and integrity of personal and corporate data. This policy includes guidelines for data handling, access control, and secure storage across our system. Agritech has implemented measures to comply with general data protection frameworks. These steps include secure data handling practices, access management through restricted access, regular system monitoring, and employee awareness sessions to ensure compliance with standards.



SUSTAINABILITY REPORTING

Sustainability Reporting is part of the Company's Integrated Report and statutory requirements related to regulatory filings are strictly adhered to.

EXTERNAL ASSURANCE

Company's sustainability disclosures are currently are not validated by a third party. However, as we plan to align our reporting with the IFRS S1 and S2, third party validation will be part of the implementation project.

By fostering a culture of integrity, responsible leadership, and stakeholder engagement, Agritech strengthens trust, enhances operational resilience, and ensures long-term value creation.

CERTIFICATIONS AND ACHIEVEMENTS

The following achievements are result of dedicated and consorted efforts of Agritech's team. Management provided the necessary resources and encouragement with a firm commitment to implement these systems in full letter and spirit. For accreditation of above systems, procedures were developed according to the required standards and these are being implemented.



OSHA Standards

OHS 18001 compliant proactive HSE program aims to prevent work-related injuries, illnesses and fatalities. This effort at Agritech is independently monitored by a high level Corporate Manager of Health, Safety and Environment who has wide ranging mandate and authority to enforce Health, Safety and Environment (HSE) standards throughout the Company. Effort is complemented with Hearts and Minds Winning techniques for sustainable performance.



ISO 45001

ISO 45001 is an international standard that specifies requirements for an occupational health and safety (OH&S) management system. It provides a framework for organizations to manage risks and improve OH&S performance. The standard establishes criteria for an OH&S policy, objectives, planning, implementation, operation, auditing and review. Key elements include leadership commitment, worker participation, hazard identification and risk assessment, legal and regulatory compliance, emergency planning, incident investigation and continual improvement.



ISO 9001

ISO 9001 is a family of standards for quality management systems. ISO 9001 is maintained by ISO, the International Organization for Standardization and is administered by authorized accreditation and certification bodies. The requirements of ISO 9001 include maintaining a set of procedures that cover all key processes in the business, to ensure they are effective, maintain adequate records, check output for defects, with appropriate and corrective action where necessary. The ISO 9001 family of standards also require regular reviews of individual processes and the quality system itself for effectiveness, and to facilitate continuous improvement.



ISO 14001

ISO 14001 is an organizational system standard for monitoring, controlling, and improving quality of the environment. The ISO 14001 Environmental Management standards exist to help organizations minimize how their operations affect the environment (cause adverse changes to air, water, or land) and comply with applicable laws and regulations.



Pakistan Standards and Quality Control Authority

The main function of the Authority is to foster and promote standards and conformity assessment as a means of advancing the national economy, promoting industrial efficiency and development, ensuring the health and safety of the public, protecting the consumers, facilitating domestic and international trade and furthering international co-operation relation to standards and conformity assessment in the interest of consumers.

With the implementation of QMS, EMS & OH&S there have been tremendous improvements at the plant. The following are main benefits.

Increased Efficiency

Certification process has given a lot of thought to improve the system and how to maximize quality and efficiency. The processes has been established and guidelines in place for anyone to follow easily, making training, transitions, and trouble-shooting etc.

Employee Morale

Employee's morale has been motivated by defining roles and responsibilities, accountability of management, established training systems and a clear picture of how their roles affect quality and the overall success of the Company.

International Recognition

The Company's reputation has been increased after getting certifications of QM, EM & OH&S systems as these standards are recognized worldwide.

Supplier Relationships

Following the processes for documentation and testing has ensured quality of raw materials fed into our production system and finished product. The process also requires thorough evaluation of new suppliers before a change is made and/or consistency with respect to how and where orders are placed.

Factual Approach to Decision Making

The ISO and OHSAS standards set out clear instructions for audits and process reviews that have facilitated information gathering and decision making based on the data.

Documentation

Documentation is the key requirement of ISO and OHSAS standards of all processes and any changes, errors and discrepancies. This ensures consistency throughout production and accountability of all staff. This also guarantees traceable records are available in case of non-compliance.

Consistency

All processes for development, to production, to shipping, are defined, outlined and documented, minimizing room for error. Even the process of making changes to a process is documented, ensuring that changes are well planned and implemented in the best possible way to maximize efficiency.

Customer Satisfaction

Client confidence is gained because of the universal acceptance of the ISO and OHSAS standards. Customer satisfaction is ensured because of the benefits to company efficiency, consistency and dedication to quality service.





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**DIRECTORS'
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CHAIRMAN'S REVIEW

Guided by our principle of “*Umeed-e-Nau: Committed, Optimist, Resilient, Eco-friendly (CORE)*”, we remain steadfast in our commitment to innovation, resilience, and environmental responsibility.



Dear Stakeholders

The year 2024 has been a remarkable one for the Company, characterized by exceptional operational achievements, strategic innovation, and sound financial management. By ensuring a consistent gas supply to our Urea plant, we recorded one of our highest production levels in the past decade. The sale of fertilizers in the difficult market situation towards the later part of the year has been exceptional that provided the much-needed cashflow stream. These operational milestones, combined with disciplined operational and financial practices, has significantly bolstered the Company's overall financial stability. These accomplishments have also strengthened our relationships with lenders, culminating in the successful execution of the sanctioned Scheme of Arrangement (SOA).

Guided by our principle of *"Umeed-e-Nau: Committed, Optimist, Resilient, Eco-friendly (CORE)"*, we remain steadfast in our commitment to innovation, resilience, and environmental responsibility.

The growing interest from prominent industrial conglomerates in our production facilities underscores the operational excellence we have achieved and the potential for long-term value creation for our stakeholders.

The Board of Directors has remained unwavering in its commitment to serving our diverse stakeholders, including shareholders, creditors, customers, employees, vendors, and the wider community. With a forward-thinking approach, the Board has devoted considerable effort to approving strategies that enhance stakeholder value, setting ambitious annual targets, and ensuring rigorous oversight of corporate performance.

In 2024, the Board upheld the highest standards of corporate governance. Regular meetings were conducted to review, deliberate, and approve strategic goals, financial plans, and operational updates. A robust governance framework ensured transparency, efficiency, and alignment with the Company's vision.

The Audit Committee and the Human Resource & Remuneration Committee played crucial roles in reinforcing oversight and ensuring compliance with their respective mandates. The Board also took a proactive approach to facilitate the smooth implementation of SOA, ensuring it aligns with the Company's long-term objectives.

As we look to the future with the changes in the company's shareholders that comprise of two leading Manufacturing Organizations i.e. Fauji Fertilizer Company (FFC), a world class Fertilizer industry of the country and Maple Leaf Group having footprints in Cement manufacturing, we are eager to seize the opportunities of their diversified experiences to set the higher operational excellency bars and further enhance the shareholders' value. With our focus on innovation, sustainability, and operational excellence, we are confident in our ability to drive growth, deliver value to our stakeholders, and contribute meaningfully to the nation's progress. A bright and prosperous future lies ahead.



Shahid Iqbal Choudhri
Chairman of the Board

06 March 2025

CEO'S REMARKS

Our customer-centric approach has reinforced trust and loyalty, making Agritech Limited the preferred choice for farmers nationwide.



Dear Stakeholders,

2024: A YEAR OF EXCELLENCE

The year 2024 shall be remembered as the eventful year with major milestones achieved across all the corporate functions of Agritech. Strategic tone was set with the comprehensive review and update of the company's Vision, Mission and Core Values whereby the Board approved the adoption of the same:

Mission Statement

To develop into an innovative player among the **Farming Community** through **Quality Products and Services** contributing towards **National Food Security**

Vision Statement

Transform into a **Sustainable Fertilizer Company** boosting **Agricultural Performance** through local, integrated manufacturing of all **Key Nutrients**

Core Values

Passion for Excellence	Adaptability	Integrity	Analytical Mindset	Team Work	HSEQ – A way of life
Continued efforts by each one of us to exhibit Excellence in what we do; infusing routine with purpose and ownership	Change is constant, and we embrace it for Survival and Growth	Demonstrate Transparency and Honesty in every action fostering Trust with internal and external partners	Analytical mindset provides a Cohesive and Robust platform for effective Problem Solving and Decision Making	We value diversity of ideas and working together for achieving shared goals	Health, Safety & Environment and Quality as way of life

Practical adherence to these core values in the past has transformed the teams at Agritech into a Resilient company, and continuing assimilating these values will surely unlock the true potential of the team.

OPERATIONAL EXCELLENCE

Exceptional production achievements with enhanced operational efficiency were registered at both manufacturing sites of the company. Our Urea plant operated at its highest capacity in more than a decade, supported by a stable natural gas supply, while our SSP production facility reached optimal levels in both quality and output. Key highlights include:

- **Urea Production:** Achieved a remarkable production volume of 372 K tons, one of the highest in the last fifteen years.
- **SSP Production:** Produced 80 K tons of premium-quality SSP, marking one of the best production records since 2011.

These accomplishments reflect the dedication of our workforce and our commitment to delivering reliable, high-quality fertilizers to farmers across the country and making our humble contributions towards National Food Security.

FINANCIAL PERFORMANCE

In spite of local and global economic challenges, Agritech Limited delivered a strong financial performance in 2024. Key highlights include:

- **Revenue Growth:** Achieved a **41.2% increase** in revenue, driven by higher production volumes and passing on cost impacts into the product pricing.
- **Cost Management:** Prudent financial management and cost optimization initiatives resulted in a 3.4% reduction in operational costs of own manufactured fertilizer.
- **Profitability:** Operational profits increased by Rs. 2.2 billion (a 59 % increase) reflecting our focus on efficiency and sustainable growth.

Enhancements in our financial health have strengthened our operations, fortified our statement of financial position, and enabled us to deliver greater value to our shareholders.

SUSTAINABILITY: A CORE PRIORITY

At Agritech Limited, sustainability is not just a goal; it is a way of doing business. In 2024, we made significant progress in integrating sustainable practices across our operations.

The plantation drive represents a key milestone in Agritech's journey towards sustainability. The company remains committed to expanding such green initiatives annually, aiming to increase its carbon sequestration potential and support Pakistan's broader environmental and climate change goals.

We are proud to align our operations with global sustainability standards and contribute to the United Nations Sustainable Development Goals (SDGs). Through establishment of a separate Sustainability function in the organization, Agritech has committed itself to the Voluntary Disclosure Sustainability Framework of SECP and gears itself for future mandatory reporting.

DIGITAL TRANSFORMATION

Adopted cloud-based digital solutions to enhance operational efficiency and data accessibility for reinforcing transparency and system integrity, along with establishing resilient contingency plans and disaster recovery measures to maintain business operations during disruptions.

MARKET EXPANSION AND CUSTOMER FOCUS

In 2024, we expanded our market presence and strengthened relationships with our customers:

- **Distribution Network:** Enhanced our distribution channels, ensuring timely delivery of fertilizers to farmers across Pakistan.
- **Expanding Product Portfolio:** conducted successful test marketing for new fertilizer brand, Tara Ammonium Sulphate, across Punjab and Khyber Pakhtunkhwa (KP).
- **Farmer Education:** Conducted two conventions to educate farmers on the optimal use of Urea and SSP, improving crop yields and soil health. Collaborated with the Govt of Punjab Agri Department on Grow More Cotton campaign.

Our customer-centric approach has reinforced trust and loyalty, making Agritech Limited the preferred choice for farmers nationwide.

IMPLEMENTATION OF THE SANCTIONED SCHEME OF ARRANGEMENT (SOA)

In 2024, another key milestone achieved by the company was the implementation of the sanctioned SOA. The Company successfully concluded the issuance and induction of the Non-Convertible Preference Shares, numbering 1,854,269,750 to the respective Preference Shares allottees in lieu of the principal portion of Long-Term loans of the company.

Finalization of agreements for the Terms Finance Certificates (TFCs) amounting to Rs. 5,066,725,000 in lieu of outstanding markup of the respective TFC allottees. The induction process of TFCs is expected to be completed by early 2025.

SALE OF SHAREHOLDING BY THE FINANCIAL INSTITUTIONS

The year 2024 also witnessed a significant change of the Shareholding of the company. The year being the Board Election year after completion of three years Board Term and coupled with the significant improvement in the operational and financial conditions of the company has developed interests of some of the leading Corporates of the country, and some of the Financial Institutions offload their respective shareholdings in the company.

Two major Manufacturing Concerns, namely Fauji Fertilizer Company (FFC) and Maple Leaf Cement Factory (MLCF), were successful in collectively acquiring the major shareholding of the company after meeting the requisite regulatory and legal requirements. The change is surely providing the much-needed support of the stronger sponsorship base to the future operational needs of the company. It also provides larger platform of technical knowledge of these groups particularly the leadership role of FFC shall ensure world class technical know-how of the fertilizer sector in improving the production efficiency and capacity at both plants of the company.

OTHER HIGHLIGHTS

Several other key milestones and highlights that underscore our continued progress and commitment to excellence are:

- **Best Corporate Report Awards:** Proudly secured 2nd position in the Chemical and Fertilizer Sector and an impressive 5th position overall in the prestigious Best Corporate and sustainability Report Awards 2023. This achievement highlights our commitment to transparency, excellence in corporate reporting, and adherence to best practices in financial and non-financial disclosures.
- **Contribution to National Exchequer:** The economic activity generated by the Company has contributed directly and indirectly towards national exchequer in the form of taxes, duties, levies to the tune of Rs. 4.4 billion (2023: Rs. 2.6 billion) reflecting our unwavering commitment to fulfilling our fiscal responsibilities as a corporate entity. This significant contribution underscores our dedication to supporting national economic growth and development.

CHALLENGES AND OPPORTUNITIES

While 2024 was a year of success, we also faced challenges, including fluctuating natural gas prices and regulatory changes. However, these challenges have presented opportunities for innovation, collaboration, and growth.

Looking ahead, we are focused on:

- **Growing Agricultural Demand:** Population growth increases food demand, driving the need for higher crop yields through fertilizers and enhanced focus on agricultural productivity by the government
- **Strengthening Partnerships:** Collaborating with the Federal and Provincial Governments Ministries, research institutions, and industry stakeholders to drive agricultural innovation.

GRATITUDE AND ACKNOWLEDGMENTS

Our achievements in 2024 would not have been possible without the hard work and dedication of our employees, the trust of our customers, and the support of our shareholders, suppliers, lenders, and partners. I extend my heartfelt gratitude to everyone who has contributed to Agritech Limited's success.

LOOKING AHEAD

As we move into 2025, we remain committed to our mission of supporting Pakistan's agricultural sector and driving sustainable growth. With a focus on innovation, sustainability, and operational excellence, we are confident in our ability to create value for all stakeholders and contribute to the nation's prosperity.

Thank you for your continued trust and support.

Warm regards,



Muhammad Faisal Muzammil
Chief Executive Officer

06 March 2025

CFO'S MESSAGE



Our ability to adapt and thrive in a highly competitive market underscores the strength of our vision and commitment to sustainable growth.

Dear Stakeholders,

In spite of economic headwinds and a long supply situation in the fertilizer industry in 2024, Agritech Limited has demonstrated remarkable resilience, driven by operational efficiency and strategic financial management. Our ability to adapt and thrive in a highly competitive market underscores the strength of our vision and commitment to sustainable growth.

KEY ACHIEVEMENTS

Implementation of the Sanctioned Scheme of Arrangement (SOA)

Amidst a complex regulatory landscape, the Company successfully implemented the sanctioned Scheme of Arrangement (SOA)—a major milestone in our financial restructuring. This included the issuance of Redeemable, Non-Convertible Preference Shares in lieu of long-term loans and the allotment of Zero-Coupon Privately Placed Terms Finance Certificates (PPTFCs) for outstanding markup settlement. The issuance of PPTFCs is expected to conclude in early 2025, marking the final phase of the SOA. This achievement will facilitate the withdrawal of legal cases and unlock greater financial flexibility for future growth.

Best Corporate and Sustainability Report Awards

Our commitment to transparency and excellence was recognized as Agritech Limited secured 2nd place in the Chemical & Fertilizer sector and an impressive 5th overall in the prestigious Best Corporate & Sustainability Report Awards 2023. This achievement reflects our dedication to corporate governance, financial reporting, and sustainability.

Strategic Initiatives & Growth

Throughout the year, we remained focused on strengthening our financial and operational foundation. Key initiatives included:

- Compliance & Transparency: Enhanced regulatory adherence and internal controls to uphold corporate integrity.
- Market Expansion: Strengthened distribution networks to improve market reach and accessibility.
- Technology & Innovation: Invested in digital transformation to optimize efficiency and drive future growth.


RISK MANAGEMENT

To navigate economic uncertainties, we reinforced our risk management framework through proactive financial planning and strategic decision-making. Liquidity management and regulatory compliance remained top priorities, ensuring financial stability and long-term resilience.

COMMITMENT TO STAKEHOLDERS

None of these accomplishments would have been possible without the guidance and visionary leadership of CEO. His strategic foresight and unwavering commitment have been instrumental in driving financial resilience and operational excellence. We remain confident in our ability to navigate future challenges and seize new opportunities.

Sincerely,



Moez ur Rehman
Chief Financial Officer

06 March 2025

DIRECTORS' REPORT

ECONOMIC AND INDUSTRY REVIEW

The Board of Directors of Agritech Limited is pleased to present the Company's Annual Report accompanied with the Audited Financial Statements for the year ended December 31, 2024.

MACRO ECONOMIC OVERVIEW

Pakistan's economy in FY2024 showed signs of recovery despite persistent challenges related to high inflation, fiscal constraints, currency depreciation, and global economic instability. The GDP grew by 2.5%, a significant rebound from the 0.2% contraction recorded in the previous year. This recovery was mainly driven by improvements in the agriculture sector, supported by fiscal adjustments and monetary tightening measures. The agriculture sector expanded by 6.76%, marking its strongest growth in two decades. This sector remains a key pillar of Pakistan's economy, contributing 23% to GDP and employing nearly 37% of the workforce. Improved crop yields played a crucial role in driving this growth, with cotton production surging by 108.2% to 10.22 million bales, rice output increasing by 34.8% to 9.87 million tonnes, and wheat production rising by 11.6% to 31.44 million tonnes. Despite this strong performance, rising input costs and climate-related risks remain significant concerns for the sector.

The industrial sector continued to face headwinds, contracting by 1.03% during the first quarter of FY2024-25. The slowdown in manufacturing, declining mining and quarrying activities, and weak growth in the construction sector contributed to this contraction. Industrial performance was also impacted by high energy costs, interest rate hikes, and import restrictions, which limited the availability of raw materials. The services sector, in contrast, maintained moderate expansion, growing by 1.43% in the same period, with wholesale and retail trade, financial services, and telecommunications showing resilience.

To stabilize external accounts and address fiscal challenges, Pakistan secured a \$7 billion loan from the IMF, with an initial \$1.03 billion disbursed under the Extended Fund Facility (EFF). The IMF program required the government to

implement strict fiscal measures, including subsidy cuts, revenue enhancement initiatives, and expenditure controls. Additionally, the World Bank approved a \$20 billion lending package, aimed at supporting long-term structural reforms, infrastructure development, and climate resilience initiatives.

Inflation remained a major challenge, averaging 13.3% in FY2024, driven by rising prices of electricity, gas, food, and fuel, as well as the impact of currency depreciation. To counter inflationary pressures, the State Bank of Pakistan maintained a 12% interest rate, aiming to control demand-side inflation and stabilize the exchange rate. The Pakistani Rupee continued to experience volatility, contributing to a higher import bill and inflationary pressures. However, an improvement in foreign exchange reserves, supported by IMF funding and remittance inflows, helped moderate further depreciation.

The stock market performed well despite economic uncertainties, with the Pakistan Stock Exchange's KSE-100 index increasing by nearly 30%, reaching an all-time high in September 2024. The rally was fueled by improved investor confidence following the IMF bailout, better corporate earnings, and improved liquidity conditions. Tax revenues also recorded significant growth, with stronger Federal Board of Revenue (FBR) collections due to increased enforcement measures, digitization, and expansion of the tax net.

On a global scale, economic growth remained subdued, with the IMF projecting global GDP growth at 3.2% for 2024, mirroring the previous year's rate. Advanced economies experienced slight improvements, while emerging markets, including Pakistan, continued to grapple with inflationary pressures, geopolitical tensions, and supply chain disruptions. Global commodity markets remained volatile, with crude oil prices fluctuating due to production cuts by OPEC+ and food prices affected by climate-related disruptions and supply constraints. These external challenges had a direct impact on Pakistan's import costs and inflation.

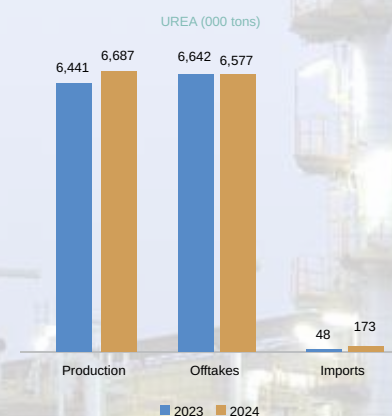
Despite macroeconomic headwinds, Pakistan's economy showed

resilience, particularly in the agriculture sector, while fiscal measures and international financial support provided much-needed stability. Going forward, continued policy reforms, improvements in governance, and structural adjustments will be critical in sustaining long-term economic growth and stability.

INDUSTRY OVERVIEW

Urea Industry

During 2024, Urea offtakes were registered at 6,577 K tons (2023: 6,642 K tons), showing decline of 1% over the preceding year. Negative Farm Economics of Wheat Crop at the start of the year impacted the farmers affordability for the Kharif Crops resulting in the lowest Kharif Urea offtakes of 2,746 K tons seen in last 9 years, however, urea demand recovered in first half of Rabi 2024-25 with better and improved expected farm economics of Wheat Crop.



Production of Urea was highest ever achieved in the country that reached to 6,687K tons (2023: 6,441K tons) showing year on year increase of 3.8% and Urea supplies remained comfortable as plants remained operational throughout the year due to regular gas supplies to all Urea plants. GOP imported 173 K tons Urea (2023: 48K tons) at the start of the year to further enhance the buffer stock of Urea in the country.

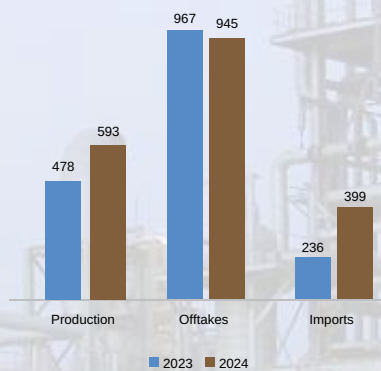
The distribution of Imported Urea was carried out through the urea manufacturers whereby the volumes were allocated based on each company's production shares and the Company imported urea share was 13K tons.

AGRITECH REVIEW

Phosphates Industry

Phosphates Offtakes also saw a decline of 2% versus last year and offtakes in terms of Phosphate P2O5 Nutrient recorded at 945K tons (2023: 967K tons). While Offtakes of all other Phosphatic Fertilizers like NP, MAP, TSP, SSP and NPKs were declined, however, Offtakes of DAP was increased by 3% to 1,627K tons (2023: 1,576K tons). Overall decline of the phosphate use was attributed to the lower farmers' affordability during Kharif season. Phosphate Production in the country witnessed a 24% increase reaching to 593 K tons P2O5 Nutrient in 2024 (2023: 478K tons P2O5 Nutrient) owing to the continuous supply of gas to all phosphatic producing plants particularly DAP plant that registered production increase of 28% versus last year followed by 18% increase in NP production in the country. Imports of Phosphatic products primarily of DAP also increased by 69% and the supply of all phosphatic fertilizers remained well supplied throughout the year.

PHOSPHATES (000 tons P2O5 Nutrients)



Phosphates (DAP) prices in the international market at the start of the year were at US\$ 625 per ton CFR KHI, reaching a low point of US\$ 525 per ton CFR KHI by early May, before rising again to reach a peak of US\$ 655 per ton CFR KHI in October, and ending the year at US\$ 635 per ton CFR KHI.

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 plants at Mianwali, Punjab. The Company also manufactures the GSSP (Granular Single Super Phosphate) at its Haripur Hazara, Khyber Pakhtunkhwa (KPK) plant.

Having achieved the Company's strategic goal to become a diversified fertilizer manufacturer producing both nitrogenous and phosphatic fertilizers, the Company's products are sold under one of the most celebrated and trusted brand name "Tara" in the fertilizer market.

The Company's Urea plant remained operational on a Full Year basis, producing 372 K tons Urea (2023: 292 K tons), vs installed capacity of 433 K tons. Urea production of the Company was the highest seen in last ten years as gas supply continued throughout the year. The Company sold 325 k tons Urea during the period under review (2023: 287 K tons).

It is pertinent to note that the Government of Pakistan imported 173 K tons Urea (2023: 48K tons) at the start of the year to enhance the buffer stock of Urea in the country. The distribution of Imported Urea was carried out through the urea manufacturers whereby the volumes were allocated based on each Company's production shares and the Company imported urea share was 13K tons.

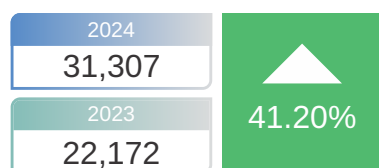
Phosphate Production in the country witnessed a 24% increase reaching to 593 K tons P2O5 Nutrient in 2024 (2023: 478K tons P2O5 Nutrient) owing to the continuous supply of gas to all phosphatic producing plants. The Company being the major SSP producing players in the phosphatic Category produced 80K tons in 2024 (2023: 80 K tons) and sold 71K tons (2023: 80 K tons).

FINANCIAL CAPITAL

Financial Key Performance Indicators

Sales

Rs. in Millions



KPI Relevance

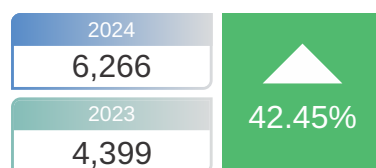
Sales reflects the topline and provides insights into overall value of inventory sold by the Company during the year.

2024 Performance

The Company bagged volume variance as well as rate variance in case of Urea fertilizer. The Company also sold its share of imported Urea fertilizer of more than Rs. 1 billion.

Gross Profit

Rs. in Millions



KPI Relevance

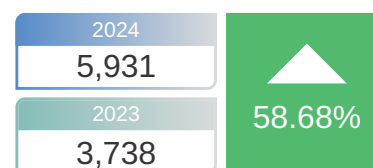
Gross profit reflects the profitability of core business activities by showing the excess of sales revenue over direct costs of production. Monitoring gross profit helps assess operational efficiency and pricing strategies.

2024 Performance

Gross profit margin for the year 2024 remained at 20% however in absolute terms, the gross profit has increased by Rs. 1,867 million from last year primarily due to increase in top line.

Operating Profit

Rs. in Millions



KPI Relevance

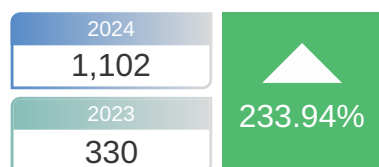
Operating profit reflects the efficiency of the Company's core operations in generating profits, excluding certain non-operating expenses, providing a clear measure of its profitability from primary business activities.

2024 Performance

Major factors contributing to substantial increase in operating profit, besides, sales growth, are higher investment income and gain on settlements with short term lenders.

Investment Income

Rs. in Millions



KPI Relevance

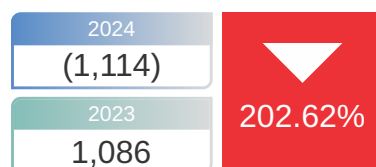
Investment Income reflects the Company's ability to generate returns from its financial assets and make strategic use of surplus funds to enhance overall profitability.

2024 Performance

Strategic use of available funds and optimal use of working capital resulted in a significant increase in investment income.

Net Profit Margin

Rs. in Millions



KPI Relevance

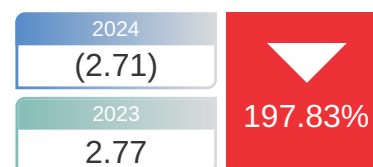
Net profit reflects the overall efficiency of the Company's operations, indicating the amount left after deducting all expenses from total revenue, thereby showing the earning potential.

2024 Performance

Finance costs increased significantly from last year particularly preference dividend on preference shares (after implementation of scheme of arrangements) has resulted in negative bottom line.

Earnings/(Loss) per Share

Rs.



KPI Relevance

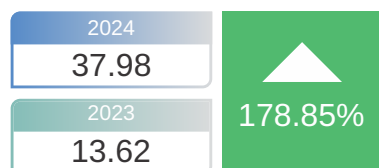
Earnings per share reflects the profitability allocated to each outstanding share, providing insight into the Company's ability to generate profits for its ordinary shareholders on a per-share basis.

2024 Performance

The Company recorded a loss per share of Rs (2.71) during 2024 compared to earnings per share of Rs 2.77 in the previous year due to factors already explained above.

Market Value per Share

Rs.



KPI Relevance

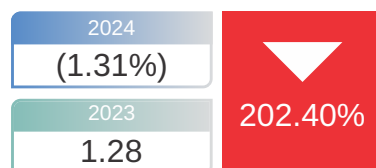
Market value per share reflects investor perception of its current and future prospects, directly influencing its ability to raise capital and pursue growth opportunities.

2024 Performance

Strong Market value per share is result of interest developed by few major conglomerates leading to improved investor confidence.

Return on Assets

%



KPI Relevance

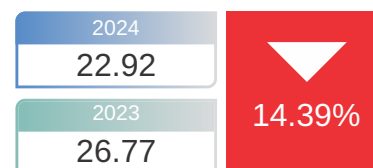
Return on assets measures the Company's efficiency of utilizing its assets to generate profits, providing insight into how effectively the Company is deploying its resources to create value.

2024 Performance

Due to decline in net profitability (major contributing factors being the finance costs), return on assets dropped to -1.31% for the year 2024 compared to 1.28% in the previous year.

Break-Up Value per Share

Rs.



KPI Relevance

Break-up value per share reflects the value of shareholders' funds on a per share basis and depicts the strength of the Company's net assets.

2024 Performance

Declined profitability and increase in number of ordinary shares during the year are the reasons for decrease in Breakup value per share as compared to last year.

Financial Position Analysis

Share Capital and Reserves

2024 | 9.73 bn 2023 | 10.51 bn

Net decrease of Rs. 773 million is attributed to increase in paid up capital by Rs. 322 million and loss after tax of Rs. 1,095 million recorded in 2024.

Long Term Borrowings

2024 | 24.24 bn 2023 | 23.31 bn

Long term borrowings have increased due to unwinding of present value of PPTFCs and classification of short term loans into long term loans.

Short term borrowings

2024 | 2.06 bn 2023 | 3.41 bn

Short term borrowings has declined due to settlements with short term lenders and repayments made during the year.

Trade and Other Payables

2024 | 7.75 bn 2023 | 7.93 bn

Trade and other payables has decreased due to better credit management and working capital utilisation.

Accrued Interest / Mark up / Dividend

2024 | 31.48 bn 2023 | 26.68 bn

Accrued mark-up and dividend payable has increased, significant portion of which is preference dividend on preference shares under the scheme of arrangement.

Property, Plant and Equipment

2024 | 66.69 bn 2023 | 68.34 bn

Decline was observed due to depreciation charges for the year and disposals of obsolete assets after taking impact of additions during 2024.

Short Term Investments

2024 | 6.78 bn 2023 | 5.53 bn

Short-term investments increased by 22.73%, as the Company strategically placed available funds into highly liquid treasury bills, optimizing returns from available cash reserves.

Stock in Trade

2024 | 4.39 bn 2023 | 1.19 bn

Stock in trade has significantly increased primarily due to long supply situation in the market during the year.

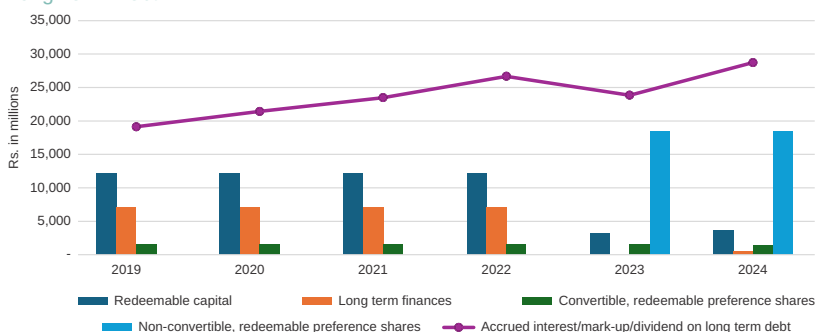
Tax Refunds Due from Government

2024 | 26.99 mn 2023 | 82.78 mn

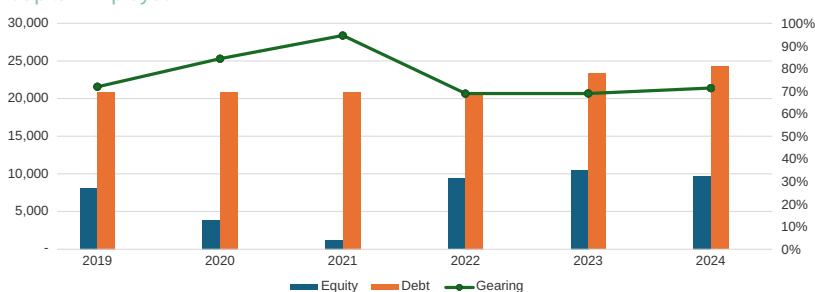
Tax refunds reduced due to capital gain tax recorded on both realized and unrealized income on treasury bills and impact of super tax in current year.

Rs. in million	2024	2023
Equity and Liabilities		
Issued ordinary share capital	4,246	3,924
Reserves	5,486	6,581
Shareholders' equity	9,732	10,505
Long term borrowings	24,244	23,306
Capital employed	33,976	36,379
Long term payable	-	-
Deferred liabilities	9,748	10,328
Short term borrowings	2,058	3,413
Other current liabilities	39,226	34,607
Total Equity and Liabilities	85,008	82,160
Assets		
Property, plant and equipment	66,694	68,336
Long term assets	88	80
Inventories	6,796	3,409
Trade debts	46	-
Short Term Investments	6,784	5,527
Cash and bank balances	423	520
Other current assets	4,177	4,288
Total Assets	85,008	82,160

Long Term Debt



Capital Employed



Current Ratio



FINANCIAL CAPITAL

Financial Performance Analysis

Rs. in million	2024	2023
Sales	31,307	22,172
Cost of sales	(25,041)	(17,774)
Gross profit/(loss)	6,266	4,399
Operating expenses	(2,415)	(1,383)
Other income	2,081	722
Operating profit/(loss)	5,931	3,738
Finance cost	(7,014)	(6,098)
Gain on restructuring of loans	-	3,207
Profit/(loss) before final/minimum taxes and taxation	(1,083)	847
Final and minimum taxes	(613)	(314)
Profit/(loss) before taxation	(1,696)	534
Taxation for the year	582	552
Profit/(loss) after taxation	(1,114)	1,086

Sales

2024 | 22.17 bn 2023 | 22.17 bn

The company experienced a volume and price variance in Urea fertilizer. Additionally, it sold its portion of imported Urea fertilizer, exceeding Rs. 1 billion.

Cost of sales

2024 | 17.77 bn 2023 | 17.77 bn

Cost of sales increased due to higher natural gas prices, inflationary impact, and increased production and sales volume.

Gross profit/(loss)

2024 | 4.39 bn 2023 | 4.39 bn

The gross profit margin for 2024 remained at 20%. However, in absolute terms, the gross profit increased by Rs. 1,867 million compared to last year, mainly due to topline growth.

Operating expenses

2024 | 4.39 bn 2023 | 4.39 bn

The surge is primarily attributable to increase in freight and distribution costs due to increased volume and axle load policy impact.

Other income

2024 | 0.72 bn 2023 | 0.72 bn

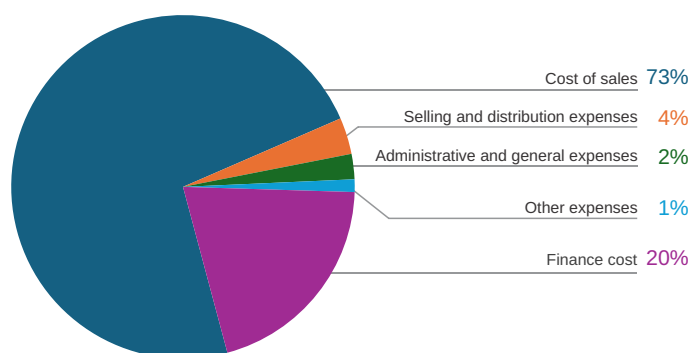
Other income rose significantly primarily due to higher returns on investments, strategic treasury management and gains arising on settlement with some short term lenders.

Finance cost

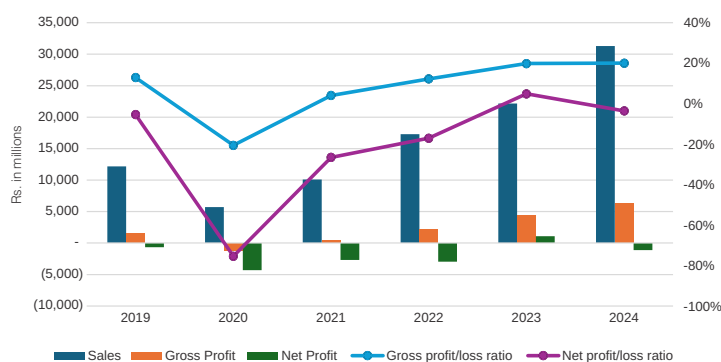
2024 | 3.21 bn 2023 | 3.21 bn

Subsequent to impact of scheme of arrangements on financials, preference dividend on preference shares and unwinding of PPTFCs has resulted in significant increase in finance costs. However, the impact will not be that significant in FY 2025 due to decrease in policy rate and locking of preference dividend rate on year end.

Mix of Expenses



Profitability



Cash Flow Analysis

Rs. in million	2024	2023
Opening cash and equivalents	(2,009)	(2,154)
Cash generated from operations	1,329	5,684
Cash utilized in investing activities	(550)	(5,492)
Cash utilized in financing activities	(159)	(47)
Closing cash and cash equivalents	(1,389)	(2,009)

Cash flows from operating activities

2024 | 5.68 bn 2023 | 5.68 bn

The reduction in operating cashflows is mainly due to higher level of inventories at year end due to long supply situation leading to negative changes in working capital of Rs. 3.58 billion. Income tax payments increased to Rs. 557 million, further reducing net cash inflows from operations.

Cash flows from investing activities

2024 | (5.49) bn 2023 | (5.49) bn

Due to long supply situation the Company needed liquidity for operations resulting in lower allocation to short term investments, which decreased to Rs. 1.26 billion, as compared to Rs. 5.46 billion in the previous year.

Cash flows from financing activities

2024 | (47.16) mn 2023 | (47.16) mn

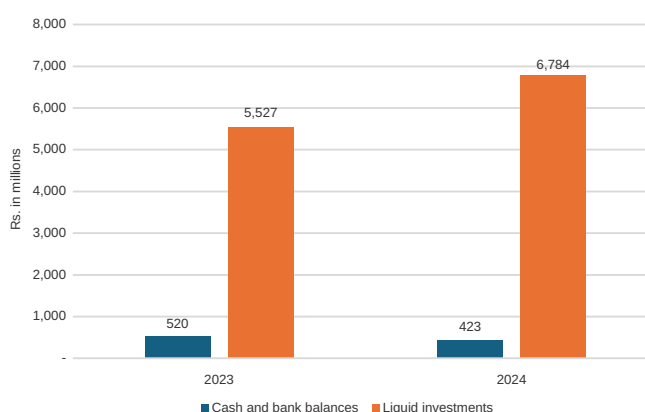
The rise in net cash outflow from financing activities is primarily driven by the repayment of short term borrowings amounting to Rs. 133 million and increased finance cost payments of Rs. 27 million. Additionally, there were no new financing inflows during the year.

Cash and cash equivalents

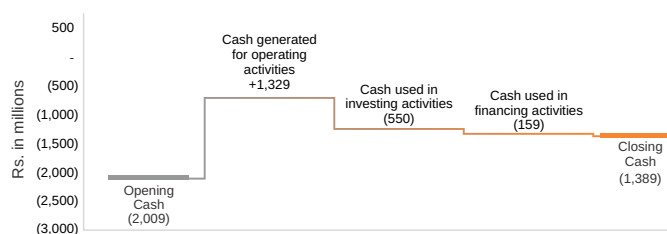
2024 | (2.01) bn 2023 | (2.01) bn

Improvement in cash and cash equivalents is due to settlements with short term lenders and reclassification of restructured short term loans to long term loans.

Liquid Assets



Cash Movement



NON-FINANCIAL CAPITAL

Non-Financial Key Performance Indicators

Manufactured Capital



Farmers Engagements
40
Farmers Engagement Events Held



Warehouses
19

Human Capital



Workforce
998



Total Training Hours
4000



Cultural & Sports Events
7

Natural Capital



Baniam Trees Reserve Protection and Maintenance



Plantation Drives
4 (25 K Trees)



Horticultural Events
2



Annual Carbon Offset
625 MT

Social and Relationship Capital



Contribution to National Exchequer
2,374 M



Community Programmes

5

Schools

2

Medical & Dialysis Center

1

New Dialysis Machine added

1,203

Dialysis Patients Treated

Intellectual Capital



FBR Track & Trace System Implemented



OSHA Standards ISO 9001, 14001, 45001
PSQC Authority Certifications and Trade Marks



Oracle E-Business Suite HR and OPM Modules added



Manufactured Capital

Objectives	KPI's Monitored	2024 Performance	Future Relevance
<p>Production Quality</p> <p>The objective is to consistently produce high quality fertilizer products that meet industry standards and customer specifications, ensuring reliability, efficiency and compliance with regulatory requirements while minimizing waste and defects.</p>	Product Quality Index	Maintained the highest level of quality of product competitive with the market.	Maintaining quality of production will continue to be the top priority of Agritech as it is the most important KPI in the service to the farmers' community and the country.
<p>Warehousing</p> <p>Having sufficient no. of warehouses nationwide to achieve distribution efficiencies and enhance customer reach.</p>	No. of warehouses	The Company has 19 warehouses across the country.	This KPI is an important factor in achieving distribution efficiencies and enhancing customer reach.
<p>Farmers' Engagement Events</p> <p>Hold regular and frequent farmer engagement events to build their confidence in "Tara" brand.</p>	No. of Farmers Engagement Events	'Grow more Cotton Campaign' was conducted in 2024. A total of 40 farmers' engagement events like seminars, demos etc. conducted in 2024	Frequency and no. of farmers' engagement is important for building customer confidence.

NON-FINANCIAL CAPITAL



Human Capital

Objectives	KPI's Monitored	2024 Performance	Future Relevance
<p>Providing Employment</p> <p>The Company is committed to retaining this skilled workforce by providing competitive and market-based remuneration, job security, appealing retirement benefits, and opportunities for skill enhancement and career development. This holistic strategy is designed to attract and retain capable individuals across all areas of operation, including plants, marketing offices, and the head office.</p>	<ul style="list-style-type: none"> Employee Retention Ratio Time to Fill Talent Acquisition Costs Turnover Rate Human Capital ROI Employee Performance Ratings 	<p>As of December 31, 2024, AGL employs 998 professionals across its manufacturing sites, country-wide marketing networks, and head office.</p>	<p>The provision of healthy work environment and retention of employees will remain a critical KPI for organizations in the future as they navigate evolving workforce dynamics, talent shortages, and the changing expectations of employees.</p>
<p>Developing Skills and Talent</p> <p>The objective is to cultivate a workforce that is equipped with the necessary knowledge, competencies, and capabilities to drive organizational success. Ultimate goal is to enhance individual and organizational performance, increase employee engagement and retention, and adapt to evolving business needs and industry trends.</p>	<ul style="list-style-type: none"> Training hours per employee Training Satisfaction Rate Total Training Hours Training program Completion Rate 	<p>Human Resource Department of AGL has arranged more than 4,000 hours of training for its employees across the sites including customized trainings as well open enrolment based trainings. The Company is committed to providing excellent training opportunities to its employees. This includes 3K hours of soft & technical trainings and more than 1K hours in HSE trainings.</p>	<p>Skills development and training will continue to play a vital role in AGL's human capital management, enabling it to remain agile, innovative, and competitive in a rapidly changing business landscape. By investing in employee development, organizations can build a skilled workforce equipped to tackle future challenges.</p>
<p>Workforce Planning and Leadership development</p> <p>To align the organization's current and future workforce needs with its strategic objectives. By analyzing internal and external factors, HR aims to anticipate talent requirements, identify skill gaps, and implement strategies to ensure the right people are in the right roles at the right time, maximizing organizational performance and agility.</p>	<ul style="list-style-type: none"> Vacancy Rate Succession Pipeline Workforce Utilization Rate Leadership Bench Strength 	<p>AGL demonstrated strong performance in workforce planning by maintaining a low turnover rate and effectively filling vacancies within a timely manner. Additionally, the company's robust leadership development initiatives were evident through the high percentage of internal promotions to leadership positions.</p>	<p>Effective workforce planning will ensure the organization has the right talent to meet future demands, while leadership development will empower leaders to navigate complex challenges and drive innovation in a dynamic energy landscape.</p>
<p>Providing Equal Opportunities</p> <p>The objective is to eliminate discrimination and bias in all HR practices, including recruitment, hiring, promotions, and compensation, ensuring that every employee has an equal chance to succeed based on merit and qualifications, fostering a diverse and inclusive workplace culture.</p>	<ul style="list-style-type: none"> Workforce Diversity Metrics Equal Pay Ratio Promotion and Advancement Rates Diversity Training Participation Representation in Leadership Roles. 	<p>AGL demonstrated commitment to diversity and equal opportunities by conducting regular diversity training sessions for all employees, fostering awareness of inclusion principles. The Company maintained equitable practices in recruitment, promotion, and compensation, ensuring fair opportunities for all employees.</p>	<p>The future relevance of equal opportunity objectives for human capital at AGL is paramount as it aligns with broader societal shifts towards diversity, equity, and inclusion. By prioritizing equal opportunity initiatives, AGL can attract and retain a diverse talent pool, fostering innovation and creativity within the organization.</p>



Natural Capital

Objectives	KPI's Monitored	2024 Performance	Future Relevance
<p>Investment in Preserving Planet</p> <p>The objective to mitigate environmental degradation, protect natural resources, and promote sustainability. Ultimate goal is to safeguard the planet's ecosystems, biodiversity, and climate stability for current and future generations.</p>	<ul style="list-style-type: none"> • Carbon Footprint Reduction • Renewable Energy Capacity • Resource Conservation 	<p>AGL demonstrated strong commitment to preserving the planet by significantly reducing its carbon footprint through preserving Banian Trees Reserve near River Sindh and launching 2 plantation drives during 2024, wherein 25 K trees were planted. Two horticulture events and Flower exhibitions were also conducted in 2024.</p>	<p>Preserving the planet is crucial for protecting human health, fostering resilience against natural disasters, and promoting social equity and economic stability. In the face of mounting environmental threats, investing in preservation efforts is not only a moral imperative but also a strategic necessity for securing a livable and prosperous future for generations to come</p>
<p>Increasing Green Footprints</p> <p>Objective is to minimize environmental impact and promote sustainability by adopting practices that reduce carbon emissions, conserve resources, and support renewable energy sources.</p>	<ul style="list-style-type: none"> • Carbon Emission Reduction • Energy Efficiency Improvements • Renewable Energy Procurement • Increasing Environmental awareness 	<p>AGL excelled in increasing green footprints by achieving substantial reductions in carbon emissions through energy efficiency measures and renewable energy investments. Additionally, the company carried out plantation campaigns, horticulture events and flower exhibitions to raise awareness about environment</p>	<p>Increasing green footprints is vital for AGL's future, aligning with industry shifts towards renewable energy and bolstering its reputation as an environmentally responsible leader, ensuring competitiveness amid growing stakeholder demands for sustainability.</p>

For more details on natural capital, refer to Sustainability part of this Annual Report.

NON-FINANCIAL CAPITAL



Social and Relationship Capital

Objectives	KPI's Monitored	2024 Performance	Future Relevance
Create Value as Trusted Business Partner			
<p>The objective is to establish and maintain mutually beneficial relationships based on trust, integrity, and reliability. This involves understanding the needs and priorities of stakeholders, delivering high-quality products or services, and consistently exceeding expectations to foster long-term partnerships.</p>	<ul style="list-style-type: none"> Value-added Services Revenue Growth from Partnerships Long-term Relationship Value 	<p>AGL has benefited from long term relationships with its dealers and suppliers alike in 2024. AGL strengthened its partnerships and solidified its reputation as a trusted advisor and dependable business partner in the industry.</p>	<p>It will be crucial for AGL to foster collaborative relationships, drive innovation, and navigate complex business landscapes, ensuring long-term success and competitive advantage in evolving markets.</p>
Create and Share Value in Communities AGL Operates			
<p>The objective is to contribute positively to the socio-economic development and well-being of the communities in which it operates. This involves fostering mutually beneficial relationships, supporting local initiatives, and addressing community needs through sustainable practices, economic empowerment, and social investments.</p>	<ul style="list-style-type: none"> Community Engagement Activities Health facilities made available Economic Impact on the local communities 	<p>AGL has taken various initiatives, notably in economic impact, by creating job opportunities and investing in essential community infrastructure. By establishing an hospital and a dialysis center, AGL not only provided critical healthcare services but also generated employment opportunities for local residents. One new dialysis machine was added and 1203 dialysis patients were treated in 2024.</p>	<p>It will remain essential for AGL as we adapt to changing societal expectations, build trust, and foster long-term relationships, ultimately contributing to sustainable growth and shared prosperity.</p>
Create Value as Socially Responsible Company			
<p>The objective is to proactively address social, environmental, and ethical concerns while simultaneously pursuing business goals. This involves integrating sustainable practices into operations, supporting community development, promoting diversity and inclusion, and upholding ethical standards throughout the organization's activities.</p>	<ul style="list-style-type: none"> Corporate Social Responsibility (CSR) Spending Environmental Impact Reduction Community Engagement Diversity and Inclusion Employee Satisfaction Ethical Sourcing Stakeholder Engagement 	<p>Being a socially responsible Company, AGL has not only contributed towards national exchequer of Rs. 2,374 million but also adopted practices to give back to society through a number of initiatives in environment protection, providing health care services through a hospital and dialysis center.</p>	<p>The importance of this will continue to grow, as consumers, investors, and stakeholders increasingly prioritize ethical and sustainable business practices, driving demand for transparency, accountability, and positive social and environmental impact.</p>
Health and Safety Performance			
<p>The objective is to safeguard the well-being of employees, contractors, and the environment by preventing accidents, injuries, and occupational hazards. This involves implementing robust safety protocols, and maintaining compliance with regulatory standards to create a safe and secure work environment.</p>	<ul style="list-style-type: none"> No of days without any incident Total Recordable Incident Rate (TRIR) Near Miss Reporting Rate Emergency Response Time 	<p>AGL has achieved no incident record in the year 2024. Safety and trainings have been made necessary for each new visitor to the plant. Regular trainings were conducted in the year.</p>	<p>Health and safety remains essential due to evolving technological, regulatory, and workforce dynamics. Prioritizing health and safety ensures compliance, mitigates risks amidst changing environmental and societal expectations.</p>



Intellectual Capital

Objectives	KPI's Monitored	2024 Performance	Future Relevance
Commitment to Highest Quality of Processes			
Objective is to systematically identify, analyze, and enhance organizational processes to optimize efficiency, quality, and performance over time. By fostering a culture of innovation and learning, organizations aim to drive incremental and sustainable improvements, reduce waste, and meet evolving customer needs and market demands.	<ul style="list-style-type: none"> • Process efficiency • Trend of Cost of Quality • Defect rate 	AGL demonstrated its commitment with process improvement by maintaining OSHA standards. ISO 9001, ISO 14001, ISO 45001 and PSQS Authority certification. Additionally, the implementation of Oracle Business Suite HR and OPM Modules has enhanced workforce management, streamlined operations and improved decision making through integrated, real time data insights.	The future relevance of process improvement lies in its ability to drive organizational agility, resilience, and competitiveness in an increasingly dynamic and complex business environment. By continuously optimizing workflows, enhancing efficiency, and adapting to changing market demands, organizations can improve customer satisfaction, reduce costs, and accelerate innovation, ensuring long-term viability and success in the evolving marketplace.
Knowledge Management			
The objective is to systematically capture, organize, and leverage intellectual assets to enhance decision-making, innovation, and operational efficiency within the organization. Continuous Process Improvement aims to identify, analyze, and eliminate inefficiencies, errors, and bottlenecks in workflows and operations to optimize productivity, quality, and customer satisfaction over time.	<ul style="list-style-type: none"> • Knowledge Sharing • Knowledge retention rate 	In 2024, AGL achieved its knowledge management objective by implementing robust systems for capturing, organizing, and sharing intellectual assets across departments, facilitating informed decision-making and fostering innovation.	Knowledge management will remain crucial for organizations to harness and leverage intellectual capital, foster innovation, and adapt to rapidly changing market dynamics, ensuring competitiveness and sustained growth in an increasingly knowledge-driven economy.

Methods and Assumptions used in Compiling Key Performance Indicators

The Company sets budgetary targets for various financial and non-financial indicators on an annual basis which are approved by the Board of Directors. Key Performance Indicators are identified based on how effectively these reflect the Company's performance and position. Various factors, including but not limited to, general market conditions, the Company's market positioning, competitors are taken into account while compiling these indicators. Actual performance is analyzed against budgetary targets by monitoring key performance indicators on a regular basis.

The Company's financial performance and position are the most basic financial indicators. The Company analyses revenue, gross profit, profit after taxation, earnings per share and return on equity to assess its performance. Total equity, total assets and break-up value per share are analyzed to gauge the Company's financial position. Market share price is also a very important financial indicator as the Company's market perception is measured directly with reference to its market share price. Non-financial indicators are set for business objectives associated with various forms of capital including those pertaining business growth and expansion, product development, human resource development and relationships with key stakeholders etc.

Changes in Indicators and Performance Measures

There were no major changes in indicators and performance measures from the previous years.

SUMMARY OF FINANCIAL STATEMENTS

Rs. in million	2024	2023	2022	2021	2020	2019
Summary of Financial Position						
Equity and Liabilities						
Issued, subscribed and paid-up ordinary share capital	4,246	3,924	3,924	3,924	3,924	3,924
Reserves	5,486	6,581	5,493	(2,736)	(51)	4,244
Shareholders' equity	9,732	10,505	9,417	1,188	3,873	8,169
Long term borrowings	24,244	23,306	20,862	20,862	20,872	20,897
Capital employed	33,976	36,379	32,847	24,618	27,313	31,633
Long term payable	-	-	551	1,158	1,740	2,242
Deferred liabilities	9,748	10,328	10,876	8,436	8,892	9,177
Short term borrowings	2,058	3,413	3,582	3,518	3,647	3,626
Other current liabilities	39,226	34,607	33,615	29,486	25,585	22,458
Total Equity and Liabilities	85,008	82,160	78,903	64,649	64,609	66,569
Assets						
Property, plant and equipment	66,694	68,336	69,925	56,965	58,536	60,043
Long term assets	88	80	73	73	71	59
Inventories	6,796	3,409	3,309	2,416	2,508	2,886
Trade debts	46	-	-	89	-	-
Short Term Investments	6,784	5,527	-	104	-	-
Cash and bank balances	423	520	529	1,084	795	562
Other current assets	4,177	4,288	5,067	3,917	2,699	3,017
Total Assets	85,008	82,160	78,903	64,649	64,609	66,569
Summary of Statement of Profit or loss						
Sales	31,307	22,172	17,296	10,101	5,700	12,174
Cost of sales	(25,041)	(17,774)	(15,175)	(9,691)	(6,872)	(10,601)
Gross profit/(loss)	6,266	4,399	2,122	410	(1,173)	1,573
Operating expenses	(2,415)	(1,383)	(1,157)	(723)	(551)	(823)
Other income	2,081	722	105	101	183	1,579
Operating profit/(loss)	5,931	3,738	1,069	(212)	(1,541)	2,329
Finance cost	(7,014)	(6,098)	(4,285)	(2,805)	(2,945)	(3,300)
Gain on restructuring of loans	-	3,207	-	-	-	-
Profit/(loss) before final/minimum taxes and taxation	(1,083)	847	(3,216)	(3,018)	(4,487)	(971)
Final and minimum taxes	(613)	(314)	(216)	(126)	(85)	(183)
Profit/(loss) before taxation	(1,696)	534	(3,432)	(3,144)	(4,572)	(1,154)
Taxation for the year	582	552	479	463	275	501
Profit/(loss) after taxation	(1,114)	1,086	(2,953)	(2,681)	(4,297)	(653)
Quantitative Data						
Rated Capacity						
Urea Fertilizer	MT	433,125	433,125	433,125	433,125	433,125
Phosphate Fertilizer	MT	81,000	81,000	81,000	81,000	81,000
Total rated capacity	MT	514,125	514,125	514,125	514,125	514,125
Actual Production						
Urea Fertilizer	MT	372,012	292,255	353,284	226,768	124,785
Phosphate Fertilizer	MT	80,341	77,150	63,596	73,244	66,341
Total rated capacity	MT	452,353	369,405	416,880	300,012	191,126
Production Efficiency						
Urea Fertilizer	%	86	67	82	52	29
Phosphate Fertilizer	%	99	95	79	90	82
Total production efficiency	%	88	72	81	58	37
Sales						
Urea Fertilizer	MT	325,000	285,551	351,433	232,094	139,296
Phosphate Fertilizer	MT	71,000	80,226	54,137	80,152	59,929
Total sales	MT	396,000	365,777	405,570	312,246	199,225

SIX YEARS ANALYSIS

KEY FINANCIAL RATIOS

		2024	2023	2022	2021	2020	2019
Profitability Ratios							
Gross Profit ratio	%	20.01	19.84	12.27	4.05	(20.58)	12.92
Net Profit to Sales	%	(3.56)	4.90	(17.08)	(26.54)	(75.39)	(5.36)
EBITDA Margin to Sales	%	20.65	34.79	11.05	10.77	0.54	26.24
Operating Leverage	Times	(0.55)	63.78	(2.25)	(0.88)	3.31	(1.43)
Return on Equity	%	(11.45)	10.34	(31.36)	(225.60)	(110.93)	(7.99)
Return on Capital Employed	%	(7.29)	8.26	(42.83)	(65.01)	(54.43)	(33.48)
Shareholders' Funds	Rs. in millions	9,732	10,505	9,417	1,188	3,873	8,169
Return on Shareholders' Funds	%	(11.45)	10.34	(31.36)	(225.60)	(110.93)	(7.99)
Total Shareholders Return	%	1.789	2.103	0.158	(0.258)	0.180	(0.002)
Liquidity Ratios							
Current ratio	Times	0.44	0.36	0.16	0.15	0.12	0.14
Quick / Acid Test ratio	Times	0.28	0.27	0.10	0.10	0.07	0.08
Cash to Current Liabilities	Times	0.18	0.16	0.01	0.03	0.02	0.02
Cash flow from Operations to Sales	Times	0.04	0.26	(0.02)	0.08	0.06	0.04
Cash flow to Capital Expenditure	%	336	1,862	(51)	2,151	395	2,087
Cash flow coverage	%	5.05	21.27	(1.07)	3.21	1.43	2.10
Investment/Market Ratios							
Earnings per Share - <i>Basic</i>	Rupees	(2.71)	2.77	(7.53)	(6.83)	(10.95)	(1.66)
Earnings per Share - <i>Diluted</i>	Rupees	(2.71)	1.31	(7.53)	(6.83)	(10.95)	(1.66)
Price Earnings ratio	Times	(0.07)	0.20	(1.72)	(1.80)	(2.14)	(0.38)
Price to Book ratio	Times	1.66	0.51	0.18	1.25	0.52	0.21
Dividend Yield ratio	%	-	-	-	-	-	-
Dividend Payout ratio	%	-	-	-	-	-	-
Dividend Cover ratio	Times	-	-	-	-	-	-
Cash Dividend per Share	Rupees	-	-	-	-	-	-
Stock Dividend per Share	%	-	-	-	-	-	-
Market Value per Share	Rupees	37.98	13.62	4.39	3.79	5.11	4.33
Break-up Value per Share							
- without revaluation reserves	Rupees	(52.47)	(57.32)	(62.39)	(56.69)	(51.64)	(42.24)
- with revaluation reserves	Rupees	22.92	26.77	24.00	3.03	9.87	20.82
Market capitalization	Rupees in millions	16,128	5,345	1,723	1,487	2,005	1,699
Free Cash Flow	Rupees in millions	1,487	5,688	(600)	896	376	571
Economic Value Added	Rupees in millions	(6,832)	(4,588)	(7,283)	(4,780)	(6,227)	(4,208)
Capital Structure Ratios							
Financial Leverage ratio	Times	0.80	0.78	2.60	20.51	6.33	3.00
Weighted Average Cost of Debt	%	22.30	20.20	16.79	11.44	7.73	13.48
Debt to Equity ratio	%	71:29	69:31	69:31	95:5	84:16	72:28
Net assets per share	Rupees	22.92	26.77	24.00	3.03	9.87	20.82
Interest Cover ratio	Times	0.73	1.10	0.08	(0.20)	(0.55)	0.65
Activity/Turnover Ratios							
Total Assets turnover ratio	Times	0.37	0.27	0.22	0.16	0.09	0.18
Fixed Assets turnover ratio	Times	0.47	0.32	0.25	0.18	0.10	0.20
No. of Days in Inventory	Days	41	23	17	15	33	19
No. of Days in Receivables	Days	0	0	1	2	0	1
No. of Days in Payables	Days	87	102	81	91	91	110
Operating Cycle	Days	(46)	(79)	(63)	(74)	(58)	(91)
Others							
Production per employee	MT	443	386	431	328	205	437
Revenue per employee	Rupees in millions	31	23	18	11	6	14
Staff turnover ratio	%	6	5	4	3	4	3
Spares inventory to assets costs	%	4	4	4	4	4	4
Maintenance costs to operating expenses	%	0.38	0.30	0.26	0.38	0.40	0.23

SIX YEARS ANALYSIS

KEY FINANCIAL RATIOS

Analysis of Key Financial Ratios

Profitability Ratios

The company continued its positive growth trajectory, with a substantial increase in the gross profit ratio to 20.01% in 2024 from 13% in 2019. This has been possible due to consistent gas supply to Urea plant in the past few years resulting in substantial growth in topline. However, the Company has reported "net loss to sales" ratio of 3.56%, which was 5.36% in 2019. Main reason for loss ratio is high finance costs.

EBITDA Margin has been improving since 2020 from 0.96 in 2020 to 20.65 in 2024. In 2023, EBITDA margin was impacted by one-off gain on restructuring scheme.

Return on equity and return on capital employed turned negative again, at (11.45%) and (7.29%), respectively, reversing the positive trend from the previous year. The decline in operating leverage from 38.6 to 36.09 also indicates pressure on the company's profitability. Total shareholders' return has improved from 0% in 2019 to 1.79% in 2024 indicating continuous improvement in profitability of the company.

Liquidity Ratios

The company's liquidity position improved slightly in 2024, with the current ratio rising to 0.44 from 0.36 in 2023, indicating better coverage of short-term obligations. Similarly, the quick/acid test ratio followed an improving trend, reaching 0.28, further supporting the company's ability to meet immediate liabilities.

The cash flow from operations to sales ratio demonstrates variability but shows a notable increase in 2023 indicating better efficiency in conversion of sales to cash, while higher stock levels decreased operating cash flows in 2024 resulting in reduced cash flows from operations to sales ratio as compared to 2023.

The cash flow to current liabilities ratio has improved to 0.18 in 2024 from 0.02 in 2019 indicating improved liquidity position of the company over the years.

Despite fluctuations, the cash flow to capital expenditures ratio remains relatively high throughout the reporting years, indicating substantial cash flow generation compared to capital investment.

Overall, the trends from 2018 to 2024 depict a positive trajectory for the company, characterized by

improving liquidity, operational efficiency, and financial health

Capital Structure Ratios

The Company remains under high leverage due to highly geared capital structure. This has resulted in high debt-to-equity ratio and lower interest cover ratio.

The financial leverage ratio exhibits significant variability, ranging from 3 times in 2019 to varied values in subsequent years, peaking in 2021 at 20.51 times. This indicates varying reliance on debt financing throughout the period.

Subsequent to two new sponsors acquiring major stakes, the capital structure is expected to have a more balanced gearing.

Activity/Turnover Ratios

Analysis of the activity/turnover ratios from 2019 to 2024 is indicative of the company's operational efficiency and management of resources. The total assets turnover ratio improved from 0.18 times in 2019 to 0.37 times in 2024, demonstrating improved efficiency in utilizing assets to generate revenue over the years. The fixed assets turnover ratio also rose from 0.2 to 0.47, indicating higher asset productivity.

The number of days in inventory increased from 19 days in 2019 to 41 days in 2024, reflecting slower inventory turnover. On the other hand, the number of days in receivables reduced from 1 day to 0 days, suggesting a immediate cash collections. The operating cycle further declined due to extended payable days, indicating a positive trend in working capital management.

Investment/Market Ratios

Earnings per share (EPS) turned negative again, with the basic EPS dropping from 2.77 Rupees in 2023 to (2.71) Rupees in 2024 inspite of increase in topline and gross profit margins. Higher finance costs is the main contributing factor towards this decline.

The price-to-book ratio has increased from 0.21 in 2019 to 1.66 in 2024. This indicates improving levels of market valuation relative to book value. The market value per share also fluctuates, with a notable increase in 2024, indicating potential market optimism towards the company. Similarly, market capitalization has significantly improved to 16,128 million Rupees in 2024 from Rs. 1,699 millions in 2019 as a result of recent interest developed by few major conglomerates leading to improved investor confidence.

The break-up value per share, both with and without revaluation reserves, fluctuates over the period, reflecting changes in the company's asset valuations.

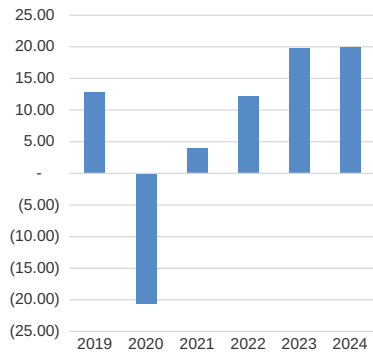
Overall, trend of these ratios are reflective of changes in the company's profitability, market valuation, and shareholder returns over the years, reflecting fluctuations and potential shifts in investor sentiment and market conditions.

Others

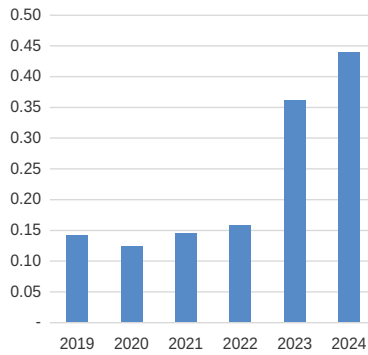
The production per employee metric fluctuates over the years, peaking at 443 metric tons per employee in

2024, indicating improved productivity. Revenue per employee also shows fluctuations, with a notable increase in 2023 and 2024 suggesting improvement in revenue generation efficiency per employee. The spares inventory to assets costs ratio remains relatively stable throughout the period. Similarly, the maintenance costs to operating expenses ratio fluctuates over the years, indicating varying levels of efficiency in managing maintenance costs relative to total operating expenses.

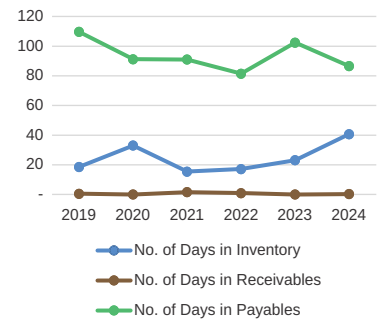
Gross Profit Ratio (%)



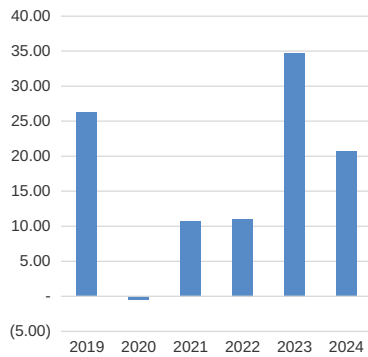
Current Ratio (%)



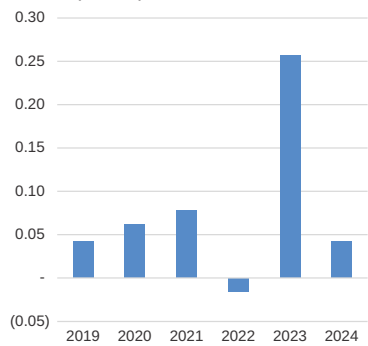
Days in Inventories, Receivables and Payables (Days)



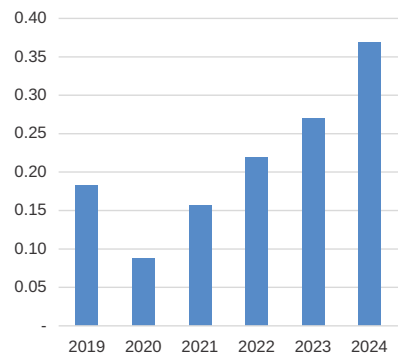
EBITDA Margin to Sales (%)



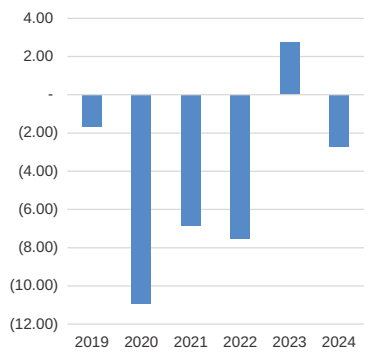
Cash Flows from Operations to Sales (Times)



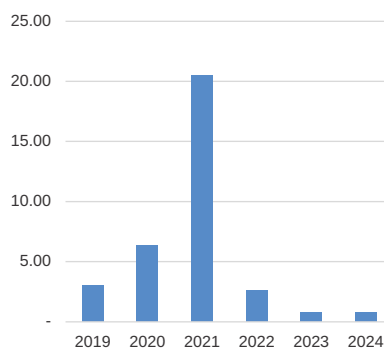
Total Assets Turnover (Times)



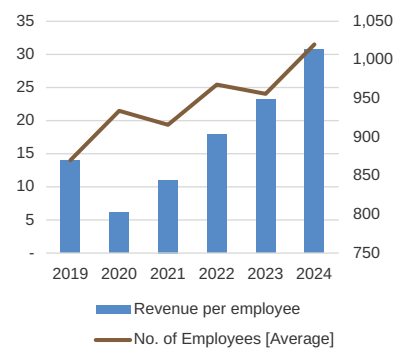
Earnings per Share (Rs.)



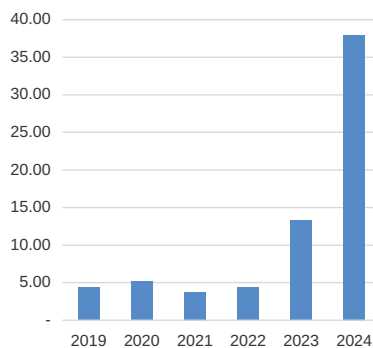
Financial Leverage Ratio (Times)



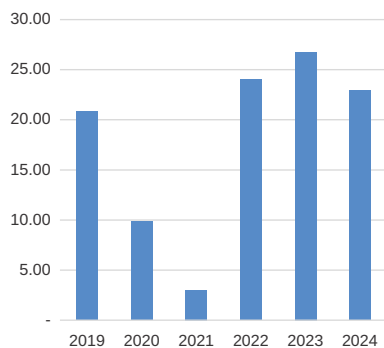
Revenue per Employee (Rs. M)



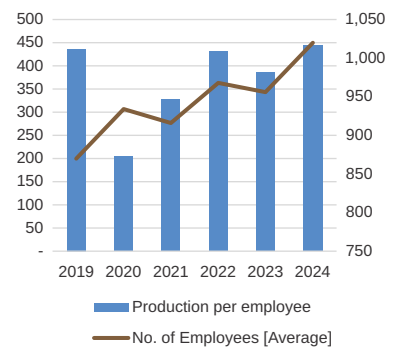
Market Value per Share (Rs.)



Net Assets per Share (Rs.)



Production per Employee (MT)



SIX YEARS ANALYSIS

HORIZONTAL ANALYSIS OF STATEMENT OF FINANCIAL POSITION

Share Capital and Reserves

The horizontal change in share capital and reserves between 2019 and 2023 remains stable over the years, with a notable increase of 8% in issued capital from Rs. 3,924 million in 2023 to Rs. 4,246 million in 2024 as result of conversion of preference shares into ordinary shares during 2024.

Accumulated losses have been increasing due to irregular gas supply to Urea plant and higher finance costs. In 2023, there was a one-off settlement gain on implementation of scheme of arrangement.

The surplus on revaluation of property, plant, and equipment showed a slight decline of 3%, decreasing from Rs. 32,998 million in 2023 to Rs. 32,012 million in 2024 due to depreciation charge.

This trend indicates a relatively stable financial standing, with moderate improvements in share capital.

Non-current Liabilities

In 2023, the Company accounted for impact of Scheme of Arrangement resulting in restructuring of long term loans. By virtue of that, loan balances were converted into preference shares and PPTFCs. In 2024, redeemable capital increased due to unwinding of present value of PPTFCs. Long term financing is a result of settlement with short term lenders with repayments in 3-7 years term.

Convertible redeemable preference shares declined by 7%, falling to Rs. 1,485 million as result of conversion into ordinary shares during the year.

Deferred liabilities slightly decreased by 6% to Rs. 9,748 million due to movement in deferred tax liability.

Current Liabilities

In 2024, Short-term borrowings decreased significantly by 40% reflecting settlements with lenders and repayments made to short term lenders during the year and classification of certain loans to long term loans as explained above.

Trade and other payables slightly declined by 2% to Rs. 7,748 million reflecting payments made to suppliers during the year. Accrued interest on borrowing saw a minor decline of 3% to Rs. 2,748 million due to impact of settlement with lenders resulting in write-off of markup. Also major part of interest accrued on borrowings in previous years has been converted into preference dividend payable due to implementation of scheme of arrangement in year 2023.

Preference dividend payable increased by 20% due to preference dividend accrued during the year.

Non-current Assets

Non-current assets recorded a decline of 2%, dropping from Rs. 68,416 million in 2023 to Rs. 66,782 million in 2024. Property, plant, and equipment decreased by 2%, due to depreciation charge and disposals during the year as there has not been any major capital spent in past few years, while long-term deposits increased by 11% to Rs. 61 million.

Long-term loans and advances grew by 10%, reaching Rs. 27 million, suggesting continued increase in long term advances to employees.

Current Assets

Inventory for stores and spares is increased by 8% in 2024 in order to support increased production in the past few years due to consistent gas supply. Stock-in-trade witnessed a sharp rise of 271% over the last year, reaching Rs. 4,399 million, indicating significant inventory buildup. Inventory levels at year end over the last 6 years have averaged around Rs. 691 million. This significant increase is reflective of long supply situation in the fertilizer market during FY 2024.

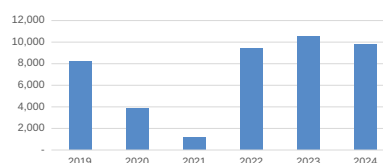
Trade debts reappeared at Rs. 46 million as a minor percentage of sales were made on credit during the year 2024.

Tax refunds due from the government dropped by 67%, falling to Rs. 27 million reflecting higher payments due towards govt. on account of advance tax and tax provisions.

Short-term investments rose by 23%, reaching Rs. 6,784 million, reflecting improved investment portfolio as available funds were placed primarily in treasury bills.

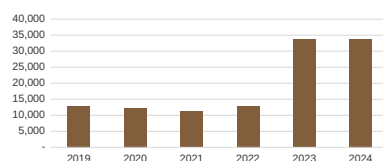
Share capital and reserves

(Rs. in millions)



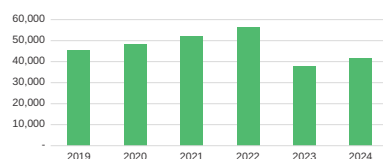
Non-current Liabilities

(Rs. in millions)



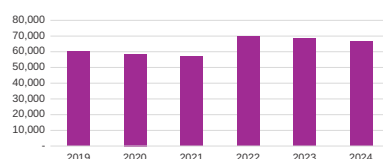
Current Liabilities

(Rs. in millions)



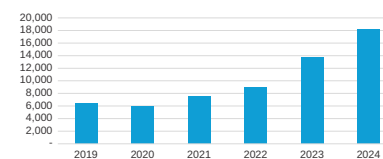
Non-current assets

(Rs. in millions)



Current assets

(Rs. in millions)



	2024		2023		2022		2021		2020		2019	
	Rs. M	v 23 %	Rs. M	v 22 %	Rs. M	v 21 %	Rs. M	v 20 %	Rs. M	v 19 %	Rs. M	v 18 %
Equity and Liabilities												
Share capital and reserves												
Issued, subscribed and paid-up ordinary share capital	4,246	8	3,924	-	3,924	-	3,924	-	3,924	-	3,924	-
Reserves	9	-	9	-	9	-	9	-	9	-	9	-
Accumulated losses	(26,535)	0	(26,426)	(7)	(28,418)	9	(26,181)	8	(24,197)	18	(20,510)	2
Revaluation surplus	32,012	(3)	32,998	(3)	33,902	45	23,436	(3)	24,137	(2)	24,746	185
	9,732	(7)	10,505	12	9,417	692	1,188	(69)	3,873	(53)	8,169	(210)
Non-current liabilities												
Redeemable capital	3,707	17	3,170	-	-	-	-	-	-	-	-	-
Long term finances	378	-	-	-	-	-	-	-	-	-	-	-
Convertible, redeemable preference shares	1,485	(7)	1,593	-	1,593	-	1,593	-	1,593	-	1,593	-
Non-convertible, redeemable preference shares	18,543	-	18,543	-	-	-	-	-	-	-	-	-
Long term payable	-	-	-	(100)	551	(52)	1,158	(33)	1,740	(22)	2,242	7,099
Deferred liabilities	9,748	(6)	10,328	(5)	10,876	29	8,436	(5)	8,892	(3)	9,177	163
	33,860	1	33,635	158	13,020	16	11,187	(8)	12,226	(6)	13,012	155
Current liabilities												
Current maturity of long term liabilities	132	-	-	(100)	19,269	-	19,269	-	19,279	-	19,304	-
Short term borrowings-secured	2,058	(40)	3,413	(5)	3,582	2	3,518	(4)	3,647	1	3,626	-
Trade and other payables	7,748	(2)	7,928	72	4,620	15	4,023	75	2,297	26	1,816	(67)
Interest / mark-up accrued on borrowings	2,748	(3)	2,826	(90)	27,088	14	23,732	9	21,732	13	19,261	17
Preference dividend payable	28,730	20	23,853	1,151	1,907	10	1,731	11	1,556	13	1,380	15
	41,416	9	38,020	(33)	56,466	8	52,273	8	48,510	7	45,388	(1)
Total Equity and Liabilities	85,008	3	82,160	4	78,903	22	64,649	-	64,609	(3)	66,569	50
Assets												
Non-current assets												
Property, plant and equipment	66,694	(2)	68,336	(2)	69,925	23	56,965	(3)	58,536	(3)	60,043	56
Intangible assets	-	-	-	-	-	-	-	-	-	-	-	-
Long term loans and advances	27	10	25	44	17	22	14	17	12	(16)	14	4
Long term deposits	61	11	55	-	55	(5)	58	(2)	59	31	45	(3)
	66,782	(2)	68,416	(2)	69,998	23	57,038	(3)	58,607	(2)	60,103	55
Current assets												
Stores, spare parts and loose tools	2,397	8	2,223	(1)	2,246	9	2,054	-	2,052	(2)	2,099	2
Advance against restructuring scheme	-	-	-	(100)	891	-	-	-	-	-	-	-
Stock-in-trade	4,399	271	1,186	11	1,063	193	362	(21)	457	(42)	788	168
Trade debts	46	-	-	-	-	(100)	89	-	-	-	-	(100)
Advance, deposits, prepayments and other receivables	4,150	(1)	4,205	3	4,080	8	3,771	47	2,570	(11)	2,873	43
Tax refunds due from Government	27	(67)	83	(13)	95	(35)	147	14	128	(11)	144	(46)
Short term investments	6,784	23	5,527	-	-	(100)	104	-	-	-	-	-
Cash and bank balances	423	(19)	520	(2)	529	(51)	1,084	36	795	41	562	72
	18,226	33	13,745	54	8,906	(17)	7,611	27	6,003	(7)	6,466	30
Total Assets	85,008	3	82,160	4	78,903	22	64,649	-	64,609	(3)	66,569	50

SIX YEARS ANALYSIS

VERTICAL ANALYSIS OF STATEMENT OF FINANCIAL POSITION

	2024		2023		2022		2021		2020		2019	
	Rs. M	%	Rs. M	%	Rs. M	%	Rs. M	%	Rs. M	%	Rs. M	%
Equity and Liabilities												
Share capital and reserves												
Issued, subscribed and paid-up ordinary share capital	4,246	5	3,924	5	3,924	5	3,924	6	3,924	6	3,924	6
Reserves	9	-	9	-	9	-	9	-	9	-	9	-
Accumulated losses	(26,535)	31	(26,426)	(32)	(28,418)	36	(26,181)	40	(24,197)	37	(20,510)	(31)
Revaluation surplus	32,012	38	32,998	40	33,902	43	23,436	36	24,137	37	24,746	37
	9,732	11	10,505	13	9,417	12	1,188	2	3,873	6	8,169	12
Non-current liabilities												
Redeemable capital	3,707	4	3,170	4	-	-	-	-	-	-	-	-
Long term finances	378	-	-	-	-	-	-	-	-	-	-	-
Convertible, redeemable preference shares	1,485	2	1,593	2	1,593	2	1,593	2	1,593	2	1,593	2
Non-convertible, redeemable preference shares	18,543	22	18,543	23	-	-	-	-	-	-	-	-
Long term payable	-	-	-	-	551	1	1,158	2	1,740	3	2,242	3
Deferred liabilities	9,748	11	10,328	13	10,876	14	8,436	13	8,892	14	9,177	14
	33,860	40	33,635	41	13,020	17	11,187	17	12,226	19	13,012	20
Current liabilities												
Current maturity of long term liabilities	132	-	-	-	19,269	24	19,269	30	19,279	30	19,304	29
Short term borrowings-secured	2,058	2	3,413	4	3,582	5	3,518	5	3,647	6	3,626	5
Trade and other payables	7,748	9	7,928	10	4,620	6	4,023	6	2,297	4	1,816	3
Interest / mark-up accrued on borrowings	2,748	3	2,826	3	27,088	34	23,732	37	21,732	34	19,261	29
Preference dividend payable	28,730	34	23,853	29	1,907	2	1,731	3	1,556	2	1,380	2
	41,416	49	38,020	46	56,466	72	52,273	81	48,510	75	45,388	68
Total Equity and Liabilities	85,008	100	82,160	100	78,903	100	64,649	100	64,609	100	66,569	100
Assets												
Non-current assets												
Property, plant and equipment	66,694	78	68,336	83	69,925	89	56,965	88	58,536	91	60,043	90
Intangible assets	-	-	-	-	-	-	-	-	-	-	-	-
Long term loans and advances	27	-	25	-	17	-	14	-	12	-	14	-
Long term deposits	61	-	55	-	55	-	58	-	59	-	45	-
	66,782	79	68,416	83	69,998	89	57,038	88	58,607	91	60,103	90
Current assets												
Stores, spare parts and loose tools	2,397	3	2,223	3	2,246	3	2,054	3	2,052	3	2,099	3
Advance against restructuring scheme	-	-	-	-	891	1	-	-	-	-	-	-
Stock-in-trade	4,399	5	1,186	1	1,063	1	362	1	457	1	788	1
Trade debts	46	-	-	-	-	-	89	-	-	-	-	-
Advance, deposits, prepayments and other receivables	4,150	5	4,205	5	4,080	5	3,771	6	2,570	4	2,873	4
Tax refunds due from Government	27	-	83	-	95	-	147	-	128	-	144	-
Short Term Investments	6,784	8	5,527	7	-	-	104	-	-	-	-	-
Cash and bank balances	423	-	520	1	529	1	1,084	2	795	1	562	1
	18,226	21	13,745	17	8,906	11	7,611	12	6,003	9	6,466	10
Total Assets	85,008	100	82,160	100	78,903	100	64,649	100	64,609	100	66,569	100

Share Capital and Reserves

Share capital and reserves % age to total equity & liabilities has remained between 11-13%. With history of losses and surplus on revaluation of property, plant and equipment, the Company has managed its positive baseline of equity over the years. With consistent gas supply to urea plant, the operational profitability has increased significantly and with drop in KIBOR, the Company is expected to perform better in coming years.

Non Current Liabilities

The company experienced a significant shift in the composition of its non current liabilities, with preference shares as a percentage of total non-current liabilities increasing from 12% in 2019 to 59% in 2024 (24% of total equity & liabilities). This shift was largely driven by adjustments as result of the Scheme of Arrangement whereas current portion of long term liabilities & other loans have been converted to preference shares.

Deferred liabilities as a percentage of non current liabilities has dropped from 71% in 2019 to 29% in 2024.

Current Liabilities

Current liabilities have witnessed major shift in year 2023, where impact of Scheme of Arrangement was taken in financials resulting major part of current liabilities being transferred to non-current liabilities. In 2024, settlement with short term lenders and payment have decreased portion of short term borrowings in current liabilities. Preference dividend payable holds a major portion of current liabilities being accrued @ 1YK + 4%.

Non Current Assets

The percentage of non-current assets relative to total assets experienced a notable decrease of 11%, decreasing from 90% in 2019 to 79% in 2024.

This decrease can be attributed to no major capital expenditure in past few years and an increase in current assets especially short term investments and bank balances. This also depicts improving current assets situation over the time.

Current Assets

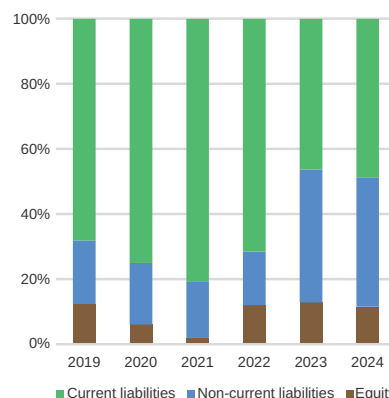
Stores, spares and loose tools as percentage of total assets remained constant at 3%. However, stock in trade increased from 1% in 2023 to 5% in 2024. This rise was primarily driven by long supply situation in the market causing higher inventory levels.

Trade debts as a percentage of current assets remained negligible from 2019 to 2024.

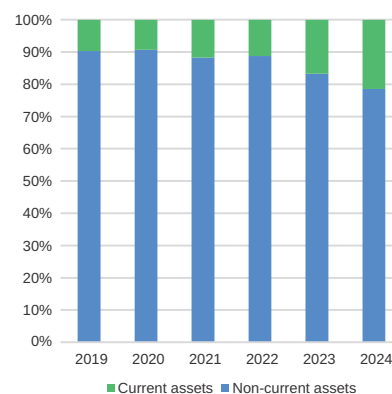
Meanwhile, advances and other receivables remained constant @ 4-5% of total current assets.

Short-term investments as a percentage of current assets made an entry in 2023 from 40 % in 2023 to 37% in 2024 of total current assets (i.e. 8% of total assets), reflecting the Company's significant improvement in liquidity and working capital management.

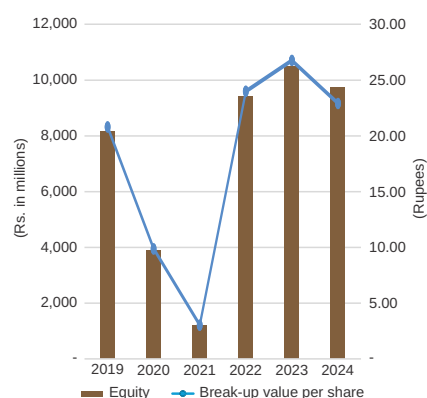
Equity and Liabilities (%)



Assets (%)



Equity and Break up Value per Share



SIX YEARS ANALYSIS

HORIZONTAL ANALYSIS OF STATEMENT OF PROFIT OR LOSS

	2024 v 23		2023 v 22		2022 v 21		2021 v 20		2020 v 19		2019 v 18	
	Rs. M	%	Rs. M	%	Rs. M	%	Rs. M	%	Rs. M	%	Rs. M	%
Sales	31,307	41	22,172	28	17,296	71	10,101	77	5,700	(53)	12,174	169
Cost of sales	(25,041)	41	(17,774)	17	(15,175)	57	(9,691)	41	(6,872)	(35)	(10,601)	119
Gross profit/(loss)	6,266	42	4,399	107	2,122	418	410	(135)	(1,173)	(175)	1,573	(610)
Selling and distribution expenses	(1,186)	76	(673)	5	(639)	81	(352)	58	(222)	(58)	(525)	208
Administrative and general expenses	(819)	27	(646)	34	(481)	30	(370)	14	(323)	9	(296)	16
Other expenses	(410)	543	(64)	69	(38)	-	-	(100)	(5)	249	(2)	(100)
	(2,415)	75	(1,383)	19	(1,157)	60	(723)	31	(551)	(33)	(823)	5
Other income	2,081	188	722	589	105	4	101	(45)	183	(88)	1,579	4,377
Operating profit/(loss)	5,931	59	3,738	250	1,069	(603)	(212)	(86)	(1,541)	(166)	2,329	(320)
Finance cost	(7,014)	15	(6,098)	42	(4,285)	53	(2,805)	(5)	(2,945)	(11)	(3,300)	(28)
Gain on restructuring of loans	-	95	3,207	-	-	-	-	-	-	-	-	-
Profit/(loss) before final/minimum taxes and taxation	(1,083)	(100)	847	(126)	(3,216)	7	(3,018)	(33)	(4,487)	362	(971)	(73)
Final and minimum taxes	(613)	(228)	(314)	45	(216)	71	(126)	48	(85)	(53)	(183)	(220)
Profit/(loss) before taxation	(1,696)	5	534	(81)	(3,432)	78	(3,144)	15	(4,572)	309	(1,154)	147
Taxation for the year	582	(203)	552	15	479	3	463	68	275	(45)	501	42
Profit/(loss) after taxation	(1,114)	(133)	1,086	(137)	(2,953)	10	(2,681)	(38)	(4,297)	558	(653)	(80)

Sales and Cost of Sales

The Company has posted Rs 31.3 billion as revenue which is highest in the six years' period. This milestone represents an average annual growth of 21% since 2019, primarily attributed to continuous supply of gas to urea plant and in the past few years resulting in increased sales (both in terms of volume & price) and successful absorption of inflationary and cost-related impacts.

Correspondingly, the Cost of Sales has also experienced an escalation of 19% since 2019, largely driven by higher gas prices and inflationary pressures.

Gross Profit

AGL has demonstrated a steadfast ability to improve its gross profitability over the preceding six years by increasing the gross profit from a profit of Rs. 1,573 million in 2019 to notable Rs. 6.3 billion in 2024.

This progression depicts an annual average growth rate of 32% in the preceding six years primarily attributed to the favorable trajectory both in fertilizer volumes and prices, optimization of processes and cost economization throughout the period.

Operating Expenses

Operating expenses have seen a significant increase from 2019 by increasing from Rs. 823m to Rs. 2,415m, particularly the freight and distribution expenses due to

increased sales volume and inflationary and axle load impacts. Administrative and general expenses have grown in line with the inflation. In case of other expenses there is a provision of Rs. 285 million against subsidy receivable in year 2024.

Operating Profit

Operating profit for AGL has increased from Rs. 2.3 billion in 2019 to Rs. 5.9 billion in 2024, reflecting an average annual growth of 21% over the period. This increase is due to improved gross profits, better investment income and gains arising on settlement with short term lenders.

Finance Cost

Over the past six years, finance costs have significantly increased from Rs. 3.3 billion in 2019 to Rs. 7 billion in 2024 showing an average increase of 16% over the period of preceding six years. Higher finance costs are due to high debt structure of the company resulting in high finance costs.

Taxation

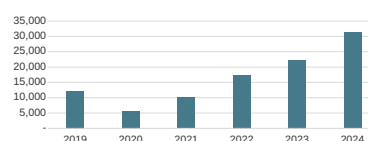
Company has been consistently paying the minimum tax based on the turnover figures in the financials in the last 6 years' period. However, tax depreciation and amortization losses retained by AGL has allowed to accrue deferred tax income throughout the period. Net positive impact of taxation was Rs. 318 million in 2019 which has turned to negative Rs. 31 million in 2024 due to capital gain tax on investment income.

Loss for the year

AGL reported a net loss of Rs. 653 million in 2019, which has further widened to Rs. 1.11 billion in 2024. In spite of strong improvements in revenue and gross profit, higher finance costs and operating expenses continued to weigh on the bottom line.

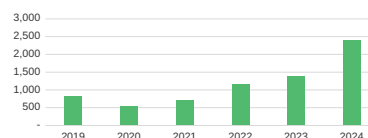
Sales

(Rs. in millions)



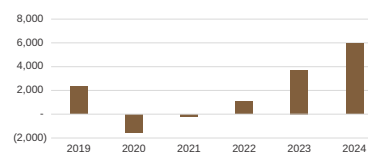
Operating Expenses

(Rs. in millions)



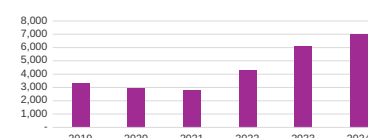
Operating Profit / (Loss)

(Rs. in millions)



Finance Cost

(Rs. in millions)



VERTICAL ANALYSIS OF STATEMENT OF PROFIT OR LOSS

	2024		2023		2022		2021		2020		2019	
	Rs. M	%	Rs. M	%	Rs. M	%	Rs. M	%	Rs. M	%	Rs. M	%
Sales	31,307	100	22,172	100	17,296	100	10,101	100	5,700	100	12,174	100
Cost of sales	(25,041)	(80)	(17,774)	(80)	(15,175)	(88)	(9,691)	(96)	(6,872)	(121)	(10,601)	(87)
Gross profit/(loss)	6,266	20	4,399	20	2,122	12	410	4	(1,173)	(21)	1,573	13
Selling and distribution expenses	(1,186)	(4)	(673)	(3)	(639)	4	(352)	(3)	(222)	4	(525)	4
Administrative and general expenses	(819)	(3)	(646)	(3)	(481)	3	(370)	(4)	(323)	6	(296)	2
Other expenses	(410)	(1)	(64)	-	(38)	-	-	-	(5)	0	(2)	-
	(2,415)	(8)	(1,383)	(6)	(1,157)	(7)	(723)	(7)	(551)	10	(823)	7
Other income	2,081	7	722	3	105	1	101	1	183	3	1,579	13
Operating profit/(loss)	5,931	37	3,738	71	1,069	120	(212)	(625)	(1,541)	251	2,329	-
Finance cost	(7,014)	(22)	(6,098)	(28)	(4,285)	(25)	(2,805)	(28)	(2,945)	52	(3,300)	(27)
Gain on restructuring of loans	-	-	3,207	14	-	-	-	-	-	-	-	-
Profit/(loss) before final/minimum taxes and taxation	(1,083)	(3)	847	4	(3,216)	(19)	(3,018)	(30)	(4,487)	79	(971)	(8)
Final and minimum taxes	(613)	(2)	(314)	(1)	(216)	(1)	(126)	1	(85)	(2)	(183)	(2)
Profit/(loss) before taxation	(1,696)	-	534	-	(3,432)	-	(3,144)	-	(4,572)	-	(1,154)	-
Taxation for the year	582	2	552	2	479	3	463	5	275	(5)	501	4
Profit/(loss) after taxation	(1,114)	(4)	1,086	5	(2,953)	(17)	(2,681)	(27)	(4,297)	(75)	(653)	(5)

Gross Profit

Significant improvement has been observed in the gross profit margins in the past few years due to consistent gas supply to urea plant. As a percentage of turnover from previous years, the margin was more than 20% compared to 19.8% in year 2023. This substantial increase can be attributed primarily to favorable trajectory of urea volumes and prices whereby market started to recover the cost push pressures gradually.

Operating Profit

The operating profit margin, measured as a percentage of turnover, has fluctuated over the years and has witnessed a notable increase since 2020 when it was negative 27% to a notable 19% margin in 2024. The major contribution towards this increase in other income in spite of increased proportions of distribution costs and inflationary impacts on admin costs throughout the period.

Finance Cost

Finance cost, measured as proportion of the operating profit, stands at 118% of the operating profit as compared to 142% in 2019.

The reduction in percentage terms has resulted from increase gross profit and other income, however, high interest rates continued to pressure profitability.

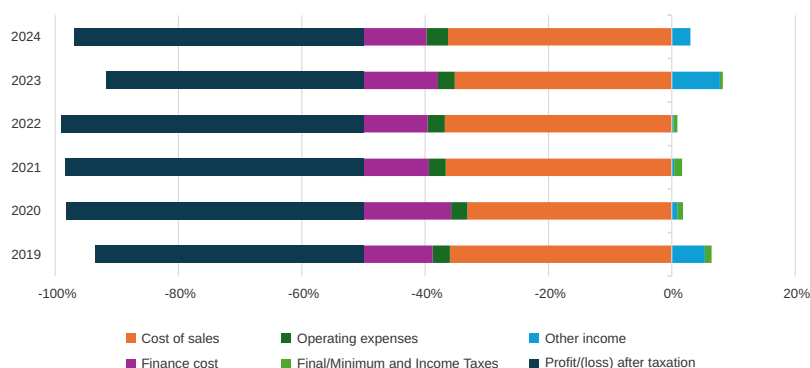
Taxation

Tax charge as a percentage of turnover broadly remained consistent in line with fluctuation in topline for minimum tax and depreciation and amortization losses incurred for deferred tax impact.

Loss for the year

In 2024, AGL recorded a net loss margin of 3.56% in 2024, compared to a net profit of 5% in 2019. While there were significant improvements in gross and operating profit, high finance costs continued to weigh on the bottom line. Reason for net profit in year 2019 was one-off gain on financial impact of the approved scheme of restructuring.

Vertical Analysis of Profit or Loss

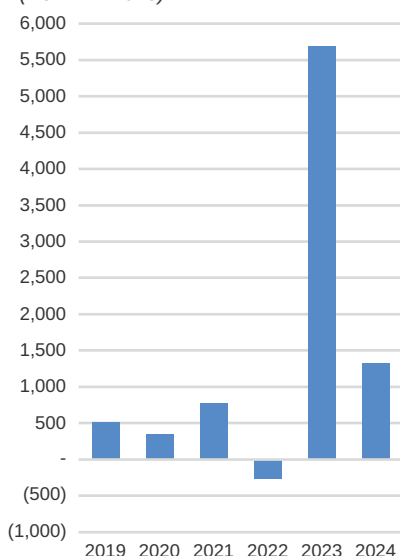


SIX YEARS ANALYSIS

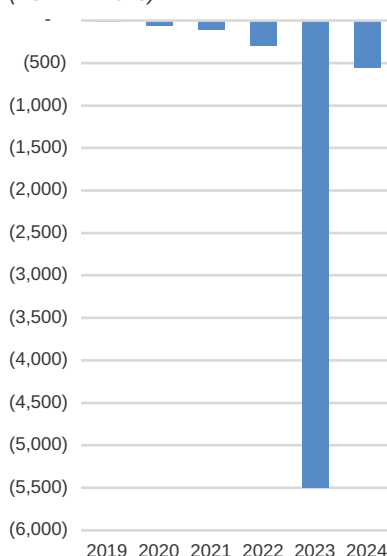
CASH FLOWS

Rs. in million	2024	2023	2022	2021	2020	2019
Summary of Statement of Cash Flows						
Cash flow from operating activities						
Profit/(loss) before taxation	(1,083)	847	(3,216)	(3,018)	(4,487)	(971)
Adjustments for non-cash items	6,549	3,332	5,297	4,212	4,520	2,806
Changes in working capital	(3,584)	1,814	(2,170)	(263)	432	(1,239)
Cash generated from/(used in) operations	1,883	5,993	(89)	932	465	596
Income tax paid	(557)	(302)	(158)	(146)	(84)	(46)
Staff retirement benefits paid	11	(0)	(15)	(3)	(18)	(35)
Long term loans and advances	(3)	(7)	(3)	(2)	2	(1)
Long term deposits	(6)	(0)	3	1	(14)	2
Net cash generated from/(used in) operating activities	1,329	5,684	(262)	782	351	516
Cash flow from investing activities						
Capital expenditure incurred	(396)	(305)	(511)	(36)	(89)	(25)
Proceeds from disposal	1	11	30	10	-	-
Short term investments	(1,257)	(5,465)	104	(104)	-	-
Interest income received	1,102	268	78	21	31	14
Net cash used in investing activities	(550)	(5,492)	(300)	(110)	(58)	(11)
Cash flow from financing activities						
Long term finances	-	(15)	-	(10)	(25)	(3)
Short term borrowings	(133)	(15)	(30)	-	(0)	-
Finance cost paid	(27)	(17)	(56)	(245)	(56)	(267)
Net cash generated from/(used in) financing activities	(159)	(47)	(86)	(254)	(82)	(269)
Net increase/(decrease) in cash and cash equivalents	620	145	(648)	417	212	235
Cash and cash equivalents at beginning of the year	(2,009)	(2,154)	(1,506)	(1,923)	(2,135)	(2,370)
Cash and cash equivalents at the end of the year	(1,389)	(2,009)	(2,154)	(1,506)	(1,923)	(2,135)
Free Cash Flows						
Profit/(loss) before taxation	(1,083)	847	(3,216)	(3,018)	(4,487)	(971)
Adjustments for non-cash items	6,549	3,332	5,297	4,212	4,520	2,806
Changes in working capital	(3,584)	1,814	(2,170)	(263)	432	(1,239)
Cash generated from/(used in) operations	1,883	5,993	(89)	932	465	596
Capital expenditure incurred	(396)	(305)	(511)	(36)	(89)	(25)
Free Cash Flows	1,487	5,688	(600)	896	376	571

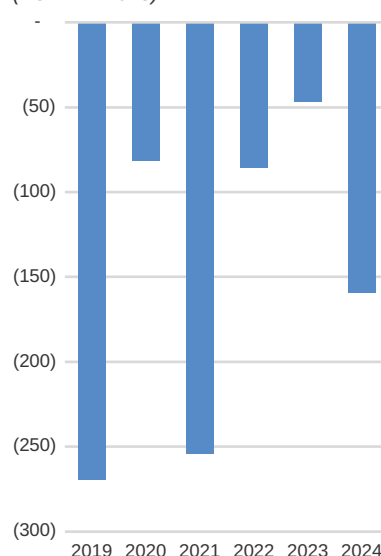
Cash Flows from Operating Activities
(Rs. in millions)



Cash Flows from Investing Activities
(Rs. in millions)



Cash Flows from Financing Activities
(Rs. in millions)



Cash Flow from Operating Activities

The reduction in operating cash flows is mainly due to higher level of inventories at year end due to long supply situation leading to negative changes in working capital of Rs. (3.58) billion. Income tax payments increased to Rs. 557 million, further reducing net cash inflows from operations.

Cash Flow from Investing Activities

Due to long supply situation the Company needed liquidity for operations resulting in lower allocation to short-term investments, which decreased to Rs. 1.26 billion, as compared to Rs. 5.46 billion in the previous year.

Cash Flow from Financing Activities

The rise in net cash outflow from financing activities is primarily driven by the repayment of short-term borrowings amounting to Rs. 133 million and increased finance cost payments of Rs. 27 million. Additionally, there were no new financing inflows during the year.

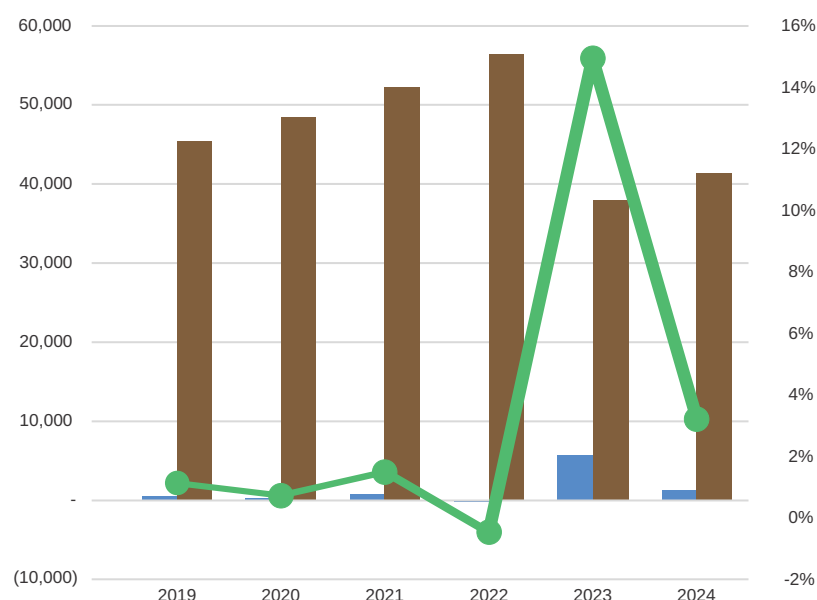
Cash and Cash Equivalents

Improvement in cash and cash equivalents is due to settlements with short term lenders and reclassification of restructured short term loans to long term loans.

Direct Method Cash Flows

Rs. in million	2024	2023
Cash Flows From Operating Activities		
Cash receipts from customers - net	28,540	23,056
Cash paid to suppliers / service providers and employees - net	(26,654)	(17,055)
Payment to gratuity fund	(0)	(17)
Income tax paid	(557)	(301)
Net cash generated from operations	1,329	5,684
Cash Flows From Investing Activities		
Fixed capital expenditure	(396)	(305)
Proceeds from disposal of fixed assets	1	11
Interest received	1,102	268
Investment in T.bills	(1,256)	(5,465)
Net cash used from investing activities	(549)	(5,492)
Cash Flows From Financing Activities		
Finance cost paid	(26)	(17)
Repayment of long term loans	-	(15)
Repayment of short term loans	(133)	(15)
Net cash used in financing activities	(159)	(47)
Net decrease in cash and cash equivalents	621	145
Cash and cash equivalents at beginning of the year	(2,009)	(2,154)
Cash and cash equivalents at end of the year	(1,389)	(2,009)

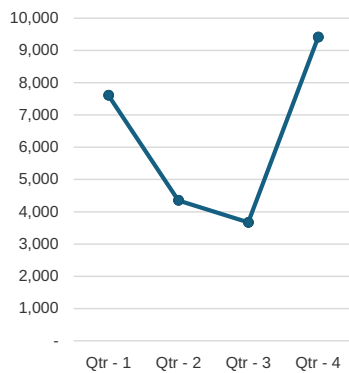
Cash Flows from Operation to Current Liabilities



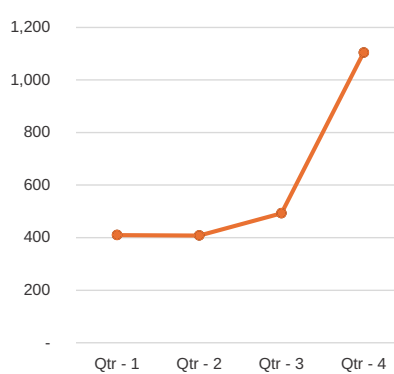
QUARTERLY ANALYSIS

Rs. in million	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	Annual
Sales	9,241	5,065	4,712	12,289	31,307
Cost of sales	(7,607)	(4,352)	(3,672)	(9,410)	(25,041)
Gross profit/(loss)	1,634	713	1,040	2,879	6,266
Operating expenses	(410)	(408)	(493)	(1,104)	(2,415)
Other income	379	300	246	1,156	2,081
Operating profit/(loss)	1,603	605	793	2,930	5,931
Finance cost	(1,751)	(1,723)	(1,701)	(1,839)	(7,014)
Profit/(loss) before final/minimum taxes and taxation	(148)	(1,118)	(908)	1,091	(1,083)
Final and minimum taxes	-	-	-	(613)	(613)
Profit/(loss) before and taxation	(148)	(1,118)	(908)	478	(1,696)
Taxation for the year	(25)	56	58	493	582
Profit/(loss) after taxation	(173)	(1,062)	(850)	971	(1,114)
Earnings/(loss) per share	(0.44)	(2.50)	(2.00)	2.23	(2.71)

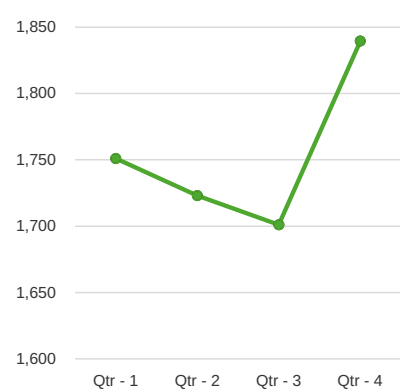
Cost of Sales
(Rs. in millions)



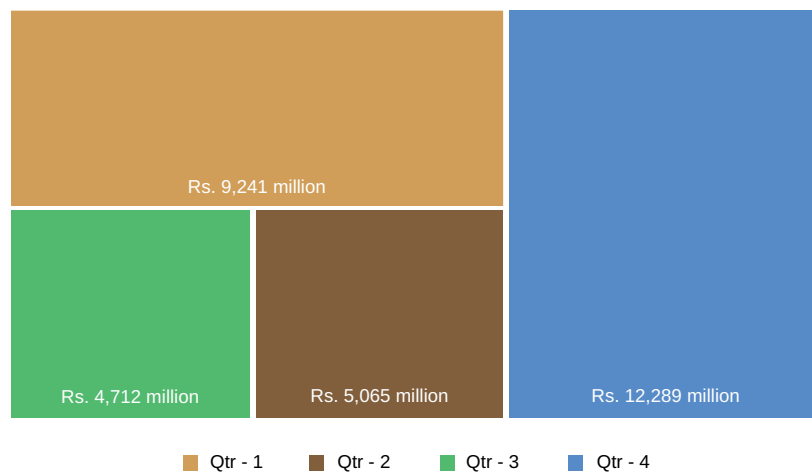
Operating Expenses
(Rs. in millions)



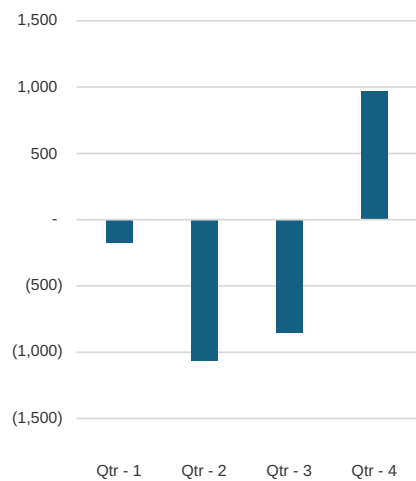
Finance Cost
(Rs. in millions)

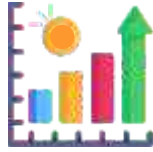


Sales
(Rs. in millions)



Profit/(loss) after taxation
(Rs. in millions)





Sales



Operating Profit / Loss



Net Profit / Loss

Quarter 1

Urea production in Q1 2024 improved significantly to 98K tons, compared to 6K tons in the corresponding quarter of 2023. This remarkable increase was primarily due to the uninterrupted availability of gas to the plants on the SNGPL network. As a result, urea sales reached 98K tons in Q1 2024, compared to 5K tons in Q1 2023. In addition to this, the Company also sold 13.5K tons of its share of imported urea allocated by NFML.

SSP production in Q1 2024 was 19K tons, up from 16K tons in Q1 2023. SSP sales also increased, rising from 10K tons in Q1 2023 to 15K tons in Q1 2024.

Total sales for the quarter were reported at Rs. 9,241 million, reflecting an impressive 998% increase compared to the first quarter of 2023.

The Company reported a gross profit of Rs. 1,634 million in Q1 2024, compared to a gross loss of Rs. 551 million in the corresponding quarter of 2023. This significant improvement was primarily driven by an increase in sales during Q1 2024 in spite of incurring loss on sale of imported urea. Loss on imported urea was subsequently in following quarters. The cost of sales for the quarter amounted to Rs. 7,607 million, representing 82% of total sales. Administrative expenses rose by 32%, while selling and distribution costs increased by an exceptional 764% compared to Q1 2023, reflecting the substantial growth in sales.

Consequently, the Company generated an operating profit of Rs. 1,603 million in Q1 2024, representing a 328% growth over the first quarter of 2023.

The sales during the first quarter of 2024 witnessed a significant increase, resulting in higher operating profit. However, this was offset by elevated finance costs driven by high interest rates in the country. Finance cost also aggravated on account of high rate of dividend on preference shares under the Scheme, impact of which was taken in Dec. 2023, leading to a net loss before tax of Rs. 148 million. After accounting for taxation, the net loss increased to Rs. 173 million. This loss represents a 91% reduction compared to the corresponding quarter of the previous year in which the Company reported net loss of 1,913 million.

Quarter 2

Urea production in Q2 2024 declined to 80K tons, compared to 90K tons in the corresponding quarter of 2023. Urea off-takes were 49K tons in Q2 2024, compared to 71K tons in Q2 2023. This decline was due to slight shift in seasonal demand and poor farm economics on last wheat crop.

SSP production for Q2 2024 was 20K tons, slightly lower than the 21K tons produced in Q2 2023. SSP sales also declined, dropping from 16K tons in Q2 2023 to 12K tons in Q2 2024.

Despite these decreases, total sales for the quarter were reported at Rs. 5,065 million, representing a 6.7% increase compared to the second quarter of 2023 because of the pricing gain.

The Company reported a gross profit of Rs. 713 million in Q2 2024, compared to Rs. 919 million in the corresponding quarter of 2023. The cost of sales for Q2 2024 was Rs. 4,352 million, accounting for 86% of sales and reflecting a 5% increase compared to the same quarter of the previous year. Increase in gas price also impacted on higher cost of sales. However, operating expenses decreased as compared to Q2 2023.

As a result of improved revenue, and other income of Rs. 300 million, the Company generated an operating profit of Rs. 605 million in Q2 2024, representing a 16% growth over the second quarter of 2023.

The increase in sales during the second quarter of 2024, along with the resulting operating profit, was offset by high finance costs driven by elevated interest rates in the country and rate applicable to preference shares. This led to a net loss before tax of Rs. 1,118 million for the second quarter of 2024. The loss was partially mitigated by deferred tax income arising from unused tax losses and credits, reducing the net loss to Rs. 1,062 million. However, this loss was still 11.5% higher compared to the corresponding quarter of the previous year.

Quarter 3

Urea Production during Quarter 3 was slightly declined to 96K tons from 99K tons produced in the corresponding quarter of 2023. Offtakes decreased substantially to 47K tons in Q3, 2024 as 117K tons sold in third quarter of 2023. Key factor was poor farm economics for wheat crop followed by reduction of cotton crop sowing area. SSP production was achieved at 20K tons SSP in quarter 3 as compared to 6K tons in third quarter of 2023. However SSP sales decreased from 17K tons in Q3 2023 to 10K tons during the Q3 2024.

Total sales were reported at Rs. 4,712 million, were down by 43% as compared to the third quarter of 2023.

The Company reported a gross profit of Rs. 1,040 million in Q3 2024, compared to Rs. 2,017 million in the corresponding quarter of 2023. This significant decline was primarily attributable to a decrease in sales during Q3 2024.

Consequently, the Company recorded an operating profit of Rs. 793 million, reflecting a 53% decline from the corresponding quarter of the previous year in spite of increased other income of Rs. 246m (Q3 2023: Rs. 94m)

During the third quarter of 2024, a decline in sales due to long supply situation in the country, combined with increased operating expenses and high finance costs, resulted in a net loss before tax of Rs. 908 million. This loss was partially mitigated by a deferred tax credit from unused tax losses and credits, reducing the net loss to Rs. 850 million. The Company reported profit after tax of Rs. 105 million in Q3, 2023.

Quarter 4

Urea production in Q4 2024 increased to 108K tons, compared to 97K tons produced in the corresponding quarter of 2023. Urea sales also witnessed a significant rise, reaching 145K tons in Q4 2024, compared to 94K tons sold in Q4 2023.

SSP production remained steady at 24K tons, the same level as in Q4 2023. SSP sales grew from 32K tons in Q3 2023 to 37K tons in Q4 2023.

Total sales for the quarter were reported at Rs. 12,289 million, reflecting a 49% increase compared to Q4 2023.

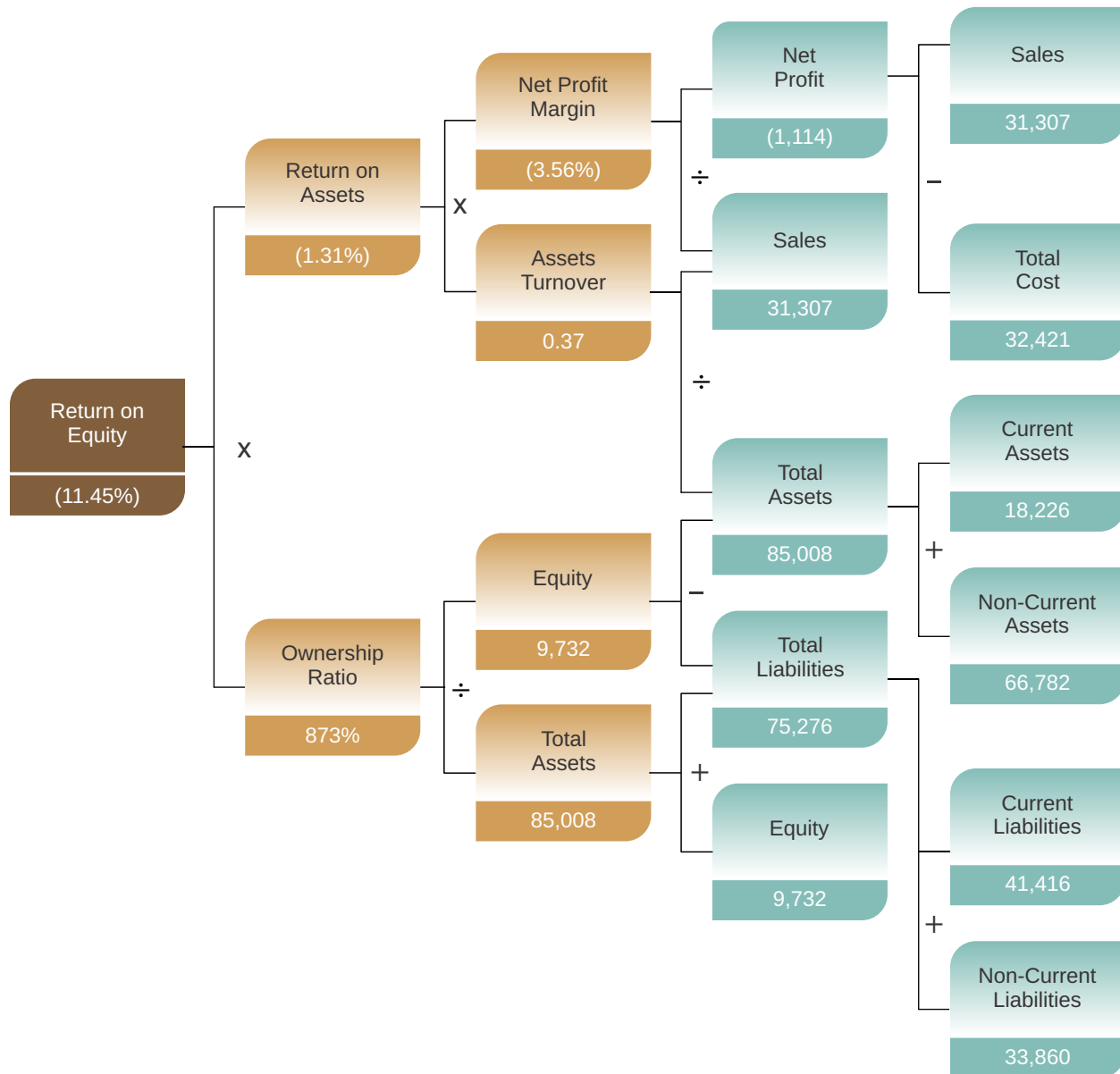
The Company reported a gross profit of Rs. 2,879 million in Q4 2024, compared to Rs. 2,014 million in the corresponding quarter of 2023. This improvement was primarily driven by an increase in sales during the Q4 of 2024. The Company also benefitted from an improved topline and other income of Rs. 1,156 million.

As a result, the Company achieved an operating profit of Rs. 2,930 million, reflecting 32% growth over the Q4 of 2023

During the Q4 of 2024, sales increased leading to a higher operating profit. This improvement was sufficient to cover the finance costs, which had risen compared to the corresponding quarter of 2023 due to increased interest rates in the country. As a result, the company reported a net profit before tax of Rs. 1,091 million for the fourth quarter of 2024. After accounting for taxation provisions, the net profit stood at Rs. 971 million.

In contrast, the net profit for the fourth quarter of 2023 was significantly higher at Rs. 3,846 million, primarily due to a one-time gain due to restructuring scheme.

DUPONT ANALYSIS



Analysis

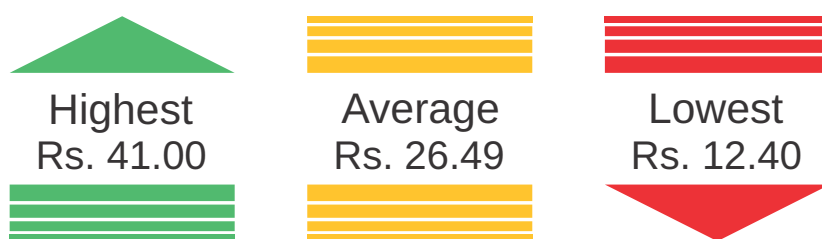
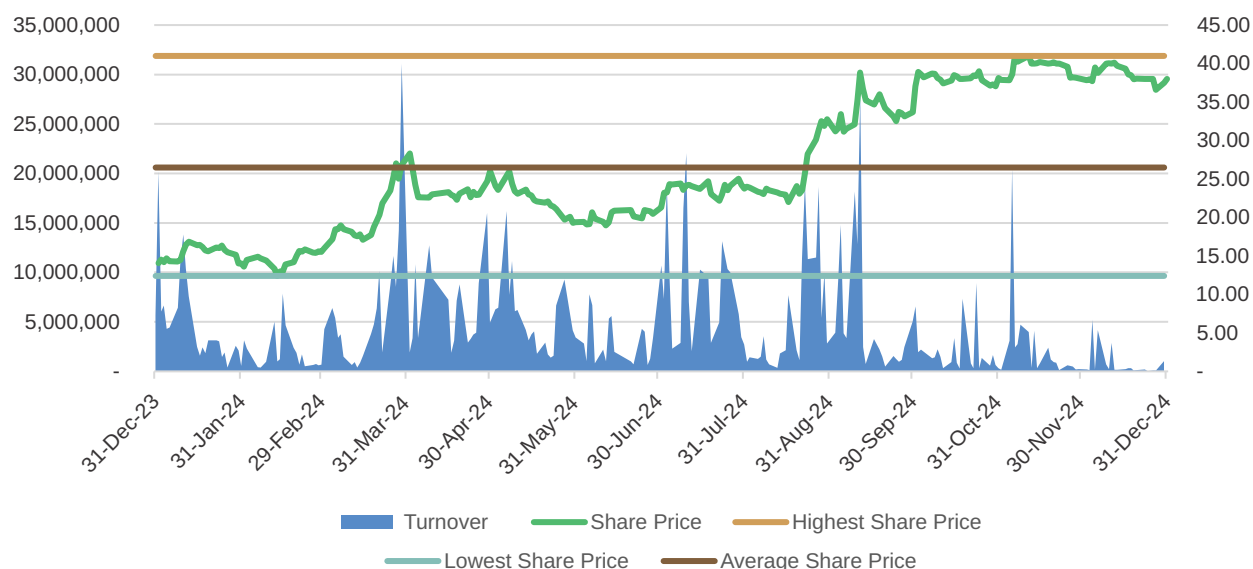
Sales witnessed a substantial rise of 41% compared to the previous year. However, in spite of this increase, the company reported a net loss of Rs. 1,114 million due to higher finance costs, in contrast to the net profit of Rs. 1,086 million recorded in 2023. Equity declined by 7.36% year-on-year, primarily due to the net loss incurred during the year. Total assets increased by 3.47%, driven by a notable rise in short-term investments and stock in trade by the end of 2024. This, along with higher sales, contributed to an increase in asset turnover from 0.27 times in 2023 to 0.37 times in 2024. Despite the improved asset turnover, the decline in EBIT margin from 26.50% to 14.52%, along with a negative net profit, resulted in a relatively lower return on equity of (11.45%), compared to 10.34% in 2023. EBIT margin for year 2023 included a one time gain of Rs. 3.2 billion on restructuring of long term loans under the scheme of arrangement.

Dupont Analysis		2024	2023
Tax burden	%	102.88	128.13
Interest burden	%	(23.82)	14.42
EBIT margin	%	14.52	26.50
Asset turnover	Times	0.37	0.27
Leverage	%	873.48	782.09
Return of Equity	%	(11.45)	10.34

SHARE PRICE ANALYSIS

The Company is listed on Pakistan Stock Exchange which is a large and liquid stock exchange, offering orderly and reliable market prices for its investors. As at 31 December 2024, market capitalization of AGL shares stood at Rs. 16,128 million, up by 202% from previous year. AGL share traded at an average of Rs. 26.49 per share. Market price experienced fluctuations, principally, caused by market psychology, speculative investors and material events occurring during the year, between Rs. 12.40 and Rs. 41.00 per share. Total trading volume during the year was 1,097.291 million shares.

Share Price vs Volume Traded 2024



Share Price Sensitivity

AGL share price is directly affected by its performance. However, there are numerous other factors which influence share price of the Company. These factors and the way these influence the share price of the Company are as follows:

General Market Sentiment

The general stock market sentiment prevalent in the country not only affects share price but also the trading volumes. Market sentiment is generally based on political, economical and law and order situation of the Country and any uncertainty regarding these adversely affects share prices.

Shares' Market Perception

Shareholders' perception of the Company's share affects how it is valued on the exchange. A sell behavior induces a fall in share price.

Financial Performance

The Company's financial performance is affected by a number of factors which include, but are not limited to, interest rates, energy crises, currency valuation, supply of gas, fertilizer prices and government policies.

SEGMENTAL REVIEW

An operating segment is a component of any entity:

- that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity).
- whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and
- for which discrete financial information is available.

The Company has two reportable segments, as described below, which are the Company's strategic divisions. The strategic divisions offer different products and services, and are managed separately because they require different technology and marketing strategies. Information reported to the Company's chief operating decision maker for the purpose of resource allocation and assessment of segment performance is focused on type of goods supplied. The following summary describes the operations in each of the Company's reportable segments:

Reportable Segments

Urea Fertilizer Segment

Phosphate Fertilizer Segment

Operation of Reportable Segments

Production of Urea Fertilizer and Ammonia from Natural Gas

Production of Phosphate Fertilizer from Rock Phosphate

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

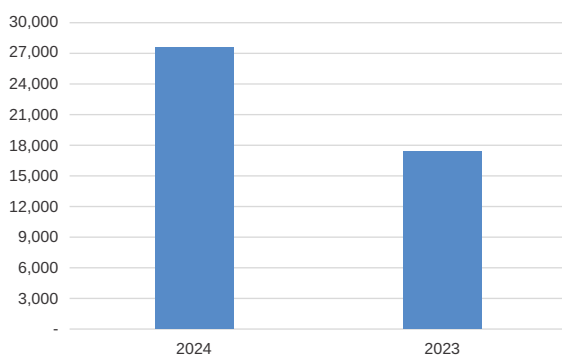
Urea Fertilizer

		2024	2023	YoY%
Production	MT	372,012	292,255	27
Production Efficiency	%	86	67	27
Sales	Rs. M	27,377	17,548	56
Loss	Rs. M	(1,895)	(1,016)	87

Phosphate Fertilizer

		2024	2023	YoY%
Production	MT	80,341	77,150	4
Production Efficiency	%	99	95	4
Sales	Rs. M	3,929	4,624	(15)
Profit/(loss)	Rs. M	812	1,891	(57)

Urea Fertilizer Sales (Rs. in millions)



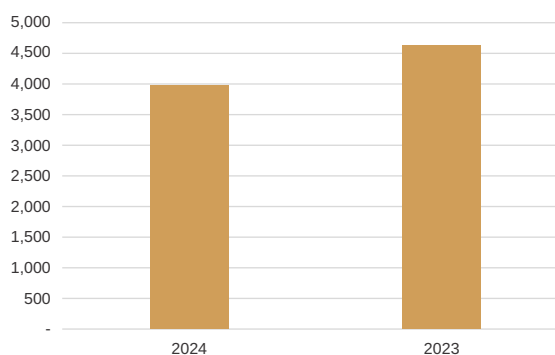
Analysis: Urea Fertilizer

In 2024, the Company produced 372K tons of urea, compared to 292K tons in 2023, reflecting a 21% improvement in production volume. The increase in production was driven by continuous gas supply and enhanced operational performance.

The Company sold 27,377 million Rs. worth of urea in 2024, up from 17,548 million Rs. in 2023, marking a 36% increase. The improved sales were supported by higher production and increased sales price of Urea. The Company also sold 13.5K tons of imported urea allocated by NFML.

Despite higher sales, Urea segment's net loss widened to Rs. 1,895 million in 2024 from Rs. 1,016 million in 2023, reflecting a 46% increase in losses. This was due to higher gas prices and higher finance costs.

Phosphate Fertilizer Sales (Rs. in millions)



Analysis: Phosphate Fertilizer

The Company's SSP production increased to 80K tons in 2024, up from 77K tons in 2023, with production efficiency improving to 99% compared to 95% in the previous year.

SSP sales revenue declined to Rs. 3,929 million in 2024 from Rs. 4,624 million in 2023, reflecting an 18% decrease due to decrease in sale prices and volume.

The SSP segment remained profitable, though profit decreased to Rs. 812 million, compared to Rs. 1,891 million in 2023, showing a 57% decline. This reduction is primarily due to reduced sales volumes and a provision on subsidy receivable.

SENSITIVITY ANALYSIS

In conducting sensitivity analysis, it is crucial to assess the impact of various factors on key financial metrics such as net profit. The Company sensitizes various financial metrics to assess the impact on net profit, identify potential threats to profitability and take appropriate measures. The following table demonstrates sensitivity of various variables on Net Profit after Tax (NPAT) and Earnings per Share (EPS) of the Company for 2024.

Sensitivities	NPAT (Rs. M)	EPS (Rs.)
Selling price +/- 1%	309	0.75
Raw material cost +/-1%	155	0.38
Payroll costs +/-5%	69	0.17
Interest/mark-up cost +/- 1%	60	0.15

Selling Price

Selling prices are critical in sensitivity analysis as they directly impact revenue and, consequently, net profit. An increase in selling prices can boost revenue and net profit, while a decrease may lead to lower profitability. Sensitivity analysis quantifies this impact, enabling informed decision-making on pricing strategies and risk management. Understanding the sensitivity of net profit to changes in selling prices helps optimize financial performance and mitigate risks in a dynamic market.

Raw Material Costs

Raw material costs are crucial in sensitivity analysis because they directly influence the company's cost of sales and, consequently, its profitability. When raw material costs increase, costs of sales rises, potentially decreasing net profit unless offset by higher selling prices or cost efficiencies. Sensitivity analysis helps quantify this impact, allowing management to assess the company's exposure to price volatility and develop strategies to manage risks effectively. By sensitizing raw material costs, companies can identify cost pressures, evaluate procurement strategies, and explore opportunities for cost optimization. Overall, understanding the sensitivity of net profit to changes in raw material costs guides strategic decision-making to enhance financial performance and resilience.

Payroll Costs

Sensitizing payroll costs is essential because they represent a significant portion of a company's expenses and directly impact its financial health. By assessing the sensitivity of net profit to changes in payroll costs, management can understand the potential impact on profitability and make informed decisions about workforce planning, compensation strategies, and cost management initiatives. Sensitivity analysis helps identify vulnerabilities to labor cost fluctuations, enabling proactive risk mitigation and scenario planning. It also facilitates strategic resource allocation and optimization efforts to enhance operational efficiency and maintain competitiveness in the market. Overall, sensitizing payroll costs in sensitivity analysis is crucial for effective financial planning, risk management, and sustainable business growth.

Interest/Mark-up Costs

Sensitizing interest/mark-up costs is crucial as they significantly affect a company's profitability and cash flow, especially for those with debt financing. By assessing their sensitivity, management can make informed decisions about debt management, refinancing, and investment strategies. This analysis helps identify vulnerabilities to interest rate fluctuations and changes in financing terms, enabling proactive risk mitigation and strategic planning to maintain financial stability and flexibility.

Local vs Imported Raw Material and Exposure to FOREX Fluctuations

The Company has limited reliance on imported raw material and majority of the raw material sourced from within Pakistan. Accordingly, the exposure to FOREX fluctuations is not considered to be material.

MARKETING ACTIVITIES

Agritech Market Outreach

Agritech ki Khad Khushali ki Bonyad

Tara, the trusted brand of Agritech Limited, enjoys widespread recognition among farmers in KP, Punjab, and Upper Sindh. The company's extensive dealer network, spanning three provinces, ensures effective product distribution. Market insights inform tailored marketing strategies, driving sales growth and market expansion. Strong relationships with dealers and key farmers, coupled with responsive customer support, foster enduring brand loyalty.

Dealers' Visit Head Office

On 4th October 2024, Agritech Ltd. had the privilege of hosting a group of our esteemed dealers at our newly established Head Office in Lahore. The visit was a special occasion, as it provided an opportunity to strengthen our relationships with our partners and showcase the commitment we continue to make towards innovation and excellence in the agricultural sector. The day began with a warm welcome extended to the dealers at Monal Restaurant, one of Lahore's finest dining spots, where a delightful lunch was served. After the lunch, the dealers were taken to our Head Office located at Askari Tower, Gulberg, a prime business hub in Lahore.

At the Head Office, the dealers were given an insightful briefing by our top management team, who shared the company's vision, operational strategies, and goals for the future. The session was interactive, and our dealers were eager to learn about the ongoing developments and how these align with the needs of the agricultural industry. The top management emphasized our commitment to quality and customer satisfaction, and how we continuously strive to provide top-tier products and services to our dealers and end customers. To show our appreciation for their continued partnership and support, each dealer was presented with a thoughtful and beautiful gift. This gesture was a token of gratitude for their hard work and collaboration over the years.

Kissan Convention “Grow More Cotton Campaign” at Bhakkar

Zyada kapas ugaao

On 23rd April'2024, Kissan convention regarding grow more cotton campaign was held at Assistant Director Agriculture(Extension) office, Kallur Kot, District Bhakkar in collaboration with Agritech Ltd & Agriculture extension Kallur Kot Bhakkar. About 350-400 cotton growers participated in convention.

Mr. Zulfiqar Ali Khan, Assistant Commissioner, Kallur Kot & Mr. Shahid Hussain, Divisional Director Agriculture Extension, Sargodha graced the occasion.

Mr. Asif Mahmood, Senior Area Manager, Agritech Ltd. shared the quality & effective usage of Agritech Ltd products like TARA Urea & TARA SSP.

All speakers delivered lectures on seed availability, cotton production technology, plant protection measures regarding cotton crop.

All valuable participants visited the Agritech Ltd stall on the site.

Kissan Convention “Grow More Cotton Campaign” at Jhang

Safeed sona ugayee, Mulki maasheyait mustahkim banaye

On 29th April'2024, Kissan convention regarding grow more cotton campaign was held at Deputy Director Agriculture(Extension) office, Jhang, District Jhang in collaboration with Agritech Ltd & Agriculture extension Jhang. About 300-350 cotton growers participated in convention.

Mr. Muhammad, Deputy Commissioner, Jhang & Mr. Abdul Hameed Chaudhry, Divisional Director Agriculture Extension, Faisalabad graced the occasion. Both special guests admired the Agritech Ltd company for Cotton Kissan Convention collaboration.

Mr. Asif Mahmood, Senior Area Manager, Agritech Ltd. shared the quality & effective usage of Agritech Ltd products like TARA Urea & TARA SSP.

All speakers delivered lectures on seed availability, cotton production technology, plant protection measures regarding cotton crop.

All valuable participants specially visited the Agritech Ltd stall on the site after the event.

Tara Urea Availability Through “model Farm Services Centre” in Kp Province

The 1st Q 2024 of Rabbi season was continuing with Urea shortages, the burden of which was borne by farmers of KP.

In pursuant to the request by Agri Ext directorate KP, through the Federal Govt Agritech continued supporting the farmers of KP by providing Tara Urea at various Model Farm services Centers (which is a Farmer volunteer, Public Private partnership program facilitated and finance-shared by the government of KP), that eliminates the role of middleman.

MFSCs purchase Crop Inputs directly from Manufacturers beforehand, thereby protecting the farmer from market shortages and black marketing. MFSC is run through a Board of Directors, of which Secretary Agriculture, KP is the chairman, Director General Agriculture (Ext.) is Vice Chairman & Director MFSC is the Secretary of Board of Directors along with three other members as per MFSCs act 2004.

Agritech Limited maintained liaison with Director MFSC (HQ) Peshawar and arranged Tara Urea supplies as per MFSCs demand during Rabi & Kharif crop seasons of 2024 to support KP Govt. Agritech Limited supplied 163100 bags of Tara Urea to MFSCs across Plain and Hilly areas of KP during 2024. Federal Govt as well as KP DG Agriculture Extension and all the MFSCs have all been highly appreciative of the role played by Agritech in ensuring supplies and stabilizing market prices. The KP Agri Ext directorate graced Agritech Ltd with the Appreciation Letter in an event after Rabbi season acknowledging the efforts extended as a true partner.

Test Marketing Success of Tara Ammonium Sulphate by Agritech Limited.

Agritech Limited conducted successful test marketing for its new fertilizer brand, Tara Ammonium Sulphate, across Punjab and Khyber Pakhtunkhwa (KP) during 2024. The initiative was aimed at assessing the product's performance, market acceptance, and satisfaction levels among dealers and farmers before its full-scale launch.

The test product was officially registered with the Agriculture Department of the respective provincial authorities prior to the commencement of marketing activities. This ensured adherence to all regulatory requirements and enhanced credibility of the product in the agriculture sector.

Agritech Limited's robust distribution network played a pivotal role in the success of the test marketing campaign. Dealers displayed the product prominently at their outlets, creating visibility and accessibility for the farmers. The dealers were instrumental in educating and convincing farmers about the benefits of Tara Ammonium Sulphate, ensuring steady sales during the testing phase.

The feedback from both dealers and end consumer farmers were overwhelmingly positive. Farmers appreciated the product's quality, efficiency, and sustainability for various crops, while dealers expressed satisfaction with the demand generated during the test phase. This encouraging response highlights the potential of Tara Ammonium Sulphate to become a preferred choice among farmers in the region.

The successful test marketing has positioned Tara Ammonium sulphate as a promising addition to Agritech Limited's product portfolio. The company plans to leverage the insights gained during this phase to fine-tune its market strategy and prepare for a broad launch.



PATTERN OF SHAREHOLDING

AS REQUIRED UNDER SECTION 227 (2) (F) OF THE COMPANIES ACT, 2017

The pattern of holding of shares held by the shareholders as at 31 December 2024 is as follows:

Number of shareholders	From	Shareholding To	Total shares held
513	1	100	10,282
429	101	500	178,924
215	501	1,000	198,807
339	1,001	5,000	1,002,318
90	5,001	10,000	767,273
42	10,001	15,000	536,957
25	15,001	20,000	479,503
14	20,001	25,000	336,256
10	25,001	30,000	283,900
2	30,001	35,000	63,500
2	35,001	40,000	80,000
6	40,001	45,000	260,196
10	45,001	50,000	496,700
1	55,001	60,000	60,000
2	60,001	65,000	126,000
4	70,001	75,000	298,311
5	75,001	80,000	390,510
1	90,001	95,000	95,000
5	95,001	100,000	500,000
1	100,001	105,000	102,569
2	120,001	125,000	246,028
1	135,001	140,000	137,405
3	145,001	150,000	440,356
1	155,001	160,000	157,336
1	195,001	200,000	197,923
1	220,001	225,000	225,000
1	230,001	235,000	230,822
1	235,001	240,000	240,000
1	250,001	255,000	253,484
1	260,001	265,000	260,850
1	265,001	270,000	269,000
2	270,001	275,000	546,329
1	320,001	325,000	323,207
1	430,001	435,000	432,895
1	490,001	495,000	495,000
1	645,001	650,000	646,450
1	685,001	690,000	687,894
1	715,001	720,000	720,000
1	850,001	855,000	851,519
1	1,300,001	1,305,000	1,304,544
1	1,330,001	1,335,000	1,333,333
1	1,475,001	1,480,000	1,475,333
1	1,910,001	1,915,000	1,914,655
1	2,075,001	2,080,000	2,075,315
1	2,125,001	2,130,000	2,128,615
1	2,485,001	2,490,000	2,487,333
1	2,510,001	2,515,000	2,511,167
1	3,025,001	3,030,000	3,025,688
1	3,330,001	3,335,000	3,333,333
1	3,345,001	3,350,000	3,346,506
1	3,765,001	3,770,000	3,765,657
1	6,470,001	6,475,000	6,475,000

Number of shareholders	From	Shareholding To	Total shares held
1	15,375,001	15,380,000	15,379,990
1	15,620,001	15,625,000	15,624,873
1	19,860,001	19,865,000	19,864,897
1	2,100,001	2,105,000	21,000,001
1	34,485,001	34,490,000	34,488,353
1	38,670,001	38,675,000	38,670,001
1	43,820,001	43,825,000	43,820,228
1	64,450,001	64,455,000	64,450,700
1	122,540,001	122,545,000	122,541,093
1761			424,645,119

Categories of Shareholders

Name	Share held	Percentage
Directors, Chief Executive Officer and their spouse and minor children	2,268	0.0005%
Associated Companies, undertakings and related parties, (Parent Company)	225,661,794	53.1413%
NIT and ICP	3,986,500	0.9388%
Banks Development Financial Institutions, Non Banking Financial Institutions	92,159,172	21.7026%
Insurance Companies	102,569	0.0242%
Modarabas and Mutual Funds	4,768,930	1.1230%
Share holders holding 10% or more	230,812,021	54.3541%
General Public		
a. Local	9,051,769	2.1316%
b. Foreign	400	0.0001%

Others (to be specified)

Name	Share held	Percentage
Public Sector Companies & Corporations	6,359,021	1.4975%
Pension Funds	80,500	0.0190%
Other Companies	789,459	0.1859%
Investment Companies	323,207	0.0761%
Foreign Companies	6,252,990	1.4725%
Joint Stock Companies	75,106,540	17.6869%

PATTERN OF SHAREHOLDING

Categories of Shareholding required under Code of Corporate Governance (CCG)
As on December 31, 2024

Associated Companies, Undertakings and Related Parties (Name Wise):

Sr.#	Name	No. of shares held	Percentage
1.	FAUJI FERTILIZER COMPANY LTD (CDC)	122,541,093	28.8573
2.	MAPLE LEAF CAPITAL LIMITED (CDC)	38,670,001	9.1064
3.	MAPLE LEAF CEMENT FACTORY LTD (CDC)	64,450,700	15.1775

Mutual Funds (Name Wise Detail)

Sr.#	Name	No. of shares held	Percentage
1.	CDC - TRUSTEE ALFALAH GHP ALPAH FUND (CDC)	495,000	0.1166
2.	CDC - TRUSTEE ALFALAH GHP DEDICATED EQUITY FUND (CDC)	44,000	0.0104
3.	CDC - TRUSTEE ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND (CDC)	26,000	0.0061
4.	CDC - TRUSTEE ALFALAH GHP ISLAMIC STOCK FUND (CDC)	2,075,315	0.4887
5.	CDC - TRUSTEE ALFALAH GHP STOCK FUND (CDC)	2,128,615	0.5013

Directors, CEO and their Spouse and Minor Children (Name Wise):

Sr.#	Name	No. of shares held	Percentage
1.	MR. MUHAMMAD FAISAL MUZAMMIL	500	0.0001
2.	MR. HASAN AHMED (CDC)	50	0.0000
3.	SYED MUSTAFA HAIDER HAMDANI (CDC)	500	0.0001
4.	SYED MOHSIN RAZA NAQVI (CDC)	218	0.0001
5.	MR. HAROON FAROOQ (CDC)	1,000	0.0002

Executives: 10 0.0000

Public Sector Companies & Corporations: 6,359,021 1.4975

Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds: 92,342,241 21.7457

Shareholders holding five percent or more voting interest in the listed company (Name Wise)

Sr.#	Name	No. of shares held	Percentage
1.	FAUJI FERTILIZER COMPANY LTD (CDC)	122,541,093	28.8573
2.	MAPLE LEAF CEMENT FACTORY LTD (CDC)	64,450,700	15.1775
3.	FATIMA FERTILIZER COMPANY LTD (CDC)	43,820,228	10.3193
4.	MAPLE LEAF CAPITAL LIMITED (CDC)	38,670,001	9.1064
5.	BANK ALFALAH LIMITED (CDC)	34,488,353	8.1217

All trades in the shares of the listed company, carried out by its Directors, CEO, CFO, Company Secretary and their spouses and minor children:

Sr.#	Name	Sale	Purchase
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OTHER MATTERS

Modifications in the Auditor's report

Qualification

In auditor's report for the period, auditors raised following concern which states as "the management has assessed the recoverability of deferred tax assets on tax losses and provision and asserts that no related impairment is required in these financial statements. However, we are unable to obtain sufficient appropriate audit evidence with respect to key assumptions used in the financial projections i.e. operational days based on the availability of natural gas and cost of raw material based on gas rates since approval from Government of Pakistan for continuous supply of gas to the Company is not available. Management is, however, confident that supply of gas will be available on long term basis. Consequently, we were unable to determine whether any adjustment in respect of impairment was necessary for deferred tax asset amounting to Rs. 6,768 million recognized in these financial statements."

Material Uncertainty relating to Going Concern

Auditor also raised concern about Company's ability to operate as going concern which states as "Notwithstanding the matter discussed in Basis for the Qualified Opinion section, the Company's current liabilities as on 31 December 2024, exceeded its current assets by Rs. 23,190 million, and its accumulated loss stood at Rs. 26,535 million. These conditions, along with other matters as set forth in note 2.2 to the financial statements, indicate existence of material uncertainty that may cast significant doubt about the Company's ability to continue as going concern. Our opinion is not qualified in respect of this matter."

Emphasis of Matter

Auditor has also given Emphasis of matter which states; "We draw attention towards:

- a) Note 17 to the accompanying financial statements, wherein it is stated that the Company is defending legal suits filed by

certain financial institutions for recovery of their dues. Our opinion is not qualified in this respect; and

- b) Note 52.1 to the accompanying financial statements, which states that prior year financial statements have been restated to incorporate impairment of goodwill amounting to Rs. 2,567 million.

Our opinion is not qualified in this respect."

Explanation of Modifications of Auditor's Report

The management has conducted a thorough evaluation of the Company's ability to continue as a Going Concern. Based on the following mitigating factors, management is confident that in spite of the Company's reliance on the continuous supply of gas to the Urea Plant by the Government of Pakistan (GoP) for sustainable future operations, there is no material uncertainty that would cast significant doubt on its ability to continue operating. Consequently, the financial statements have been prepared on a going concern basis, taking into account the following key considerations:

- **Consistent Growth in Urea Demand:** The demand for urea has experienced a compound annual growth rate (CAGR) of approximately 2% since 2018, reaching 6.6 million tons per annum. Given this upward trajectory, sustaining future demand necessitates the operation of all fertilizer plants having combined capacity of 6.6-6.7 million tons per annum, including Agritech's Urea Plant.
- **Improved Gas Supply and Increased Operational Days:** Over the years, the availability of gas for Agritech's Urea Plant has shown significant improvements, enabling increased plant operations. In 2024, the plant operated for 350 days, a notable rise from 277 days in 2023. As a result, the production of urea reached 372 KT in 2024, compared to 292 KT in 2023, marking the highest production level in the past decade.

- **Enhanced Financial Performance:** The Company has demonstrated strong financial growth, with gross profit increasing by Rs. 1,867 million over last year, reaching to Rs. 6,266 million and operating profit surging by Rs. 2,193 million in 2024 as compared to the previous year reaching to 5,931 million. EBIDTA of the Company recorded at Rs. 7,850 million in 2024 increasing by 41% over last year. This positive financial trajectory underscores the Company's improved profitability and operational efficiency.
- **Strategic Acquisition by Major Conglomerates:** In 2024, Agritech Limited (AGL) witnessed a strategic acquisition by two major industrial groups—Fauji Fertilizer Company (FFC), the largest fertilizer company in the country, in collaboration with the Fauji Foundation (FF) holds 41.02% of AGL's Ordinary Shares, and Maple Leaf Cement Factory (MLCF) in collaboration with Maple Leaf Capital Limited (MLCL) has acquired 43.51% of Ordinary Shareholding in the Company. The involvement of these conglomerates, particularly FFC with its extensive expertise in managing fertilizer plants, is expected to drive substantial operational and strategic growth for Agritech.
- **Lower Finance Costs Due to Reduction in Policy Rate:** The State Bank of Pakistan (SBP) reduced the policy rate from 22% in December 2023 to 12% in January 2025. This substantial decline in interest rates is anticipated to significantly decrease the Company's finance costs, improving liquidity and financial stability in the long run.
- **Restructuring of Long-Term Debt and Debt Reduction:** The implementation of the sanctioned Scheme of Arrangement (SOA) has facilitated the restructuring of the Company's long-term debt

OTHER MATTERS

- through the issuance of Preference Shares in lieu of outstanding principal and Term Finance Certificates (TFCs) in place of outstanding markup as of December 31, 2013 (the effective date of SOA). Additionally, the Company's ongoing settlement of short-term on a bilateral basis is expected to further alleviate its financial burden, enhancing its financial sustainability. These arrangements are anticipated to lead to a favourable outcome in the litigations filed by the lenders.

Given these factors, management remains confident in the Company's ability to continue its operations as a going concern, ensuring profitability, long-term stability and growth.

Corporate Governance and Financial Reporting Framework

As required by the Code of Corporate Governance, the Directors are pleased to report that:

- The financial statements prepared by the management of Company present accurate state of Company's financial position, operations, cash flows and changes in equity.
- Proper books of account of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards as applicable in Pakistan have been followed in the preparation of financial statements.
- The system of internal controls is sound and has been effectively implemented and monitored.
- The Board is satisfied that the Company is performing well as a going concern.
- There has been no material departure from the best practices of corporate

governance as detailed in the Pakistan Stock Exchange Regulations.

- There is no statutory payment on account of taxes, duties, levies and charges which are outstanding as on 31 December 2024, except as those disclosed in the financial statements.
- No material changes and commitments affecting the financial position of the company have occurred between the end of the financial year to which this relates and the date of the Directors' report, except as stated in Subsequent Events section on page 168.

Dividend

Due to circumstances already discussed, the Board of Directors does not recommend any dividend for the period ended on 31 December 2024.

Board of Directors

Information about the Board of Directors is presented in Section D of this Report.

Investment in retirement benefits

The value of investments made by the employees retirement benefits funds operated by the Company as on 31 December 2024 are as follows:

Provident Fund	Rs. 318 million
Gratuity Fund	Rs. 174 million

Rationale for CAPEX

In 2024, the capital expenditure reflects management's strategic focus on ensuring long term sustainability and efficiency of its production plants. This involves investment in infrastructure, renewable energy, digitalization and environmental compliance with additional focus on transport facilities.

CEO' Remuneration

Particulars of remuneration of Chief Executive are as follows:

	Rs. (millions)
Managerial remuneration	20.90
House rent allowance	6.27
Utility allowance	2.10
Post employment benefits	1.74
Bonus	16.43
Total	47.43

Chief Executive is also provided with company maintained vehicle and medical facility in accordance with the Company's policy.

All members on the Board are Non-Executive Directors and are not entitled to any remuneration with exception of meeting fee. These directors were paid meeting fee aggregating to Rs. 15.12 million during the year.

Risks and Opportunities Report

Risks and opportunities report of the Company, explaining Key Risks and Opportunities (internal and external) affecting availability, quality and affordability of Capitals, has been presented in Section C of this Report.

New standards, interpretations and amendments applicable to financial statements

There are certain amendments to approved accounting and reporting standards which are mandatory for the Company's annual accounting period beginning on January 01, 2024. However, there is no significant implications of such amendments, except as disclosed in note 2.4 of the annexed financial statements.

Review of Related Party Transactions

Details of all related party transactions are presented on page 83-84. All related party transactions were placed before the Audit Committee and upon recommendations of the Audit Committee, the same were placed before the Board for review and approval in accordance with requirements of the Listed Companies (Code of Corporate Governance.) Regulations, 2019.

Future Outlook

A detailed Forward Looking Statement is given in Section G of this report.

Internal Financial Controls

A system of sound internal controls established and implemented at all levels of the Company by the Board of Directors. The system of internal control is sound in design for ensuring achievement of Company's objectives and operational effectiveness and efficiency, reliable financial reporting and compliance with laws, regulations and policies.

Appointment of Auditors

The Board of Directors has recommended, as suggested by Audit Committee, the appointment of Grant Thornton Anjum Rahman, Chartered Accountants, the retiring auditors who being eligible, have offered themselves for re-appointment as external auditors of the Company for the ensuing Financial Year, subject to approval of the members in the forthcoming Annual General Meeting.

Trading in Shares by Directors and Executives

No trading was conducted by directors, executives, their spouses and minor children in the shares of Agritech during the year.

Subsequent Events

Subsequent to year end, the following events occurred:

- Fauji Fertilizer Company (FFC), in collaboration with Fauji Foundation (FF), acquired 51,668,158 shares of the Agritech Limited (AGL), resulting in a combined total shareholding of 41.02%.
- Maple Leaf Cement Factory Limited (MLCF) acquired 81,641,635 shares of AGL, bringing the combined shareholding of MLCF and Maple Leaf Capital Limited (MLCL) in AGL to 43.51%.
- MLCF has acquired further 250,916,299 preference shares including preference shares previously held by Faysal Bank Limited and others.

Promoting Diversity, Equity, and Inclusion (DEI):

The Company is dedicated to fostering an environment where equal opportunities are accessible to all. As an equal opportunity

employer, we strive to create a safe and productive workplace where every team member feels valued and included. Our company cultivates a culture that celebrates diversity, respects individuality, and emphasizes the unique ideas, perspectives, experiences, and talents of each person.

While diversity is often viewed through the lenses of gender, race, sexual orientation, or cultural background, we also recognize the growing importance of diversity of thoughts. The company embraces this form of diversity in hiring and performance evaluations, bringing fresh perspectives to the workplace and expanding our talent pool. We also value diversity of opinion, drawing from varied backgrounds and life experiences to encourage diverse thinking and create a more demographically diverse workforce.

Inclusion is at the heart of our culture. We strive to create an environment where people from all walks of life can come to work, feel comfortable and confident to be themselves, and work in ways that suit their needs while meeting business objectives. In our organization, every individual is valued, and we firmly believe that everyone connected to us contributes to achieving our organizational goals.

Sustainability: A Core Priority

At AGL, sustainability has rapidly become a core business priority. In 2024, we made significant progress in embedding sustainable practices across our operations, with a strong focus on energy efficiency, water conservation, environmental stewardship, and corporate governance excellence.

To cultivate a sustainability-driven mindset within the organization, awareness sessions and training programs were conducted for senior leadership. Additionally, the establishment of a dedicated Sustainability function reflects AGL's commitment to integrating sustainability into its business strategy and contributing to a greener future.

We are actively working towards aligning our sustainability reporting with the Securities and Exchange Commission of Pakistan (SECP) guidelines, as well as IFRS

Sustainability Disclosure Standards S1 and S2. As a further step towards transparency and accountability, our Board of Directors has formally adopted the "Guidelines on ESG Disclosure for Listed Companies, 2023."

These initiatives reaffirm AGL's dedication to responsible business practices and its mission to create long-term value for stakeholders while safeguarding the environment for future generations.

See section E for highlights of the company's performance, policies, initiatives and plans in place relating to the various aspects of sustainability.

Board's Statement on Gender Pay Gap

Workplace equity is a fundamental principle of Agritech's work ethos. We strongly believe in "Equal Pay for Work of Equal Value" and ensure that all human resource related decisions including pay fixation, promotions, increments and career progression are based strictly on merit, equity and fairness, ensuring elimination of any gender discrimination or bias.

In line with Circular 10 of the Securities & Exchange Commission of Pakistan (SECP) dated 17 April 2024, following is the gender pay gap data calculated for the year 2024.

Mean Gender Pay Gap	-111%
Median Gender Pay Gap	-95%

These figures indicate that, on average, female employees receive higher compensation than male colleagues, primarily because a significant proportion of female employees hold managerial positions within the organization.

This information will be available on Company's website.

Achievements and Other Highlights

Several other key milestones and highlights that underscore our continued progress and commitment to excellence are:

- **Best Corporate and Sustainability Report Awards:** Proudly secured 2nd position in the Chemical and Fertilizer Sector and an impressive 5th

OTHER MATTERS

position overall in the prestigious Best Corporate Report Awards. This achievement highlights our commitment to transparency, excellence in corporate reporting, and adherence to best practices in financial and non-financial disclosures.

- **Contribution to National Exchequer:** Deposited a substantial tax amount of Rs. 2.37 billion, (2023: Rs. 1.16 billion) reflecting our unwavering commitment to fulfilling our fiscal responsibilities as a corporate entity. This significant contribution underscores our dedication to supporting national economic growth and development.
- **Distribution Network:** Enhanced our distribution channels, ensuring timely delivery of fertilizers to farmers across Pakistan.
- **Expanding Product Portfolio:** Conducted successful test marketing for its new fertilizer brand, Tara Ammonium Sulphate, across Punjab and Khyber Pakhtunkhwa (KP) paving the way for the launch at its full scale in future.
- **Farmer Education:** Conducted two conventions to educate farmers on the optimal use of urea and SSP, improving crop yields and soil health. Collaborated with Govt of Punjab Agri Department on Grow More Cotton campaign.

Corporate Social Responsibility

Disclosure regarding Corporate Social Responsibility has been given in CSR section E of this Annual Report.

CEO's Video Presentation

CEO's video presentation on the Company's business performance for the year covering the Company business strategy to improve and future outlook has been placed on the Company's website.

- **Acknowledgement**

The Board takes this opportunity to express its deep sense of gratitude and thanks to the shareholders, employees, customers, bankers and other stakeholders for the confidence and faith they have always reposed in us.



Muhammad Faisal Muzammil
Chief Executive Officer



Hasan Ahmed
Director

06 March 2025



CEO's video presentation on the Company's business performance for the year covering the Company business strategy to improve and future outlook has been placed on the Company's website.

[Scan the QR Code to watch](#)

شکریہ

بورڈ اس موقع پر اپنے مخلصانہ احساسات کا اظہار کرتا ہے اور تمام شیئر ہولڈرز، ملازمین، گاہکوں، بینکوں اور دیگر اسٹیک ہولڈرز کا شکریہ ادا کرتا ہے جنہوں نے ہمیشہ ہم پر اعتماد اور یقین ظاہر کیا۔



محمد فیصل مزمل
چیف ایگزیکٹو آفیسر



حسن احمد
ڈائریکٹر

06 مارچ 2025ء

میں تعاون کرنے کے عزم کو اجاگر کرتی ہے۔

تقسیم نیٹ ورک: ہم نے اپنے تقسیم کے چینلز کو بہتر بنایا، تاکہ پاکستان بھر کے کسانوں تک فرٹیلائزرز کی بروقت فراہمی کو یقینی بنایا جا سکے۔

مصنوعات کی پورٹ فولیو میں توسیع: ہم نے اپنے نئے فرٹیلائزر برانڈ "تارا امونیم سلفیٹ" کی پنجاب اور خیبر پختونخوا (KP) میں کامیاب تجرباتی مارکیٹنگ کی، جو مستقبل میں اس کی مکمل سطح پر لانچ کے لیے راہ ہموار کرتا ہے۔

کسانوں کی تعلیم: ہم نے کسانوں کو یوریا اور ایس ایس پی کے بہترین استعمال پر تعلیم دینے کے لیے دو کنونشنز منعقد کیے، جس سے فصلوں کی پیداوار اور مٹی کی صحت میں بہتری آئی۔ ہم نے "کپاس زیادہ آگاہ" مہم پر حکومت پنجاب کے زرعی محکمہ کے ساتھ بھی تعاون کیا۔

کاروبار کی معاشرتی ذمہ داری

کاروبار کی معاشرتی ذمہ داری کے حوالے سے بیان اس سالانہ رپورٹ کے CSR سیکشن (E) میں دیا گیا ہے۔

سی ای او کی ویڈیو پریزنٹیشن

سی ای او کی ویڈیو پریزنٹیشن جس میں کمپنی کی کاروباری کارکردگی، کاروباری حکمت عملی کی بہتری اور مستقبل کے منظر نامے پر بات کی گئی ہے، کمپنی کی ویب سائٹ پر دستیاب ہے۔

ڈائیکٹر ز رپورٹ

کو اپنانے میں نمایاں پیشرفت کی، جس میں توانائی کی بچت، پانی کی بچت، ماحولیاتی نگہداشت، اور کارپوریٹ گورننس کی عمدگی پر مضبوط توجہ مرکوز کی گئی۔

تنظیم میں پائیداری کے شعور کو اجاگر کرنے کے لیے، سینئر قیادت کے لیے آگاہی سیشنز اور تربیتی پروگرامز منعقد کیے گئے۔ اس کے علاوہ، پائیداری کے لیے ایک مختص فنکشن کا قیام AGL کے کاروباری حکمت عملی میں پائیداری کو ضم کرنے اور ایک سبز مستقبل میں کردار ادا کرنے کے عزم کو ظاہر کرتا ہے۔

ہم اپنے پائیداری کی رپورٹنگ کو پاکستان کے سیکوریٹیز اینڈ ایکسچینج کمیشن (SECP) کی رہنمائی کے مطابق، اور IFRS پائیداری کے بیانات کے معیار S1 اور S2 کے مطابق ہم آہنگ کرنے کے لیے سرگرم عمل ہیں۔ شفافیت اور احتساب کی مزید ایک قدم کے طور پر، ہماری بورڈ آف ڈائریکٹرز نے "لسنڈ کمپنیوں کے لیے ESG بیانات کی رہنما خطوط" 2023 کو باضابطہ طور پر منظور کیا ہے۔

یہ اقدامات AGL کی ذمہ دار کاروباری طریقوں کے لیے عزم کی تصدیق کرتے ہیں اور اس کے مشن کو طویل مدتی قدر پیدا کرنے اور آنے والی نسلوں کے لیے ماحول کو محفوظ رکھنے کی کوششوں کو تقویت دیتے ہیں۔

پائیداری کے مختلف پہلوؤں کے حوالے سے کمپنی کی کارکردگی، پالیسیوں، اقدامات اور منصوبوں کے اہم نکات کے لیے سیکشن E ملاحظہ کریں۔

کارکردگی اور دیگر اہم نکات

کئی دیگر اہم سنگ میل اور نکات جو ہماری مسلسل پیشرفت اور عمدگی کے عزم کو اجاگر کرتے ہیں:

بہترین کارپوریٹ رپورٹ ایوارڈز: ہمیں کیمیکل اور فرٹیلائزر سیکٹر میں 2nd پوزیشن اور مجموعی طور پر 5th پوزیشن حاصل ہوئی۔ یہ کامیابی ہماری شفافیت، کارپوریٹ رپورٹنگ میں عمدگی اور مالی و غیر مالی اہم نکات کے بہترین طریقوں کی پیروی کو ظاہر کرتی ہے۔

قومی خزانے میں شراکت: ہم نے 2.37 بلین روپے (2023: 1.16 بلین روپے) کی قابل ذکر ٹیکس رقم جمع کرائی، جو ہمارے بطور کارپوریٹ ادارہ اپنے مالیاتی ذمہ داریوں کو پورا کرنے کے عزم کو ظاہر کرتی ہے۔ یہ اہم شراکت ہمارے قومی معاشی ترقی اور فروغ

3. ایم ایل سی ایف نے مزید 250,916,299 ترجیحی شیئرز خریدے، جن میں فیصل بینک لمیٹڈ اور دیگر کی ملکیت والے تر جیبی شیئرز بھی شامل ہیں۔

تنوع، مساوات، اور شمولیت (ڈی ای آئی) کو فروغ دینا کمپنی اس بات کے لیے پرعزم ہے کہ ایک ایسا ماحول فراہم کیا جائے جہاں سب کو یکساں مواقع حاصل ہوں۔ ایک مساوی موقع فراہم کرنے والے آجر کے طور پر، ہم ایک محفوظ اور

پیداواری ورک پلیس

بنانے کی کوشش کرتے ہیں جہاں ہر ٹیم کے رکن کو قیمتی اور شامل محسوس ہو۔ ہماری کمپنی ایک ایسی ثقافت کو فروغ دیتی ہے جو تنوع کا جشن مناتی ہے، انفرادیت کی عزت کرتی ہے، اور ہر شخص کے منفرد خیالات، نظریات، تجربات اور صلاحیتوں کو اہمیت دیتی ہے۔

اگرچہ تنوع کو اکثر جنس، نسل، جنسی رجحان، یا ثقافتی پس منظر کی نظر سے دیکھا جاتا ہے، ہم خیالات کے تنوع کی بڑھتی ہوئی اہمیت کو بھی تسلیم کرتے ہیں۔ کمپنی اس نوعیت کے تنوع کو بھرتی اور کارکردگی کی تشخیص میں اپناتی ہے، جس سے ورک پلیس میں تازہ خیالات آتے ہیں اور ہماری افرادی قوت میں وسعت پیدا ہوتی ہے۔ ہم رائے کے تنوع کو بھی اہمیت دیتے ہیں، مختلف پس منظر اور زندگی کے تجربات سے فائدہ اٹھاتے ہوئے مختلف سوچ کو فروغ دیتے ہیں اور ایک جغرافیائی طور پر متنوع افرادی قوت تخلیق کرتے ہیں۔

شمولیت ہماری ثقافت کے قلب میں ہے۔ ہم ایک ایسا ماحول بنانے کی کوشش کرتے ہیں جہاں ہر پس منظر سے تعلق رکھنے والے افراد کام پر آسکیں، اپنے آپ کو آرام دہ اور پراعتماد محسوس کریں اور اپنے طریقوں سے کام کریں جو ان کی ضروریات کے مطابق ہوں اور کاروباری مقاصد کو پورا کرنے میں مدد دیں۔ ہماری تنظیم میں ہر فرد کی اہمیت ہے، اور ہم پختہ یقین رکھتے ہیں کہ ہم سے جڑے ہر فرد کی مدد سے ہم اپنے تنظیمی مقاصد کو حاصل کرنے میں کامیاب ہوتے ہیں۔

پائیداری: ایک اہم ترجیح

AGL میں، پائیداری تیزی سے ایک اہم کاروباری ترجیح بن چکی ہے۔ 2024 میں، ہم نے اپنی آپریشنز میں پائیدار طریقوں

سی ای او کی مراعات:

چیف ایگزیکٹو کی مراعات کی تفصیلات مندرجہ ذیل ہیں:

ملین روپے	
20.90	انتظامی معاوضہ
6.27	مکان کرایہ الاؤنس
2.10	یوٹیلیٹی الاؤنس
1.74	ملازمت کے بعد فوائد
16.43	بونس
47.43	ٹوٹل

چیف ایگزیکٹو کو کمپنی کی پالیسی کے مطابق کمپنی کی طرف سے گاڑی اور میڈیکل سہولت بھی فراہم کی جاتی ہے۔

بورڈ کے تمام ارکان غیر ایگزیکٹو ڈائریکٹرز ہیں اور انہیں کسی بھی قسم کی مراعات نہیں دی جاتی سوائے میٹنگ فیس کے۔ ان ڈائریکٹرز کو اس سال کے دوران مجموعی طور پر 15.12 ملین روپے میٹنگ فیس کے طور پر ادا کی گئی۔

خطرات اور مواقع کی رپورٹ:

کمپنی کی خطرات اور مواقع کی رپورٹ، جو اہم خطرات اور مواقع (داخلی اور بیرونی) کو وضاحت دیتی ہے جو سرمایہ کے دستیاب ہونے، معیار اور قیمت پر اثر انداز ہو رہی ہیں، اس رپورٹ کے سیکشن C میں پیش کی گئی ہے۔

مالی بیانات پر لاگو نئے معیارات، تشریحات اور ترمیمات: تصدیق شدہ اکاؤنٹنگ اور رپورٹنگ معیارات میں کچھ ترامیم کی گئی ہیں جو کمپنی کے مالی سال کی پہلی تاریخ جنوری 2024 سے نافذ ہوں گی۔ تاہم، ایسی ترامیم کا قابل ذکر اثر نہیں ہے، سوائے اس کے جو 2.4 نوٹ میں مالی بیانات کے ساتھ بیان کیے گئے ہیں۔

متعلقہ پارٹی ٹرانزیکشنز کا جائزہ:

تمام متعلقہ پارٹی ٹرانزیکشنز کی تفصیلات صفحہ ___ پر پیش کی گئی ہیں۔ تمام متعلقہ پارٹی ٹرانزیکشنز کو آڈٹ کمیٹی کے سامنے رکھا گیا، اور آڈٹ کمیٹی کی سفارشات کے مطابق، انہیں بورڈ کے سامنے جائزہ اور منظوری کے لیے پیش کیا گیا جیسا کہ 2019 کے فہرست شدہ کمپنیوں (کارپوریٹ گورننس کا ضابطہ) کے قواعد و ضوابط کی ضرورت ہے۔

مستقبل کا منظر نامہ:

مستقبل کے بارے میں تفصیلی جائزہ اس رپورٹ کے سیکشن G میں دی گئی ہے۔

داخلی مالی کنٹرول:

بورڈ آف ڈائریکٹرز نے کمپنی کی تمام سطحوں پر ایک مستحکم داخلی کنٹرول کا نظام قائم اور نافذ کیا ہے۔ داخلی کنٹرول کا یہ نظام کمپنی کے مقاصد کو حاصل کرنے، آپریشنل اثر و رسوخ اور کارکردگی، قابل اعتماد مالی رپورٹنگ، اور قوانین، ضوابط اور پالیسیوں کی تعمیل کو یقینی بنانے کے لیے مؤثر ڈیزائن میں ہے۔

آڈیٹرز کی تقرری

بورڈ آف ڈائریکٹرز نے آڈٹ کمیٹی کی تجویز کے مطابق، Grant Thornton Anjum Rahman، چارٹرڈ اکاؤنٹنٹس کی تقرری کی سفارش کی ہے، جو ریٹائر ہونے والے آڈیٹرز ہیں اور جو کہ اس تقرری کے لیے اہل ہیں۔ انہوں نے کمپنی کے آئندہ مالی سال کے لیے بیرونی آڈیٹرز کے طور پر دوبارہ تقرری کی پیشکش کی ہے، بشرطیکہ اراکین کی منظوری آئندہ سالانہ جنرل میٹنگ میں حاصل ہو۔

ڈائریکٹرز اور ایگزیکٹوز کی جانب سے شیئرز کی خرید و

فروخت

سال کے دوران ڈائریکٹرز، ایگزیکٹوز، ان کے شریک حیات اور نابالغ بچوں کی طرف سے ایگری ٹیک کے شیئرز میں کوئی خرید و فروخت نہیں کی گئی۔

بعد کے واقعات

سال کے اختتام کے بعد، درج ذیل واقعات پیش آئے:

1. فوجی فرٹیلائزر کمپنی (ایف ایف سی) نے فوجی فاؤنڈیشن (ایف ایف) کے تعاون سے ایگری ٹیک لمیٹڈ (ای جی ایل) کے 51,668,158 شیئرز حاصل کیے، جس کے نتیجے میں ان کا مجموعی شیئر ہولڈنگ %41.02 تک پہنچ گیا۔
2. میپل لیف سیمنٹ فیکٹری لمیٹڈ (ایم ایل سی ایف) نے ایگری ٹیک کے 81,641,635 شیئرز خریدے، جس سے ایم ایل سی ایف اور میپل لیف کیپٹل لمیٹڈ (ایم ایل سی ایل) کی مجموعی شیئر ہولڈنگ کمپنی میں %43.51 تک پہنچ گئی۔

ڈائیکٹر ز رپورٹ

بورڈ اس بات پر اطمینان رکھتا ہے کہ کمپنی ایک جاری کاروبار کے طور پر اچھی کارکردگی کا مظاہرہ کر رہی ہے۔ پاکستان اسٹاک ایکسچینج کے ضوابط میں بیان کردہ بہترین کارپوریٹ گورننس طریقوں سے کوئی اہم انحراف نہیں ہوا۔ 31 دسمبر 2024 تک کمپنی پر کسی قسم کے ٹیکسز، ڈیوٹیز، لیویز یا چارجز کی کوئی بقایا ادائیگیاں نہیں ہیں، سوائے ان کے جو مالی بیانات میں ظاہر کی گئی ہیں۔

مالی سال کے اختتام اور ڈائیکٹر ز کی رپورٹ کی تاریخ کے درمیان کمپنی کی مالی پوزیشن پر اثر انداز ہونے والی کوئی اہم تبدیلیاں یا وعدے نہیں ہوئے، سوائے اس کے جو صفحہ ___ پر درج "بعد میں ہونے والے واقعات" کے حصے میں ذکر کیا گیا ہے۔

منافع کی تقسیم:

پہلے سے بیان کردہ حالات کی بنا پر، بورڈ آف ڈائیکٹر ز نے 31 دسمبر 2024 کو ختم ہونے والے عرصے کے لیے کسی بھی منافع کی تقسیم کی سفارش نہیں کی۔

بورڈ آف ڈائیکٹر ز:

بورڈ آف ڈائیکٹر ز کے بارے میں معلومات اس رپورٹ کے سیکشن G میں پیش کی گئی ہیں۔

ریٹائرمنٹ بینیفٹس میں سرمایہ کاری:

کمپنی کے زیر انتظام ملازمین کے ریٹائرمنٹ بینیفٹس فنڈز میں کی جانے والی سرمایہ کاری کی قیمت 31 دسمبر 2024 تک درج ذیل ہے:

پراوڈنٹ فنڈ	318 ملین روپے
گریٹوٹیٹی فنڈ	174 ملین روپے

CAPEX کی وضاحت:

2024 میں، کیپٹل اخراجات کمپنی کے انتظامیہ کی طویل مدتی پائیداری اور پیداواری پلانٹس کی کارکردگی کو یقینی بنانے پر مرکوز حکمت عملی کی عکاسی کرتے ہیں۔ اس میں انفراسٹرکچر، قابل تجدید توانائی، ڈیجیٹائزیشن اور ماحولیاتی تعمیر میں سرمایہ کاری کی جاتی ہے، اور اضافی طور پر ٹرانسپورٹ کی سہولتوں پر بھی توجہ دی جاتی ہے۔

کی شرح میں اس نمایاں کمی کی وجہ سے کمپنی کے سودی اخراجات میں خاطر خواہ کمی کی توقع ہے، جس سے طویل مدتی مدت میں لیکویڈیٹی اور مالی استحکام میں بہتری آئے گی۔

طویل مدتی قرضوں کی ساخت میں تبدیلی اور قرض میں کمی:

منظور شدہ اسکیم آف آرینجمنٹ (SOA) کے نفاذ سے کمپنی کے طویل مدتی قرضوں کی ساخت میں تبدیلی آئی ہے، جس میں بقایا قرضوں کے بدلے ترجیحی شیئرز جاری کیے گئے ہیں اور بقایا مارک اپ کے بدلے ٹرم فنانس سرٹیفکیٹس (TFCS) جاری کیے گئے ہیں جو 31 دسمبر 2013 (SOA کی مؤثر تاریخ) سے کارآمد ہیں۔ مزید برآں، کمپنی کا مختصر مدتی قرضوں کا جاری دوطرفہ تصفیہ اس کے مالی بوجھ کو مزید کم کرنے اور اس کی مالی پائیداری کو بہتر بنانے کی توقع ہے۔ ان انتظامات سے قرض دہندگان کے ذریعہ دائر کیے گئے مقدمات میں سازگار نتیجہ نکلنے کی توقع ہے۔

ان عوامل کے پیش نظر، انتظامیہ کمپنی کی آپریشنز کو ایک جاری کاروبار کے طور پر جاری رکھنے کی صلاحیت پر پُر اعتماد ہے، جس کے ذریعے منافعت، طویل مدتی استحکام اور ترقی کو یقینی بنایا جائے گا۔

کارپوریٹ گورننس اور مالی رپورٹنگ کا فریم ورک:

کارپوریٹ گورننس کے ضابطے کے مطابق، ڈائیکٹر ز نے رپورٹ کی ہے کہ:

کمپنی کے انتظامیہ کے ذریعے تیار کردہ مالی بیانات کمپنی کی مالی پوزیشن، آپریشنز، کیش فلو اور ایکویٹی میں تبدیلیوں کی درست تصویر پیش کرتے ہیں۔

کمپنی کے درست حسابات رکھے گئے ہیں۔

مالی بیانات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا مسلسل استعمال کیا گیا ہے اور اکاؤنٹنگ کے تخمینے معقول اور دانشمندانہ فیصلوں پر مبنی ہیں۔

پاکستان میں قابل اطلاق بین الاقوامی اکاؤنٹنگ معیارات کو مالی بیانات کی تیاری میں اپنایا گیا ہے۔

اندرونی کنٹرول کا نظام مضبوط ہے اور مؤثر طریقے سے نافذ اور مانیٹر کیا گیا ہے۔

"آڈیٹر کی رائے میں ذکر کردہ مسائل سے ہٹ کر، کمپنی کے موجودہ واجبات 31 دسمبر 2024 کو اس کے موجودہ اثاثوں سے 23,190 ملین روپے زیادہ تھے، اور اس کے جمع شدہ خسارے کی رقم 26,535 ملین روپے تھی۔ یہ حالات اور مالی بیانات کے نوٹ 2.2 میں دیگر تفصیلات کی بنا پر قابل ذکر غیر یقینی کی موجودگی کو ظاہر کرتی ہیں، جو کمپنی کی چلتے رہنے کی صلاحیت پر اہم شبہات پیدا کرتی ہیں۔ ہماری رائے میں اس حوالے سے کوئی اعتراض نہیں اٹھایا گیا۔ ایک اہم توجہ طلب معاملہ

آڈیٹر نے اس معاملے پر زور دیتے ہوئے درج ذیل باتیں بیان کی ہیں:

"ہم آپ کی توجہ درج ذیل نکات کی طرف مبذول کراتے ہیں: الف) مالی بیانات کے نوٹ 17 میں یہ بیان کیا گیا ہے کہ کمپنی بعض مالیاتی اداروں کی جانب سے ان کے واجبات کی وصولی کے لیے دائر قانونی مقدمات کا دفاع کر رہی ہے۔ اس حوالے سے ہماری رائے میں کوئی اعتراض نہیں ہے؛ ب) مالی بیانات کے نوٹ 52.1 میں یہ بیان کیا گیا ہے کہ پچھلے سال کے مالی بیانات کو، گڈول کی رقم 2,567 ملین روپے کو نکالنے کے لیے دوبارہ بیان کیا گیا ہے۔ اس حوالے سے ہماری رائے میں کوئی اعتراض نہیں ہے۔"

آڈیٹر کی رپورٹ میں اعتراضات کی وضاحت

انتظامیہ نے کمپنی کی چلتے رہنے کی صلاحیت کا مکمل جائزہ لیا ہے۔ درج ذیل کی بنیاد پر انتظامیہ پر اعتماد ہے کہ اگرچہ کمپنی کو حکومت پاکستان کی جانب سے یوریا پلانٹ کے لیے مسلسل گیس کی فراہمی پر انحصار ہے، تاہم کوئی قابل ذکر غیر یقینی نہیں ہے جو کمپنی کی آپریشنز کو چلانے کی صلاحیت پر سنجیدہ سوالات اٹھا سکے۔ اس جائزہ کے نتیجے میں مالی بیانات کو چلتے رہنے کی بنیاد پر تیار کیا گیا ہے، اور اس میں درج ذیل اہم نکات کو مدنظر رکھا گیا ہے:

یوریا کی طلب میں مستقل اضافہ: یوریا کی طلب نے 2018 سے تقریباً 2% کیا وسط سالانہ اضافہ کی شرح (CAGR) ظاہر کی ہے، جو سالانہ 6.6 ملین ٹن تک پہنچ چکی ہے۔ اس اضافہ کی روشنی میں، مستقبل کی طلب کو پورا کرنے کے لیے تمام کھاد کے

پلانٹس کے فعال رہنے کی ضرورت ہے، جن کی مجموعی صلاحیت 6.6-6.7 ملین ٹن سالانہ ہو، جس میں ایگری ٹیک کا یوریا پلانٹ بھی شامل ہے۔

گیس کی فراہمی میں بہتری اور آپریشنل دنوں میں اضافہ: گزشتہ کئی سالوں کے دوران، ایگری ٹیک کے یوریا پلانٹ کے لیے گیس کی دستیابی میں نمایاں بہتری آئی ہے، جس کے باعث پلانٹ کے آپریشنز میں اضافہ ہوا ہے۔ 2024 میں، پلانٹ 350 دن تک فعال رہا، جو 2023 میں 277 دنوں سے نمایاں اضافہ تھا۔ اس کے نتیجے میں، 2024 میں یوریا کی پیداوار 372 K ٹن تک پہنچی، جب کہ 2023 میں یہ 292 K ٹن تھی، جو پچھلے دہائی کی سب سے زیادہ پیداوار تھی۔

مالی کارکردگی میں بہتری: کمپنی نے مضبوط مالی ترقی کا مظاہرہ کیا ہے، جہاں گزشتہ سال کے مقابلے میں مجموعی منافع 1,867 ملین روپے بڑھ کر 6,266 ملین روپے تک پہنچ گیا، اور آپریشننگ منافع 2,193 ملین روپے بڑھا ہے، جو 2024 میں 5,931 ملین روپے تک پہنچا۔ کمپنی کا ای بی آئی ڈی ٹی اے 2024 میں 7,850 ملین روپے رہا، جو گزشتہ سال کے مقابلے میں 41% کا اضافہ تھا۔ یہ مثبت مالی رجحان کمپنی کی بہتر منافعیت اور آپریشنل کارکردگی کو ظاہر کرتا ہے۔

بڑے کاروباری گروپوں کی اسٹریٹجک سرمایہ کاری: 2024 میں، ایگری ٹیک لمیٹڈ (AGL) نے دو بڑے صنعتی گروپوں—فوجی فرٹیلائزر کمپنی (FFC)، جو ملک کی سب سے بڑی کھاد کمپنی ہے، اور فوجی فاؤنڈیشن (FF) کی شراکت داری میں ایگری ٹیک کی 41.02% عام حصص حاصل کیے، اور میپل لیف سیمنٹ فیکٹری (MLCF) نے میپل لیف کیپیٹل لمیٹڈ (MLCL) کے ساتھ مل کر کمپنی کے 43.51% عام حصص حاصل کیے۔ ان گروپوں کی شراکت داری، خاص طور پر ایف ایف سی کی جانب سے کھاد کے پلانٹس کے انتظام میں وسیع تجربے کی موجودگی سے ایگری ٹیک کے آپریشنل اور اسٹریٹجک ترقی میں نمایاں اضافہ متوقع ہے۔

مالی اخراجات میں کمی برائے پالیسی شرح میں کمی:

پاکستان کے اسٹیٹ بینک (SBP) نے دسمبر 2023 میں پالیسی شرح 22% سے کم کر کے جنوری 2025 میں 12% کر دی۔ سود

ڈائیکٹر ز رپورٹ

(2023:K 287 ٹن).

یہ بات قابل ذکر ہے کہ حکومت پاکستان نے 173 K ٹن یوریا (2023:K 48 ٹن) کے آغاز میں یوریا کے ذخائر کو بڑھانے کے لیے درآمد کیا۔ درآمد شدہ یوریا کی تقسیم یوریا بنانے والوں کے ذریعے کی گئی، جہاں حجم کو ہر کمپنی کے پیداواری حصوں کی بنیاد پر مختص کیا گیا تھا اور کمپنی کا درآمدی یوریا حصہ 13 K ٹن تھا۔

ملک میں فاسفیٹ کی پیداوار میں 24% کا اضافہ دیکھنے کو ملا، جو 2024 میں 593 K ٹن پی 2 اور 5 نیوٹریٹ (2023:K 478 ٹن پی 2 اور 5 نیوٹریٹ) تک پہنچ گئی، جو تمام فاسفیٹ پیدا کرنے والے پلانٹس کو گیس کی مسلسل فراہمی کی بدولت ہوا۔ کمپنی، جو فاسفیٹ کیٹیگری میں اہم ایس ایس پی پروڈیوسر ہے، نے 2024 میں 80 K ٹن پیدا کیا (2023:K 80 ٹن) اور 71 K ٹن فروخت کیا (2023:K 80 ٹن)۔

آڈیٹر کی رپورٹ میں اعتراضات

مستقل ٹیکس نقصان اور پرپیاز

آڈیٹر کی رپورٹ میں درج ذیل تحفظات اٹھائے گئے، جن میں کہا گیا:

"انتظامیہ نے ٹیکس کے نقصانات پر بنائے گئے ٹیکس اثاثے کی جانچ کی ہے اور یہ دعویٰ کیا ہے کہ ان مالی بیانات میں اس سے متعلق کسیتبدیلی کی ضرورت نہیں ہے۔ تاہم، ہم مالی تخمینوں میں استعمال ہونے والے اہم مفروضوں کے حوالے سے کافی مناسب آڈٹ شواہد حاصل کرنے میں کامیاب نہیں ہو سکے، یعنی قدرتی گیس کی دستیابی کی بنیاد پر آپریشنل دن اور گیس کی قیمتوں کی بنیاد پر خام مال کی قیمت، کیونکہ حکومت پاکستان سے کمپنی کے لیے مسلسل گیس کی فراہمی کی منظوری دستیاب نہیں ہے۔ انتظامیہ تاہم پراعتماد ہے کہ گیس کی فراہمی طویل مدتی بنیادوں پر دستیاب ہوگی۔ نتیجتاً، ہم یہ تعین کرنے میں ناکام رہے ہیں کہ آیا مالی بیانات میں 6,768 ملین روپے کے ٹیکس اثاثے کے حوالے سے کسیتبدیلی کی ضرورت تھی۔"

چلتے رہنے کے امکانات کے حوالے سے قابل ذکر غیر یقینی آڈیٹر نے کمپنی کی چلتے رہنے کی صلاحیت کے حوالے سے بھی تحفظات کا ذکر کیا، جن میں کہا گیا:

پلانٹ نے گزشتہ سال کے مقابلے میں پیداوار میں 28% کا اضافہ ریکارڈ کیا، اور ملک میں NP کی پیداوار میں 18% کا اضافہ ہوا۔ DAP کی درآمدات میں 69% کا اضافہ ہوا اور تمام فاسفیٹ کھادوں کی فراہمی سال بھر اچھی رہی۔ بین الاقوامی مارکیٹ میں فاسفیٹ (DAP) کی قیمتیں سال کے آغاز میں 625 امریکی ڈالر فی ٹن CFR کراچی تھیں، جو مئی کے اوائل تک کم ہو کر 525 امریکی ڈالر فی ٹن CFR کراچی تک پہنچ گئیں، اس کے بعد اکتوبر میں دوبارہ بڑھ کر 655 امریکی ڈالر فی ٹن CFR کراچی تک پہنچ گئیں، اور سال کے آخر میں 635 امریکی ڈالر فی ٹن CFR کراچی پر ختم ہو گئیں۔

ایگری ٹیک جائزہ

کمپنی کا مرکزی کاروبار کھادوں کی تیاری اور مارکیٹنگ ہے۔ کمپنی ملک کے جدید ترین اور سب سے زیادہ مؤثر یوریا پلانٹس میں سے ایک کو میانوالی، پنجاب میں چلاتی ہے۔ کمپنی اپنے پری پور ہزارہ، خیبر پختونخوا (کے پی کے) پلانٹ میں گرینولر سنگل سپر فاسفیٹ (جی ایس ایس پی) بھی تیار کرتی ہے۔

کمپنی نے اپنے اسٹریٹجک مقصد کو حاصل کرتے ہوئے ایک متنوع کھاد بنانے والی کمپنی بننے کا ہدف پورا کیا، جو نائٹروجن اور فاسفیٹ دونوں قسم کی کھادیں تیار کرتی ہے۔ کمپنی کی مصنوعات کو کھاد کی مارکیٹ میں "تارا" کے ایک مشہور اور معتبر برانڈ کے نام سے فروخت کیا جاتا ہے۔

ایگری ٹیک لمیٹڈ کے مالیاتی نتائج سال اختتام

ملین روپے

2023	2024	
22,172	31,307	خالص فروخت
3,738	5,931	آپریٹنگ منافع
6,098	7,014	مالیاتی لاگت
847	(1,696)	قبل از ٹیکس منافع (نقصان)
1,086	(1,114)	بعد از ٹیکس منافع (نقصان)
2.77	(2.71)	فی حصص منافع (نقصان) - روپے

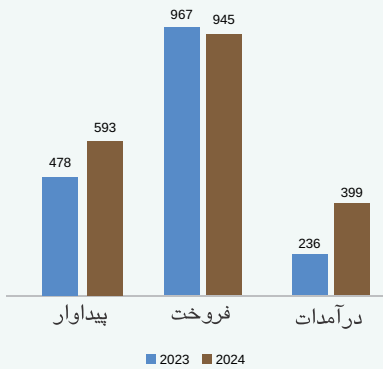
کمپنی کا یوریا پلانٹ پورے سال فعال رہا، جس نے 372 K ٹن یوریا پیدا کیا (2023:K 292 ٹن) جس کا نصب شدہ صلاحیت 433 K ٹن تھا۔ کمپنی کی یوریا پیداوار گزشتہ دس سالوں میں سب سے زیادہ رہی، کیونکہ سال بھر گیس کی فراہمی جاری رہی۔ کمپنی نے اس مدت کے دوران 325 K ٹن یوریا فروخت کیا

یوریا کی پیداوار ملک میں سب سے زیادہ رہی جو K 6,687 ٹن (2023: K 6,441 ٹن) تک پہنچ گئی، جو سال بہ سال 3.8% کے اضافے کو ظاہر کرتا ہے۔ یوریا کی فراہمی مستحکم رہی کیونکہ تمام یوریا پلانٹس سال بھر آپریشنل رہے اور انہیں گیس کی باقاعدہ فراہمی جاری رہی۔ حکومت پاکستان نے سال کے آغاز میں یوریا کی K 173 ٹن درآمد کی (2023: K 48 ٹن) تاکہ ملک میں یوریا کے محفوظ ذخیرہ میں مزید اضافہ کیا جا سکے۔ درآمد شدہ یوریا کی تقسیم یوریا بنانے والی کمپنیوں کے ذریعے کی گئی، جہاں پر کمپنی کی پیداواری صلاحیت کی بنیاد پر حجم مختص کیا گیا۔ کمپنی کا درآمد شدہ یوریا کا حصہ K 13 ٹن تھا۔

فاسفیٹ کی صنعت

فاسفیٹس کی فروخت میں بھی گزشتہ سال کے مقابلے میں 2% کی کمی دیکھنے کو ملی، اور فاسفیٹ P2O5 نیوٹریٹ کے لحاظ سے فروخت K 967 ٹن (2023: K 945 ٹن) ریکارڈ کی گئیں۔ اگرچہ دیگر تمام فاسفیٹک کھادوں جیسے NP، MAP، TSP، SSP، اور NPKs کی آفٹیکس میں کمی آئی، تاہم DAP کی فروخت میں 3% کا اضافہ ہو کر K 1,627 ٹن (2023: K 1,576 ٹن) تک پہنچ گئی۔

فاسفیٹ (000 ٹن P2O5 غذائی اجزاء)



فاسفیٹس کی مجموعی کمی کسانوں کی خریداری کی کم صلاحیت کی وجہ سے کم کیا گیا، جو خاص طور پر خریف سیزن کے دوران تھا۔

ملک میں فاسفیٹ کی پیداوار میں 24% کا اضافہ دیکھنے کو ملا، جو K 593 ٹن P2O5 نیوٹریٹ تک پہنچ گئی (2023: K 478 ٹن P2O5 نیوٹریٹ)، کیونکہ تمام فاسفیٹک پیداوار پلانٹس کو گیس کی مسلسل فراہمی جاری رہی، خاص طور پر DAP

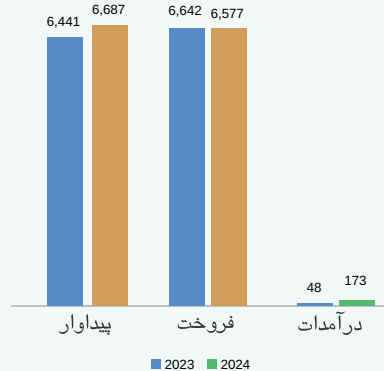
کی ہے جو پچھلے سال کی شرح کے برابر ہے۔ ترقی یافتہ معیشتوں میں معمولی بہتری آئی، جبکہ ابھرتی ہوئی مارکیٹوں بشمول پاکستان نے مہنگائی کے دباؤ، جغرافیائی سیاسی تناؤ، اور سپلائی چین میں خلل جیسے چینجز کا سامنا کیا۔ عالمی کموڈٹی مارکیٹس میں اتار چڑھاؤ رہا، جس کی وجہ سے خام تیل کی قیمتوں میں تبدیلی آئی، OPEC+ کی پیداوار میں کمی اور خوراک کی قیمتوں پر موسمیاتی تبدیلیوں اور فراہمی کے مسائل کا اثر پڑا۔ یہ بیرونی چینجز پاکستان کے درآمدی اخراجات اور مہنگائی پر براہ راست اثر انداز ہوئے۔ مجموعی اقتصادی مشکلات کے باوجود، پاکستان کی معیشت نے استحکام دکھایا، خاص طور پر زراعت کے شعبے میں، جبکہ مالیاتی اقدامات اور بین الاقوامی مالی امداد نے ضروری استحکام فراہم کیا۔ آگے چل کر، پالیسی میں اصلاحات، حکمرانی میں بہتری، اور ساختی تبدیلیاں طویل مدتی اقتصادی ترقی اور استحکام کو برقرار رکھنے کے لئے ضروری ہوں گی۔

صنعتی جائزہ

یوریا کی صنعت

2024 کے دوران، یوریا کی فروخت K 6,577 ٹن (2023: K 6,642 ٹن) پر ریکارڈ ہوئے، جو پچھلے سال کے مقابلے میں 1% کی کمی کو ظاہر کرتا ہے۔ سال کے آغاز میں گندم کی فصل کی منفی اقتصادیات نے کسانوں کی خریداری کی صلاحیت پر اثر ڈالا، جس کے نتیجے میں گزشتہ 9 سالوں میں سب سے کم یوریا کی فروخت K 2,746 ٹن دیکھے گئے۔ تاہم، یوریا کی طلب رہی 2024-25 کے پہلے نصف میں بہتر اور متوقع گندم کی فصل کی اقتصادیات کے ساتھ بحال ہوئی۔

یوریا (000 ٹن پیداوار)



ڈائیکٹر ز رپورٹ

پاکستان نے بیرونی اکاؤنٹس کو مستحکم کرنے اور مالی چیلنجز سے نمٹنے کے لیے آئی ایم ایف سے 7 بلین ڈالر کا قرض حاصل کیا، جس میں ابتدائی طور پر 1.03 بلین ڈالر کی رقم ایکسٹینڈڈ فنڈ فسیلٹی (EFF) کے تحت جاری کی گئی۔ آئی ایم ایف کے پروگرام میں حکومت سے سخت مالی اقدامات پر عمل درآمد کرنے کی ضرورت تھی، جن میں سبسڈی میں کمی، محصولات بڑھانے کے اقدامات، اور اخراجات پر کنٹرول شامل ہیں۔ اس کے علاوہ، عالمی بینک نے 20 بلین ڈالر کے قرضہ پیکج کی منظوری دی، جو طویل المدتی ساختی اصلاحات، انفراسٹرکچر کی ترقی، اور موسمیاتی لچک کے منصوبوں کی حمایت کے لیے تھا۔ افراط زر ایک بڑا چیلنج رہا، جو FY2024 میں اوسطاً 23.4% رہا، جس کی وجہ بجلی، گیس، کھانے پینے کی اشیاء اور ایندھن کی قیمتوں میں اضافہ تھا، اور کرنسی کی قدر میں کمی کا اثر بھی تھا۔ افراط زر کے دباؤ کو کم کرنے کے لیے، اسٹیٹ بینک آف پاکستان نے 12% شرح سود رکھی، تاکہ طلب کی طرف سے ہونے والی افراط زر کو کنٹرول کیا جا سکے اور شرح مبادلہ کو مستحکم کیا جا سکے۔ پاکستانی روپے میں اتار چڑھاؤ جاری رہا، جس نے درآمدات کے بل اور افراط زر کے دباؤ میں اضافہ کیا۔ تاہم، غیر ملکی زرمبادلہ کے ذخائر میں بہتری، آئی ایم ایف کی فنڈنگ اور ترسیلات زر کی معاونت سے مزید کمی کو معتدل کیا۔

اسٹاک مارکیٹ نے اقتصادی غیر یقینی صورتحال کے باوجود اچھی کارکردگی کا مظاہرہ کیا، اور پاکستان اسٹاک ایکسچینج کا کے ایس ای 100 انڈیکس تقریباً 30% بڑھا، جو ستمبر 2024 میں اپنی تاریخ کی بلند ترین سطح پر پہنچا۔ اس اضافے کی وجہ آئی ایم ایف کا بیل آؤٹ، بہتر کارپوریٹ آمدنی، اور لیکویڈیٹی کے حالات میں بہتری تھی۔ ٹیکس کی آمدنی میں بھی نمایاں اضافہ ہوا، کیونکہ وفاقی بورڈ آف ریونیو (ایف بی آر) کی وصولیوں میں اضافہ ہوا تھا، جس کی وجہ بڑھتی ہوئی نفاذ کی کارروائیاں، ڈیجیٹائزیشن، اور ٹیکس کے نیٹ ورک کی توسیع تھی۔

عالمی سطح پر اقتصادی ترقی معتدل رہی، اور آئی ایم ایف نے 2024 کے لئے عالمی جی ڈی پی کی شرح نمو 3.2 فیصد متوقع

ایگری ٹیک لمیٹڈ کے بورڈ آف ڈائریکٹرز کو خوشی ہے کہ وہ کمپنی کی سالانہ رپورٹ پیش کر رہے ہیں، جس کے ساتھ 31 دسمبر 2024 کو ختم ہونے والے سال کے لیے آڈیٹڈ مالیاتی بیانات بھی شامل ہیں۔

مجموعی اقتصادی جائزہ

پاکستان کی معیشت نے FY2024 میں زیادہ افراط زر، مالی مشکلات، کرنسی کی قدر میں کمی، اور عالمی اقتصادی عدم استحکام جیسے مستقل چیلنجز کے باوجود بحالی کے آثار دکھائے ہیں۔ جی ڈی پی میں 2.5% کا اضافہ ہوا، جو پچھلے سال کی 0.2% کمی سے قابل ذکر بحالی کو ظاہر کرتا ہے۔ یہ بحالی بنیادی طور پر زرعی شعبے میں بہتری کے باعث ہوئی، جو مالی اصلاحات اور مانیٹری کے سخت اقدامات سے معاونت حاصل کر رہا تھا۔ زرعی شعبے میں 6.76% کا اضافہ ہوا، جو پچھلے بیس سالوں میں اس کی سب سے مضبوط ترقی تھی۔ یہ شعبہ پاکستان کی معیشت کا ایک اہم ستون ہے، جو جی ڈی پی میں 23% کا حصہ ڈالتا ہے اور تقریباً 37% افرادی قوت کو روزگار فراہم کرتا ہے۔ بہتر فصلوں کی پیداوار نے اس ترقی میں اہم کردار ادا کیا، کیپاس کی پیداوار میں 108.2% اضافہ ہو کر 10.22 ملین بیبلز تک پہنچ گئی، چاول کی پیداوار 34.8% بڑھ کر 9.87 ملین ٹن ہو گئی، اور گندم کی پیداوار 11.6% بڑھ کر 31.44 ملین ٹن تک پہنچ گئی۔ اس مضبوط کارکردگی کے باوجود، بڑھتے ہوئے لاگت والے عوامل اور موسمیاتی خطرات شعبے کے لیے اہم چیلنجز ہیں۔

صنعتی شعبہ FY2024-25 کے پہلے سہ ماہی میں 1.03% سکڑ گیا، جو کہ مشکلات کا سامنا کر رہا تھا۔ مینوفیکچرنگ میں سست روی، کان کنی اور کھدائی کی سرگرمیوں میں کمی، اور تعمیراتی شعبے میں کمزور ترقی نے اس کمی میں حصہ ڈالا۔ صنعتی کارکردگی پر توانائی کی قیمتوں میں اضافے، شرح سود میں اضافہ اور درآمدات کی پابندیوں کے اثرات بھی پڑے، جنہوں نے خام مال کی دستیابی کو محدود کیا۔ خدمات کے شعبے نے اس کے مقابلے میں معتدل ترقی کی، جو اسی عرصے میں 1.43% بڑھا، جس میں ہول سیل اور ریٹیل ٹریڈ، مالی خدمات اور ٹیلی کمیونیکیشن نے لچک دکھائی۔

(FFC) اور میپل لیف سیمنٹ فیکٹری (MLCF)، کمپنی کی قابل ذکر شیئر ہولڈنگ حاصل کرنے میں کامیاب رہے، اس کے بعد ضروری ریگولیٹری اور قانونی تقاضوں کو پورا کیا گیا۔ یہ تبدیلی یقینی طور پر کمپنی کی مستقبل کی آپریشنل ضروریات کے لیے مضبوط اسپانسرشپ بنیاد کی اہم مدد فراہم کر رہی ہے۔ یہ ان گروپوں کے تکنیکی علم کے بڑے پلیٹ فارم کی بھی فراہمی ہے، خاص طور پر FFC کی قیادت کا کردار اس بات کو یقینی بنائے گا کہ فرنیلائر سیکٹر میں عالمی معیار کا تکنیکی علم پیداوار کی کارکردگی اور کمپنی کے دونوں پلانٹس کی صلاحیت کو بہتر بنانے میں مدد فراہم کرے۔

دیگر اہم کامیابیاں

کئی دیگر اہم کامیابیاں اور سنگ میل جو ہماری مسلسل ترقی اور عمدگی کے عزم کو اجاگر کرتے ہیں: بہترین کارپوریٹ رپورٹ ایوارڈز: فخریہ طور پر کیمیائی اور کھاد کے شعبے میں 2nd پوزیشن اور 2023 کے معروف بہترین کارپوریٹ اور پائیدار رپورٹ ایوارڈز میں مجموعی طور پر 5ویں پوزیشن حاصل کی۔ یہ کامیابی ہماری شفافیت، کارپوریٹ رپورٹنگ میں عمدگی، اور مالی و غیر مالی افشاء میں بہترین طریقوں پر عمل کرنے کے عزم کو ظاہر کرتی ہے۔ قومی خزانے میں شراکت: کمپنی کی اقتصادی سرگرمی نے براہ راست اور بالواسطہ طور پر قومی خزانے میں ٹیکسز، ڈیویڈنڈ اور لیویز کی صورت میں 4.4 ارب روپے (2023: 2.6 ارب روپے) کی شراکت کی، جو ہماری مالی ذمہ داریوں کو ایک کارپوریٹ ادارے کے طور پر پورا کرنے کے عزم کو ظاہر کرتا ہے۔ یہ اہم شراکت قومی اقتصادی ترقی کی معاونت کرنے میں ہماری پختہ لگان کو اجاگر کرتی ہے۔

چیلنجز اور مواقع

اگرچہ 2024 کامیابی کا سال تھا، ہم نے کچھ چیلنجز کا سامنا بھی کیا، جن میں قدرتی گیس کی قیمتوں میں اتار چڑھاؤ اور ریگولیٹری تبدیلیاں شامل ہیں۔ تاہم، ان چیلنجز نے جدت، تعاون اور ترقی کے مواقع فراہم کیے ہیں۔

مستقبل میں، ہم درجہ ذیل پر توجہ مرکوز کر رہے ہیں: زرعی مانگ میں اضافہ: آبادی میں اضافہ خوراک کی مانگ کو

بڑھا رہا ہے، جس کی وجہ سے کھادوں کے ذریعے فصلوں کی پیداوار بڑھانے کی ضرورت ہے، اور حکومت زرعی پیداواری کارکردگی پر مزید توجہ دے رہی ہے۔ شراکت داری کو مستحکم کرنا: ہم وفاقی اور صوبائی حکومتوں کے محکموں، تحقیقاتی اداروں اور صنعت کے اسٹیک ہولڈرز کے ساتھ مل کر زرعیت کو فروغ دینے کے لیے تعاون کر رہے ہیں۔

شکریہ اور اعترافات

ہماری 2024 میں حاصل کردہ کامیابیاں ہمارے ملازمین کی محنت اور لگن، ہمارے صارفین کے اعتماد، اور ہمارے شیئر ہولڈرز، سپلائرز، قرض دہندگان، اور شراکت داروں کی حمایت کے بغیر ممکن نہیں تھیں۔ میں ہر اُس شخص کا دل سے شکریہ ادا کرتا ہوں جس نے ایگری ٹیک لمیٹڈ کی کامیابی میں اپنا حصہ ڈالا۔

مستقبل کی طرف

جب ہم 2025 کی طرف بڑھتے ہیں، تو ہم اپنے مشن پر قائم ہیں کہ پاکستان کے زرعی شعبے کی معاونت کریں اور پائیدار ترقی کو فروغ دیں۔ جدت، پائیداری، اور آپریشنل عمدگی پر توجہ مرکوز کرتے ہوئے، ہمیں یقین ہے کہ ہم تمام اسٹیک ہولڈرز کے لیڈر کے لیے قدر افزائی پیدا کرنے اور قوم کی خوشحالی میں اپنا حصہ ڈالنے کے قابل ہیں۔ آپ کے مسلسل اعتماد اور حمایت کا شکریہ۔



محمد فیصل مزمل

چیف ایگزیکٹو آفیسر

06 مارچ 2025ء

سی ای او کے تاثرات

2024 میں، ہم نے اپنے مارکیٹ کے موجودگی کو بڑھایا اور اپنے صارفین کے ساتھ تعلقات کو مضبوط کیا: تقسیم کا نظام: ہم نے تقسیم کے چینلز کو بڑھایا، تاکہ پاکستان بھر میں کسانوں کو بروقت کھاد کی فراہمی کی جا سکے۔ مصنوعات کے پورٹ فولیو میں اضافہ: پنجاب اور خیبر پختونخواہ (کے پی) میں نئے کھاد کے برانڈ، تارا امونیم سلفیٹ، کے لیے کامیاب تجرباتی مارکیٹنگ کی۔ کسانوں کی تعلیم: کسانوں کو یوریا اور ایس ایس پی کے بہترین استعمال پر آگاہ کرنے کے لیے دو کنونشنز منعقد کیے، تاکہ فصلوں کی پیداوار اور مٹی کی صحت میں بہتری آئے۔ پنجاب حکومت کے زرعی محکمے کے ساتھ مل کر "کپاس زیادہ آگاو" مہم میں تعاون کیا۔

ہمارا صارفین پر مرکوز نقطہ نظر ان کے اعتماد اور وفاداری کو مستحکم کیا، جس کی وجہ سے ایگری ٹیک لمیٹڈ پورے ملک میں کسانوں کے لیے پسندیدہ انتخاب بن گیا۔

منظور شدہ اسکیم آف اریجنمنٹ (SOA) کا نفاذ

2024 میں، کمپنی کی ایک اور اہم کامیابی منظور شدہ SOA کا نفاذ تھا۔ کمپنی نے غیر قابل تبدیل ترجیحی حصص کے اجرا اور انڈکشن کا عمل مکمل کیا، جن کی تعداد 1,854,269,750 تھی، جو کمپنی کے طویل المدتی قرضوں کی اصل رقم کے بدلے متعلقہ ترجیحی حصص کے الاٹیز کو جاری کیے گئے۔

ٹرم فنانس سرٹیفکیٹس (TFCs) کے لیے معاہدوں کی تکمیل کی گئی، جن کی مالیت 5,066,725,000 روپے تھی، جو متعلقہ TFC الاٹیز کے زیر التوا مارک اپ کے بدلے میں دیے گئے۔ TFCs کے انڈکشن کا عمل 2025 کے اوائل تک مکمل ہونے کی توقع ہے۔

مالی اداروں کی جانب سے شیئر ہولڈنگ کی فروخت 2024 میں کمپنی کی شیئر ہولڈنگ میں بھی اہم تبدیلی آئی۔ یہ سال بورڈ کے انتخابات کا سال تھا، جو بورڈ کی تین سالہ مدت کے مکمل ہونے کے بعد آیا اور کمپنی کی آپریشنل اور مالی حالت میں اہم بہتری کے نتیجے میں ملک کے چند معروف کارپوریٹس کی دلچسپی پیدا ہوئی، اور بعض مالی اداروں نے کمپنی میں اپنی شیئر ہولڈنگ بیچ دی۔

دو بڑے مینوفیکچرنگ ادارے، یعنی فوجی فرٹیلائزر کمپنی

لاگت کا انتظام: محتاط مالیاتی انتظام اور لاگت کی بہتر منصوبہ بندی کے نتیجے میں اپنے تیار کردہ کھاد کی آپریشنل لاگت میں 3.4% کی کمی واقع ہوئی۔

منافع: آپریشنل منافع میں 2.2 ارب روپے (59% اضافہ) کا اضافہ ہوا، جو ہماری کارکردگی اور پائیدار ترقی پر توجہ دینے کی عکاسی کرتا ہے۔

ہمارے مالی صحت میں بہتری نے ہماری آپریشنز کو مضبوط کیا، مالیاتی حیثیت کے بیان کو مستحکم کیا، اور ہمیں اپنے شیئر ہولڈرز کو زیادہ قیمت فراہم کرنے کے قابل بنایا۔

پائیداری: ایک بنیادی ترجیح

ایگری ٹیک لمیٹڈ میں، پائیداری صرف ایک مقصد نہیں ہے؛ یہ کاروبار کرنے کا ایک طریقہ ہے۔ 2024 میں، ہم نے اپنے آپریشنز میں پائیدار طریقوں کو یکجا کرنے میں نمایاں پیش رفت کی۔

شجرکاری کی مہم ایگری ٹیک کے پائیداری کے سفر میں ایک اہم سنگ میل کی نمائندگی کرتی ہے۔ کمپنی پر سال ایسے

ماحولیاتی بہتر اقدامات کو بڑھانے کے لیے پرعزم ہے، جس کا مقصد اس کی کاربن کے ذخیرہ کرنے کی صلاحیت کو بڑھانا اور پاکستان کے وسیع ماحولیاتی اور موسمیاتی تبدیلی کے اہداف کی حمایت کرنا ہے۔

ہم اپنے عملیات کو عالمی پائیداری کے معیارات کے ساتھ ہم آہنگ کرنے اور اقوام متحدہ کے پائیدار ترقی کے اہداف (SDGs) میں حصہ ڈالنے پر فخر محسوس کرتے ہیں۔ تنظیم میں ایک علیحدہ پائیداری کے شعبے کے قیام کے ذریعے، ایگری ٹیک نے SECP کے خود مختار پائیداری کے فریم ورک کو اپنانے کا عہد کیا ہے اور مستقبل میں لازمی رپورٹنگ کے لیے تیاری کر رہا ہے۔

ڈیجیٹل تبدیلی

عملیاتی کارکردگی اور ڈیٹا کی رسائی کو بڑھانے کے لیے کلاؤڈ بیسڈ ڈیجیٹل حل اپنائے گئے تاکہ شفافیت اور سسٹم کی سالمیت کو تقویت دی جا سکے، اس کے ساتھ ساتھ کاروباری عملیات کو ہنگامی حالت میں برقرار رکھنے کے لیے مضبوط ہنگامی منصوبے اور قدرتی آفات سے بچاؤ کے اقدامات مرتب کیے گئے۔

مارکیٹ کی توسیع اور صارفین پر توجہ

سی ای او کے تاثرات

معزز حصص داران

2024: عمدگی کا سال

حصہ ڈالنا۔

ویژن سٹیٹمنٹ

ایک پائیدار فریٹلائزر کمپنی میں تبدیل ہونا جو مقامی طور پر، تمام اہم غذائی اجزاء کی مربوط تیاری کے ذریعے زرعی کارکردگی کو بڑھاتی ہو۔

بنیادی اقدار

ماضی میں ان بنیادی اقدار کو عملی طور پر اپنانے سے ایگری ٹیک کی ٹیم کو ایک لچکدار کمپنی میں تبدیل کر دیا ہے، اور ان اقدار کو مسلسل اپنانا ٹیم کی حقیقی صلاحیت کو کھولے گا۔

سال 2024 کو ایک ایسا یادگار سال سمجھا جائے گا جس میں ایگری ٹیک کے تمام کارپوریٹ فنکشنز میں اہم سنگ میل حاصل کیے گئے۔ کمپنی کے وژن، مشن اور بنیادی اقدار کا جامع جائزہ لے کر اور ان میں اپڈیٹ کر کے حکمت عملی کا آغاز کیا گیا، جس کے بعد بورڈ نے انہی کی منظوری دی:

مشن کا بیان

معیاری مصنوعات اور خدمات کے ذریعے زرعی کمیونٹی میں ایک جدید کھلاڑی کے طور پر ترقی کرنا اور قومی غذائی تحفظ میں

ایچ ایس ای کیو زندگی کا طریقہ	ٹیم ورک	تجزیاتی ذہنیت	ایمانداری	موافقت	بہتری کے لیے جذبہ
صحت، حفاظت، ماحولیاتی تحفظ اور معیار کو زندگی کا حصہ سمجھنا۔	ہم خیالات کی تنوع کی قدر کرتے ہیں اور مشترکہ مقاصد کے حصول کے لیے مل کر کام کرتے ہیں۔	تجزیاتی ذہنیت مؤثر مسئلہ حل کرنے اور فیصلہ سازی کے لیے ایک مربوط اور مضبوط پلیٹ فارم فراہم کرتی ہے۔	ہر عمل میں شفافیت اور ایمانداری کو ظاہر کرنا، داخلی اور خارجی شراکت داروں کے ساتھ اعتماد کو فروغ دینا۔	تبدیلی مستقل ہے، اور ہم اسے بقا اور ترقی کے لیے اپناتے ہیں۔	ہم میں سے ہر ایک کی مسلسل کوششیں جو ہم جو کچھ کرتے ہیں اس میں عمدگی کو ظاہر کرتی ہیں؛ روزمرہ کے کاموں میں مقصد اور ذاتی ملکیت کی روح پھونکنا۔

یہ کامیابیاں ہمارے افرادی قوت کی محنت اور کسانوں کو ملک بھر میں قابل اعتماد، اعلیٰ معیار کی کھاد فراہم کرنے کے عزم کی عکاسی کرتی ہیں، اور قومی غذائی تحفظ میں ہماری حصہ داری کو ظاہر کرتی ہیں۔

مالی کارکردگی

مقامی اور عالمی اقتصادی چیلنجز کے باوجود، ایگری ٹیک لمیٹڈ نے 2024 میں مضبوط مالی کارکردگی پیش کی۔ اہم کامیابیاں درج ذیل ہیں:

آمدنی میں اضافہ: پیداوار کی حجم میں اضافے اور قیمتوں میں لاگت کے اثرات کو منتقل کرنے کے نتیجے میں ریونیو میں 41.2% کا اضافہ ہوا۔

عملیاتی عمدگی

کمپنی کی دونوں مینوفیکچرنگ سائٹس پر بہترین پیداوار کی کامیابیاں اور عملیاتی کارکردگی میں اضافہ ریکارڈ کیا گیا۔ ہمارے یوریا پلانٹ نے پچھلی دہائی میں اپنی سب سے زیادہ پیداواری کارکردگی پر کام کیا، جس کی وجہ قدرتی گیس کی فراہمی بنی، جبکہ ہمارے ایس ایس پی پیداوار کے سہولت نے معیار اور پیداوار دونوں میں مثالی سطح تک پہنچا۔ اہم کامیابیاں درج ذیل ہیں:

یوریا پیداوار: 372 ہزار ٹن پیداوار کا ریکارڈ حاصل کیا، جو پچھلے پندرہ سالوں میں سب سے زیادہ ہے۔

ایس ایس پی پیداوار: 80 ہزار ٹن اعلیٰ معیار کی ایس ایس پی پیدا کی، جو 2011 کے بعد کا بہترین پیداواری ریکارڈ ہے۔

چیئرمین کا جائزہ

معزز حصص داران

سال 2024 کمپنی کے لیے ایک نمایاں سال رہا ہے، جس کی خصوصیت غیر معمولی عملیاتی کامیابیوں، حکمت عملی کی جدت، اور مستحکم مالیاتی انتظام سے ہے۔ ہمارے یوریا پلانٹ کو مسلسل گیس کی فراہمی کو یقینی بنا کر، ہم نے ماضی کی دہائی میں سے اپنی سب سے زیادہ پیداوار کی سطح ریکارڈ کی۔ کھاد کی فروخت، جو سال کے آخری حصے میں مشکل مارکیٹ کی صورتحال میں ہوئی، غیر معمولی رہی اور اس نے ضروری نقدی کے بہاؤ کی فراہمی کی۔ ان عملیاتی سنگ میل کو، منظم عملیاتی اور مالیاتی طریقوں کے ساتھ ملانے سے کمپنی کی مجموعی مالی استحکام میں نمایاں اضافہ ہوا ہے۔ یہ کامیابیاں ہمارے قرض دہندگان کے ساتھ تعلقات کو بھی مضبوط کرتی ہیں، جس کا نتیجہ منظور شدہ اسکیم آف ارینجمنٹ (SOA) کے کامیاب نفاذ میں نکلا۔

"ہمارے اصول" امید نو: پر عزم، مخلص، مستحکم، ماحول دوست" (CORE) سے رہنمائی لیتے ہوئے، ہم جدت، لچک اور ماحولیاتی ذمہ داری کے عزم میں ثابت قدم ہیں۔"

ہماری پیداواری سہولتوں میں معروف صنعتی گروپوں کی بڑھتی ہوئی دلچسپی ہماری حاصل کردہ عملیاتی عمدگی اور ہمارے اسٹیک ہولڈرز کے لیے طویل مدتی قیمت تخلیق کرنے کی صلاحیت کو اجاگر کرتی ہے۔

بورڈ آف ڈائریکٹرز اپنے مختلف اسٹیک ہولڈرز، بشمول شیئر ہولڈرز، قرض دہندگان، صارفین، ملازمین، فروخت کنندگان اور وسیع طبقے کی خدمت کے لیے اپنے عزم میں غیر متزلزل رہا ہے۔ ایک دور اندیش حکمت عملی کے تحت، بورڈ نے اسٹیک ہولڈر کی قیمت کو بڑھانے والی حکمت عملیوں کی منظوری دینے، عزم سے بھرپور سالانہ اہداف مقرر کرنے اور کارپوریٹ کارکردگی کی سخت نگرانی کو یقینی بنانے میں خاطر خواہ کوشش کی ہے۔

سال 2024 میں، بورڈ نے کارپوریٹ گورننس کے اعلیٰ ترین معیار کو برقرار رکھا۔ اسٹریٹیجک اہداف، مالی منصوبوں اور عملی پیش رفت کا جائزہ لینے، تبادلہ خیال کرنے اور منظوری دینے کے لیے باقاعدہ اجلاس منعقد کیے گئے۔ ایک مضبوط گورننس کا فریمورک شفافیت، کارکردگی، اور کمپنی کے وژن کے ساتھ ہم آہنگی کو یقینی بناتا ہے۔

آڈٹ کمیٹی اور پیومن ریسورس اینڈ ریمونریشن کمیٹی نے نگرانی کو مزید مستحکم کرنے اور اپنی متعلقہ ذمہ داریوں کے مطابق عمل درآمد کو یقینی بنانے میں اہم کردار ادا کیا۔ بورڈ نے SOA کے ہموار نفاذ کو فروغ دینے کے لیے بھی ایک فعال نقطہ نظر اپنایا، اس بات کو یقینی بناتے ہوئے کہ یہ کمپنی کے طویل مدتی مقاصد کے ساتھ ہم آہنگ ہو۔

جب ہم کمپنی کے شیئر ہولڈرز میں تبدیلیوں کی طرف دیکھتے ہیں، جو دو معروف مینوفیکچرنگ اداروں پر مشتمل ہیں یعنی فوجی فرٹیلائزر کمپنی (FFC)، جو ملک کی عالمی معیار کی کھاد صنعت ہے، اور میپل لیف گروپ جو سیمینٹ بننے میں نمایاں مقام رکھتی ہے، تو ہم ان کے توسیع تجربات سے فائدہ اٹھانے کے لیے پرجوش ہیں تاکہ عملیاتی عمدگی کے نئے معیارات قائم کیے جا سکیں اور شیئر ہولڈرز کی قیمت کو مزید بڑھایا جا سکے۔ ہم جدت، پائیداری اور آپریشنل عمدگی پر اپنی توجہ مرکوز رکھتے ہوئے، اپنے ترقی کے امکانات، اسٹیک ہولڈرز کو قیمت فراہم کرنے اور قوم کی ترقی میں مؤثر طریقے سے حصہ ڈالنے کی صلاحیت پر پُر اعتماد ہیں۔ ایک روشن اور خوشحال مستقبل ہمارا منتظر ہے۔

Shahid Chaudhry

شاہد اقبال چوہدری

چیئرمین بورڈ

06 مارچ 2025ء



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FORWARD LOOKING STATEMENT

GLOBAL OUTLOOK

The IMF's latest outlook for 2025 paints a picture of steady yet below-average global growth at 3.3%, reflecting regional disparities. While the U.S. economy shows resilience with an upgraded forecast of 2.7%, weaker activity in the Eurozone offsets this momentum. Inflation is expected to ease significantly, creating room for central banks to adopt more accommodative policies. However, risks remain, particularly from potential inflationary pressures and fiscal imbalances. To navigate these challenges, policymakers must focus on prudent fiscal management and structural reforms to sustain long-term economic stability.

COUNTRY OUTLOOK

Pakistan's economic outlook for 2025 remains cautiously optimistic, with growth projected at 3.2%, supported by a recovering agricultural sector and easing inflation. While inflation has declined from 23.4% in 2024 with expected average inflation @ 9.5% in 2025, external financing challenges, including \$22 billion in debt repayments, pose significant risks. The manufacturing sector continues to struggle, though export-oriented industries show resilience. Fiscal discipline, structural reforms, and a stable policy environment will be essential for sustainable progress. Ensuring investor confidence and managing external vulnerabilities will be critical for long-term economic stability.

Pakistan's agriculture sector—contributing ~23% to GDP and employing ~38% of the labor force—faces a pivotal year in 2025. While climate vulnerabilities and resource constraints persist, technological adoption and policy reforms offer growth potential.

COMPANY FUTURE OUTLOOK

During 2024, long supply situation was observed, and decline in fertilizer offtake has been witnessed due to the poor farm economics of the wheat crop that negatively impacted farmers' liquidity during Kharif 2024; followed by the reduction cotton crop sowing area and declining Maize & Rice prices.

However, the future outlook for the urea demand is likely to remain robust as urea demand in the country has risen at the cumulative annual growth rate of 2% since 2018. With government initiatives of 'Kissan Dost', 'Digital agriculture' and 'Export Push' are likely to prompt agriculture application. Further Operationalization of CPEC Special Agro-Industrial Zones in Punjab and Sindh to boost processing exports along with climate resilient seeds will be instrumental in fertilizer offtake during 2025.

As we move forward, our both manufacturing plants remains committed to sustainable growth, operational efficiency, and innovation in fertilizer production. We anticipate steady demand driven by the expanding agricultural sector, government support for food security, and increasing adoption of high-yield farming practices.

With 2 industrial players taking major stakes in the Company, the outlook for the Company presents value addition, operational excellence and return to the stakeholders.

With lowering of policy rates by central bank, finance cost is expected to decrease significantly during 2025 contributing to profitability of the Company.

To enhance our market position, we are investing in modernization, energy efficiency, and environmentally friendly production methods, ensuring compliance with global sustainability standards. Additionally, we aim to leverage technological advancements to optimize production processes, reduce costs, and improve product quality.

KEY UNCERTAINTIES

Continuity of the gas supply at the contracted price shall be a key challenge area for the industry in the future. The matter of multiple urea prices through uniform gas prices shall also be a pressing point for GOP to resolve in future to address the market price manipulations and safeguard the interest of the farmers.

Furthermore, any adverse adjustments in gas pricing would directly impact the Company, necessitating the transfer of costs to consumers. Similarly, the imposition

of additional taxes would present a formidable challenge to sustaining profitability levels.

Our focus remains on delivering value to stakeholders, ensuring supply chain resilience, and contributing to national agricultural productivity. While challenges such as raw material price volatility and regulatory changes persist, our strategic planning and operational agility position us well for long-term success in the fertilizer industry.

SOURCES OF INFORMATION AND ASSUMPTIONS USED FOR PROJECTIONS /FORECASTS

The operational and financial strategies of the Company are carefully synchronized with its corporate vision and business objectives. This alignment is achieved through a meticulous analysis of historical data, anticipated shifts, prevailing economic conditions, and other pertinent factors deemed relevant to the circumstances. External insights crucial for forecasting are derived from various reputable sources, including government regulatory bodies, taxation authorities, market analysts, and forecasts pertaining to interest rates and foreign currency exchange rates. Additionally, industry reports, competitor activities, market trends, as well as micro and macroeconomic indicators, are diligently assessed to feed projections. International fertilizer prices and supply dynamics also serve as significant factors shaping these forecasts. Internally, information gleaned from different departments such as Marketing, Finance, Manufacturing, System and Technology, and Human Resources significantly influences these projections. This internal data undergoes rigorous scrutiny and validation against external sources before being integrated into formal planning processes. Regular monitoring of both internal operations and external market conditions facilitates timely adjustments to these forecasts, ensuring agility and responsiveness to evolving business environments. Moreover, the company has relied solely on internal expertise and

resources for these endeavours, eschewing the need for external consultants during the year. This approach underscores the confidence in the sufficiency of internal processes to effectively analyze and strategize for future endeavors.

COMPANY'S PERFORMANCE V/S LAST YEAR'S FORWARD LOOKING DISCLOSURES

Urea demand was expected to remain robust on account of better farm economics and higher offtakes in 2023. However, fertilizer industry faced a long supply situation in the market resulting in lower offtakes of 6,577 K tons in 2024 (v/s 6,642 K tons in 2023) registering a decrease of 1% over the last year.

Continuity of the gas supply to Urea plants on SNGPL network was expected and AGL Urea plant was operational for 350 days (v/s 277 days in 2023) which resulted in increased production during the year.

Similarly, Phosphate demand was expected to remain stronger. However, offtakes of phosphate fertilizer, in terms of Phosphate P2O5 Nutrient in 2024 declined by 2% to 945K tons (v/s 967k tons in 2023). Fluctuating prices of phosphate fertilizers in the international markets coupled with poor farm economics in the country impacted the local market prices of phosphate fertilizer and resulted in 4% reduction in the average price of SSP over the last year.

Status of Projects

The Company, in order to streamline and to restructure its existing over due 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 (Scheme) under Section 284 to 288 of the Companies Ordinance, 1984. Subsequent to approvals of the lenders and shareholders, the Scheme was filed with Honorable Lahore High Court (LHC) in June, 2016. LHC has sanctioned the Scheme on 03 June 2022 with effect from 31 December 2013.

The scheme envisaged the payment of Cashflows Available for Debt Servicing (CFADs) of Rs. 1.65 Billion to the lenders as per the chosen options; issuance of preference shares in lieu of outstanding long term debts; issuance of zero coupon PPTFCs and Sukuks in lieu of accrued markup.

In 2022/2023, subsequent to the approval of the scheme by LHC, the Company has achieved key milestones of reconciliation of balances with lenders, relevant amendments in Memorandum and Articles of Association, disbursement of CFADs of Rs. 1,649 million to the lenders, whereas new instruments (PPTFC, Sukuks and Preference Shares) are in process of issuance.

کمپنی نے اپنے موجودہ طویل المدتی قرضوں (19.447 ارب روپے) اور اس پر واجب الادا مارک اپ (6.075 ارب روپے) کی تنظیم نو اور ادائیگی کے لیے "اسکیم آف ارینجمنٹ" تیار کی تھی، جسے 2016 میں لاہور ہائی کورٹ میں دائر کیا گیا۔

عدالت نے 3 جون 2022 کو اس اسکیم کی منظوری دی، جو 31 دسمبر 2013 سے نافذ العمل ہے۔

جیسا کہ مالیاتی گوشواروں کے نوٹ 9 اور 11 میں بیان کیا گیا ہے، کمپنی نے اسکیم کے تحت ریڈیمپبل ٹان کنورٹبل پریفرنس شیئرز جاری کرنے میں نمایاں پیش رفت حاصل کی ہے۔ مزید برآں، زیرو-کیون پی ٹی ایف سیز جاری کرنے کا عمل جاری ہے، اور یہ 2025 کے اوائل میں مکمل ہونے کی توقع ہے، جو اسکیم کی مکمل عمل درآمد کی علامت ہوگی۔ اس اسکیم کے کامیاب نفاذ کے ساتھ، کچھ قلیل المدتی قرض دہندگان کے ساتھ تصفیہ بھی متوقع ہے، جس سے قرض دہندگان کی جانب سے دائر قانونی مقدمات کے خاتمے میں مدد ملے گی اور کمپنی کے لیے مزید قرضوں اور سرمایہ کاری کے مواقع پیدا ہوں گے۔

کے علاوہ، انڈسٹری رپورٹس، مسابقتی کمپنیوں کی سرگرمیاں، مارکیٹ کے رجحانات، اور مائیکرو و میکرو اکنامک اشاریے بھی ان تخمینوں میں شامل کیے جاتے ہیں۔

بین الاقوامی کھاد کی قیمتیں اور سپلائی کی صورتحال بھی ان پیش گوئیوں کی تشکیل میں اہم کردار ادا کرتی ہیں۔ داخلی طور پر، مارکیٹنگ، فنانس، مینوفیکچرنگ، سسٹم اور ٹیکنالوجی، اور ہیومن ریسورس جیسے محکموں سے حاصل کردہ معلومات کو بھی مدنظر رکھا جاتا ہے۔ یہ داخلی ڈیٹا بیرونی ذرائع سے تصدیق کے بعد باقاعدہ منصوبہ بندی کے عمل میں شامل کیا جاتا ہے۔ اندرونی آپریشنز اور بیرونی مارکیٹ کی صورتحال کی مستقل نگرانی کے ذریعے ان پیش گوئیوں میں بروقت ایڈجسٹمنٹ کی جاتی ہے، تاکہ بدلتے ہوئے کاروباری ماحول میں لچک اور تیزی سے ردعمل ممکن بنایا جا سکے۔ مزید برآں، کمپنی نے سال بھر کے دوران تجزیہ اور منصوبہ بندی کے لیے مکمل طور پر اندرونی ماہرین اور وسائل پر انحصار کیا، اور کسی بیرونی کنسلٹنٹ کی خدمات حاصل نہیں کیں۔ یہ طریقہ کار کمپنی کے اندرونی عمل کی خودکفالت اور ان کی مؤثریت پر اعتماد کو ظاہر کرتا ہے۔

کمپنی کی کارکردگی بمقابلہ گزشتہ سال کے مستقبل کے تخمینے

2023 میں توقع تھی کہ بہتر زرعی معیشت اور زیادہ کھپت کے باعث یوریا کی طلب مستحکم رہے گی۔ تاہم، کھاد کی صنعت کو مارکیٹ میں اضافی سپلائی کے دباؤ کا سامنا رہا، جس کے نتیجے میں 2024 میں یوریا کی کھپت 6,577 ہزار ٹن رہی، جو 2023 میں 6,642 ہزار ٹن تھی، یعنی گزشتہ سال کے مقابلے میں 1% کی کمی ریکارڈ کی گئی۔

ایس این جی پی ایل نیٹ ورک پر یوریا پلانٹس کو گیس کی فراہمی جاری رہنے کی توقع تھی، اور کمپنی کے یوریا پلانٹ نے 350 دن تک آپریشن جاری رکھا، جو 2023 میں 277 دن تھا، جس کے نتیجے میں پیداوار میں اضافہ ہوا۔ اسی طرح، فاسفیٹ کھاد کی طلب میں بہتری کی توقع تھی۔ تاہم، 2024 میں فاسفیٹ (P2O5 نیوٹریٹ) کی کھپت 945 ہزار ٹن رہی، جو 2023 میں 967 ہزار ٹن تھی، یعنی 2% کی کمی دیکھنے میں آئی۔ بین الاقوامی مارکیٹ میں فاسفیٹ کھاد کی قیمتوں میں اتار چڑھاؤ اور ملکی زرعی معیشت کی کمزور صورتحال کی وجہ سے مقامی مارکیٹ میں فاسفیٹ کھاد کی قیمتوں میں 4% کمی ہوئی، جس کا اثر ایس این جی پی کھاد کی اوسط قیمت پر بھی پڑا۔

منصوبوں کی موجودہ صورتحال

جدید مشینری کی درآمد کے ساتھ ایس این جی پی کی پیداواری صلاحیت بڑھانے کا عمل جاری ہے، اور یہ منصوبہ 2025 کے اوائل میں مکمل ہونے کی توقع ہے۔ اس توسیع سے ایس این جی پی کی پیداوار میں تقریباً 38% اضافہ ہوگا، جس کے نتیجے میں کمپنی کی مجموعی آمدنی اور منافع میں مثبت اثرات مرتب ہوں گے۔

اسپانسرز کی تکنیکی مہارت کی بدولت یوریا پلانٹ میں توانائی کی بچت کے منصوبے بھی ترتیب دیے جا رہے ہیں، جو آپریشنل منافع میں اضافے کا سبب بنیں گے۔

عالمی منظر نامہ

آئی ایم ایف کی تازہ ترین تجزیہ کے مطابق 2025 میں عالمی معیشت کی ترقی کی رفتار 3.3% رہے گی، جو کہ اوسط سے کم مگر مستحکم ہے، تاہم علاقائی فرق نمایاں رہیں گے۔ امریکی معیشت 2.7% کی اپ گریڈ شدہ پیشگوئی کے ساتھ مستحکم نظر آتی ہے، لیکن یوروزون میں کمزور معاشی سرگرمی اس رفتار کو متوازن کر رہی ہے۔ مہنگائی میں نمایاں کمی متوقع ہے، جس سے مرکزی بینکوں کو زیادہ سازگار مالیاتی پالیسیاں اپنانے کی گنجائش ملے گی۔ تاہم، افراط زر کے دباؤ اور مالی عدم توازن جیسے خطرات بدستور موجود ہیں۔ ان چیلنجز سے نمٹنے کے لیے پالیسی سازوں کو محتاط مالی نظم و نسق اور ڈھانچہ جاتی اصلاحات پر توجہ مرکوز کرنا ہوگی تاکہ طویل مدتی معاشی استحکام کو یقینی بنایا جا سکے۔

ملکی منظر نامہ

پاکستان کی معیشت کے لیے 2025 کا منظر نامہ محتاط امید کے ساتھ مثبت ہے، جس میں ترقی کی شرح 3.2% متوقع ہے، جو زرعی شعبے کی بحالی اور مہنگائی میں کمی سے معاونت حاصل کرے گی۔ 2024 میں مہنگائی کی شرح 23.4% سے کم ہو کر 2025 میں اوسطاً 9.5% متوقع ہے، تاہم بیرونی مالیاتی چیلنجز، بشمول 22 ارب ڈالر کے قرضوں کی ادائیگی، بڑے خطرات کا باعث بن سکتے ہیں۔ صنعتی شعبہ مشکلات کا شکار رہے گا، تاہم برآمدی صنعتوں میں استحکام دیکھنے کو مل سکتا ہے۔ مالیاتی نظم و ضبط، ڈھانچہ جاتی اصلاحات، اور مستحکم پالیسی ماحول پائیدار ترقی کے لیے ضروری ہوں گے۔ سرمایہ کاروں کا اعتماد بحال رکھنا اور بیرونی مالیاتی خطرات کا تدارک کرنا طویل مدتی معاشی استحکام کے لیے کلیدی حیثیت رکھتا ہے۔ پاکستان کا زرعی شعبہ، جو جی ڈی پی میں تقریباً 23% حصہ رکھتا ہے اور ملکی افرادی قوت کے تقریباً 38% افراد کو روزگار فراہم کرتا ہے، 2025 میں ایک اہم دور سے گزرے گا۔ اگرچہ ماحولیاتی خطرات اور وسائل کی کمی جیسے مسائل بدستور موجود ہیں، تاہم ٹیکنالوجی کے استعمال میں اضافے اور پالیسی اصلاحات کے ذریعے ترقی کے مواقع پیدا کیے جا سکتے ہیں۔

کمپنی کے مستقبل کے امکانات

سال 2024 کے دوران، کھاد کی طلب میں کمی کی صورتحال دیکھی گئی اور کھاد کی کھپت میں کمی واقع ہوئی، جس کی بنیادی وجہ گندم کی فصل کی کمزور معیشت تھی، جس نے خریف 2024 کے دوران کسانوں کی منفعت کو منفی طور پر متاثر کیا۔ اس کے بعد کپاس کی کاشت کے رقبے میں کمی اور مکئی و چاول کی قیمتوں میں گراؤ بھی اس کمی کا سبب بنی۔ تاہم، مستقبل میں یوریا کی طلب مستحکم رہنے کی توقع ہے، کیونکہ 2018 سے ملک میں یوریا کی طلب سالانہ اوسطاً 2% کی شرح سے بڑھ رہی ہے۔ حکومت کے "کسان دوست"، "ڈیجیٹل زراعت" اور "ایکسپورٹ بڑھاؤ" جیسے اقدامات زراعت میں جدید طریقوں کے فروغ میں مددگار ثابت ہوں گے۔ مزید برآں، پنجاب اور سندھ میں سی پیک اسپیشل زرعی انڈسٹریل زونز کے فعال ہونے سے زرعی پروسیسنگ کی برآمدات میں اضافہ ہوگا اور موسمیاتی لحاظ سے زیادہ مضبوط بیج متعارف کرائے جائیں گے، جو 2025 میں کھاد کی

کھپت میں اضافے کا سبب بنیں گے۔

ہماری دونوں پیداواری تنصیبات پائیدار ترقی، آپریشنل کارکردگی، اور کھاد کی پیداوار میں جدت کے لیے پرعزم ہیں۔ ہمیں زراعت کے بڑھتے ہوئے شعبے، غذائی تحفظ کے لیے حکومتی معاونت، اور زیادہ پیداوار دینے والے زرعی طریقوں کو اپنانے کی وجہ سے کھاد کی مسلسل طلب کی توقع ہے۔

کمپنی میں دو صنعتی اداروں کے اکثریتی شیئرز خریدنے سے کمپنی کے مستقبل کے امکانات میں قدر میں اضافہ، آپریشنل بہترین کارکردگی، اور اسٹیک ہولڈرز کے لیے زیادہ منافع شامل ہوگا۔

مرکزی بینک کی جانب سے پالیسی ریٹ میں کمی کی بدولت مالیاتی لاگت میں 2025 کے دوران نمایاں کمی متوقع ہے، جو کمپنی کی منافع بخش کارکردگی میں معاون ثابت ہوگی۔

ہم اپنی مارکیٹ پوزیشن کو مضبوط کرنے کے لیے جدیدیت، توانائی کی بچت، اور ماحول دوست پیداواری طریقوں میں سرمایہ کاری کر رہے ہیں، تاکہ عالمی پائیداری کے معیارات کے مطابق کام کر سکیں۔ مزید برآں، ہم پیداواری عمل کو بہتر بنانے، لاگت میں کمی، اور مصنوعات کے معیار کو بلند کرنے کے لیے جدید ٹیکنالوجی کے استعمال پر بھی توجہ مرکوز کیے ہوئے ہیں۔

اہم غیر یقینی عوامل

معاہدہ شدہ قیمت پر گیس کی مسلسل دستیابی مستقبل میں صنعت کے لیے ایک اہم چیلنج رہے گی۔ یکساں گیس قیمتوں کے ذریعے مختلف یوریا قیمتوں کا معاملہ بھی حکومت کے لیے ایک اہم مسئلہ ہوگا، جسے حل کرنا ضروری ہے تاکہ مارکیٹ میں قیمتوں کی غیر یکسانیت کو روکا جا سکے اور کسانوں کے مفادات کا تحفظ کیا جا سکے۔

مزید برآں، گیس کی قیمتوں میں کسی بھی منفی تبدیلی کا کمپنی پر براہ راست اثر پڑے گا، جس کے نتیجے میں لاگت کا بوجھ صارفین پر منتقل کرنا ناگزیر ہو جائے گا۔ اسی طرح، اضافی ٹیکسوں کا نفاذ بھی منافع برقرار رکھنے کے لیے ایک بڑا چیلنج ہوگا۔

ہم اپنے اسٹیک ہولڈرز کو زیادہ سے زیادہ فوائد فراہم کرنے، سپلائی چین کے استحکام کو یقینی بنانے، اور ملکی زرعی پیداوار میں اپنا کردار ادا کرنے پر توجہ مرکوز رکھے ہوئے ہیں۔ خام مال کی قیمتوں میں اتار چڑھاؤ اور ریگولیٹری تبدیلیوں جیسے چیلنجز موجود ہونے کے باوجود، ہماری اسٹریٹجک منصوبہ بندی اور آپریشنل کارکردگی ہمیں کھاد کی صنعت میں طویل مدتی کامیابی کے لیے بہتر پوزیشن میں رکھتی ہے۔

تجزیوں اور تخمینوں کے لیے استعمال شدہ معلومات کے ذرائع اور مفروضے کمپنی کی آپریشنل اور مالی حکمت عملی اس کے کارپوریٹ وژن اور کاروباری اہداف کے مطابق ترتیب دی جاتی ہے۔ اس عمل میں تاریخی اعداد و شمار، متوقع تبدیلیاں، موجودہ معاشی حالات اور دیگر متعلقہ عوامل کا باریک بینی سے تجزیہ کیا جاتا ہے۔

تجزیہ کے لیے درکار بیرونی معلومات مختلف مستند ذرائع سے حاصل کی جاتی ہیں، جن میں سرکاری ریگولیٹری ادارے، ٹیکس حکام، مارکیٹ تجزیہ کار، سود کی شرح اور زر مبادلہ کی شرح کے متعلق تخمینے شامل ہیں۔ اس



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**STAKEHOLDERS
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AND ENGAGEMENT**

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STAKEHOLDERS ENGAGEMENT



The stakeholders of the Company play a crucial role as indispensable business partners, actively contributing to the ongoing progress and enduring sustainability of our organization. Recognizing their immense importance, we place a high priority on fostering dynamic engagement with them. Our approach is firmly grounded in upholding transparency standards and complying with all relevant legal requirements across every communication channel. This unwavering commitment not only nurtures an environment of openness but also cultivates harmonious relationships built on trust and mutual respect.

Through our dedication to transparency and adherence to legal guidelines, we aim to cultivate an atmosphere conducive to meaningful dialogue and collaboration with our stakeholders. This approach ensures that our interactions are not only effective but also conducive to maintaining a deep understanding of their concerns and priorities. By actively listening and remaining attuned to their needs, we address key issues and make informed decisions that align with their interests and contribute to the long-term success of our collective endeavors.

STAKEHOLDERS ENGAGEMENT POLICY

The Board of Directors has established a robust policy regarding communication with stakeholders, recognizing the significance of transparent and effective engagement to foster trust, accountability, and long-term relationships. This policy outlines the principles and procedures guiding communication practices to ensure alignment with the Company's objectives and values.

The Board emphasizes the importance of open and transparent communication with stakeholders, including shareholders, employees, customers, suppliers, bankers, regulators, and the broader community. This entails providing timely and relevant information on the Company's performance, strategy, governance practices, and material developments. The Board commits to facilitating two-way communication channels that enable stakeholders to express their concerns, provide feedback, and seek clarification on matters of interest.

Furthermore, the policy mandates adherence to principles of integrity, accuracy, and confidentiality in all communications with stakeholders. Information shared must be factual, complete, and free from bias or misleading statements. Confidential information is handled with the utmost care and discretion, ensuring compliance with legal and regulatory requirements, as well as ethical standards.

The Board recognizes the diversity of stakeholder interests and preferences and tailors communication strategies and channels accordingly. This includes annual reports, shareholder meetings, press releases, management reports, analyst briefings and direct engagement sessions. The Board ensures that communication materials are accessible, understandable, and culturally sensitive to reach a broad audience effectively.

Regular assessment and review of communication practices are conducted to evaluate effectiveness,

identify areas for improvement, and ensure continuous alignment with stakeholder expectations and evolving needs. The Board remains committed to fostering a culture of transparency, accountability, and stakeholder engagement, recognizing that meaningful communication is essential for building and maintaining trust, enhancing organizational reputation, and driving sustainable long-term value.

STAKEHOLDERS IDENTIFICATION PROCESS

The Company identifies its stakeholders through a comprehensive process that involved assessing the various individuals,

groups, and entities impacted by its operations and decisions. This identification is based on recognizing the significance of each party's involvement in the Company's activities and their potential influence on its success and sustainability.

Firstly, the Company conducts thorough stakeholder mapping exercises to identify and categorize different stakeholder groups. This involves analyzing internal and external factors to determine the relevance and impact of each stakeholder group on the Company's objectives and operations.

Secondly, the Company engages in active communication and consultation with these identified stakeholder groups to gain insights into their perspectives, expectations, and concerns.

Thirdly, the Company assesses the level of influence and interest of each stakeholder group in the Company's activities and decisions. This helps prioritize engagement efforts and allocate resources effectively to ensure meaningful interactions with key stakeholders.

The Company has identified the following key stakeholder groups:

- Shareholders and Investors
- Dealers, Customers and Transporters
- Suppliers and Vendors

- Bankers and Lenders
- Government and Regulators
- Employees
- Analysts
- Society

Overall, the Company's stakeholder identification process is guided by a commitment to understanding and responding to the diverse needs and interests of all parties involved. By recognizing the importance of stakeholders in its operations and decision-making processes, the Company strives to foster mutually beneficial relationships and achieve sustainable outcomes.

STAKEHOLDERS ENGAGEMENT PROCESS

The Company has implemented a comprehensive stakeholder engagement process aimed at fostering collaborative relationships and gathering valuable insights from its diverse stakeholders. This process begins with the establishment of clear objectives and goals for engagement, ensuring alignment with the Company's overall mission and values. Through various communication channels such as meetings, forums, and online platforms, the Company actively seeks input and feedback from stakeholders, including investors/shareholders, customers, employees, suppliers, bankers etc. These engagements provide opportunities for stakeholders to voice their perspectives, concerns, and expectations, allowing the Company to better understand their needs and preferences. Additionally, the Company is committed to transparency and accountability throughout the engagement process, providing regular updates on key decisions and actions taken in response to stakeholder feedback. By fostering open and inclusive dialogue, the Company builds trust, strengthens relationships, and ultimately drives positive outcomes for all stakeholders involved.

STAKEHOLDERS ENGAGEMENT

SHAREHOLDERS AND INVESTORS



Engagement Process

We effectively engage with our shareholders, including minority shareholders, through general meetings and statutory reporting since their support and confidence is pivotal in achieving the Company goals. All modes of communication including general meetings contribute towards seamless addressal of shareholders concerns.

To maintain transparency in the relationship between the Company and its shareholders, the Company has placed all material information vital to the shareholders'/investors' interests and decision making in a separate dedicated section "Investor Relations".

Engagement Frequency

Periodic

Mode of Engagement

General Meetings, Statutory Reporting

Effect and Value to the Company

Shareholders and investors provide capital which gives the Company means to achieve its vision.

CUSTOMERS, DEALERS AND TRANSPORTERS



Engagement Process

We strive to achieve sustainability by developing long-lasting relationships with our customers, dealers, and transporters as they are critical to our business sustainability and success. Our sales and marketing function constantly engages with these key stakeholders through market visits, meetings and regular communication for timely and effective resolution of issues and to meet their expectations regarding quality product, pricing and service delivery. These stakeholders are brand loyal and contribute to the success, growth and sustainability of the Company.

Engagement Frequency

Regular

Mode of Engagement

Market visits, One-to-one meetings

Effect and Value to the Company

These stakeholders are brand loyal and contribute to the success, growth and sustainability of the Company.

SUPPLIERS AND VENDORS



Engagement Process

Our Company has an efficient supplier and vendor network and we liaise very closely with them through meetings, correspondence and conducting market surveys to resolve all issues in an effective manner.

These stakeholders are an asset of the Company since they partner with the Company to effectively allocate resources for meeting the Company's objectives successfully by ensuring a strong and reliable supply chain.

Engagement Frequency

Regular

Mode of Engagement

One-to-one meetings

Effect and Value to the Company

Our suppliers and vendors are key to ensuring strong and reliable supply chain.

GOVERNMENT AND REGULATORY BODIES



Engagement Process

We are committed to ensuring a culture of good corporate governance practices and our corporate and legal team is dedicated to implement effective compliances in alignment with the legal and regulatory requirements.

We are actively engaged with the regulators to keep abreast with the new regulatory and legal requirements and compliances. The engagement includes timely submission of periodic returns/reports, responding to enquiries and conducting meetings as deemed necessary.

Engagement Frequency

Regular

Mode of Engagement

Meetings, Compliance Reporting

Effect and Value to the Company

Laws and regulations and other factors, such as price controls, have significant affects on the Company's activities.



ANALYSTS

Engagement Process

To attract potential investors, the Company frequently engages with analysts to provide insights into its operations and performance. This engagement is conducted with careful consideration of regulatory limitations regarding insider information/trading to prevent any adverse effects on the Company's reputation or stock value.

Furthermore, these interactions aim to enhance transparency and build trust with stakeholders, fostering long-term partnerships and investment opportunities.

Engagement Frequency

Periodic

Mode of Engagement

Meetings, Corporate/Analyst Briefings

Effect and Value to the Company

Furnishing analysts with all necessary information aids in dispelling any market misconceptions or rumors.



BANKERS AND LENDERS

Engagement Process

Regularly collaborating with bankers and debt finance providers, who are essential stakeholders in our financial operations, ensures comprehensive support across a spectrum of needs. This includes securing short-term and long-term financing, optimizing debt pricing strategies, managing investments, and facilitating deposits.

Moreover, our consultation with banks extends to managing letters of credit, streamlining supplier payments, and overseeing operational disbursements, fostering efficient financial management and operational excellence.

Engagement Frequency

Regular

Mode of Engagement

Meetings, Corporate/Analyst Briefings

Effect and Value to the Company

Collaborating with banks and lenders ensures access to cost-effective loans, continuous supply chain and effective future planning.



EMPLOYEES

Engagement Process

Employee engagement improves the level of their commitment.

Our employees are the lifeline of the Company. We provide a healthy and conducive work environment by encouraging work life balance, employee get togethers and regular training and development sessions.

Further, we consistently solicit input from our employees to prioritize their perspectives and resolve any issues they may have to nurture a constructive workplace atmosphere.

Engagement Frequency

Regular

Mode of Engagement

Appraisals, Get together, Trainings

Effect and Value to the Company

Our workforce serves as our ambassadors and execute each strategic and operational decision by management.



SOCIETY

Engagement Process

Realizing its duties as a responsible corporate citizen, Agritech continues its effort for a greener environment, planting trees in its neighboring communities, providing scholarships for needy students and arranging many activities for the well being of its employees and communities.

We constantly strive to maintain a leadership role in this area and wholeheartedly support and fund outreach programs which have a beneficial impact on our environment and the communities we live and work in.

Engagement Frequency

Regular

Mode of Engagement

Seminars, One-on-one Engagements

Effect and Value to the Company

Interacting with society enables us to discern necessary interventions for the community upliftment.

INVESTOR RELATIONS

REGISTERED OFFICE

Askari Corporate Tower,
4th Floor, 75-76 Block D-1, Main
Boulevard, Gulberg-III, Lahore.
Ph: +92 (0) 42 3640 1000-3,
Fax: +92 (0) 42 3640 7691

SHARE REGISTRAR

Corplink (Private) Limited
Wings Arcade, 1-K Commercial
Model Town, Lahore.
Tel: 042-35839182, 35887262
Fax: 042-35869037

LISTING ON STOCK EXCHANGES

Ordinary shares of Agritech Limited are listed on Pakistan Stock Exchange Limited.

STOCK CODE / SYMBOL

The stock code / symbol for trading in ordinary shares of Agritech Limited at Pakistan Stock Exchange Limited is AGL.

STATUTORY COMPLIANCE

During the year, the Company has complied with all applicable provisions, filed all returns/forms and furnished all the relevant particulars as required under the Companies Act, 2017 and allied rules, the Securities and Exchange Commission of Pakistan Regulations and the listing requirements.

DIVIDEND

In view of the future strategic plans for 2025, requiring retention of profits, the Board of Directors did not propose any dividend for the year 2024.

ANNUAL GENERAL MEETING

The Annual General Meeting of Shareholders of Agritech Limited will be held on Monday, April 21, 2025 at 11:00 A.M. at Park Lane Hotel, 107-B3, M.M. Alam Road, Gulberg III, Lahore

BOOK CLOSURE DATES

Share Transfer Books of the Company will remain closed from April 14, 2025 to April 21, 2025 (both days inclusive).

DIVIDEND REMITTANCE

Ordinary dividend, if declared and approved at the Annual General Meeting is paid within the statutory time limit of 30 days.

- (i) For shares held in physical form: to shareholders whose names appear in the Register of Members of the Company after entertaining all requests for transfer of shares lodged with the Company on or before the book closure date.
- (ii) For shares held in electronic form: to shareholders whose names appear in the statement of beneficial ownership furnished by CDC as at end of business on book closure date.

WITHHOLDING OF TAX AND ZAKAT ON ORDINARY DIVIDEND

As per the provisions of the Income Tax Ordinance, 2001, income tax is deductible at source by the Company at the applicable rates.

Zakat is also deductible at source from the ordinary dividend at the rate of 2.5% of the face value of the share, other than corporate holders or individuals who have provided an undertaking for non-deduction.

GENERAL MEETINGS & VOTING RIGHTS

Pursuant to section 132 of the Companies Act, 2017) Agritech holds a General Meeting of shareholders at least once a year. Every shareholder has a right to attend the General Meeting. The notice of such meeting is sent to all the shareholders at least 21 days before the meeting and also advertised in at least one English and one Urdu newspaper having circulation in Karachi, Lahore and Islamabad.

Shareholders having holding of at least 10% of voting rights may also apply to the Board of Directors to call for meeting of shareholders, and if the Board does not take action on such application within 21 days, the shareholders may themselves call the meeting.

All ordinary shares issued by the Company carry equal voting rights. Generally, matters at the general meetings are decided by a show of hands in the first instance. Voting by show of hands operates on the principle of "One Member-One Vote". If majority of shareholders raise their hands in favor of a particular resolution, it is taken as passed, unless a poll is demanded.

Since the fundamental voting principle in the Company is "One Share-One Vote", voting takes place by a poll, if demanded. On a poll being taken, the decision arrived by poll is final, overruling any decision taken on a show of hands.

PROXIES

Pursuant to section 137 of the Companies Act, 2017 and according to the Memorandum and Articles of Association of the Company, every shareholder of the Company who is entitled to attend and vote at a general meeting of the Company can appoint another member as his/her proxy to attend and vote instead of him/her. Every notice calling a general meeting of the Company contains a statement that a shareholder entitled to appoint a proxy. The instrument appointing a proxy (duly signed by the shareholder appointing that proxy) should be deposited at the office of the Company not less than forty-eight hours before the meeting.

DIVIDEND PAYMENTS

Cash dividends are paid through electronic mode directly in to the bank account designated by the entitled shareholders whose names appear in the Register of Shareholders at the date of book closure.

SERVICE STANDARDS

Listed below are various investor services and the maximum time limits set for their execution:

	For requests received through post	For requests received over the counter
Transfer and transmission of shares	30 days after receipt	30 days after receipt
Issue of duplicate share certificates	30 days after receipt	30 days after receipt
Issue of duplicate dividend warrants	5 days after receipt	5 days after receipt
Issue of revalidated dividend warrants	5 days after receipt	5 days after receipt
Change of address	2 days after receipt	1 day after receipt

Well qualified personnel of the Shares Registrar have been entrusted with the responsibility of ensuring that services are rendered within the set time limits.

WEB PRESENCE

Updated information regarding the Company can be accessed at its website, www.agritech.com.pk The website contains the latest financial results of the Company together with the Company's profile.

Fundamental knowledge and understanding of financial market is crucial for the general public and lack of financial literacy or capability makes them vulnerable to frauds. SECP recognizes the importance of investor education and therefore initiated this investor education program, called 'JamaPunji', an investor training program, to promote financial literacy in Pakistan.

www.jamapunji.pk

Be aware, Be alert, Be safe
Learn about investing at www.jamapunji.pk

Key features:

- Licensed Entities Verification
- Score meter
- JamaPunji games
- Tax credit calculator
- Company Verification
- Insurance & Investment Checklist
- FAQs Answered
- Stock trading simulator (based on live feed from KSE)
- Knowledge center
- Risk profiler
- Financial calculator
- Subscription to Alerts (event notifications, corporate and regulatory actions)
- JamaPunji application for mobile devices
- Online Quizzes

www.jamapunji.pk @jamapunji.pk

INVESTOR RELATIONS

ENCOURAGING MINORITY SHAREHOLDERS TO ATTEND AGM

Equitable treatment of all shareholders, including minority shareholders is ensured by the management of the Company by encouraging them to attend, speak and vote at the Annual General Meeting and appoint another member as his / her proxy in compliance with legal and regulatory requirements. The Notice of the AGM is published in Urdu and English language in one issue of a daily newspaper of respective language having a nationwide circulation. Such notice is also placed on the Company's website at www.agritech.com.pk

INVESTORS' RELATIONS SECTION ON THE CORPORATE WEBSITE

The Company's website (www.agritech.com.pk) contains a separate section namely; "Investor Relations" which exhibits all major financial information needed for investor's decision making in order to maintain a transparent relationship between the Company and its shareholders.

ISSUES RAISED IN THE LAST AGM

The last AGM was conducted at Parklane Hotel, Lahore on April 29, 2024 and attended by shareholders. Shareholders approved the Financial Statements and also gave approval for appointment of M/s. Grant Thornton Anjum Rahman, Chartered Accountants as external auditors.

CORPORATE BRIEFING SESSIONS

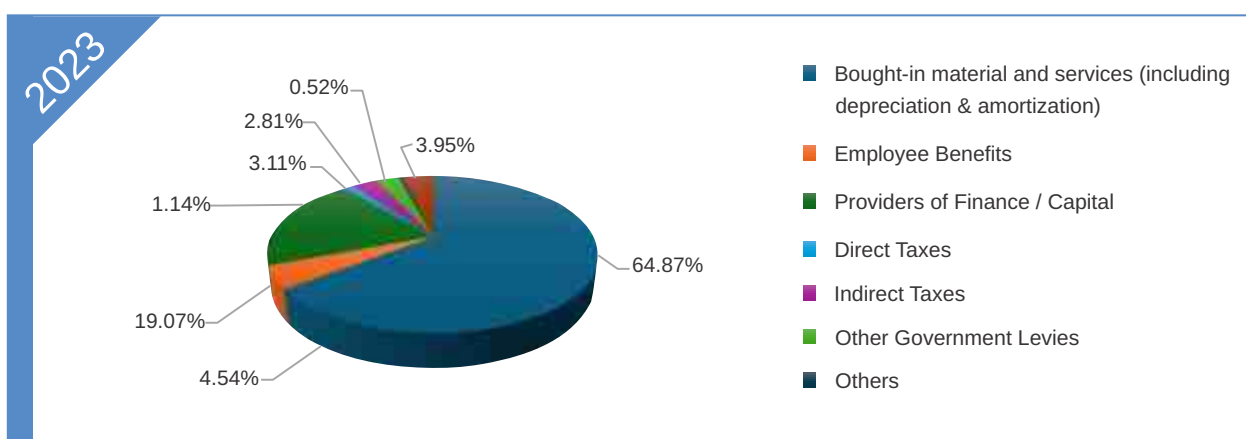
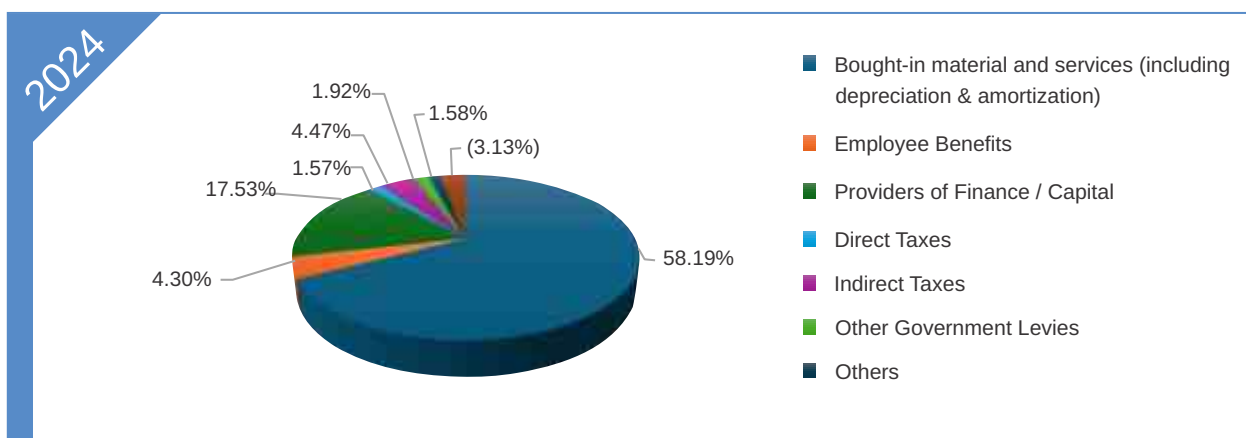
The Company holds regular meetings with investors and financial analysts on yearly and accounting reporting basis as defined by the PSX Rules. Company's ability to provide information to the individual market participants, including investors, stock brokers and analysts is, however, limited by the regulations applicable to the listed companies, including the rules on good stock exchange practices and the general requirement of equal treatment. The most recent Corporate Briefing Session was held on November 13, 2024. The briefing comprised various matters of interest to the investors and analysts including the Company's profile and history, industry overview, financial position and performance of the Company, future outlook etc. The briefing was following by an interactive session with the attendees.

REDRESSAL OF INVESTORS' COMPLAINTS

The Company has established a robust mechanism dedicated to addressing and managing investors' complaints and grievances effectively. Investors are encouraged to voice their concerns by submitting written correspondence to the corporate department or by emailing corporate@agritech.com.pk. Additionally, the Company has facilitated convenient feedback channel through a designated form accessible in the 'Investor Relations' section of its website, www.agritech.com.pk. This proactive approach underscores our commitment to transparency, accountability, and maintaining positive investor relations. All investor feedback is addressed timely. However, no significant complaints were received during the year.

STATEMENT OF VALUE ADDITION

	2024		2023	
	Rupees	%age	Rupees	%age
Wealth Generated				
Revenue	32,897,661,892	92.51	23,027,946,892	83.71
Other income	2,662,511,904	7.49	4,481,459,425	16.29
Total Wealth Generated	35,560,173,796	100.00	27,509,406,317	100.00
Wealth Distributed				
Bought-in material and services (including depreciation & amortization)	25,516,499,823	71.76	17,844,917,383	64.87
Employee Benefits	1,529,820,343	4.30	1,247,688,420	4.54
Providers of Finance / Capital	6,234,996,014	17.53	5,245,103,062	19.07
Direct Taxes	556,965,150	1.57	313,891,039	1.14
Indirect Taxes	1,590,888,665	4.47	855,784,453	3.11
Other Government Levies	682,253,124	1.92	772,630,988	2.81
Others	562,931,283	1.58	143,599,147	0.52
Retained in Business/(Loss for the Year)	(1,114,180,606)	(3.13)	1,085,791,825	3.95
Total Wealth Distributed	35,560,173,796	100.00	27,509,406,317	100.00





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**AUDITED FINANCIAL
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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AGRITECH LIMITED REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Qualified Opinion

We have audited the annexed financial statements of Agritech Limited (the Company), which comprise the statement of financial position as at December 31, 2024, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended and notes to the financial statements, including a summary of material accounting policies and other explanatory information, (here-in-after referred to as "the financial statements") and we state that, except for as stated in Basis for Qualified Opinion section, we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effect on financial statements of the matter discussed in Basis for Qualified Opinion section of our report, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at December 31, 2024 and of the loss and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Qualified Opinion

As stated in note 12.2 to the annexed financial statements, the management has assessed the recoverability of deferred tax assets on tax losses and provision and asserts that no related impairment is required in these financial statements. However, we are unable to obtain sufficient appropriate audit evidence with respect to key assumptions used in the financial projections i.e. operational days based on the availability of natural gas and cost of raw material based on gas rates since approval from Government of Pakistan for continuous supply of gas to the Company is not available. Management is, however, confident that supply of gas will be available on long term basis. Consequently, we were unable to determine whether any adjustment in respect of impairment was necessary for deferred tax asset amounting to Rs. 6,768 million recognized in these financial statements.

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in: Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Material Uncertainty Relating to Going Concern

Notwithstanding the matter discussed in Basis for the Qualified Opinion section, the Company's current liabilities as on 31 December 2024, exceeded its current assets by Rs. 23,190 million, and its accumulated loss stood at Rs. 26,535 million. These conditions, along with other matters as set forth in note 2.2 to the financial statements, indicate existence of material uncertainty that may cast significant doubt about the Company's ability to continue as going concern. Our opinion is not qualified in respect of this matter.

Emphasis of Matter Paragraph

We draw attention towards:

- a) Note 17 to the accompanying financial statements, wherein it is stated that the Company is defending legal suits filed by certain financial institutions for recovery of their dues. Our opinion is not qualified in this respect; and
- b) Note 52.1 to the accompanying financial statements, which states that prior year financial statements have been restated to incorporate impairment of goodwill amounting to Rs. 2,567 million.

Our opinion is not qualified in this respect.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matter:

Sr. No.	Key audit matters	How the matter was addressed in our audit
1	<p>Revenue Recognition</p> <p>The Company has two major streams of revenue: local sales of Urea & GSSP fertilizer.</p> <p>Revenue from sale of goods is recognized when the Company satisfies the performance obligation under the contract by transferring promised goods to the customers. Revenue recognition policy has also been explained in note 3.15 to the financial statements.</p> <p>We have identified revenue recognition as key audit matter as it is one of the key performance indicators of the Company and because of the potential risk that revenue transactions may not have been recognized based on the satisfaction the performance obligation under the contract with the customer in line with the accounting policy adopted and may not have been recognized in the appropriate period.</p>	<p>Our audit procedures include the followings:</p> <ul style="list-style-type: none"> • Obtaining an understanding of and assessing the design and implementation to ensure that revenue 15 recognized ill the appropriate accounting period and based on stated accounting policy; • Assessing the appropriateness of the Company's accounting policies for revenue recognition and compliance of those policies with aoolicable accounting & reporting standards; • Comparing, on a sample basis, specific revenue transactions recorded before and after the reporting date with underlying documentation to assess whether revenue has been recognized in the appropriate accounting period; • Performing test of controls on sales transactions to assess whether controls are operating effectively; • Checked on a sample basis recorded sales transactions with underlying supporting documents; and • Assessed adequacy of related disclosures made in the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Board of Directors are responsible for the other information. Other information comprises the information included in the annual report for the year ended December 31, 2024, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. .As described in the Basis for Qualified Opinion section above, we were unable to obtain sufficient appropriate evidence about the carrying amount of deferred tax asset as at December 31, 2024 and its impact on profit after tax for the year.

Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, except as stated in Basis for Qualified Opinion, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017;
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 and are in agreement with the books of account and returns;

- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Khalid Aziz.



Grant Thornton Anjum Rahman
Chartered Accountants
Karachi.

Date: 17 March 2025

UDIN: AR202410154zAoLtc4ig

Statement of Financial Position

as at 31 December 2024

	Note	2024 Rupees	Restated 2023 Rupees	Restated 2022 Rupees
EQUITY AND LIABILITIES				
Authorized share capital	4	35,000,000,000	35,000,000,000	35,000,000,000
Share capital and reserves				
Issued, subscribed and paid-up ordinary share capital	5	4,246,451,190	3,924,300,000	3,924,300,000
Reserves	6	9,000,000	9,000,000	9,000,000
Accumulated losses		(26,535,202,341)	(26,426,185,813)	(28,418,108,105)
Surplus on revaluation of property, plant and equipment - net of tax	7	32,011,890,851	32,998,144,218	33,901,677,144
		9,732,139,700	10,505,258,405	9,416,869,039
Non-current liabilities				
Redeemable capital - secured	8	3,706,686,309	3,170,409,622	-
Long term finances - secured	9	378,257,093	-	-
Convertible, redeemable preference shares	10	1,484,507,830	1,593,342,690	1,593,342,690
Non convertible, redeemable preference shares	11	18,542,697,500	18,542,697,500	-
Long term payable - <i>unsecured</i>		-	-	551,438,375
Deferred liabilities	12	9,748,041,961	10,328,109,165	10,875,636,015
		33,860,190,693	33,634,558,977	13,020,417,080
Current liabilities				
Current portion of long term borrowings - secured	9	132,117,894	-	19,269,126,210
Short term borrowings - secured	13	2,057,907,728	3,413,457,179	3,581,994,123
Trade and other payables	14	7,748,451,751	7,928,091,479	4,620,048,580
Interest / mark-up accrued on borrowings	15	2,747,602,634	2,825,973,353	27,088,095,036
Preference dividend payable	16	28,729,605,359	23,852,887,378	1,906,638,085
		41,415,685,366	38,020,409,389	56,465,902,034
		85,008,015,759	82,160,226,771	78,903,188,153
Contingencies and commitments				
	17			
ASSETS				
Non-current assets				
Property, plant and equipment	18	66,694,254,492	68,335,595,265	69,925,058,640
Intangible assets	19	143,915	431,759	719,603
Long term loans and advances - considered good	20	27,099,031	24,591,622	17,123,956
Long term deposits - unsecured, considered good	21	60,949,562	54,949,437	54,721,537
		66,782,447,000	68,415,568,083	69,997,623,736
Current assets				
Stores, spare parts and loose tools	22	2,396,692,934	2,223,433,061	2,246,110,220
Advance against restructuring scheme		-	-	891,198,023
Stock-in-trade	23	4,398,932,477	1,185,544,326	1,063,281,066
Trade debts	24	45,796,140	-	513,312
Advances, deposits, prepayments and other receivables	25	4,150,137,988	4,205,105,051	4,080,352,277
Tax refunds due from Government - <i>net</i>	26	26,994,252	82,775,808	95,056,593
Short term investments	27	6,783,987,635	5,527,370,029	-
Cash and bank balances	28	423,027,333	520,430,413	529,052,926
		18,225,568,759	13,744,658,688	8,905,564,417
		85,008,015,759	82,160,226,771	78,903,188,153

The annexed notes from 1 to 54 form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

Statement of Profit or Loss

For the year ended 31 December 2024

	Note	2024 Rupees	2023 Rupees
Sales - net	29	31,306,773,227	22,172,162,439
Cost of sales	30	(25,040,969,778)	(17,773,662,239)
Gross profit		6,265,803,449	4,398,500,200
Selling and distribution expenses	31	(1,186,250,139)	(672,817,846)
Administrative and general expenses	32	(819,100,249)	(646,125,718)
Other expenses	33	(409,978,308)	(63,748,796)
		(2,415,328,696)	(1,382,692,360)
Other income	34	2,080,991,056	722,100,479
Operating profit		5,931,465,809	3,737,908,319
Finance cost	35	(7,014,420,558)	(6,097,584,401)
Loss before taxation and restructuring gain		(1,082,954,749)	(2,359,676,082)
Gain on restructuring of loans - net	36	-	3,207,114,001
(Loss) / Profit before final and minimum tax and taxation		(1,082,954,749)	847,437,919
Final and minimum taxes	37	(612,746,705)	(313,891,039)
(Loss) / Profit before taxation		(1,695,701,454)	533,546,880
Taxation	37	581,520,848	552,244,945
(Loss) / Profit after taxation		(1,114,180,606)	1,085,791,825
(Loss) / Earnings per share - basic	38	(2.71)	2.77

The annexed notes from 1 to 54 form an integral part of these financial statements.


Chief Executive Officer


Director


Chief Financial Officer

Statement of Comprehensive Income

For the year ended 31 December 2024

	Note	2024 Rupees	2023 Rupees
(Loss) / Profit after taxation		(1,114,180,606)	1,085,791,825
Other comprehensive income			
<i>Items that will not be reclassified to statement of profit or loss:</i>			
- Re-measurement of defined benefit liability	12.1.9	26,634,804	3,658,509
- Related deferred tax liability on gratuity	12.2.3	(7,724,093)	(1,060,968)
		18,910,711	2,597,541
<i>Items that will be reclassified to statement of profit or loss</i>			
		-	-
Total comprehensive (loss) / income for the year		(1,095,269,895)	1,088,389,366

The annexed notes from 1 to 54 form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

Statement of Changes in Equity

For the year ended 31 December 2024

Note	Ordinary Share Capital Rupees	Capital Reserve	Revenue Reserves		Total Rupees
		Surplus on revaluation of property, plant and equipment - net of tax Rupees	Reserves Rupees	Accumulated loss Rupees	
As at 01 January 2023 as per previously reported	3,924,300,000	33,901,677,144	9,000,000	(25,850,797,277)	11,984,179,867
Effect of restatement	52.1	-	-	(2,567,310,828)	(2,567,310,828)
As at 01 January 2023 - as restated	3,924,300,000	33,901,677,144	9,000,000	(28,418,108,105)	9,416,869,039
Profit for the year ended December 31, 2023	-	-	-	1,085,791,825	1,085,791,825
Other comprehensive income for the year:					
Re-measurement gain on employee retirement benefits	-	-	-	3,658,509	3,658,509
Related deferred tax liability on re-measurement gain	-	-	-	(1,060,968)	(1,060,968)
Total comprehensive income for the year ended 31 December 2023	-	-	-	1,088,389,366	1,088,389,366
Surplus transferred to accumulated losses on account of:					
Incremental depreciation on property, plant and equipment - net of deferred tax	-	(903,532,926)	-	903,532,926	-
	-	(903,532,926)	-	903,532,926	-
As at 31 December 2023	3,924,300,000	32,998,144,218	9,000,000	(26,426,185,813)	10,505,258,405
As at 01 January 2024	3,924,300,000	32,998,144,218	9,000,000	(26,426,185,813)	10,505,258,405
(loss) for the year ended December 31, 2024	-	-	-	(1,114,180,606)	(1,114,180,606)
Other comprehensive income for the year:					
Re-measurement gain on employee retirement benefits	-	-	-	26,634,804	26,634,804
Related deferred tax liability on re-measurement gain	-	-	-	(7,724,093)	(7,724,093)
Total comprehensive loss for the year ended 31 December 2024	-	-	-	(1,095,269,895)	(1,095,269,895)
Surplus transferred to accumulated losses on account of:					
Incremental depreciation on property, plant and equipment - net of deferred tax	-	(903,532,926)	-	903,532,926	-
Disposal of revalued assets during the year - net of deferred tax	-	(82,720,441)	-	82,720,441	-
	-	(986,253,367)	-	986,253,367	-
Transactions with owners:					
Issuance of ordinary shares	322,151,190	-	-	-	322,151,190
As at 31 December 2024	4,246,451,190	32,011,890,851	9,000,000	(26,535,202,341)	9,732,139,700

The annexed notes from 1 to 54 form an integral part of these financial statements.


Chief Executive Officer


Director


Chief Financial Officer

Statement of Cash Flows

For the year ended 31 December 2024

	Note	2024 Rupees	2023 Rupees
<u>Cash flows from operating activities</u>			
Cash generated from operations	39	1,882,940,859	5,993,335,049
Income tax paid		(556,965,150)	(301,610,252)
Staff retirement benefits paid		11,248,636	(288,000)
Long term loans and advances - net		(2,507,409)	(7,467,666)
Long term deposits - net		(6,000,125)	(227,900)
Net cash generated from operating activities		1,328,716,811	5,683,741,231
<u>Cash flow from investing activities</u>			
Capital expenditure incurred		(395,972,099)	(305,266,692)
Proceeds from disposal of fixed assets		1,155,500	10,617,955
Increase in short term investments - net		(1,256,617,850)	(5,464,854,208)
Interest income received		1,101,714,105	267,839,011
Net cash used in investing activities		(549,720,344)	(5,491,663,934)
<u>Cash flow from financing activities</u>			
Decrease in long term finances - net		-	(15,000,000)
Decrease in short term borrowings - net		(132,664,236)	(15,000,000)
Finance cost paid		(26,698,487)	(17,162,866)
Net cash used in financing activities		(159,362,723)	(47,162,866)
Net increase in cash and cash equivalents		619,633,744	144,914,431
Cash and cash equivalents at beginning of the year		(2,009,046,937)	(2,153,961,368)
Cash and cash equivalents at end of the year	40	(1,389,413,193)	(2,009,046,937)

The annexed notes from 1 to 54 form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

Notes to the Financial Statements

For the year ended 31 December 2024

1 Reporting entity

- 1.1** Agritech Limited ("the Company") was incorporated in Pakistan on 15 December 1959 as an unlisted Public Limited Company under the repealed Companies Act, 1913 (now the Companies Act, 2017) and remained a wholly owned subsidiary of National Fertilizer Corporation of Pakistan (Private) Limited ("NFC"), a Government owned Corporation, until 15 July 2006. The shares of the Company are quoted on Pakistan Stock Exchange. The principal business of the Company is the production and sale of Urea and Granulated Single Super Phosphate ("GSSP") fertilizer.

The registered office of the Company is situated at Askari Corporate Tower, 4th Floor, 75-76 D-1, Main Boulevard, Gulberg III, 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 financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017; and
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Going concern assumption

During the year, the Company incurred loss after tax of Rs. 1,114 million (2023: Profit after tax of Rs. 1,086 million) and as of 31 December 2024, current liabilities of the Company exceeded its current assets by Rs. 23,190 million.

The management has made an assessment of the Company's ability to continue as a going concern and based on the below mitigating factors, management believes that though the sustainability of the future operations of the Company is dependent on the continuous supply of gas to the Urea Plant by the Government of Pakistan (GoP), no material uncertainty exists and going concern basis of accounting is appropriate. Accordingly, the financial statements are prepared on a going concern basis, with considering among others the following factors:

- Strong Urea demand has grown at CAGR of ~2% since 2018, increasing to 6.6 million tons per annum. Future growing urea demand can only be met by running all plants (including Agritech Urea plant) having installed capacity of ~6.6 million tons.
- In the past, the same has been demonstrated as gas supply situation to the AGL urea plant has shown significant improvements. The plant operated for 350 days in the year 2024 (2023: 277 days). Production for year 2024 has been 372 KT of Urea (2023: 292 KT) highest ever in the last decade.
- Gross profit in the year 2024 has increased by Rs. 1,867 million and operating profit by Rs. 2,194 million as compared to the year 2023.
- Acquisition by 2 major conglomerates in the year 2024 namely Fauji Fertilizer Company (FFC) along with Fauji Foundation, the largest fertilizers producer now holds 41.02% and Maple Leaf Group holds 43.51% of ordinary shares in AGL. Both these groups bring in a wealth of experience in the manufacturing sector, especially FFC having wealth of experience of operating the fertilizer plants in the country that can add enormous value to the future growth of Agritech Limited.
- Reduction of the Policy Rate by SBP from 22% in December 2023 to 12% in January 2025 with significant decrease in finance cost for the Company in future.
- Implementation of the sanctioned Scheme of Arrangement (SOA) through issuance of the Preference Shares in lieu of the outstanding Principal and TFCs in lieu of the Outstanding mark-up as on December 31, 2013 (effective date of SOA) ensures the restructuring of the Long-Term Debt of the company. Furthermore, the settlement of the Short Term Debt of the company on bi-lateral basis is likely to further reduce the debt burden of the company in foreseeable future.

2.3 Adoption of amendment of IAS & IFRS during the year

During the year, the Company adopted the Disclosure of Accounting Policies (Amendment to IAS 1). This amendment requires the disclosure of "material" accounting policies instead of "significant" accounting policies. While the amendments did not lead to any changes in the accounting policies themselves. The terminology in the disclosures has been updated accordingly.

2.4 Adoption of new accounting policy

For the year ended December 31, 2024, the Company is subject to minimum taxes. However, the Company will be subject to normal taxation due to the availability of sufficient taxable profits in future tax years to absorb tax depreciation of Rs. 23,296 million available to the Company.

In May 2024, the Institute of Chartered Accountants of Pakistan (ICAP) issued the IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes (the "Guide"). In light of clarifications from ICAP, it has been established that minimum tax under Section 113 of the Income Tax Ordinance, 2001 is not fully outside the scope of IAS 12 as the minimum tax is a hybrid tax which requires comparison with amount of tax attributable to income streams taxable at general rate of taxation. The Guide allows two approaches either to designate the minimum tax as levy or as an income tax within the scope of IAS 12 'Income Taxes'. The Company has adopted the approach to designate the minimum tax as Income Tax.

Similarly, under the Guide, Super tax charged to entities as per Section 4C of the Income Tax Ordinance, 2001, will be classified as either 'Income Tax' or 'levy'. The Company has adopted the approach to recognise it as income tax, under the Guide.

These changes have been accounted for in these financial statements in line with the requirements of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. The adoption of this policy did not result in a restatement of the financial statements. The application of this guide resulted in no material differences, aside from reclassifications, which are presented below:

	Current classification	Previous classification
	-----Rupees-----	
Effect on statement of profit or loss for the year ended December 31, 2023		
Final & minimum taxes	313,891,039	-
Taxation	-	-
Current tax	-	313,891,039
	313,891,039	313,891,039

2.5 Basis of measurement

These financial statements have been prepared under the historical cost convention except for certain financial instruments measured at fair value and / or amortized cost, employees retirement benefits under defined benefit plan at present value and certain items of property, plant and equipment measured at revalued amounts. In these financial statements, except for the amounts reflected in the cash flow statement, all transactions have been accounted for on accrual basis.

2.6 Use of estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. Judgments made by management in the application of approved accounting standards that have significant effect on the financial statements and estimates with a risk of material adjustment in subsequent years are as follows:

2.6.1 Depreciation method, rates and useful lives of property, plant and equipment

The management of the Company reassesses useful lives, depreciation method and rates for each item of property, plant and equipment annually by considering expected pattern of economic benefits that the Company expects to derive from that item and the maximum period up to which such benefits are expected to be available.

Any change in estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on depreciation charge and impairment.

2.6.2 Amortization method, rates and useful lives of intangible assets

The management of the Company reassesses useful lives, amortization method and rates for each intangible asset having finite lives annually by considering expected pattern of economic benefits that the Company expects to derive from that item and the maximum period up to which such benefits are expected to be available.

2.6.3 Recoverable amount of assets / cash generating units and impairment

The management of the Company reviews carrying amounts of its assets and cash generating units for possible impairment and makes formal estimates of recoverable amount if there is any such indication of impairment.

2.6.4 Taxation

The management of the Company takes into account the current income tax law and decisions taken by appellate authorities while estimating its tax liabilities. For recognition of deferred tax assets, estimates of the Company's future taxable profits against which carry forward tax losses can be used are taken into account.

2.6.5 Provisions

Provisions are based on best estimate of the expenditure required to settle the present obligation at the reporting date, that is, the amount that the Company would rationally pay to settle the obligation at the reporting date or to transfer it to a third party.

2.6.6 Revaluation of property, plant and equipment

Revaluation of property, plant and equipment is carried out by an independent professional valuer. Revalued amounts of non-depreciable items are determined by reference to local market values and that of depreciable items are determined by reference to present depreciated replacement values.

The frequency of revaluations depends upon the changes in fair values of the items of property, plant and equipment being revalued. When the fair value of a revalued asset differs materially from its carrying amount, a further revaluation is required. Such frequent revaluations are unnecessary for items of property, plant and equipment with only insignificant changes in fair value. Instead, it may be necessary to revalue the item only every three or five years.

2.6.7 Stores, spares, loose tools and stock-in-trade

The Company reviews the stores, spares, loose tools and stock-in-trade for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of stores, spares and loose tools and stock-in-trade with a corresponding effect on the provision.

2.6.8 Staff retirement benefits

The Company operates a funded gratuity scheme covering all eligible employees completing the minimum qualifying period of service as specified by the scheme. Annual provision is made on the basis of actuarial valuation to cover obligations under the scheme for all employees eligible to gratuity benefits respective of the qualifying period. The projected unit credit method used for the valuation of the scheme is based on assumptions stated in note 12.

2.6.9 Fair values of financial instruments with no active market

Fair values of financial assets and financial liabilities with no active market are determined by discounting estimated future cash flows at effective interest rate; the rate that exactly discounts estimated future receipts / payments through expected life of the financial assets / liabilities or, when appropriate, a shorter period, to the net carrying amount of the financial assets / liabilities.

Other areas where estimates and judgments are involved have been disclosed in the respective notes to the financial statements.

2.7 Functional currency

These financial statements have been prepared in Pak Rupees which is the Company's functional currency.

3 Material accounting policy information

The material accounting policy information set out below have been applied consistently to all periods presented in these financial statements.

3.1 Property, plant and equipment

Owned

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment with the exception of freehold land, which is measured at revalued amount and any identified impairment. Building on freehold land, residential colony assets, electrical installations and plant and machinery which are measured at revalued amount less accumulated depreciation and identified impairment. Cost comprises purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, and includes other costs directly attributable to the acquisition or construction including expenditures on material, labour and overheads directly relating to construction, erection and installation of operating fixed assets.

Parts of an item of property, plant and equipment having different useful lives are recognized as separate items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to income during the period in which they are incurred.

The Company recognizes depreciation in statement of profit or loss by applying straight line method over the useful life of each item of property, plant and equipment as specified in Note 18 to the financial statements.

Depreciation on additions to property, plant and equipment is charged from the month in which the item becomes available for use. Depreciation is discontinued from the month in which it is disposed or classified as held for disposal.

An item of property, plant and equipment is de-recognized when permanently retired from use. Any gain or loss on disposal of property, plant and equipment is recognized in statement of profit or loss.

Capital work-in-progress

Capital work-in-progress is stated at cost less identified impairment, if any. It consists of all expenditures and advances connected with specific assets incurred and made during installations and construction period. These are transferred to relevant property, plant and equipment as and when assets are available for use.

Leased

The Company assesses whether a contract is or contains a lease at the inception of the contract. This assessment involves the exercise of judgment about whether it depends on a specified asset, whether the entity obtains substantially all the economic benefits from the use of that asset, and whether the entity has the right to direct the use of that asset.

The Company recognizes a right-of-use (ROU) asset and a lease liability at the lease commencement date, except for short-term leases of 12 months or less and leases of low value items which are expensed in the income statement on a straight-line basis over the lease term.

The lease liability is initially measured at the present value of lease payments that are not paid at the lease commencement date, discounted using the interest rate implicit in the lease. If this rate cannot be readily determined, the Company uses an incremental borrowing rate specific to the entity, term and the currency of the contract. Lease payments represent the periodic fixed payments to lessor.

At inception, the ROU asset comprises the initial lease liability, initial direct costs and the obligations to refurbish the asset, less any incentives granted by the lessors. The ROU asset is depreciated over the shorter of lease term or useful life of the asset. The ROU asset is subject to testing for impairment if there is an indicator for impairment, as for owned assets.

ROU assets are included in the non-current assets, and the lease obligation is included in the current and non-current long term lease obligation.

3.2 Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Company's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for-distribution and subsequent gains and losses on remeasurement are recognized in profit or loss.

Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortized or depreciated, and any equity-accounted investee is no longer equity accounted.

3.3 Surplus / (deficit) arising on revaluation of property, plant and equipment

Surplus on revaluation is booked by restating gross carrying amounts of respective assets being revalued, proportionately to the change in their carrying amounts due to revaluation. The accumulated depreciation at the date of revaluation is also adjusted to equal difference between gross carrying amounts and the carrying amounts of the assets after taking into account accumulated impairment losses.

Increases in the carrying amount arising on revaluation of property, plant and equipment is recognized in other comprehensive income and accumulated in equity under the heading of surplus on revaluation of property, plant and equipment. Decreases that offset previous increases of the same assets are charged to other comprehensive income against this surplus, all other decreases are charged to statement of profit or loss. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of profit or loss, and depreciation based on the asset's original cost is transferred to retained earnings. All transfers to / from surplus on revaluation of property, plant and equipment are net of applicable deferred income tax.

3.4 Intangible assets

3.4.1 Software

Intangibles are measured initially at cost. The cost of the intangibles comprise its purchase price, including non-refundable purchase taxes, after deducting trade discounts and rebates, and includes other costs directly attributable to the acquisition. Costs incurred after the asset is in the condition necessary for it to operate in the manner intended by the management are recognized in profit and loss account. Subsequent to initial recognition, intangibles are measured at cost less accumulated amortization and accumulated impairment losses, if any.

All intangibles are amortized over the period of four years on a straight line basis. Amortization on additions to intangible assets is charged from the month in which an asset is put to use and on disposal upto month of disposal.

3.4.2 Goodwill acquired in business combination

Goodwill acquired in business combination represents future economic benefits arising from assets that are not capable of being individually identified and separately recognized. Goodwill is initially recognized at cost which is determined as the excess of the cost of business combination over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment, if any. Goodwill is tested annually for impairment.

3.5 Stores, spare parts and loose tools

These are measured principally at lower of weighted average cost and NRV, while items considered obsolete are carried at nil value. Items in transit are valued at cost, comprising invoice value plus other charges paid thereon upto the reporting date. Provision is made in the financial statements for obsolete and slow moving stores and spares on management's estimate as a result of changes in usage pattern and physical form.

3.6 Stock-in-trade

These are valued at lower of cost and net realizable value. Cost is determined using the following basis:

Work in process	Average manufacturing cost
Finished goods	Average manufacturing cost
Raw Material	Average purchase cost
Stock-in-transit	Invoice price plus related expense incurred up to the reporting date

Average manufacturing cost in relation to work in process and finished goods consists of direct material, labour and a proportion of appropriate manufacturing overheads.

Net realizable value signifies the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to be incurred in order to make a sale. Provision is made in the financial statements for obsolete and slow moving stock in trade based on management's estimate.

3.7 Trade debts

Trade debts are carried at original invoice amount which is the fair value of consideration receivable less an allowance for doubtful debts based on a review of all outstanding amounts at the year end. Balances considered bad and irrecoverable are written off as and when identified.

3.8 Employee benefits

3.8.1 Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.8.2 Post-employment benefits

(a) Defined contribution plan

The Company operates an approved defined contributory provident fund for all employees. Obligations for contributions to defined contribution plan is expensed as the related service is provided. Equal contributions are made by the Company and employees at 8.33% and 10% of basic salary of executives and workers respectively.

(b) Defined benefit plan

The Company operates approved funded gratuity scheme for its workers who have completed the minimum qualifying period of service as defined under the respective scheme. Provision is made annually to cover obligations under the scheme on the basis of actuarial valuation and is charged to statement of profit or loss.

The Company's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

Calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contribution to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if, any excluding interest), are recognized immediately in OCI. The Company determines the net interest expense / (income) on the net defined benefit liability / (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability / (asset), taking into account any changes in the net defined benefit liability / (asset) during the period as a result of contributions and benefit payments.

Net interest expense and other expenses related to defined benefit plans are recognized in statement of profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in statement of profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The main features of the scheme are detailed in Note 12 to the financial statements.

3.8.3 Termination benefits / Voluntary separation scheme ("VSS")

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits or when the Company recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

3.8.4 Leave Encashment

The certain employees of the Company are entitled to accumulating compensated absence, which are encashable upto a maximum limit of 730 days. Provisions are made on accrual basis.

3.9 Financial instruments

3.9.1 Financial assets

Financial assets are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transaction costs.

For the purpose of subsequent measurement, financial assets of the Company are classified into the followings:

3.9.1.1 Financial assets at amortized cost

Assets that are held for collection of contractual cash flows where those cash flow represents solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognised directly in statement of profit or loss.

3.9.1.2 Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3.9.1.3 Financial assets at fair value through statement of profit or loss

Assets that do not meet the criteria for amortized cost or fair value through other comprehensive income are measured at fair value through statement of profit or loss.

Changes in fair value of financial assets are normally recognised in statement of profit or loss. However, change in fair value of financial instruments measured at fair value through OCI are subsequently measured through OCI.

3.9.1.4 Financial assets - Derecognition

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. Any gain or loss on the de-recognition of the financial assets is included in the statement of profit or loss for the period in which it arises.

Assets that are not contractual in nature and that are created as a result of statutory requirements imposed by the Government are not the financial instruments of the Company.

3.9.1.5 Impairment of financial assets

The Company recognizes an allowance for expected credit losses ("ECL") for all debt instruments, excluding due from the Government, not held at fair value through statement of profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-months ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Company may consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

For bank balances, the Company applies a simplified approach in calculating ECLs based on lifetime expected credit losses. The Company reviews internal and external information available for each bank balance to assess expected credit loss and the likelihood to receive the outstanding contractual amount. The expected credit losses are recognized in the statement of profit or loss.

Financial assets due from the Government of Pakistan are assessed at each reporting date to determine whether there is any objective evidence that they are impaired. A financial asset due from the Government of Pakistan is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

3.9.2 Financial liabilities

Financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortized cost are initially measured at fair value less transaction costs. Financial liabilities at fair value through statement of profit or loss are initially recognised at fair value and transaction costs are expensed in statement of profit or loss.

Financial liabilities, other than those at fair value through statement of profit or loss, are subsequently measured at amortized cost using the effective yield method. Financial liabilities at fair value through statement of profit or loss are subsequently measured at fair value.

3.9.2.1 Financial liabilities - Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in statement of profit or loss.

3.10 Offsetting of financial assets and financial liabilities

A financial asset and financial liability is offset and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to set off the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.11 Loans and borrowings

Loans and borrowings are classified as 'financial liabilities at amortized cost'. On initial recognition, these are measured at fair value at the date the liability is incurred, less attributable transaction costs. Subsequent to initial recognition, these are measured at amortized cost with any difference between cost and redemption value recognized in the statement of profit or loss over the period of the borrowings on an effective interest basis.

Preference shares which are convertible at the option of the holders into variable number of equity instruments and represents a contractual obligation are classified as financial liabilities. The dividend on preference shares is recognized in the statement of statement of profit or loss as finance cost and payable is charged as current liability.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Further, liability is not classified as current only because the counted party has an option to require settlement within twelve months in equity instruments issued by the entity.

Finance costs are accounted for on an accrual basis and are included in mark-up accrued on borrowings to the extent of amount remaining unpaid.

3.12 Ijarah

Ijarah financing where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under such leases (net of any incentives received from the lessor) are charged to statement of profit or loss on a straight-line basis over the lease term unless another systematic basis is representative of the time pattern of the Company's benefit.

3.13 Trade and other payables

Trade and other payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the amount is due within one year or less (or in the normal operating cycle of the business, if longer). If not, they are presented as non current liabilities.

Liabilities for trade and other payables are carried at fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Company. Subsequently, these are measured at amortized cost. Exchange gains and losses arising on translation in respect of liabilities in foreign currency are added to the carrying amount of the respective liabilities.

3.14 Provisions and contingencies

Provisions are recognized when the Company has a legal and constructive obligation as a result of past events and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provision is recognized at an amount that is the best estimate of the expenditure required to settle the present obligation at the reporting date. Where outflow of resources embodying economic benefits is not probable, a contingent liability is disclosed, unless the possibility of outflow is remote.

3.15 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, net of returns allowances, trade discounts and rebates, and represents amounts received or receivable for goods and services provided and other operating income earned in the normal course of business. Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the Company, and the amount of revenue and the associated costs incurred or to be incurred can be measured reliably and there is no continuing management involvement with the goods.

- Revenue from sale of goods is recognized when risks and rewards incidental to the ownership of goods are transferred to the buyer.
- Return on deposit is accrued on a time proportion basis by reference to the principal outstanding and applicable rate of return.

Government subsidy on sale of fertilizer is recognized when the right to receive such subsidy is established and the underlying conditions are met. Government subsidy is deducted from cost of sales (fuel and power).

3.16 Government grants

Government grants are recognized when there is reasonable assurance that they will be received and that the Company will comply with the conditions associated with the grant. Grants related to future expenditure are initially recognized as deferred income. Subsequent to initial recognition grants related to assets are recognized in profit or loss on a systematic basis over the useful life of the assets whereas grants relating to income are recognized in profit or loss on a systematic basis in the same period in which related expenses are recognized.

Grants that compensate the Company for expenses or losses already incurred are recognized in profit or loss in the period in which these become receivable.

Government grants other than related to a biological asset are initially recognised as deferred income at fair value if there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant; they are then recognised in statement of profit or loss as other income on a systematic basis over the useful life of the asset.

Grants that compensate the Company for expenses incurred are recognised in statement of profit or loss on a systematic basis in the same period in which the expenses are recognised.

3.17 Taxation

Current tax

Current tax is the amount of tax payable on taxable income for the year, using tax rates enacted or substantively enacted by the reporting date, and any adjustment to the tax payable in respect of previous years arising from assessment framed during the year for such years. Provision for current tax is based on current rates of taxation in Pakistan after taking into account tax credits, rebates and exemptions available, if any. The amount of unpaid income tax in respect of the current or prior periods is recognised as a liability. Any excess paid over what is due in respect of the current or prior periods is recognized as an asset.

Deferred tax

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. However, the deferred tax is not recognized for:

- Temporary differences arising on the initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction neither affects accounting nor taxable profit or loss; and
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences and carry-forward of unused tax losses and tax credits, to the extent that it is probable that future taxable profits will be available against which they can be utilized.

Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilized. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax is charged in the statement of profit or loss, except in the case of items charged to other comprehensive income or equity in which case it is included in other comprehensive income or equity.

3.18 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by adjusting basic EPS by the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit or loss attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

3.19 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of cash flow statement cash and cash equivalents comprise of cash in hand, cash at banks and outstanding balance of running finance facilities availed by the Company.

3.20 Foreign currency transactions

Foreign currency transactions are translated into Pak Rupees which is the Company's functional and presentation currency using the exchange rates approximating those prevailing at the date of the transaction. All monetary assets and liabilities in foreign currencies are translated into Pak Rupees using the exchange rate at the reporting date. Exchange gains and losses resulting from the settlement of such transactions and from the translations at the year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in statement of profit or loss. All non-monetary assets and liabilities are translated in Pak Rupees using the exchange rates prevailing on the date of transaction or at the date when the fair value was determined.

3.21 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Company that makes strategic decisions.

3.22 Redeemable preference shares

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are taken to the income statement as finance expense.

3.23 Short term investments

Short term investments with fixed or determinable payments and fixed maturity, which the company has the positive intent and ability to hold to maturity, are carried at amortized cost, using the effective interest rate method less impairment losses, if so determined.

	Note	2024 Rupees	2023 Rupees
4 Authorized share capital			
<i>Ordinary shares of Rs. 10 each</i>			
600,000,000 (2023 : 600,000,000) class A shares	4.1	6,000,000,000	6,000,000,000
200,000,000 (2023 : 200,000,000) class B shares	4.2	2,000,000,000	2,000,000,000
200,000,000 (2023 : 200,000,000) class C shares	4.3	2,000,000,000	2,000,000,000
		10,000,000,000	10,000,000,000
<i>Preference shares of Rs. 10 each</i>			
500,000,000 (2023 : 500,000,000) shares	4.4	5,000,000,000	5,000,000,000
2,000,000,000 (2023 : 2,000,000,000) shares	4.5	20,000,000,000	20,000,000,000
		25,000,000,000	25,000,000,000
		35,000,000,000	35,000,000,000

- 4.1 Class A ordinary shares include all ordinary shares of the Company other than non-voting ordinary shares and restrictive rights voting ordinary shares, having all rights and privileges, including voting rights as provided in the Companies Act, 2017.
- 4.2 Class B ordinary shares are restrictive rights voting ordinary shares that have the restricted or disproportionate rights and privileges.
- 4.3 Class C ordinary shares are non-voting ordinary shares of the Company that do not have any voting rights attached thereto and do not have any rights to receive notice of, attend, or vote at a general meeting of the Company, however, holders of such shares shall have all other rights of ordinary shares, including right to dividend and to share in the assets of the Company in event of its winding up.
- 4.4 This represents local currency, listed, non-voting, redeemable, convertible and cumulative preference shares.
- 4.5 This represents local currency, non-listed, limited voting, non convertible, redeemable and cumulative preference shares.

	Note	2024 Rupees	2023 Rupees
5 Issued, subscribed and paid-up ordinary share capital			
Class A ordinary shares of Rs. 10 each			
415,645,119 (2023 : 383,430,000) shares issued fully paid in cash		4,156,451,190	3,834,300,000
9,000,000 (2023 : 9,000,000) shares issued for consideration other than cash		90,000,000	90,000,000
	5.1	4,246,451,190	3,924,300,000

- 5.1 Ordinary shares of the Company held by associated undertakings at year end are as follows:

	2024 (Percentage held)	2023	2024 (Number of shares)	2023
Fauji Fertilizer Company Limited	28.86%	0.00%	122,541,093	-
National Bank of Pakistan	0.00%	27.01%	-	106,014,632
Combined shareholding of Maple Leaf Cement Factory (MLCF) & Maple Leaf Capital Limited (MLCL)	24.28%	9.85%	103,120,701	38,670,001
Faysal Bank Limited (ceased to be related party w.e.f. 22nd July 2024)	4.19%	4.56%	17,793,012	17,914,040
Askari Bank Limited	4.68%	4.21%	19,864,897	16,512,082
Pak China Investment Company Limited (ceased to be related party w.e.f. 22nd July 2024)	1.52%	3.02%	6,475,000	11,832,836
Bank Makramah Limited (Formerly: Summit Bank Limited) (ceased to be related party w.e.f. 22nd July 2024)	0.00%	0.00%	1,000	1,000

- 5.2 32,215,119 ordinary shares were issued to Bank Alfalah Limited as a result of conversion of convertible preference shares held by Bank Alfalah. (Refer Note 10.2 for details of the conversion.)
- 5.3 Subsequent to the year-end, FFC, in collaboration with Fauji Foundation, acquired 51,668,158 shares of AGL, resulting in a combined total shareholding of 41.02%.
- 5.4 Subsequent to the year-end, MLCF acquired 81,641,635 shares of AGL, bringing the combined shareholding of MLCF and MLCL in AGL to 43.51%.

	2024 Rupees	2023 Rupees
6 Reserves		
Revenue reserve	9,000,000	9,000,000
7 Surplus on revaluation of property, plant and equipment - net of tax		
Revaluation surplus as at 01 January	44,230,992,970	45,503,574,556
Surplus arising during the year on revaluation of:		
- freehold, land, building, plant and machinery	-	-
Surplus transferred to accumulated losses on account of:		
- incremental depreciation charged during the year	(1,272,581,586)	(1,272,581,586)
- disposal of assets during the year	(116,507,664)	-
	(1,389,089,250)	(1,272,581,586)
Revaluation surplus as at 31 December	42,841,903,720	44,230,992,970
Less: deferred tax liability on revaluation surplus as at 01 January	11,232,848,752	11,601,897,412
Reduction in deferred tax liability due to:		
- incremental depreciation charged during the year	(369,048,660)	(369,048,660)
- surplus related to disposal during the year	(33,787,223)	-
Deferred tax liability on revaluation surplus as at 31 December	10,830,012,869	11,232,848,752
Revaluation surplus as at 31 December - net	32,011,890,851	32,998,144,218

7.1 The Company's freehold land, buildings on freehold land, residential colony assets, plant and machinery and electrical installations (owned) were revalued by Iqbal A. Nanjee & Co. (Pvt) Ltd. , an independent valuer not connected with the Company and approved by Pakistan Banks' Association (PBA) in "any amount" category, resulting in surplus of Rs. 14,091 million at 31 December 2022. Land was revalued on the basis of prevailing market value and buildings have been revalued on the basis of replacement value. The forced sale value of freehold land, buildings on freehold land, plant and machinery, electrical and other installations and residential colony assets was Rs. 5,886.8 million, Rs. 1,551.45 million, Rs. 44,212.5 million, Rs. 374 million respectively. The basis of revaluation for items of these fixed assets were as follows:

Freehold land

Property brokers, dealers and estate agents were contacted to ascertain the asking and selling prices for properties of the same nature in the immediate neighbourhood and adjoining areas. Neighbouring properties which have been recently sold or purchased, were investigated to ascertain a reasonable selling / buying price. Properties that were up for sale were examined for asking price. An average of the above values was then assigned to the property.

Buildings on freehold land

Construction specifications were noted for each building and structure and current construction rates were used to obtain replacement values of buildings, to which a depreciation formula was applied, based upon the Company's estimates of balance life to arrive at the current assessed value.

Residential colony assets

Construction specifications were noted for each residential colony's building and structure and current construction rates were used to obtain replacement values of buildings, to which a depreciation formula was applied, based upon the Company's estimates of balance life to arrive at the current assessed value.

Plant machinery electrical and other installations

Plant machinery electrical and other installation have been evaluated / assessed by keeping in view their present physical condition, the remaining useful life / economic life and technological obsolescence. Further, new replacement values were arrived by using current local and foreign market values for the similar type of plant and machinery. These current local and foreign market values were taken into account on basis of technical obsolescence, efficiency, maintenance, replacement and other related factors involved.

	Note	2024 Rupees	2023 Rupees
8 Redeemable capital - secured			
Privately Placed Term Finance Certificates	8.1	3,706,686,309	3,170,409,622
		3,706,686,309	3,170,409,622
Current maturity presented under current liabilities		-	-
		3,706,686,309	3,170,409,622

- 8.1 The Company is in the process of issuing these instruments in pursuance of approved Scheme of Arrangements. These instruments carry zero mark-up / profit and are payable to the instrument holders in the form of a bullet payment by the end of December 2026.

	Zero Coupon PPTFCs	
 Rupees	
	2024	2023
Principal	5,066,725,000	5,066,725,000
Less: Present value adjustment	(1,360,038,691)	(1,896,315,378)
	3,706,686,309	3,170,409,622

These instruments are to be secured by way of:

- First pari passu hypothecation charge over all present and future fixed assets of the company with a 20% margin;
- Equitable and token Registered Mortgage over immovable fixed assets (including land and building) of the Company with a 20% margin.

- 8.2 In December 2023 financials, SUKUKs amounting to Rs. 1,464,330,000 were disclosed as part of redeemable capital. Initially, SUKUKs were planned to be issued under the scheme. However, after consultations with concerned lenders, the Company has opted to proceed with the issuance of PPTFCs only. Consequently, no SUKUKs will be issued, and their respective amounts have been included in PPTFCs.

- 8.3 Currently, the Company is in process of issuances of PPTFCs by executing agreements.

- 8.4 Subsequent to the year-end, FFC and MLCF acquired significant allotments of these PPTFCs, resulting in the allocation of 256,361 PPTFCs (25.3%) to FFC and 169,366 PPTFCs (16.71%) to MLCF.

	2024	2023
	Rupees	Rupees
9 Long term finances - secured		
Long term financing	510,374,987	-
Current maturity presented under short term borrowings	(132,117,894)	-
	378,257,093	-

- 9.1 This represents present value of running finance facilities settled with short term lenders. The settled amount is repayable in 3 to 7 years' period in equal bi-annual installments. These are interest free.

	2024	2023
	Rupees	Rupees

10 Convertible, redeemable preference shares

	<i>Note</i>	2024	2023
		Rupees	Rupees
<i>Preference shares of Rs. 10 each</i>			
148,450,783 (2023: 159,334,269)	10.1	1,484,507,830	1,593,342,690
shares issued fully paid in cash			

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

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

Each Investor will also have the right to convert their 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 right 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, Conversion Date means the date falling ninety (90) days after completion of each financial year of the Company commencing not earlier than the fifth (5th) anniversary of the completion date.

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

- 10.2** During the year, the Company received a notice from Bank Alfalah Limited for conversion of 10.88 million preference shares into 32,215,119 ordinary shares. Accordingly, the company has issued new 32,215,119 ordinary shares to Bank Alfalah Limited.
- 10.3** Subsequent to the reporting date, the Company received a notice from FFC, MLCF, Askari Bank Limited, JS Bank Limited has given notice for the conversion of preference shares into ordinary shares of the Company. The Company is in the process of making necessary arrangements for the said conversion. After this conversion the remaining preference shares will be 20,608.
- 10.4** Preference shares held by related / associated undertakings as at 31st Dec 2024 are as follows:

	2024	2023
	--- (Number of shares) ---	
Fauji Fertilizer Company Limited	77,998,586	-
National Bank of Pakistan	-	61,748,756
Maple Leaf Cement Factory Limited	16,249,831	-
Askari Bank Limited	18,322,418	18,322,418
Faysal Bank Limited(<i>ceased to be a related party w.e.f. 22nd July 2024</i>)	31,035,594	31,035,594
	143,606,429	111,106,768

- 10.4.1** Subsequent to 31 Dec 2024, MLCF has acquired further 31,035,594 convertible preference shares previously held by Faysal Bank Limited.

	Note	2024 Rupees	2023 Rupees
11 Non convertible, redeemable preference shares			
<i>Preference shares of Rs. 10 each</i>			
1,854,269,750 (2023: 1,854,269,750) shares	11.1	18,542,697,500	18,542,697,500

- 11.1** 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 Honourable 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.

- 11.2** The Company completed all the legal formalities related to issuance of preference shares during the year and 1,852,787,469 no. of preference shares out of total issue size of 1,854,269,750 were inducted in CDS of CDC.

- 11.3** Preference shares of the Company issued to associated undertakings are as follows:

	Note	2024 --Number of shares--
Fauji Fertilizer Company Limited (FFC)	11.3.1	438,651,233
Maple Leaf Cement Factory Limited (MLCF)		71,046,092
Faysal Bank Limited(<i>ceased to be a related party w.e.f. 22nd July 2024</i>)		164,152,738
Bank Makramah Limited (Formerly: Summit Bank Limited) (<i>ceased to be a related party w.e.f. 22nd July 2024</i>)		55,202,302
Askari Bank Limited		89,845,743
Pak China Investment Company Limited (<i>ceased to be a related party w.e.f. 22nd July 2024</i>)		18,787,215
		837,685,323

- 11.3.1** This includes 248,639,905 preference shares previously held by National Bank of Pakistan (NBP), as disclosed by NBP and FFC on October 15, 2024.

- 11.4** Subsequent to year end, MLCF has acquired further 250,916,299 preference shares including preference shares previously held by Faysal Bank Limited and others.

	Note	2024 Rupees	2023 Rupees
12 Deferred Liabilities			
Staff retirement benefits	12.1	-	6,270,448
Deferred taxation - net	12.2	9,748,041,961	10,321,838,717
		9,748,041,961	10,328,109,165

12.1 Staff retirement benefits

The latest actuarial valuation of the Company's defined benefit plan was conducted on 31 December 2024 using projected unit credit method. During the year, defined benefit plan assets are established and classified under Note 25. Detail of (rights)/ obligation for defined benefit plan is as follows:

	Note	2024 Rupees	2023 Rupees
Staff retirement benefits	12.1.1	(12,415,700)	6,270,448
12.1.1 Statement of financial position liability			
Present value of defined benefit obligations	12.1.3	150,999,060	143,188,053
Fair value of plan assets	12.1.4	(173,536,902)	(155,322,231)
Benefits due but not paid during the year		10,122,142	18,404,626
Net (assets)/ liability		(12,415,700)	6,270,448
12.1.2 Movement in net liability			
Net liability as at 01 January		6,270,448	2,613,321
Charge to statement of profit or loss for the year		9,115,720	7,603,636
Charge to statement of comprehensive income for the year		(26,634,804)	(3,658,509)
Contributions made during the year		11,248,636	(288,000)
Net (assets)/ liability as at 31 December		-	6,270,448
12.1.3 Movement in the present value for defined benefit obligations is as follows:			
Present value of defined benefit obligations as at 01 January		143,188,053	123,522,857
Current service cost for the year		11,174,659	9,318,405
Past service cost		-	634,789
Interest cost for the year		21,691,027	17,209,339
Benefits paid during the year		(5,360,351)	(6,393,975)
Adjustment against opening payables		(42,623)	-
Benefits due but not paid during the year		(1,131,542)	(3,281,538)
Actuarial (gains) / losses on defined benefit obligation		(820,648)	231,499
Experience Adjustments		(17,699,515)	1,946,677
Present value of defined benefit obligations as at 31 December		150,999,060	143,188,053
12.1.4 Movement in fair value of plan assets is as follows:			
Fair value of plan assets as at 01 January		155,322,231	137,941,932
Expected return on plan assets for the year		23,749,966	19,558,897
Contribution made during the year		-	-
Benefits paid during the year		(13,649,936)	(8,015,283)
Return on plan assets, excluding interest income		8,114,641	5,836,685
Fair value of plan assets as at 31 December		173,536,902	155,322,231
12.1.5 Actual return on plan assets			
Expected return on plan assets		23,749,966	19,558,897
Actuarial losses on plan assets		8,114,641	5,836,685
		31,864,607	25,395,582
12.1.6 Fair value of plan assets is as follows:			
Shares of HBL		38,011	23,276
NIT Units		819,277	524,499
NAFA (NBP CDC)		168,217,699	151,904,169
Cash at banks		4,461,915	2,870,287
		173,536,902	155,322,231

	2024	2023
	-----Percentage-----	
12.1.7 Plan assets comprise of:		
Equity	0.49%	0.35%
Cash and T.Bills	99.51%	99.65%
	100.00%	100.00%
12.1.8 Charge for the year in statement of profit or loss		
Current service cost for the year	11,174,659	9,318,405
Past service cost (credit)	-	634,789
Interest cost for the year	21,691,027	17,209,339
Expected return on plan assets for the year	(23,749,966)	(19,558,897)
	9,115,720	7,603,636

	2024	2023
	Rupees	
12.1.9 Actuarial (gains) and losses recognized directly in statement of comprehensive income		
<i>Actuarial (Gains) / losses on present value</i>		
- Changes in financial assumptions	(820,648)	231,499
- Experience adjustments	(17,699,515)	1,946,677
	(18,520,163)	2,178,176
<i>Return on plan assets, excluding interest income</i>	(8,114,641)	(5,836,685)
Gains recognized during the year	(26,634,804)	(3,658,509)

12.1.10 Historical information

Comparison of present value of defined benefit obligation, the fair value of plan assets and the deficit of gratuity fund for five years is as follows:

	31 December 2024	31 December 2023	31 December 2022	31 December 2021	31 December 2020
	-----Rupees-----				
Present value of defined benefit obligations	150,999,060	143,188,053	123,522,857	121,656,108	122,822,808
Fair value of plan assets	(173,536,902)	(155,322,231)	(137,941,932)	(125,049,834)	(116,881,801)
Benefits due but not paid during the year	10,122,142	18,404,626	17,032,396	18,615,831	989,306
(Surplus) / Deficit in the plan	(12,415,700)	6,270,448	2,613,321	15,222,105	6,930,313
Experience adjustment arising on plan liabilities	(17,699,515)	1,946,677	(10,891,440)	840,699	3,764,758
Experience adjustment arising on plan assets	-	-	-	1,691,509	3,519,181

12.1.11 Assumptions used for valuation of defined benefit plan

	2024	2023
Discount rate used for interest cost	11.00%	14.50%
Discount rate used for year ended obligation	12.00%	15.50%
Expected rates of salary increase in future	11.00%	14.50%
Expected mortality rate	SLIC 2001-2005 Setback 1 Year	SLIC 2001-2005 Setback 1 Year
Retirement assumption	60 years	60 years

12.1.12 The Plan exposes the Company to the actuarial risks such as:

Salary risks

The risk that the final salary at the time of cessation of service is greater than what was assumed. Since the benefit is calculated on the final salary, the benefit amount increases similarly.

Mortality / withdrawal risks

The risks that the actual mortality / withdrawal experiences is different from what was assumed. The effect depends upon beneficiaries' service / age distribution and the benefit.

Investment risks

The risk of the investment underperforming and not being sufficient to meet the liabilities. This is managed by formulating an investment policy and guidelines based on which investments are made after obtaining approval of trustees of funds.

12.1.13 In this funded plan, it is ensured that the long-term investments are in line with the obligation under the retirement benefit plan. Duration and the expected yield of the investments are matched with the expected cash outflows arising from the retirement benefit plan obligations. The process used to manage its risks has not been changed from previous periods. Investments are well diversified.

12.1.14 The expected return on plan assets was determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the statement of financial position date. Expected return on equity investments reflect long-term real rates of return experienced in the market.

12.1.15 Gratuity scheme entitles the members to gratuity on resignation, termination, retirement, early retirement, retrenchment, death and dismissal based on the Company's Service rules. Gratuity is based on the last month basic salary for each year of service.

12.1.16 Sensitivity analysis

If the significant actuarial assumptions used to estimate the define benefit obligation at the reporting date, had fluctuated by 100 bps with all other variables held constant, the present value of the defined benefit obligation as at 31 December 2024 would have been as follows:

	Gratuity	
	Impact on present value of defined benefit obligation	
	2024	2023
Rupees.....	
Discount rate + 100 bps	140,095,147	132,504,260
Discount rate - 100 bps	163,225,333	155,173,368
Future salary increase + 100 bps	163,366,437	155,311,698
Future salary increase - 100 bps	139,779,825	132,201,031

12.1.17 The average duration of the defined benefit obligation is 8 years (2023: 8 years)

12.1.18 Future contribution

	2024	2023
	Rupees	Rupees
Expected employer contributions to the plan for the next financial year		8,353,173

12.1.19 Maturity analysis of defined benefit obligation

	2024	2023
	Rupees	Rupees
Maturity ≤ 1 year	6,186,501	6,464,197
Maturity > 1 ≤ 5 years	50,068,925	49,835,505
Maturity > 5 ≤ 10 years	174,660,495	171,829,089
Maturity > 10 years	873,535,493	1,731,007,020

	Note	2024 Rupees	2023 Rupees
12.2	Deferred taxation - net		
	The liability for deferred taxation comprises temporary differences relating to:		
	<i>Deferred tax liability arising on:</i>		
	Accelerated tax depreciation/Amortization Allowances	5,682,836,517	5,762,451,805
	Revaluation of fixed assets	10,830,080,977	11,232,916,860
	Provision for gratuity	3,600,553	-
	<i>Deferred tax asset arising on:</i>		
	Provision for trade debts	(12,515,953)	(12,526,895)
	Provision for gratuity	-	(1,818,430)
	Unabsorbed tax losses	(6,755,960,133)	(6,659,184,623)
		9,748,041,961	10,321,838,717

12.2.1 Tax losses on account of unabsorbed depreciation and amortization amounting to Rs. 23,296 million (2023: Rs. 22,963 million) is available to the Company's credit. Deferred tax asset in respect thereof has been recognized as availability of sufficient taxable profits in future tax years to absorb these losses is expected on the basis of business plan as discussed in Note 2.2.

Business losses amounting to Rs. 3,125 million (2023: Rs. 3,977 million), minimum tax paid u/s 113 of the Income Tax Ordinance, 2001 amounting to Rs. 1,096.4 million (2023: Rs. 875.7 million) and provision of subsidy receivable amounting to Rs. 500 million (2023: 215 million) are also available to the Company.

12.2.2 Deferred tax has been recognized at rates enacted at the reporting date at which these are expected to be settled / realized.

12.2.3 Movement in deferred tax balances is as follows:

2024				
Charge to / (reversal from)				
	Opening balance	Profit and loss	Equity	Closing balance
	------(Rupees)-----			
Deferred taxation				
<i>Taxable / (deductible) temporary difference</i>				
Accelerated tax depreciation / amortization allowances	5,762,451,805	(79,615,288)	-	5,682,836,517
Surplus on revaluation of fixed assets	11,232,916,860	(402,835,883)	-	10,830,080,977
Trade debts	(12,526,895)	10,942	-	(12,515,953)
Provision for gratuity	(1,818,430)	(2,305,110)	7,724,093	3,600,553
Unused tax losses	(6,659,184,623)	(96,775,510)	-	(6,755,960,133)
	10,321,838,717	(581,520,849)	7,724,093	9,748,041,961
2023				
Charge to / (reversal from)				
	Opening balance	Profit and loss	Equity	Closing balance
	------(Rupees)-----			
<i>Taxable / (deductible) temporary difference</i>				
Accelerated tax depreciation / amortization allowances	5,791,486,271	(29,034,466)	-	5,762,451,805
Surplus on revaluation of fixed assets	11,601,965,518	(369,048,658)	-	11,232,916,860
Trade debts	(12,565,698)	38,803	-	(12,526,895)
Provision for gratuity	(757,863)	(2,121,535)	1,060,968	(1,818,430)
Unused tax losses	(6,507,105,534)	(152,079,089)	-	(6,659,184,623)
	10,873,022,694	(552,244,945)	1,060,968	10,321,838,717

13 Short term borrowings - secured

These represent short term finances utilized under mark-up arrangements from banking companies.

	2024 Rupees	2023 Rupees
<i>Secured:</i>		
Running finance	1,302,065,539	2,529,477,350
Finance against trust receipt	75,695,851	88,528,540
Istisna / Salam	441,834,097	516,738,065
Demand finance	78,393,247	91,683,224
Bills payable	159,918,994	187,030,000
	2,057,907,728	3,413,457,179

13.1 Particulars of borrowings

Interest / mark-up based financing	1,616,073,631	2,896,719,114
Islamic mode of financing	441,834,097	516,738,065
	2,057,907,728	3,413,457,179

13.2 These short term financing facilities have been obtained from various banking companies under mark-up / shariah based arrangements to meet working capital requirements and are secured by charge over present and future current assets of the Company.

These financing facilities carry mark-up at rates ranging from one to six months KIBOR plus a spread of 1.00% to 2.75% per annum (2023: one to six months KIBOR plus a spread of 1.00% to 2.75% per annum), payable on quarterly and semi-annually basis.

The aggregate available short term funded facilities amount to Rs. 200 million (2023: Rs. 200 million) out of which Rs. 200 million (2023: Rs. 200 million) remained un-availed as at the reporting date. These funded facilities are secured by way of charge over current assets of the company. Out of total sanction facilities, facilities amounting to Rs. 1,897.98 million (2023: Rs. 3,183.9 million) were not renewed up till reporting date.

At the reporting date, principal and interest amounting to Rs. 2,057.91 million (2023: Rs. 3,226.42 million) and Rs. 2,747.60 million (2023: Rs. 2,511.48 million) respectively were overdue. (Refer Note 43.2.2 for details.)

Running finance facilities of Allied Bank Limited, Bank Makramah Limited and Bank Alfalah Limited have been settled and accordingly classified as long term borrowings.

13.3 Aggregate limits available for non-funded facilities amount to Rs. 1,386.5 million (2023: Rs. 986.5 million) out of which limits that remain unutilized as at reporting date amount to Rs. 903.076 million (2023: Rs. 630.67 million). These non-funded facilities mainly include limits for opening letter of credits, guarantees and bills discounting and are secured by lien over underlying documents and overall charge over current assets of the Company.

At the reporting date, bills and mark-up / interest amounting to Rs. 159.9 million (2023: Rs. 187.03 million) and Rs. 353.25 million (2023: Rs. 314.49 million) respectively were overdue.

13.4 As per the financing arrangements, the Company is required to comply with certain financial covenants and other conditions imposed by the providers of finance.

13.5 Asset held as collateral are disclosed in note 47 to these financial statements.

	Note	2024 Rupees	2023 Rupees
14 Trade and other payables			
Trade and other creditors	14.1	5,647,891,924	5,849,335,546
Accrued liabilities		522,179,983	437,086,638
Provident fund payable		-	1,141,459
Security deposits and retention money	14.2	22,276,114	19,262,525
Advances from customers	14.3	1,316,560,695	1,339,009,140
Tax deducted at source		2,816,589	11,153,269
Workers' Welfare Fund		25,951,900	25,951,900
Federal excise duty payable		155,459,067	211,199,398
Other payables		55,315,479	33,951,604
		7,748,451,751	7,928,091,479

14.1 This includes the followings:

- Payable to SNGPL, includes bills payable and GIDC.
- Supreme Court of Pakistan (SCP) through its judgment dated August 13, 2020 has declared GIDC Act, 2015 a valid legislation. Under the judgement, all gas consumers including Agritech were ordered to pay the outstanding GIDC liability as at July 31, 2020 to the Government in 24 equal monthly installments. GIDC was declared payable on the presumption that burden of same has been passed to the customers.

In this regard, Agritech along with other industries, filed a review petition before the SCP on the grounds that a factual determination may be carried out to determine how much of the GIDC burden has actually been passed on, amongst other grounds. Later on, SCP while deciding the review petition on November 2, 2020, disposed off the review petition against the gas consumers including Agritech and stated that the Government of Pakistan is agreeable to recover the arrears in 48 monthly installments instead of 24 monthly installments. Accordingly, related adjustment of amortization had been made in last year's financial statements.

During last year, the Company has also filed a petition with the Lahore High Court against collection of 48 GIDC installments, wherein Honorable Court restrained SNGPL from recovery of GIDC without determination of question pertaining to charging and collection of GIDC from consumers through a committee constituted in this behalf by SNGPL. Accordingly, the Company is not paying GIDC as per schedule.

The Company has also filed a Suit No: 2070 of 2020 before Sindh High Court at Karachi wherein Honorable High Court of Sindh has further restrained the SNGPL from recovering GIDC installments vide its order dated 27-09-2021.

However, pursuant to the above decisions of the SCP and without prejudice to the Writ pending in High Courts, the Company on prudent basis, has measured its GIDC liability payable to SNGPL (on behalf of the Government of Pakistan) at amortized cost which is in line with previous years' amortization schedule.

	2024 Rupees	2023 Rupees
14.1.1 GIDC Payable as on 31 Dec	3,040,811,856	3,040,811,856
Less accumulated PV adjustment as at 31 Dec	-	(26,920,257)
GIDC payable (net of discounting) as on 31 Dec	3,040,811,856	3,013,891,599
14.1.2 GIDC payable as on 31 Dec	3,040,811,856	3,013,891,599
Less transfer to non current portion	-	-
Balance current portion of GIDC payable	3,040,811,856	3,013,891,599

14.1.3 Late payment surcharge on GIDC amounting to Rs. 2,148.1 million (2023: Rs. 1465.8 million), is also payable to SNGPL on 31 December which is included in total payable due towards SNGPL.

14.2 These represent amounts received as security deposits from dealers and suppliers of the Company which are being maintained in a separate bank account.

14.3 Contract liabilities as at the beginning of the year, aggregating to Rs. 1,064 million (2023: Rs. 426.20 million) have been recognised as revenue upon meeting the performance obligations.

	2024 Rupees	2023 Rupees
15 Interest / mark-up accrued on borrowings		
Short term borrowings - secured	2,747,602,634	2,825,973,353
15.1 The overdue amounts of mark-up / interest are disclosed in Note 43.2.2.		
16 Preference dividend payable		
<i>Dividend on</i>		
Convertible, redeemable preference shares	2,191,296,243	2,081,905,784
Non convertible, redeemable preference shares	26,538,309,116	21,770,981,594
	28,729,605,359	23,852,887,378

This represents preference dividend payable on preference shares mentioned in Note 10 & 11. This includes payable to related parties amounting to Rs. 14,108.74 million.

17 Contingencies and commitments

17.1 Contingencies

17.1.1 Contingencies relating to Banks

- 17.1.1.1** During the year 2021, civil suit was filed by National Bank of Pakistan in the Honourable Lahore High Court (LHC) for recovery of Rs. 6,497 million including mark-up along with cost of funds and other charges. The legal advisor of the Company is of the view that this suit lacks merit as the instant suit was filed by the creditor, who agreed to the scheme of arrangement / restructuring, which has been sanctioned by LHC on June 3, 2022 C135 with effect from December 31, 2013.
- 17.1.1.2** During the year 2021, civil suit had been filed by Bank of Punjab in the Honourable Lahore High Court for the recovery of Rs. 3,301 million including mark-up along with cost of funds and other charges. Feeling aggrieved of the scheme of arrangement sanctioned by the Court, Bank of Punjab has filed an appeal (CPLA) before the Supreme Court of Pakistan in year 2022, the same is pending adjudication wherein no date of hearing has been fixed yet. The legal advisor expects a favourable outcome in this matter.
- 17.1.1.3** During the year 2022, a civil suit had been filed by Bank Makramah Limited (formerly: Summit Bank Limited) in the Honourable Lahore High Court for the recovery of Rs. 1,165 million including mark-up along with cost of funds and other charges. The legal advisor of the Company is of the view that this suit lacks merit as the instant suit was filed by the creditor, who agreed to the scheme of arrangement / restructuring, which has been sanctioned by LHC on June 3, 2022 with effect from December 31, 2013.
- 17.1.1.4** During the year 2022, a civil suit had been filed by JS Bank of Pakistan Limited in the Honourable Lahore High Court for the recovery of Rs. 2,880 million including mark-up along with cost of funds and other charges. The Company has filed PLA. The legal advisor review expects a good likelihood of success in this matter. The legal advisor of the Company is of the view that this suit lacks merit as the instant suit was filed by the creditor, who agreed to the scheme of arrangement / restructuring, which has been sanctioned by LHC on June 3, 2022 with effect from December 31, 2013.
- 17.1.1.5** During the year 2022, a civil suit has been filed by Silk Bank Limited in the Honorable Lahore High Court for the recovery of Rs. 780 million including mark-up along with cost of funds and other charges. The legal advisor of the Company is of the view that this suit lacks merit as the instant suit cannot be proceeded or tried as LHC has sanctioned the scheme of arrangement on January 03, 2022 with effect from December 31, 2013.
- 17.1.1.6** During the year 2022, a civil suit has been filed by Askari Bank Limited in the Honorable Lahore High Court for the recovery of Rs. 2,511 million including mark-up along with cost of funds and other charges. The Company has filed PLA. The legal advisor of the Company is of the view that this suit lacks merit as the instant suit cannot be proceeded or tried as LHC has sanctioned the scheme of arrangement on January 03, 2022 with effect from December 31, 2013.
- 17.1.1.7** During the year 2022, a civil suit has been filed by Unit Trust of Pakistan and JS Investment Company Limited in the Honorable Lahore High Court for the recovery of Rs. 333 million including mark-up along with cost of funds and other charges. The Company has filed PLA. The legal advisor of the Company is of the view that this suit lacks merit as the instant suit cannot be proceeded or tried as LHC has sanctioned the scheme of arrangement on January 03, 2022 with effect from December 31, 2013.
- 17.1.1.8** During the year 2022, a civil suit has been filed by JS Income Fund and JS Investment Company Limited in the Honorable Lahore High Court for recovery of Rs. 164 million including mark-up along with cost of funds and other charges. The Company has filed PLA. The legal advisor of the Company is of the view that this suit lacks merit as the instant suit cannot be proceeded or tried as LHC has sanctioned the scheme of arrangement on January 03, 2022 with effect from December 31, 2013.
- 17.1.1.9** During the year 2022, a civil suit has been filed by JS Infocom in the Civil Court Lahore for the recovery of Rs. 1,281 million including mark-up along with cost of funds and other charges. The legal advisor of the Company is of the view that this suit lacks merit as the instant suit cannot be proceeded or tried as the matter is in relation to scheme of arrangement sanctioned by LHC on June 03, 2022 with effect from December 31, 2013.
- 17.1.1.10** During the year 2022, a civil suit has been filed by The Federal Employees Benevolent & Group Insurance Funds (FEB&GIF) in the Civil Court Lahore for the recovery of Rs. 3,255 million including mark-up along with cost of funds and other charges. The legal advisor of the Company is of the view that this suit lacks merit as the instant suit cannot be proceeded or tried as the matter is in relation to scheme of arrangement was sanctioned by LHC on June 03, 2022 with effect from December 31, 2013.
- The Company filed a petition in 2015 for scheme of arrangement / restructuring and the same was sanctioned on 03 June, 2022 by the Honorable Lahore High Court. However, feeling aggrieved by the scheme of arrangement, the Federal Employees Benevolent & Group Insurance Funds (FEB&GIF) have filed appeals (CPLA) before the Supreme Court of Pakistan in year 2022. The same are pending for adjudication. The legal advisor expects a good likelihood of success in this matter and currently scheme is in process of implementation.
- 17.1.1.11** During the year 2022, a civil suit has been filed by JS Large Capital Fund in the Banking Court Lahore for the recovery of Rs. 17 million including mark-up along with cost of funds and other charges. The legal advisor of the Company is of the view that this suit lacks merit as the instant suit cannot be proceeded or tried. LHC has sanctioned the "Scheme" on June 03, 2022 with effect from December 31, 2013.
- 17.1.1.12** During the year 2023, a civil suit was filed by ALBaraka Bank Pakistan Limited in the Honourable Lahore High Court for the recovery of Rs. 289 million including mark-up with cost of funds and other charges. The legal advisor expects a favourable outcome in this matter.

17.1.2 Taxation Contingencies

17.1.2.1 Income tax return for tax year 30 June 2007 was filed under the self-assessment scheme declaring a taxable income of Rs. 615.75 million. Later on, the said return was revised resulting in declaration of loss amounting to Rs. 4,064.580 million. However, the Additional Commissioner Inland Revenue ("ACIR") amended the assessment under section 122(5A) of the Income Tax Ordinance, 2001 (the Ordinance) vide his order dated 30 June 2013 reducing assessed tax loss to Rs. 1,370.418 million and creating demand of Rs. 6.255 million. The Company being aggrieved preferred an appeal before the Commissioner Inland Revenue - Appeals (CIR (A)) on 18 July 2013 against the aforementioned order. The appeal was heard on 28 January 2014 and was decided in favor of the department. Resultantly, the Company preferred an appeal before Appellate Tribunal Inland Revenue ("ATIR") which passed the favorable order. The department has filed writ petition to the Honourable Lahore High Court which is pending for adjudication.

17.1.2.2 Income tax return for the tax year ended 30 June 2009 was filed under the self-assessment scheme. Subsequently, the Company filed a revised return declaring loss of Rs. 5,657.31 million and claiming refund of Rs. 140.27 million. However, the Additional Commissioner Inland Revenue ("ACIR") amended the assessment under section 122(5A) of the Income Tax Ordinance vide his order dated 30 January 2015 whereby creating a demand of Rs. 42.88 million.

The Company being aggrieved preferred an appeal before Commissioner Inland Revenue - Appeals (CIR (A)) on 16 June 2015. The case was decided by CIR (A) vide order no. 05 dated 05 April 2018 wherein demand of Rs. 22.11 million was deleted by CIR (A), against which an appeal effect order was passed. Being aggrieved, an appeal has been filed in Appellate Tribunal Inland Revenue ("ATIR") which is pending for fixation.

17.1.2.3 Income tax return for the tax year ended 30 June 2010 was filed under the self-assessment scheme. Subsequently, the company filed revised return declaring loss of Rs. 8,179 million and claiming refund of Rs. 69.027 million. Income tax audit was conducted by DCIR under section 214C of the Ordinance whereby assessment was amended under section 122(1)/122(5) of the Ordinance wherein various additions were made to the tune of Rs. 7,121 million.

The Company, being aggrieved, filed an appeal before CIR (A) who, vide Order No. 13 dated 12 June 2013 annulled the order of DCIR and deleted all additions amounting to Rs. 7,121 million. The tax authority preferred appeal before ATIR, Lahore which is pending for fixation.

17.1.2.4 Income tax return for the tax year ended 30 June 2013 was filed under the self-assessment scheme declaring tax loss for the year amounting to Rs. 21,700.62 million and refund of Rs. 109.38 million. Tax department initiated proceedings under section 161/205 of the Ordinance and demand was created to the tune of Rs. 3.82 million. The Company, being aggrieved, filed appeal before CIR (A) who vide its Order No. 01 dated 04 June 2020 passed ex-parte Order upholding the demand created by tax department. The Company, being aggrieved, filed an appeal before ATIR which is pending for adjudication.

The ACIR initiated proceedings under section 122 of the Ordinance for the amendment of assessment whereby passed Order under section 122(5A) of the Ordinance dated 25 June 2019 through which no demand was created, however, depreciation loss amounting to Rs. 1.8 billion was curtailed. The Company, being aggrieved, filed appeal before CIR (A) who vide order no. 50 dated 29 October 2021 annulled the order of ACIR with the direction to allow fair opportunity of being heard. The Company, being aggrieved, filed an appeal before ATIR which is pending for adjudication.

17.1.2.5 Income tax return for the tax year 2014 (starting from 01 July 2013 to 31 December 2013) was filed declaring tax loss for the period amounting to Rs. 457.10 million and tax refund amounting to Rs. 24.32 million. The Company was selected for audit through computerized random balloting by the tax department. DCIR passed order under section 122(1) of the Ordinance dated 31 October 2017 wherein loss was curtailed to Rs. 41.61 million and resultantly refunds come to Rs. 24.28 million. Being aggrieved, the Company filed an appeal before CIR (A) who vide order no. 21 dated 21 October 2021 upheld the order of DCIR. The Company, being aggrieved, filed an appeal before ATIR which is pending for adjudication.

Proceedings under section 161/236G and 236H of the Ordinance in respect of tax year 2014 was initiated by the department against the Company and a demand of Rs. 34.61 million was created by order dated 24 May 2017. The said demand has been adjusted against refunds of Tax Year 2016 vide adjustment memo dated 23 June 2017. However, the Company filed appeal to CIR (A) who has given partial relief subject to verification by Officer Inland Revenue. Therefore, the Company, being aggrieved, filed an appeal before ATIR which is pending for adjudication.

17.1.2.6 Income tax return for tax year 2015 was filed declaring loss of Rs. 4.074 billion and claiming a refund of Rs. 84.593 million.

Proceedings under section 161/236G and 236H of the Income Tax Ordinance, 2001 in respect of tax year 2015 was initiated by the department against the Company and a demand of Rs. 16.72 million was created by Order dated 24 May 2017. The Company filed an appeal in the office of Commissioner Inland Revenue Appeals-I who have confirmed the demand created by the department. The Company, being aggrieved, preferred an appeal before ATIR which confirmed the tax demand vide its order dated 24 May 2024 and remanded back the case to DCIR in respect of deletion of default surcharge subject to availability of tax refunds. Being aggrieved, the Company filed reference to the Honourable Lahore High Court, Lahore which is pending adjudication.

17.1.2.7 Income tax return for the tax year 2017 was filed, declaring a taxable income of Rs. 916.52 million (before the adjustment of losses and tax depreciation) and a taxable loss of Rs. 19.583 billion (after the adjustment of losses and tax depreciation).

The ACIR initiated proceedings under section 122 of the Ordinance. An order was passed under section 122(5A) of the Ordinance on 28 June 2023, through which no demand was created; however, a loss amounting to Rs. 9.170 billion was curtailed. The Company, being aggrieved, filed an appeal before the Commissioner of Inland Revenue (Appeals) who have confirmed the demand created by the department. The Company being aggrieved preferred an appeal with the Appellate Tribunal Inland Revenue which is pending for adjudication.

- 17.1.2.8** Income tax return for the tax year 2021 was filed declaring taxable income of Rs. 254.99 million (before the adjustment of losses and tax depreciation) and a taxable loss of Rs. 148.57 million (after the adjustment of tax depreciation and amortization). The ACIR initiated proceedings under section 122 of the Ordinance for the amendment of the assessment. An order was passed under section 122(5A) of the Ordinance on 20 Sep 2024, through which demand amounting to Rs. 25.13 million was created and loss was curtailed to Rs. 68.27 million. The Company, being aggrieved, filed appeal before ATIR which is pending adjudication.
- 17.1.2.9** Income tax return for the tax year 2022 was filed. The ACIR initiated proceedings under section 122 of the Ordinance to amend the assessment. An order was passed under section 122(5A) of the Ordinance on 27 June 2023 and additions were made to arrive at an income of Rs. 656.51 million from a loss of Rs. 1,755.64 million, and the refund was reduced from Rs. 95.07 million to Rs. 17.55 million. The Company, being aggrieved, filed appeal before CIR (A), however, due to promulgation of Tax Laws (Amendment) Act, 2024 this case has been transferred to ATIR which is pending for adjudication.
- 17.1.2.10** The Company was selected by Punjab Revenue Authority (PRA) for withholding tax proceedings under section 52 of the Punjab Sales Tax on Services Act, 2012 for tax period January 2015 to December 2021 wherein the DCIR passed Order and created demand of Rs. 101.67 million. The Company, being aggrieved has preferred appeal before the Commissioner Appeals PRA which is pending for adjudication.
- 17.1.2.11** The Company was selected by PRA for withholding tax proceedings under section 52 of the Act for tax periods July 2022 to June 2023 wherein the DCIR passed Order no. 24/2024 dated 08 April 2024 and created demand to the tune of Rs. 127 million. The Company, being aggrieved, preferred appeal before Commissioner Appeals PRA which is pending for adjudication.
- 17.1.2.12** The Company filed two tax refund claims for the tax periods July 2016 to December 2017 amounting to Rs. 306 million. Out of these refunds, the department sanctioned refunds of Rs. 135 million by providing refund payment orders whereas DCIR on the basis of STARR objections rejected refund amount of Rs. 171 million vide order no. 04/2024 dated 29 Feb 2024. Being aggrieved, the Company filed an appeal before CIR (A) which is pending for adjudication, however, due to promulgation of Tax Laws (Amendment) Act, 2024 this case has been transferred to ATIR which is pending for adjudication.
- 17.1.2.13** The DCIR passed an order dated 20 June 2023, for the adjustment of inadmissible input tax amounting to Rs. 1.85 million. Being aggrieved, the Company filed an appeal before CIR (A). The CIR (A) confirmed the demand raised by the department. The Company, being aggrieved, filed an appeal in ATIR which upheld the demand vide order dated 19 August 2024. The Company has filed reference to the Honorable Lahore High Court, Lahore.
- 17.1.2.14** The Company was selected for sales tax audit under section 72B/25 for tax period July 2010 to June 2011 of the Act wherein the DCIR passed Order by completing the audit proceedings and created demand to the tune of Rs. 4.60 million. The Company, being aggrieved, preferred appeal before CIR (A) who reduced the demand to the tune of Rs. 4.19 million vide order No. 06 dated 06 December 2013. Being aggrieved, the Company filed an appeal before ATIR, Lahore which is pending for adjudication.

Based on opinions of tax advisors handling income tax and sales tax litigations, the management believes that the Company has strong legal grounds against each case and that no financial liability is expected to accrue. Accordingly, no provision has been made in these financial statements.

17.1.3 Other Contingencies

- 17.1.3.1** The Company has filed a Civil Suit number 2341 before the Islamabad High Court impugning the decision of Government of Pakistan (Ministry of Industries, Production & Special Initiatives) dated 02 March 2007 wherein it was communicated that since the Company commenced its operations with effect from 13 September 1998 therefore the ten years period for the subsidised rate of feedstock gas under the '1989 Fertilizer Policy' shall end on 12 September 2008. The Company has contended that the Government granted subsidy to other fertilizer companies from the date of their "commercial operations" and is therefore bound under constitutional law to equal treatment and non-discrimination against the Company. The commercial operations of the Company commenced on 29 November 1999 therefore the subsidized period of ten years shall end on 28 November 2009. Through an order dated 09 September 2008 (passed in C. M. No. 697 of 2008), the Islamabad High Court restrained the Oil and Gas Regulatory Authority from notifying an increase in the (subsidized) feedstock gas price subject to Company depositing cash of Rs. 36 million and bank guarantee of Rs. 86.50 million with Islamabad High Court which was deposited by the Company. As per Islamabad High Court's stay order, the Company has been charged subsidised rate on feedstock gas from September 2008 to November 2009 which has a financial impact amounting to Rs. 740.8 million (2023: Rs. 740.8 million). Such case for the Company's eligibility to avail subsidised rate on feedstock gas has been dismissed during the year. The Company has filed an appeal against such order of dismissal dated 23 October, 2022 in Islamabad High Court which is pending for adjudication.
- 17.1.3.2** The Company had filed a suit against the recovery proceedings of WAPDA amounting to Rs. 2.24 million in the court of Senior Civil Judge Mianwali. During the pendency of case, G.M.(Operation) WAPDA withdrew the said bill, consequently the suit was withdrawn by the Company. In 2002, WAPDA again started recovery proceedings. The Company again approached Civil Court at Mianwali but the court dismissed Company's case on 02-June-2004. The Company preferred an appeal before Add. Distt. & Session Judge, Mianwali which was accepted vide order dated 12-1-2005. WAPDA preferred an appeal before the Lahore High Court, Lahore on 23-4-2005. Court had adjudicated the case in favor of the Company on 21-11-2015. WAPDA preferred an appeal in Supreme Court of Pakistan which is pending adjudication.
- 17.1.3.3** Certain cases against the Company are pending before labour courts, where the claim cannot be quantified and ascertained at this stage. The Company's legal advisors are confident that the ultimate outcomes of above mentioned cases will be in favour of the Company.

17.2 Commitments		<i>Note</i>	2024 Rupees	2023 Rupees
17.2.1	Commitments under irrevocable letters of credit for			
	- purchase of plant and machinery	43.3.1(a)	101,301,151	69,323,686
	- purchase of raw material		99,959,945	-
			201,261,096	69,323,686
17.2.2	Guarantees given by banks to Islamabad High Court on behalf of the Company in respect of litigation mentioned in Note 17.1.3.1 amounting to Rs. 86.50 million (2023: Rs. 86.50 million).			
18 Property, plant and equipment		<i>Note</i>	2024 Rupees	2023 Rupees
	Operating fixed assets	18.1	66,584,542,078	68,330,193,294
	Capital work in progress	18.2	109,712,414	5,401,971
			66,694,254,492	68,335,595,265

18.1

Operating fixed assets

	2024											
	Cost / revalued amount					Depreciation					Net book value	
	As at 01 January 2024	Additions	Disposals	As at 31 December 2024	Useful lives in years	As at 01 January 2024	For the year/ Adjustments	Disposals	As at 31 December 2024	As at 31 December 2024	Depreciation rate (% per annum)	
			Rupees					Rupees				
Owned assets												
Freehold land	7,756,385,800	-	-	7,756,385,800	-	-	-	-	-	7,756,385,800	Nil	
Building on freehold land	3,997,331,541	21,769,770	-	4,019,101,311	45	1,492,663,561	57,051,311	-	1,549,714,872	2,469,386,439	2-2.22	
Plant, machinery, electrical and other installations	101,518,767,234	39,250,198	(235,713,816)	101,322,303,616	4-45	43,693,776,418	1,795,984,474	(119,206,156)	45,370,554,736	55,951,748,880	2-25	
Residential colony buildings	80,415,384	-	-	80,415,384	45	27,223,647	1,945,259	-	29,168,906	51,246,478	1.4-30	
Road, bridges and culverts	88,742,859	1,461,792	-	90,204,651	50	31,007,162	1,757,689	-	32,764,851	57,439,800	2	
Furniture, fixtures and office equipment	179,676,485	31,518,640	(2,179,787)	209,015,338	3-10	133,527,245	22,007,968	(2,056,886)	153,478,327	55,537,011	10-33	
Vehicles and rail transport	191,065,232	106,131,531	(10,337,000)	286,859,763	5	130,291,508	22,800,973	(6,111,367)	144,981,114	141,878,649	20	
Tools and other equipment	171,532,950	3,342,630	(18,547)	174,857,033	3-10	155,149,560	2,008,371	(18,546)	157,139,385	17,717,648	10	
Plantation	296,476	-	-	296,476	-	296,476	-	-	296,476	-	10	
Books and literature	807,888	-	-	807,888	10	807,888	-	-	807,888	-	10	
Catalysts	286,053,276	88,187,095	-	374,240,371	3-6	276,138,366	14,900,632	-	291,038,998	83,201,373	20	
	114,271,075,125	291,661,656	(248,249,150)	114,314,487,631		45,940,881,831	1,918,456,677	(129,392,955)	47,729,945,553	66,584,542,078		

18.1.1 Title documents of land are in the name of Pak American Fertilizer Limited and Hazara Phosphate Fertilizer Limited.

18.1.2 Ownership of residential colony assets included in the operating fixed assets is shared by the Company jointly with Maple Leaf Cement Factory Limited in ratio of 245:101 since the time when both the companies were managed by Pakistan Industrial Development Corporation. These assets are in possession of residential colony establishment for mutual benefits.

	2023											
	Cost / revalued amount					Depreciation					Net book value as at 31 December 2023	Depreciation rate (% per annum)
	As at 01 January 2023	Additions	Disposals	As at 31 December 2023	Useful lives in years	As at 01 January 2023	For the year/ Adjustments	Disposals	As at 31 December 2023	As at 31 December 2023		
----- Rupees -----					----- Rupees -----							
Owned assets												
Freehold land	7,756,385,800	-	-	7,756,385,800	-	-	-	-	-	-	7,756,385,800	Nil
Building on freehold land	3,983,508,967	13,822,574	-	3,997,331,541	45	1,435,953,891	56,709,670	-	1,492,663,561	-	2,504,667,980	2-2.22
Plant, machinery, electrical and other installations	100,984,208,423	674,864,561	(140,305,750)	101,518,767,234	4-45	42,034,096,554	1,750,566,401	(90,886,537)	43,693,776,418	-	57,824,990,816	2-25
Residential colony buildings	80,415,384	-	-	80,415,384	45	25,239,396	1,984,251	-	27,223,647	-	53,191,737	1.4-30
Road, bridges and culverts	88,742,859	-	-	88,742,859	50	29,254,881	1,752,281	-	31,007,162	-	57,735,697	2
Furniture, fixtures and office equipment	165,227,519	15,865,923	(1,416,957)	179,676,485	3 - 10	127,843,265	6,857,662	(1,173,682)	133,527,245	-	46,149,240	10 - 33
Vehicles and rail transport	156,562,009	54,818,603	(20,315,380)	191,065,232	5	130,170,412	12,680,972	(12,559,876)	130,291,508	-	60,773,724	20
Tools and other equipment	166,782,950	4,750,000	-	171,532,950	3 - 10	153,477,820	1,671,740	-	155,149,560	-	16,383,390	10
Plantation	296,476	-	-	296,476	-	296,476	-	-	296,476	-	-	10
Books and literature	807,888	-	-	807,888	10	807,888	-	-	807,888	-	-	10
Catalysis	285,450,123	603,153	-	286,053,276	3 - 6	271,049,271	5,089,095	-	276,138,366	-	9,914,910	20
	113,668,388,398	764,724,814	(162,038,087)	114,271,075,125		44,208,189,854	1,837,312,072	(104,620,095)	45,940,881,831	-	68,330,193,294	

	Note	2024 Rupees	2023 Rupees
18.1.3 Allocation of depreciation charge			
Cost of sales	30	1,908,787,876	1,824,401,027
Administrative and general expenses	32	9,668,801	12,911,045
		1,918,456,677	1,837,312,072

18.1.4 Following are the carrying values of freehold land, buildings on freehold land, residential colony assets, electrical and other installations owned and leased plant and machinery that would have been included in the financial statements had the assets been carried under the cost model:

	2024 Rupees	2023 Rupees
Revalued Assets		
Freehold land	2,259,588,898	2,259,588,898
Buildings on freehold land	1,401,178,366	1,393,038,041
Residential colony building	29,411,412	36,573,088
Plant, machinery, electrical and other installations	19,693,030,441	20,197,371,215
	23,383,209,117	23,886,571,242

18.1.5 Particulars of immovable property (i.e. land and building) are as follows:

Location	Usage of Immovable Property	Total area (acres)	Covered Area (Square Feet)
Iskanderabad, Distt. Mianwali.	Housing colony, Farms and Manufacturing facility	1,547	1,344,675
Hattar Road, Haripur.	Housing colony and Manufacturing facility	58	461,227

18.1.6 Particulars of disposals of fixed assets are as follows:

Particulars	Cost/ Revalued	Accumulated Depreciation	Book Value Rs.	Sale Proceeds	Gain/(loss)	Mode of Disposal	Relationship	Party Name
LE-20-5277 Toyota Carolla GLI white	2,903,000	1,790,183	1,112,817	560,600	(552,217)	Buy back policy	Employee	Mr. Sana Ullah
LE-20-8687 Toyota Carolla GLI white	2,903,000	1,790,183	1,112,817	560,600	(552,217)	Buy back policy	Employee	Mr. Ahsan Hameed Khilji
First Economizer 13-E-06	23,609,246	10,514,842	13,094,404	-	(13,094,404)	Scrap	Nil	N/A
2nd Economizer 13-E-03	21,261,281	9,469,130	11,792,151	-	(11,792,151)	Scrap	Nil	N/A
Acid Circulation Tank 14-T-01	166,928,177	84,720,293	82,207,884	-	(82,207,884)	Scrap	Nil	N/A
Waste Heat Boiler 12-H-01	22,897,227	14,342,337	8,554,890	-	(8,554,890)	Scrap	Nil	N/A

18.2 Capital work in progress

	2024			
	As at 01 January 2024	Additions during the year	Transfers during the year	As at 31 December 2024
	----- Rupees -----			
Civil works	2,392,012	52,752,523	(24,251,690)	30,892,845
Plant, machinery & electric installations	3,009,959	60,529,526	(22,209,903)	41,329,582
Advances	-	53,574,599	(16,084,612)	37,489,987
	5,401,971	166,856,648	(62,546,205)	109,712,414
	2023			
	As at 01 January 2023	Additions during the year	Transfers during the year	As at 31 December 2023
	----- Rupees -----			
Civil works	6,966,358	6,448,298	(11,022,644)	2,392,012
Plant, machinery & electric installations	57,185,111	204,258,116	(258,433,268)	3,009,959
Advance LC for Gas turbine (machinery)	400,708,627	-	(400,708,627)	-
	464,860,096	210,706,414	(670,164,539)	5,401,971

	Note	2024 Rupees	Restated 2023 Rupees
19 Intangible assets			
Oracle computer software and implementation	19.1	143,915	431,759
Goodwill acquired in business combination	19.2.1	-	-
		143,915	431,759

19.1 Oracle computer software and implementation

	Note	2024 Rupees	2023 Rupees
Cost			
As at 01 January		43,718,942	43,718,942
Addition during the year		-	-
Accumulated amortization			
Opening amortization for the year	32	(43,287,183)	(42,999,339)
		(287,844)	(287,844)
		(43,575,027)	(43,287,183)
As at 31 December		143,915	431,759
Rate of amortization		25%	25%

19.1.1 The software represents financial accounting software which has been capitalized by the Company. The amortization of the software represents the total accumulated amortization charged till the reporting date and is fully amortized.

19.2 Goodwill acquired in business combination

19.2.1 Azgard Nine Limited ("ANL") acquired 100% shares in the Company on 15 July 2006, inclusive of shares offered to the employees of the Company, which were divested by the employees in favour of ANL. As permitted by the terms and conditions of privatization for the purpose of raising finance ANL formed a wholly owned subsidiary; Dominion Fertilizers (Private) Limited ("DFL"). By virtue of agreement ANL transferred 69.19% shares in the Company to DFL, which were later reverted back to ANL on merger of DFL into the Company under the court order dated 07 December 2006.

This goodwill represents the excess of purchase consideration paid by ANL to the Privatization Commission of Pakistan for acquisition of the Company over DFL interest in the fair value of identifiable net assets of the Company. The amount of goodwill was transferred to the Company on merger of DFL into the Company.

19.2.2 The recoverable amount of goodwill was assessed for impairment as of December 31, 2024, in accordance with IAS 36 Impairment of Assets, using the "value in use" approach. The goodwill was allocated to the respective assets to which it related. Based on the calculated recoverable amounts and management's internal assessment, it was determined that the goodwill should have been fully impaired in prior years. Consequently, as disclosed in Note 52.1, a 100% impairment of goodwill was recognized in previous years. The comparative amounts for intangible assets and accumulated losses for the financial years ended December 31, 2023, and December 31, 2022, have been restated accordingly in these financial statements.

	Note	2024 Rupees	2023 Rupees
20 Long term loans and advances - considered good			
Advances to employees - secured	20.1 & 20.2	41,090,617	31,974,948
Less: Current maturity presented under current assets	25	(13,991,586)	(7,383,326)
		27,099,031	24,591,622

20.1 These represent loans provided to the employees of the Company in accordance with the terms of their employment, under a scheme for house building, purchase of motorcycle/car and soft advances for different purposes. These loans are secured against future salaries and retirement benefits of the employees and in case of motorcycle/car title on the same. The outstanding amount at the end of the year is recoverable over a period of one to ten years. House building loan provided to employees is interest free, while motorcycle/car loan and soft advances carry mark-up at 10% per annum and 7% per annum, respectively.

20.2 This includes advances to executives amounting to Rs. 20.6 million (2023: Rs. 13.1 million). The movement is as follows:

	2024 Rupees	2023 Rupees
Balance as at 01 January	13,099,060	6,012,939
Advances given during the year	14,028,026	11,045,904
Recoveries during the year	(6,493,404)	(3,959,783)
Balance as at 31 December	20,633,682	13,099,060

The maximum aggregate amount outstanding during the year at the end of any month is Rs. 23.41 million (2023: Rs. 15.3 million).

	Note	2024 Rupees	2023 Rupees
21 Long term deposits - unsecured, considered good			
Security deposits with utility companies		60,949,562	54,949,437
22 Stores, spare parts and loose tools			
Stores		329,750,131	222,338,801
Spare parts		2,066,487,574	2,000,651,221
Loose tools		455,229	443,039
		2,396,692,934	2,223,433,061
23 Stock in trade			
Raw material	23.1	332,917,362	399,414,318
Packing material		43,361,810	27,462,787
Work in process		318,254,264	199,938,707
Finished goods	23.2	3,704,399,041	558,728,514
		4,398,932,477	1,185,544,326

23.1 This includes stock in transit amounting to Rs. nil (2023: Rs. 134.79 million).

23.2 This includes stock in transit amounting to Rs. 102.5 million (2023: Rs. nil).

	Note	2024 Rupees	2023 Rupees
24 Trade debts			
Considered good		45,796,140	-
Considered doubtful - unsecured		43,196,191	43,196,191
		88,992,331	43,196,191
Less: provision for doubtful trade debts	24.1	(43,196,191)	(43,196,191)
		45,796,140	-
24.1 Movement in provision for doubtful trade debts			
As at 01 January		43,196,191	43,196,191
Reversal of provision for the year - net of recoveries		-	-
As at 31 December		43,196,191	43,196,191

	Note	2024 Rupees	2023 Rupees
25 Advances, deposits, prepayments and other receivables			
Advances to suppliers - <i>considered good</i>	25.1	630,746,756	421,857,514
Advances to employees - <i>considered good</i>			
- against salaries and post employment benefits - secured	20	13,991,586	7,383,326
- against purchases and expenses		25,634,677	40,503,663
Deposit with High Court	17.1.3.1	36,000,000	36,000,000
Prepayments		25,228,943	7,194,615
Staff retirement benefits	12.1.1	12,415,700	-
Receivable from Government of Pakistan	25.2	1,346,250	1,346,250
Receivable from Government of Punjab	25.3	5,546,656	5,546,656
Sales tax receivable - net		2,973,757,306	2,976,542,972
Subsidies receivable	25.4	812,227,932	812,227,932
Other receivables	25.5	115,905,915	114,165,856
		4,652,801,721	4,422,768,784
Less: provision against doubtful advances and receivable	25.6	(502,663,733)	(217,663,733)
		4,150,137,988	4,205,105,051

25.1 This includes SBLC and other receivable from SNGPL amounting to Rs. 200 million (2023: Rs. 200 million) and Rs. 128.38 million (2023: Rs. 12.19 million) in respect of gas supply respectively.

25.2 This represents land acquired by the Government of Pakistan ("GOP") under the Land Acquisition Act, 1894 and rules thereon for infrastructure development including for Inland Water Transport Development Company ("IWTDC"). GOP has taken over the possession of the said land, however, transfer of land title in the name of GOP is in process at the reporting date.

25.3 This represents amount paid against demand notice issued by the Excise & Taxation Department. The Company has argued before the Honourable High Court that there is no property tax on property located in rural area. The case is pending for adjudication.

	Note	2024 Rupees	2023 Rupees
25.4 Subsidies receivable -related party			
- from Ministry of Food, Agriculture and Livestock	25.4.1	550,823,960	550,823,960
- from Ministry of National Food Security and Research	25.4.2	261,403,972	261,403,972
		812,227,932	812,227,932

25.4.1 This represents receivable from Government of Pakistan against subsidy granted by Ministry of Food, Agriculture, and Livestock ("MINFAL") amounting to Rs. 550.82 million (2023 : Rs. 550.82 million) through letter No. F-4-13/2000-Fert dated 05 September 2008, on Phosphatic and Potassic Fertilizer ("PPF") at the rate of Rs. 19,120 per metric ton. The Company being a producer of PPF, was entitled to the same subsidy for the period commencing on 05 September 2008 and ending on 14 April 2009. However, on 14 April 2009 subsidy regime was withdrawn by MINFAL with retrospective effect from 31 December 2008 which was contended by the Company through filing a legal suit in the Court of 1st Class Civil judge ("the Court") for recovery of subsidy relating to the period from 01 January 2009 to 14 April 2009, on the grounds that the Company had priced and sold its product in said period based on bonafide belief and legitimate expectation that subsidy regime was available and therefore the Company is entitled to the payment of aforesaid amount being the sum of the subsidy claim for said period along with mark-up. In the year 2017, an ex-parte decision for recovery of subsidy claim along with mark-up was given in favor of the Company by the Court. Based on the above decision, the management is pursuing its claim with the concerned authorities. Provision amounting to Rs. 500 million has been made against this receivable in these financial statements. However, management is confident of recovering the full amount from GOP.

25.4.2 This includes the followings:

- Subsidy amounting to Rs. 16.40 million (2023: Rs. 16.40 million) at the rate of Rs. 196/- per 50 kg bag of SSP Fertilizer sold (based on phosphorous content) as notified by Ministry of National Food Security and Research ("MNFSR"), Government of Pakistan through Notification F.No. 1-11/2012/DFSC-II/Fertilizer dated 03 November 2015 and subsidy amounting to Rs. 30.78 million (2018: Rs. 30.78 million) at the rate of Rs. 117/- per 50 kg bag of SSP Fertilizer sold (based on phosphorous content) as notified by Ministry of National Food Security and Research ("MNFSR"), Government of Pakistan through Notification F.No. 1-11/2012/DFSC-II/Fertilizer dated 12 August 2016.

- Receivable from Government of Pakistan against subsidy granted by Ministry of Food Security and Research ("MNFSR") amounting to Rs. 131.88 million (2022: Rs. 131.88 million) through Notification F.No. 1-11/2012/DFSC-II/Fertilizer dated 25 June 2016, on sale of Urea fertilizer at the rate of Rs. 156/- per 50 kg bag sold and subsidy amounting to Rs. 82.34 million (2023: Rs. 82.34 million) through revised letter No. 15 (4) CFC/2015-615 dated 07 August 2017, on sale of Urea fertilizer at the rate of Rs. 100/- per 50 kg bag. Under the subject notifications, all manufacturers of urea fertilizer registered with the Federal Board of Revenue under Sales Tax regime will be eligible for receiving cash subsidy. The Company being a producer of urea fertilizer, was entitled to the same subsidy for the periods notified in the respective notices.
- The management is confident of recovering the full amount through FMPAC and hence, no impairment has been made in these financial statements.

25.5 This mainly includes acknowledged insurance claim amounting to Rs. 50.25 million lodged by the Company in respect of break down of Turbomach gas turbine ("the Turbine Claim") and the consequential losses sustained by the Company from the interruption of its business. The company has filed a legal suit in the court of District and Session Judge Insurance Tribunal, Lahore for the recovery of turbine claim and consequential losses of Rs. 396.79 million and is hopeful of a favorable outcome. This claim is pending processing based on outcome of the case.

	Note	2024 Rupees	2023 Rupees
25.6			
Movement in provision for doubtful advances and receivables			
As at 01 January		217,663,733	226,635,145
Add: Provision for the year		285,000,000	-
Less: Written off during the year		-	(8,971,412)
As at 31 December		502,663,733	217,663,733
26			
Tax refunds due from Government - net			
As at beginning of the period / year		82,775,808	86,206,628
Adjustments and refunds during the period / year		(55,781,556)	(3,430,820)
As at end of the period / year		26,994,252	82,775,808
27			
Short term investments - at FVTPL			
Investments in T-Bills	27.1	6,783,987,635	5,527,370,029
		6,783,987,635	5,527,370,029

27.1 This represents investment made in treasury bills of 3, 6 & 12 months issued by Govt. of Pakistan which carry mark up between 12% to 20% (2023: 20.5% to 22%).

	Note	2024 Rupees	2023 Rupees
28			
Cash and bank balances			
Cash in hand		973,530	890,600
Cash at bank - local currency			
-Current accounts	28.1	353,003,581	191,612,321
-Saving accounts	28.2	69,050,222	327,927,492
		422,053,803	519,539,813
		423,027,333	520,430,413

28.1 These include bank accounts of Rs. 17 million (2023: Rs. 25.84 million) maintained under Shariah compliant arrangements.

28.2 These carry mark-up @ 10% to 12 % per annum (2023: 19.5% to 21.5% per annum).

	Note	2024 Rupees	2023 Rupees
29 Sales - net			
Sale of fertilizers			
- Local		31,535,902,069	22,838,784,907
Other products		582,116,604	189,580,485
Trading stock Urea		1,117,696,190	-
Gross sales		33,235,714,863	23,028,365,392
Federal Excise Duty		(1,502,091,217)	(822,270,722)
Sales tax		(88,797,448)	(33,513,731)
Trade discounts		(338,052,971)	(418,500)
Net sales		31,306,773,227	22,172,162,439
30 Cost of sales			
Raw and packing material consumed		17,231,898,689	11,173,988,012
Salaries, wages and other benefits	30.1	970,115,161	794,516,032
Fuel and power		4,703,267,221	3,039,730,239
Stores, spare part and loose tools consumed		797,243,758	540,130,775
Travelling, conveyance and entertainment		104,907,193	96,709,725
Rent, rates and taxes		811,467	488,613
Insurance expenses		41,404,181	36,482,821
Repair and maintenance		97,017,232	54,381,022
Depreciation on property, plant and equipment	18.1.3	1,908,787,876	1,824,401,027
Printing and stationery		12,158,649	5,600,649
Communication		7,468,381	6,685,551
Loading and handling	30.2	118,447,880	44,739,384
Ijarah lease rentals		-	9,956,666
Contract services		3,133,168	4,295,622
Security		90,406,637	79,486,980
Others	30.3	136,640,163	134,986,025
		26,223,707,656	17,846,579,143
Opening work-in-process		199,938,707	268,799,188
Closing work-in-process		(318,254,264)	(199,938,707)
		(118,315,557)	68,860,481
Cost of goods manufactured		26,105,392,099	17,915,439,624
Opening finished goods		558,728,514	416,951,129
Closing finished goods		(3,704,399,041)	(558,728,514)
		(3,145,670,527)	(141,777,385)
		22,959,721,572	17,773,662,239
Cost of goods sold - trading stock		2,081,248,206	-
Cost of goods sold		25,040,969,778	17,773,662,239

30.1 These include charges of Rs. 3.47 million (2023: Rs. 3.46 million) and Rs. 21.77 million (2023: Rs. 18.30 million) on account of gratuity and provident fund respectively and include charges in respect of Iskanderabad Welfare Trust (IWT) amounting to Rs. 30.13 million (2023: Rs. 17.61 million).

30.2 These include charges related to Iskanderabad Welfare Trust (IWT) amounting to Rs. 72.62 million (2023: Rs. 27.58 million).

30.3 Other expenses include Housing Colony expenses aggregating to Rs. 97.64 million (2023: Rs. 84.13 million).

	Note	2024 Rupees	2023 Rupees
31 Selling and distribution expenses			
Salaries, wages and other benefits	31.1	73,611,136	56,883,745
Freight and other expenses		1,042,490,601	571,997,152
Communication		983,419	993,538
Travelling and conveyance		9,536,523	9,551,606
Advertisement		17,686,756	11,036,227
Rent, rates and taxes		18,383,958	7,546,554
Insurance		3,370,471	2,303,486
Vehicle running and maintenance		493,014	609,998
Printing and stationery		654,942	860,580
Security services		15,440,077	9,724,043
Miscellaneous		3,599,242	1,310,917
		1,186,250,139	672,817,846

31.1 These include charges of Rs. 1.97 million (2023: Rs. 1.52 million) on account of provident fund and it also includes charges related to Iskanderabad Welfare Trust (IWT) amounting to Rs. 0.58 million (2023: Rs. 0.22 million).

	Note	2024 Rupees	2023 Rupees
32 Administrative and general expenses			
Salaries and other benefits	32.1	486,094,046	396,288,643
Travelling, conveyance and entertainment		32,966,450	36,768,880
Rent, rates and taxes		18,588,206	9,293,893
Printing and stationery		15,686,028	9,083,916
Communication		3,665,661	3,874,573
IT consultancy		13,639,884	13,749,273
Legal and professional	32.2	124,255,973	111,604,722
Depreciation on property, plant and equipment	18.1.3	9,668,801	12,911,045
Amortization of intangible assets		287,844	287,844
Guest house expenses		5,161,804	5,206,569
Utilities		35,416,859	26,763,067
Repair and maintenance		6,034,058	3,300,192
Vehicle running and maintenance		9,472,530	-
Insurance		4,238,384	2,502,003
Fee & subscription		32,174,900	107,491
Miscellaneous		21,748,821	14,383,607
		819,100,249	646,125,718

32.1 These include charges in respect of employees' retirement benefits amounting to Rs. 5.65 million (2023: Rs. 4.14 million) and Rs. 8.35 million (2023: Rs. 6.64 million) on account of gratuity and provident fund respectively and it also includes charges related to Iskanderabad Welfare Trust (IWT) amounting to Rs. 61.13 million (2023: Rs. 22.10 million).

	Note	2024 Rupees	2023 Rupees
36 Gain on restructuring of loans - net			
Overdue mark-up on long term financial and redeemable capital written back	43.2.2	-	1,310,730,171
Gain on amortization (Present value adjustment) of zero coupon PPTFC & Sukuks		-	1,896,383,830
		-	3,207,114,001

Reported Profit after tax of Rs. 1,086 million in FY 2023 had materialized after incorporating impact of the above gain on restructuring of Rs. 3,207 million. Had this restructuring adjustment not been accounted for, the Company would have reported Loss after tax of Rs. 2,122 million in FY 2023.

	Note	2024 Rupees	2023 Rupees
37 Taxation			
For the year			
- Current tax			
<i>Final & minimum taxes</i>		612,746,705	313,891,039
- Taxation			
<i>Deferred tax</i>	12.2.3	(581,520,848)	(552,244,945)

37.1 Tax reconciliation has been not produced here as the tax provision is based on 1.25% of revenue and supertax at the rate of 10% (2023: 2%) of the income as defined in Section 4C (2) of the Income Tax Ordinance, 2001.

		2024 Rupees	2023 Rupees
38 Earning / (Loss) per share - basic and diluted			
38.1 Basic			
(Loss) / Profit attributable to ordinary shareholders		(1,114,180,606)	1,085,791,825
		No. of shares	No. of shares
Weighted average number of ordinary shares outstanding during the year		411,442,201	392,430,000
(Loss) / Earning per share - <i>basic</i>	(Rupees)	(2.71)	2.77
38.2 Diluted			
(Loss) / Profit attributable to ordinary shareholders		(1,114,180,606)	1,085,791,825
Dividends on convertible preference shares		261,088,363	175,267,699
(Loss) / Profit for the year for calculation of diluted earnings per share		(853,092,243)	1,261,059,524
Weighted average number of ordinary shares outstanding during the year		411,442,201	392,430,000
<i>Adjustment for conversion of convertible preference shares:</i>			
Weighted average number of potential ordinary shares in issue		176,693,505	571,769,250
		588,135,706	964,199,250
(Loss)/ Earning per share - <i>diluted</i>		(1.45)	1.31

The effect of conversion of preference shares into ordinary shares is anti-dilutive in 2024, accordingly the diluted loss per share (LPS) is restricted to basic EPS.

	Note	2024 Rupees	2023 Rupees
39 Cash generated from operations			
(Loss)/ Profit before taxation		(1,082,954,749)	847,437,919
<u>Adjustments for non-cash items:</u>			
Interest / mark-up / preference dividend		6,242,865,376	5,341,902,171
Depreciation on property, plant and equipment		1,918,456,677	1,837,312,072
Amortization of computer software and goodwill		287,844	287,844
Staff retirement benefits		9,115,720	7,603,636
Gain on settlement of short term loan mark-up		(698,899,350)	(364,657,042)
Waiver of restructured mark-up		61,618,426	(3,207,114,001)
Loss on disposal of property, plant and equipment		117,700,938	46,800,038
Mark-up / interest income		(1,101,714,105)	(330,354,832)
		6,549,431,526	3,331,779,886
Operating profit before changes in working capital		5,466,476,777	4,179,217,805
<u>Changes in working capital:</u>			
Stores, spare parts and loose tools		(173,259,873)	22,677,159
Stock-in-trade		(3,213,388,151)	(122,263,260)
Trade debts		(45,796,140)	513,312
Advances, deposits, prepayments and other receivables		54,967,063	(749,721,398)
		(3,377,477,101)	(848,794,187)
<i>(Decrease) / increase in current liabilities:</i>			
Trade and other payables		(206,058,817)	2,662,911,431
		1,882,940,859	5,993,335,049
40 Cash and cash equivalents			
Running finance - secured	13	(1,302,065,539)	(2,529,477,350)
Cash and bank balances	28	423,027,333	520,430,413
		(879,038,206)	(2,009,046,937)
Running finance (settled) classified into long term finance		(510,374,987)	-
Cash and cash equivalents - adjusted balance		(1,389,413,193)	(2,009,046,937)

41 Transactions and balances with related parties

Related parties include associated undertakings, key management personnel (including 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 and all transactions are done as per direction of the board of directors.

	2024 Rupees	2023 Rupees
41.1 Transactions with related parties		
41.1.1 Associated Undertakings		
<u>Shareholding and common directorship</u>		
Fauji Fertilizer Company Limited		
Preference dividend	305,050,574	-
Finance Cost - Unwinding of present value of PPTFCs	36,121,524	-
Maple Leaf Cement Factory Limited		
Preference dividend	50,407,533	-
Finance Cost - Unwinding of present value of PPTFCs	6,887,184	-
Askari Bank Limited		
Mark-up expense	37,292,917	43,578,725
Finance Cost - Unwinding of present value of PPTFCs	34,396,285	-
Preference dividend	230,993,405	-
CFADs payments under "Scheme"	-	46,208,328

	2024 Rupees	2023 Rupees
Repayment of short term loans	28,287,571	-
Decrease in bank balances - <i>net</i>	(11,557,574)	(17,149,124)
<i>Common directorship</i>		
National Bank of Pakistan		
Mark-up expense for the year	52,334,913	736,251,231
Preference dividend for the year	529,416,532	52,113,467
Cash payment under "Scheme"	-	144,650,045
Repayment of short term borrowings	27,111,006	-
Finance Cost - Unwinding of present value of PPTFCs	109,801,917	-
Mark-up paid during the year	13,584,183	-
Advisory fee accrued	32,100,000	-
Advisory fee paid	180,000,000	-
Preference shares (under the "Scheme")	-	2,486,399,100
PPTFCs (to be issued under the "Scheme")	-	1,037,405,000
Increase/ (decrease) in bank balances - <i>net</i>	1,476,741	(2,578,507)
Faysal Bank Limited (Ceased to be related party w.e.f 22nd July 2024)		
Mark-up expense for the year	-	437,898,464
Mark-up paid during the year	-	8,805,261
Cash payment under "Scheme"	-	85,598,384
Preference dividend for the year	456,175,843	34,139,153
Long term loan repaid during the year	-	15,000,000
Trustee fee for the year	4,534,172	4,534,172
Increase in short term borrowing	-	200,000,000
Preference shares (to be issued under the "Scheme")	-	1,641,527,380
Sukuks (to be issued under the "Scheme")	-	602,430,000
Finance Cost - unwinding of present value of Sukuks	63,762,917	-
Decrease in bank balances - <i>net</i>	(4,136,758)	(43,887,429)
Bank Makramah Limited (Formerly: Summit Bank Limited) - ceases to be related party w.e.f 22nd July 2024		
Cash payment under "Scheme"	-	23,569,281
Mark-up expense for the year	117,939,990	265,829,562
Preference dividend for the year	141,925,119	-
Decrease in short term borrowings - <i>net</i>	(154,845,938)	-
Non convertible redeemable preference shares	-	552,023,020
PPTFCs (to be issued under the "Scheme")	-	160,615,000
Finance Cost - Unwinding of present value of PPTFCs	16,999,952	-
Increase/ (decrease) in bank balances - <i>net</i>	149,473	(130,216)
Amortization of restructured short term loan	5,231,462	-
Pak China Investment Company Limited - ceases to be related party w.e.f 22nd July 2024		
Mark-up expense for the year	-	47,297,093
Preference dividend for the year	48,301,930	-
Cash payment under "Scheme"	-	9,328,461
Non convertible redeemable preference shares	-	187,872,150
TFCs (to be issued under "Scheme")	-	65,245,000
Finance Cost - Unwinding of present value of PPTFCs	6,905,718	-
41.1.2 Post employment benefit plans		
- Provident fund trust-contribution	27,210,333	26,052,416
- Gratuity trust-contribution	3,817,368	7,603,636
41.1.3 Key management personnel		

The remuneration paid to Chief Executive Officer, directors and executives (key management personnel) in terms of their employment is disclosed in note 42 to the financial statements.

	2024 Rupees	2023 Rupees
41.2 Balances with related parties		
41.2.1 Associated Undertakings		
<i>Shareholding and common directorship</i>		
Fauji Fertilizer Company Limited		
Redeemable capital	937,733,897	-
Convertible, redeemable Preference shares	779,985,860	-
Non convertible, redeemable preference shares	4,386,512,330	-
Preference dividend payable	7,429,321,074	-
Maple Leaf Cement Factory Limited		
Redeemable capital	178,794,955	-
Convertible, redeemable Preference shares	162,498,310	-
Non convertible, redeemable preference shares	710,460,920	-
Preference dividend payable	1,256,676,982	-
Askari Bank Limited		
Redeemable capital	324,975,000	999,351,700
Convertible, redeemable Preference shares	183,224,180	183,224,180
Non convertible, redeemable preference shares	898,457,430	-
Preference dividend payable	1,556,331,251	250,304,309
Short term borrowings	166,859,162	195,146,733
Bank balances	5,284,350	16,841,924
Mark-up payable	189,002,176	1,674,635,974
<i>Common directorship</i>		
National Bank of Pakistan		
Redeemable capital	-	649,137,025
Bills payable	159,918,994	187,030,000
Convertible, redeemable preference shares	-	617,487,560
Non convertible, redeemable preference shares	-	2,486,399,100
Mark-up payable	353,248,058	314,419,708
Preference dividend payable	-	3,165,190,626
Bank balances	2,784,128	1,307,387
Advisory fee payable	567,500,000	738,600,000
Advance for transaction cost	-	23,200,000
Faysal Bank Limited (ceased to be a related party w.e.f. 22nd July 2024)		
Redeemable capital	440,722,367	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	2,807,473,371	2,332,871,738
Bank balances	15,636,893	19,773,651
Trustee fee payable	5,668,582	5,668,582
SBLC	200,000,000	200,000,000
LC Margin	4,336,677	46,267,236
Bank Makramah Limited (Formerly: Summit Bank Limited) (ceased to be a related party w.e.f. 22nd July 2024)		
Redeemable capital	117,501,823	100,501,871
Non convertible, redeemable preference shares	552,023,020	552,023,020
Short term borrowings	331,924,507	671,895,478
Mark-up payable	-	228,441,292
Preference dividend payable	790,055,356	648,130,237
Bank balances	356,620	207,147
Pak China Investment Company Limited (ceased to be a related party w.e.f. 22nd July 2024)		
Redeemable capital	47,731,572	40,825,854
Non convertible, redeemable preference shares	187,872,150	187,872,150
Dividend payable on preference shares	268,882,626	220,580,696

	2024 Rupees	2023 Rupees
Others		
Housing colony - receivable	63,195,557	38,707,135
Iskanderabad Welfare Trust - payable	2,896,720	2,486,023
41.2.2 Post employment benefit plans		
Payable to Gratuity trust	-	6,270,448
Payable to Provident fund	-	1,141,459

All transactions with related parties have been carried out on arm's length basis.

42 Remuneration of Chief Executive Officer, Directors and Executives

The aggregate amount charged in financial statements in respect of Chief Executive Officer, Directors and Executives on account of managerial remuneration, perquisites and benefits, post employment benefits and the number of such Directors and Executives are as follows:

	2024		2023	
	Chief Executive		Chief Executive	
	Officer	Executives	Officer	Executives
	----- Rupees -----		----- Rupees -----	
Managerial remuneration	20,900,973	84,042,595	18,999,998	62,495,139
House rent allowance	6,270,290	24,105,017	5,699,998	16,336,417
Utility allowance	2,090,104	4,423,015	1,735,718	3,087,492
Others	-	58,182,391	-	44,290,148
Post employment benefits	1,741,048	6,506,527	1,445,850	4,710,963
Bonus	16,428,570	34,731,071	2,571,428	8,322,009
	47,430,985	211,990,616	30,452,992	139,242,168
Number of persons	1	46	1	34

Chief Executive Officer and certain executives are provided with Company maintained vehicles. The above mentioned are provided with medical facility in accordance with the Company policy.

Directors of the company were paid meeting fees aggregating to Rs. 15.12 million (2023: Rs. 9.6 million). The number of the directors of the company was 7 (2023: 7).

43 Financial risk management

The Company's activities expose it to a variety of financial risks which affect its revenues, expenses, assets and liabilities. These risks are as follows:

- Credit risk
- Liquidity risk; and
- Market risk (including currency risk, interest rate risk and price risk)

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The Company's Board of Directors ("the Board") has overall responsibility for establishment and oversight of the Company's risk management framework. The Board has developed a risk policy that sets out fundamentals of risk management framework.

Risk Management Framework

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The risk policy focuses on unpredictability of financial markets, the Company's exposure to risk of adverse effects thereof and objectives, policies and processes for measuring and managing such risks. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. Audit committee is assisted in its oversight role by internal audit department. Internal audit department undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee. The Company's exposure to financial risks, the way these risks affect the financial position and performance, and forecast transactions of the Company and the manner in which such risks are managed is as follows:

43.1 Credit risk and concentration of credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economics, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

43.1.1 Exposure to credit risk

Credit risk of the Company arises principally from trade debts, advances, deposits, other receivables and bank balances. The carrying amount of financial assets represents the maximum credit exposure. To reduce the exposure to credit risk the Company has developed a formal approval process whereby credit limits are applied to its customers. The management continuously monitors the credit exposure towards the customers and makes provision against those balances considered doubtful of recovery. Out of total financial assets of Rs. 8,534 million (2023: Rs. 6,687 million), the financial assets that are subject to credit risk amount to Rs. 1,749 million (2023: Rs. 1,158 million).

The maximum exposure to credit risk at the reporting date is as follows:

	2024 Rupees	2023 Rupees
Long term deposits	60,949,562	54,949,437
Trade debts	45,796,140	-
Advances and other receivables	786,278,934	583,910,359
Bank balances	422,053,803	519,539,813
	1,315,078,439	1,158,399,609

43.1.2 Concentration of credit risk

The Company identifies concentrations of credit risk by reference to type of counter party. Maximum exposure to credit risk by type of counterparty is as follows:

	2024 Rupees	2023 Rupees
Customers	45,796,140	-
Banking companies and financial institutions	422,053,803	519,539,813
Others	847,228,496	638,859,796
	1,315,078,439	1,158,399,609

43.1.3 Credit quality and impairment

Credit quality of financial assets is assessed by reference to external credit ratings, where available, or historical information about the counterparty default rates. All counterparties, with the exception of customers, have external credit ratings determined by various credit rating agencies and other regulatory authorities. Credit quality of customer is assessed by reference to historical default rates and present ages.

43.1.3(a) Counterparties with external credit ratings

These include banking companies and financial institutions, which are counterparties to cash deposits, bank guarantees, security deposits and margin deposits. These are neither past due nor impaired. Credit risk is considered minimal since the counterparties have reasonably high credit ratings as determined by various credit rating agencies. Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Company.

Following are the credit ratings of counterparties with external credit ratings:

Banks and financial institutions

Bank	Rating		Rating Agency	2024	2023
	Long term	Short term		Rupees	Rupees
Bank balances					
AlBaraka Bank (Pakistan) Limited	A+	A1	VIS	3,392,427	3,392,427
Allied Bank Limited	AAA	A1+	PACRA	25,115	25,115
Askari Bank Limited	AA+	A1+	PACRA	5,284,350	16,841,824
Bank Alfalah Limited	AAA	A1+	PACRA	72,190	72,190
Bank Islami Pakistan Limited	AA-	A1	PACRA	1,519,489	1,519,487
Dubai Islamic Bank Pakistan Limited	AA	A1+	VIS	349,791	1,174,394
Faysal Bank Limited	AA	A1+	PACRA	15,636,893	19,773,651
Habib Bank Limited	AAA	A1+	VIS	11,537,372	8,385,333
MCB Bank Limited	AAA	A1+	PACRA	296,645,855	18,440,498
Meezan Bank Limited	AAA	A1+	VIS	56,967	1,967
National Bank of Pakistan	AAA	A1+	VIS	2,652,316	1,307,387
Soneri Bank Limited	AA-	A1+	PACRA	24,649	24,649
Standard Chartered Bank (Pakistan) Limited	AAA	A1+	PACRA	917,927	917,927
Bank Makramah Limited (Formerly: Summit Bank Limited)	BBB-	A3	VIS	356,620	207,147
The Bank of Punjab	AA+	A1+	PACRA	2,765	2,765
United Bank Limited	AAA	A1+	VIS	83,579,077	447,453,052
				422,053,803	519,539,813

43.1.3(b) Counterparties without external credit ratings

These include customers which are counter parties to trade debts. Major sales of the Company are on advance basis, however for few customers the Company is exposed to credit risk in respect of trade debts. Major portion of sales made to customers are secured against bank guarantees. The analysis of age of trade debts at the reporting date is as follows:

	2024		2023	
	Gross carrying Amount	Accumulated impairment	Gross carrying amount	Accumulated impairment
	----- Rupees -----		----- Rupees -----	
Neither past due nor impaired	45,796,140	-	-	-
Past due by 3 to 6 months	-	-	-	-
Past due by 6 to 12 months	-	-	-	-
Past due by more than one year	43,196,191	43,196,191	43,196,191	43,196,191
	88,992,331	43,196,191	43,196,191	43,196,191

The management estimates the recoverability of trade receivables on the basis of financial position and past history of its customers based on the objective evidence that it will not receive the amount due from the particular customer. Based on historical default rates, the Company believes that no impairment allowance other than already provided is necessary in respect of trade receivables not past due or those past due by less than one year, since these relate to customers who have had good payment record with the Company. The provision is written off by the Company when it expects that it cannot recover the balance due. Any subsequent repayments in relation to amount written off, are credited to income statement.

43.1.4 Credit risk management

As mentioned in note to the financial statements, the Company's financial assets do not carry significant credit risk. The Company also avoids any significant exposure to a single customer.

43.2 Liquidity risk

43.2.1 Exposure to liquidity risk

43.2.1(a) Contractual maturities of financial liabilities, including estimated interest payments

The following are the remaining contractual maturities at the reporting date. The amounts are grossed and undiscounted, include estimated interest payments and exclude the impact of netting agreements.

	2024				
	Carrying amount	Contractual cash flows	Less than one year	One to three years	More than three years
	----- Rupees -----				
<i>Non-derivative financial liabilities</i>					
Redeemable capital - <i>secured</i>	3,706,686,309	3,706,686,309	-	3,706,686,309	-
Non convertible, redeemable preference shares	18,542,697,500	18,542,697,500	-	-	18,542,697,500
Long term finances - <i>secured</i>	378,257,093	378,257,093	-	-	378,257,093
Current portion of long term borrowings - <i>secured</i>	132,117,894	132,117,894	132,117,894	-	-
Convertible, redeemable preference	1,484,507,830	1,484,507,830	-	-	1,484,507,830
Short term borrowings - <i>secured</i>	2,057,907,728	2,057,907,728	2,057,907,728	-	-
Trade and other creditors	5,647,891,924	5,647,891,924	5,647,891,924	-	-
Accrued liabilities	522,179,983	522,179,983	522,179,983	-	-
Security deposits and retention money	22,276,114	22,276,114	22,276,114	-	-
Other payables	55,315,479	55,315,479	55,315,479	-	-
Mark-up accrued on borrowings	2,747,602,634	2,747,602,634	2,747,602,634	-	-
Preference dividend payable	28,729,605,359	28,729,605,359	28,729,605,359	-	-
	64,027,045,847	64,027,045,847	39,914,897,115	3,706,686,309	20,405,462,423

	2023				
	Carrying amount	Contractual cash flows	Less than one year	One to three years	More than three years
	----- Rupees -----				
<i>Non-derivative financial liabilities</i>					
Redeemable capital - <i>secured</i>	3,170,409,622	3,170,409,622	-	3,170,409,622	-
Non convertible, redeemable preference shares	18,542,697,500	18,542,697,500	-	-	18,542,697,500
Long term finances - <i>secured</i>	-	-	-	-	-
Convertible, redeemable preference	1,593,342,690	1,484,507,830	-	-	1,484,507,830
Short term borrowings - <i>secured</i>	3,413,457,179	3,413,457,179	3,413,457,179	-	-
Trade and other creditors	5,849,335,546	5,849,335,546	5,849,335,546	-	-
Accrued liabilities	437,086,638	437,086,638	437,086,638	-	-
Security deposits and retention money	19,262,525	19,262,525	19,262,525	-	-
Other payables	33,951,604	33,951,604	33,951,604	-	-
Mark-up accrued on borrowings	2,825,973,353	2,684,306,644	2,684,306,644	-	-
Preference dividend payable	23,852,887,378	22,834,161,180	22,834,161,180	-	-
	59,738,404,035	58,469,176,268	35,271,561,316	3,170,409,622	20,027,205,330

43.2.2 Liquidity risk management

The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

<i>Nature of liability</i>	2024		
	Principal	Interest / mark up	Total
	----- Rupees -----		
Convertible, redeemable preference shares	1,484,507,830	2,191,296,243	3,675,804,073
Short term borrowings	2,057,907,728	2,747,602,634	4,805,510,362
	3,542,415,558	4,938,898,877	8,481,314,435

<i>Nature of Liability</i>	2023		
	Principal	Interest / mark up	Total
	----- Rupees -----		
Convertible, redeemable preference shares	1,593,342,690	2,081,905,784	3,675,248,474
Short term borrowings	3,413,457,179	2,825,973,353	6,239,430,532
	5,006,799,869	4,907,879,137	9,914,679,006

43.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing return.

43.3.1 Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales and purchases are denominated and the respective functional currency of the Company. The functional currency of the Company is Pak Rupee. The currencies in which these transactions are primarily denominated are Euros, JPY and US dollars.

43.3.1(a) Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

	2024 Rupees	2023 Rupees
<u>Off balance sheet items</u>		
Outstanding letters of credit:		
US \$	188,206,594	64,748,054
JPY	7,732,179	4,575,632
EUR €	5,322,323	-
Net exposure	201,261,096	69,323,686

43.3.1(b) Exchange rates applied during the year

The following significant exchange rates have been applied during the year:

		2024 Rupees	2023 Rupees
<i>Reporting date spot rate:</i>			
- buying	US \$	277.75	281.70
- selling	US \$	279.59	282.14
Average rate for the year	US \$	278.48	279.98
<i>Reporting date spot rate:</i>			
- buying	EUR €	288.57	311.94
- selling	EUR €	290.93	312.42
Average rate for the year	EUR €	301.24	302.74
<i>Reporting date spot rate:</i>			
- buying	JPY	1.75	1.99
- selling	JPY	1.80	2.00
Average rate for the year	JPY	1.84	1.99

43.3.1(c) Sensitivity analysis

A reasonably possible strengthening / (weakening) of 1% in Pak Rupee against the foreign currencies would have affected the measurement of financial instruments denominated in foreign currency and affected profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	2024 Rupees	2023 Rupees
US \$	1,882,066	647,481
EUR €	77,322	45,756
JPY	53,223	-
	2,012,611	693,237

43.3.1(d) Currency risk management

Since the maximum amount exposed to currency risk is minimal, any adverse / favorable movement in functional currency with respect to Euros, JPY / US dollar will not have any material impact on the operational results.

43.3.2 Interest / mark-up rate risk

Interest / mark-up rate risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in interest rates. Sensitivity to interest rate risk arises from mismatch of financial assets and financial liabilities that mature or re-price in a given period.

43.3.2(a) Fixed rate financial instruments

The effective interest / mark-up rates for interest / mark-up bearing financial instruments are mentioned in relevant notes to the financial statements. The Company's interest / mark-up bearing financial instruments as at the reporting date are as follows:

	2024		2023	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
	----- Rupees -----		----- Rupees -----	
<u>Non-derivative financial instruments</u>				
Convertible, redeemable preference shares	-	1,484,507,830	-	1,593,342,690
Advance to employees	41,090,617	-	31,974,948	-

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in profit / mark-up / interest rates at the reporting date would not affect profit or loss.

43.3.2(b) Variable rate financial instruments

	2024		2023	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
	----- Rupees -----		----- Rupees -----	
<u>Non-derivative financial instruments</u>				
Long term finances	-	378,257,093	-	-
Short term investments	6,783,987,635	-	5,527,370,029	-
Convertible, redeemable preference shares	-	18,542,697,500	-	18,542,697,500
Short term borrowings - secured	-	2,057,907,728	-	3,413,457,179
Bank balances - saving accounts	69,050,222	-	327,927,492	-
	6,853,037,857	20,978,862,321	5,855,297,521	21,956,154,679

43.3.2(c) Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates as at the reporting date would have (increased) / decreased loss by amounts presented below. The analysis assumes that all other variables, in particular foreign exchange rates, remain constant.

	2024 Rupees	2023 Rupees
<u>Increase of 100 basis points</u>		
Variable rate instruments	(141,258,245)	(161,008,572)
<u>Decrease of 100 basis points</u>		
Variable rate instruments	141,258,245	161,008,572

The sensitivity analysis prepared is not necessarily indicative of the effects on loss for the year and the outstanding liabilities of the Company at the year end.

43.3.2(d) Interest / mark-up rate risk management

The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted. Most of the loans have variable rate pricing that is mostly dependent on Karachi Inter Bank Offer Rate ("KIBOR") as indicated in respective notes.

43.3.3 Price risk

Price risk represents the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or currency risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments. The Company is not exposed to price risk since the fair values of the Company's financial instruments are not based on market prices.

43.4 Fair value measurement of financial instruments

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.

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

IFRS 13 'Fair Value Measurement' requires the company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2)
- Inputs for the asset or liability that are not based on observable market data (i.e. unobservable) inputs (Level 3).

Transfer between levels of the fair value hierarchy are recognized at the end of the reporting period during which the changes have occurred.

43.4.1 Financial instruments by category

The following table show the categories as well as carrying amounts and fair values of financial assets and financial liabilities according to their respective category, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets not measured at fair value if the carrying amount is reasonable approximation of fair value.

Particulars	Carrying amount				Fair Value			
	Amortized Cost	FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3	Total
Rs.....			Rs.....			
December 31, 2024								
<i>Financial assets not measured at fair value</i>								
Long term loans and advances	27,099,031	-	-	27,099,031	-	-	-	-
Short term investments	-	6,783,987,635	-	6,783,987,635	6,783,987,635	-	-	6,783,987,635
Trade debts	45,796,140	-	-	45,796,140	-	-	-	-
Long term deposits	60,949,562	-	-	60,949,562	-	-	-	-
Advances and other receivables	191,532,178	-	-	191,532,178	-	-	-	-
Cash and bank balances	423,027,333	-	-	423,027,333	-	-	-	-
Total	748,404,244	6,783,987,635	-	7,532,391,879	6,783,987,635	-	-	6,783,987,635
Particulars	Carrying amount				Fair Value			
	Amortized Cost	FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3	Total
Rs.....			Rs.....			
December 31, 2023								
<i>Financial assets not measured at fair value</i>								
Long term loans and advances	24,591,622	-	-	24,591,622	-	-	-	-
Short term investments	-	5,527,370,029	-	5,527,370,029	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	-	-	-	-
Total	798,024,317	5,527,370,029	-	6,325,394,346	5,527,370,029	-	-	5,527,370,029

	2024 Rupees	2023 Rupees
<i>Financial liabilities at amortized cost</i>		
Redeemable capital (PPTFC)	3,706,686,309	3,170,409,622
Long term finances	510,374,987	-
Convertible, redeemable preference shares	1,484,507,830	1,593,342,690
Non convertible, redeemable preference shares	18,542,697,500	18,542,697,500
Short term borrowings	2,057,907,728	3,413,457,179
Trade and other creditors	5,647,891,924	5,849,335,546
Accrued liabilities	522,179,983	437,086,638
Security deposits and retention money	22,276,114	19,262,525
Other payables	55,315,479	33,951,604
Mark-up accrued on borrowings	2,747,602,634	2,825,973,353
Preference dividend payable	28,729,605,359	23,852,887,378
	64,027,045,847	59,738,404,035

44 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Company's operations.

The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within the Company. This responsibility is supported by the development of overall Company standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorization of transactions;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- development of contingency plans;
- training and professional development;
- ethical and business standards;
- risk mitigation, including insurance where this is effective.

45 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital employed. The Company seeks to keep a balance between the higher return that might be possible with higher level of borrowings and the advantages and security afforded by a sound capital position. The Company's strategy is to maintain an optimal capital structure in order to minimize cost of capital.

The Company's objectives when managing capital are:

- (i) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- (ii) to provide an adequate return to shareholders.

The Company monitors capital using the gearing ratio which is debt divided by total capital employed. Debt comprises redeemable capital preference shares and long term finances and liabilities. Total capital employed includes total equity as shown in the balance sheet, including surplus on revaluation of property, plant and equipment. Gearing ratio of the Company as at the reporting date is as follows:

	2024 Rupees	2023 Rupees
Total debt	24,112,148,732	23,306,449,812
Total equity (including surplus)	9,732,139,700	10,505,258,405
Total capital employed	33,844,288,432	33,811,708,217
Gearing - rate	71%	69%

There were no changes in the Company's approach towards capital management during the year and Company has restructured its overdue debt and related mark-up in pursuance of scheme of arrangement approved by the Honourable Lahore High Court. The Company is not subject to externally imposed capital requirements, except those, related to maintenance of debt covenants, commonly imposed by the providers of debt finance which the Company could not comply as at the reporting date.

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Liabilities							Total	
	Long term finances	Redeemable capital	Short term borrowings	Short term running finances	Accrued finance cost	Convertible & redeemable preference shares	Non convertible & redeemable preference shares		Preference dividend payable
----- Rupees -----									
Balance as at 01 January 2024	-	3,170,409,622	883,979,829	2,529,477,350	2,825,973,353	1,593,342,690	18,542,697,500	23,852,887,378	53,398,767,722
Cash flows									
Net decrease in long term finances	-	-	-	-	-	-	-	-	-
Total changes from financing cash flows	-	-	-	-	-	(108,834,860)	-	-	(108,834,860)
Non-cash changes									
Preference dividend	-	-	-	-	-	-	-	4,876,717,981	4,876,717,981
Unwinding of present value of PPTFC	-	536,276,687	-	-	-	-	-	-	536,276,687
Changes in running finances	-	-	(128,137,640)	(1,227,411,811)	(78,370,719)	-	-	-	(1,433,920,170)
Total liability related other changes	-	536,276,687	(128,137,640)	(1,227,411,811)	(78,370,719)	-	-	4,876,717,981	3,979,074,498
Closing as at 31 December 2024	-	3,706,686,309	755,842,189	1,302,065,539	2,747,602,634	1,484,507,830	18,542,697,500	28,729,605,359	57,269,007,360
Balance as at 01 January 2023	7,103,591,664	12,165,534,546	898,979,829	2,683,014,294	27,088,095,036	1,593,342,690	-	1,906,638,085	53,439,196,144
Cash flows									
Net decrease in long term finances	(15,000,000)	-	(15,000,000)	-	-	-	-	-	(30,000,000)
Finance cost paid	-	-	-	-	(17,162,866)	-	-	-	(17,162,866)
Cash flows	(15,000,000)	-	(15,000,000)	-	(17,162,866)	-	-	-	(47,162,866)
Non-cash changes									
Preference dividend	-	-	-	-	-	-	-	175,267,699	175,267,699
Derecognition of principal and accrued mark-up upon restructuring	(7,088,591,664)	(8,995,124,924)	-	-	(29,317,969,040)	-	18,542,697,500	-	(26,858,988,128)
Preference dividend on new preference shares as per "Scheme"	-	-	-	-	-	-	-	21,770,981,594	21,770,981,594
Changes in running finances	-	-	-	(153,536,944)	5,073,010,223	-	-	-	4,919,473,279
Total liability related other changes	(7,088,591,664)	(8,995,124,924)	-	(153,536,944)	(24,244,958,817)	-	18,542,697,500	21,946,249,293	6,734,444
Closing as at 31 December 2023	-	3,170,409,622	883,979,829	2,529,477,350	2,825,973,353	1,593,342,690	18,542,697,500	23,852,887,378	53,398,767,722

	2024 Rupees	2023 Rupees
47 Restriction on title, and assets pledged as security		
<u>Mortgages and charges</u>		
Hypothecation of stocks and movables	3,477,333,333	3,477,333,333
Hypothecation of book debts and receivables	1,334,000,000	1,334,000,000
Mortgage over land and building	22,180,836,655	22,180,836,655
Hypothecation of plant and machinery	32,839,707,205	32,839,707,205
Charge over stocks - (pledge)	2,812,294,118	2,812,294,118

48 Segment reporting

48.1 The Company has two reportable segments, as described below, which are the Company's strategic divisions. The strategic divisions offer different products and services, and are managed separately because they require different technology and marketing strategies. Information reported to the Company's chief operating decision maker for the purpose of resource allocation and assessment of segment performance is focused on type of goods supplied. The following summary describes the operations in each of the Company's reportable segments:

Reportable Segments

Operation of reportable segments

Urea fertilizer segment

production of Urea fertilizer and ammonia from natural gas

Phosphate fertilizer segment

production of Phosphate fertilizer from rock phosphate

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

48.2 Segment revenue and results

Following is the information about reportable segments of the Company:

	Urea fertilizer segment		Phosphate fertilizer segment		Total	
	2024	2023	2024	2023	2024	2023
	----- Rupees -----		----- Rupees -----		----- Rupees -----	
External revenues	27,377,456,828	17,547,758,398	3,929,316,399	4,624,404,041	31,306,773,227	22,172,162,439
Inter-segment revenue	-	-	-	-	-	-
Reportable segment revenue	27,377,456,828	17,547,758,398	3,929,316,399	4,624,404,041	31,306,773,227	22,172,162,439
Reportable segment (loss) /profit before tax	(1,894,659,655)	(1,016,015,833)	811,704,906	1,891,487,921	(1,082,954,749)	875,472,088

48.3 Other segment information

	Urea fertilizer segment		Phosphate fertilizer segment		Total	
	2024	2023	2024	2023	2024	2023
	----- Rupees -----		----- Rupees -----		----- Rupees -----	
Interest income	1,099,410,057	321,909,631	2,071,762	8,395,609	1,101,481,819	330,305,240
Interest expense	6,924,523,828	6,097,378,127	28,278,304	206,274	6,952,802,132	6,097,584,401
Depreciation	1,834,951,055	1,756,144,712	83,505,622	81,167,360	1,918,456,677	1,837,312,072
Capital expenditure incurred during the year	258,742,300	755,034,599	32,919,356	9,690,215	291,661,656	764,724,814

48.4 Segment assets and liabilities

	Urea fertilizer segment		Phosphate fertilizer segment		Total	
	2024	2023	2024	2023	2024	2023
	----- Rupees -----		----- Rupees -----		----- Rupees -----	
Reportable segment assets	86,876,834,909	83,673,307,048	12,127,232,705	11,272,432,185	99,004,067,614	94,945,739,233
Reportable segment liabilities	80,580,939,370	75,840,909,888	1,336,016,716	1,529,007,681	81,916,956,086	77,369,917,569

48.5 Reconciliations of reportable segment loss, assets, liabilities and other material items.

	2024 Rupees	2023 Rupees
48.5.1 Profit or loss		
Total (loss)/ income for reportable segments	(1,082,954,749)	875,472,088
Unallocated corporate expenses	(31,225,857)	210,319,737
Consolidated (loss)/ profit after tax	(1,114,180,606)	1,085,791,825

	2024 Rupees	2023 Rupees
48.5.2 Assets		
Total assets for reportable segments	99,004,067,614	94,945,739,233
Elimination of inter-segment assets	(13,996,051,855)	(12,785,512,462)
Consolidated total assets	85,008,015,759	82,160,226,771
48.5.3 Liabilities		
Total liabilities for reportable segments	81,916,956,086	77,369,917,569
Elimination of inter-segment liabilities	(6,641,080,027)	(5,714,949,203)
Consolidated total liabilities	75,275,876,059	71,654,968,366

48.5.4 Other material items

The inter-segment transactions related to other material items are insignificant.

48.5.5 Geographical information

Sales are made by the Company in Pakistan only.

The Company manages and operates manufacturing facilities and sales offices in Pakistan only.

48.5.6 All non-current assets of the Company as at 31 December 2024 are located in Pakistan.

49 Plant capacity and actual production

Urea fertilizer	Unit	2024	2023
Rated capacity	Metric tons	433,125	433,125
Actual production for the year	Metric tons	372,012	292,255
Production efficiency	%age	86%	67%
Phosphate fertilizer			
Rated capacity	Metric tons	81,000	81,000
Actual production for the year	Metric tons	80,341	77,150
Production efficiency	%age	99%	95%

The low production of urea is due to raw material constraints.

50 Provident Fund Trust

The following information is based on latest audited financial statements of the Provident Fund Trust.

		2024	2023
Size of fund - total assets	Rupees	304,072,035	238,022,004
Cost of investments made	Rupees	192,273,710	165,422,695
Percentage of investments made	Percentage	63.23%	69.50%
Fair value of investments	Rupees	301,142,530	230,043,541

The breakup of fair value of investments is as follows:

	30-Jun-24		30-Jun-23	
	Rupees	Percentage	Rupees	Percentage
Shares of listed companies	26,047	0.01%	15,379	0.01%
CDC NBP Funds	143,793,225	47.75%	118,309,683	51.43%
MCB Arif Habib Funds (AMC)	91,857,841	30.50%	74,461,235	32.37%
Mutual Funds	3,336,902	1.11%	1,979,744	0.86%
Saving certificates	-	0.00%	25,000,000	10.87%
Cash at bank	62,128,515	20.63%	10,277,500	4.47%
	301,142,530	100.00%	230,043,541	100.00%

The investments out of provident fund have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

51 Number of employees

The Company has employed following number of persons including regular and contractual staff:

	2024	2023
<i>Total number of employees as at 31 December</i>		
- Head Office	25	27
- Iskanderabad Factory	733	700
- Haripur Factory	240	252
	998	979
<i>Average number of employees during the year</i>		
- Head Office	27	23
- Iskanderabad Factory	749	687
- Haripur Factory	244	246
	1,020	956

52 Corresponding figures

Corresponding figures have been re-arranged, where necessary, for the purpose of comparison and better presentation. However, except for taxation as disclosed in note no 37 significant reclassification has been made in these financial statements.

52.1 The impact of the restatement of on the statement of financial position and statement of changes in equity is discussed below:

	Effect of restatement on financial statements as at 31-December-2023		
	As per previously reported	Effect of restatement	Restated amount
Statement of financial position			
Accumulated losses	(23,858,874,985)	(2,567,310,828)	(26,426,185,813)
Intangible assets	2,567,742,587	(2,567,310,828)	431,759
Statement of changes in equity			
Accumulated losses	(23,858,874,985)	(2,567,310,828)	(26,426,185,813)
	Effect of restatement on financial statements as at 31-December-2022		
	As per previously reported	Effect of restatement	Restated amount
Statement of financial position			
Accumulated losses	(25,850,797,277)	(2,567,310,828)	(28,418,108,105)
Intangible assets	2,567,742,587	(2,567,022,984)	719,603
Statement of changes in equity			
Accumulated losses	(25,850,797,277)	(2,567,310,828)	(28,418,108,105)

53 Date of authorization for issue

These financial statements were authorized for issue on 06 March 2025 by the Board of Directors of the Company.

54 General

Figures have been rounded off to the nearest rupee.


Chief Executive Officer


Director


Chief Financial Officer



J

259-275

**ANNUAL GENERAL
MEETING**

Notice of Annual General Meeting (English)	261
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Notice is hereby given to all the members of Agritech Limited (the "Company") that the Annual General Meeting ("AGM") of the Company will be held on April 21, 2025, at 11:00 AM at Park Lane Hotel, 107- B3, M.M. Alam Road, Gulberg III, Lahore, to transact the following business:

ORDINARY BUSINESS

- 1) To confirm the minutes of the last Extraordinary General Meeting held on July 22, 2024.
- 2) To receive, consider and adopt the audited financial statements of the Company for the year ended December 31, 2024, together with Director's and Auditor's reports thereon and Chairman's Review Report.
- 3) To appoint external auditors for the financial year ending December 31, 2025, and to fix their remuneration. The retiring auditors M/s. Grant Thornton Anjum Rahman & Co., being eligible, have offered themselves for reappointment.
- 4) To elect nine (09) directors of the Company, as fixed by the Board of Directors in their meeting, pursuant to the requisition received from a member under Section 162 of the Companies Act, 2017 for holding of fresh election of directors of the Company, for a term of three years, commencing from the date of the AGM, i.e. April 21, 2025.

The names of the retiring Directors are as follows:

- (i) Mr. Shahid Iqbal Choudhri
- (ii) Mr. Osman Malik
- (iii) Syed Mohsin Raza Naqvi
- (iv) Mr. Hasan Ahmed
- (v) Ms. Minahil Mohsin Naqvi
- (vi) Syed Mustafa Haider Hamdani
- (vii) Mr. Haroon Farooq

SPECIAL BUSINESS

- 5) To consider and if deemed fit, to pass with or without modification, addition or deletion, the following Special Resolution(s) to amend the Articles of Association of the Company, as recommended by the Board of Directors of the Company:

RESOLVED THAT as and by way of Special Resolution, pursuant to Section 38 and all other applicable provisions of the Companies Act, 2017, the Articles of Association of the Company be and are hereby amended as follows:

- (a) by substituting for the existing Article 84, the following new Article:

84. The Directors shall, from time to time, fix their number in accordance with the provisions of Section 159(1) of the Companies Act, 2017, and the number so fixed shall not be changed except with the prior approval of the general meeting in which election of Directors is to be held.

- (b) by substituting for the existing Article 107, the following new Article:

107. Subject to Article 84 and the provisions of Section 154 and 159(1) of the Companies Act, 2017, the Company in a general meeting may, from time to time, reduce or increase the number of Directors.

FURTHER RESOLVED THAT the Chief Executive Officer and/or the Company Secretary be and are hereby authorized singly to do all acts, deeds and things, and take any or all necessary actions to complete all legal, corporate and procedural formalities and to file all requisite documents with any body to effectuate and implement the aforesaid resolutions.

FURTHER RESOLVED THAT the aforesaid alteration in the Articles of Association of the Company shall be subject to any amendment, modification, addition or deletion as may be required, and such amendment, modification, addition or deletion shall not require fresh approval of members.

OTHER BUSINESS

- 6) Any other business with the permission of the Chair.

Attached to the Notice is the Statement of Material Facts as required under Section 134(3) of the Companies Act.

By Order of the Board of Directors



Asma Irfan
Company Secretary

Dated: March 27, 2025
Place: Lahore

NOTES:

1. Closure of Share Transfer Books

Share transfer books of the Company will remain closed from Monday, April 14, 2025, to Monday, April 21, 2025 (both days inclusive). Share transfers received at the office of our Registrar M/s Corplink (Private) Limited at Wings Arcade, 1-K, Commercial, Model Town, Lahore at the close of business on April 13, 2025 will be considered in time for the purpose of the AGM.

2. Annual Accounts of the Company

A copy of the annual report of the Company is available on the Company's website. Any member interested to receive hard copy of the report is requested to write an email along with complete postal address and folio/CDC account number at corporate@pafl.com.pk.

3. Appointment of Proxy

A member entitled to attend and vote at the meeting may appoint any person/member as his/her proxy to attend and vote in his/her place. Proxies completed in all respects, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.

- I. In case of individuals, the account holders and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per above requirements. Proxy form is attached herewith and also uploaded on Company's website in Urdu and English languages;
- II. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form;
- III. Attested copies of CNIC or the passport of the beneficial owner and the proxy shall be furnished with the proxy form;
- IV. The proxy shall produce his/her original CNIC or original Passport at the time of meeting, and
- V. In the case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

4. Voting through Postal Ballot

The members are hereby notified that pursuant to Companies (Postal Ballot) Regulations, 2018 amended through Notification vide SRO 2192(1)/2022 dated December 5, 2022, issued by the SECP, subject to the requirements of Section 143 and 144 of the Companies Act, 2017, SECP has directed all the listed companies to provide the right to vote through electronic voting facility and voting by post to the members on all business classified as special business and in case of election of directors, if the number of persons who offer themselves to be elected is more than the number of directors fixed under sub-section (1) of section 159 of the Act. Accordingly, any member of the Company will be allowed to exercise their right to vote through e-voting facility or voting by post for the election of directors in its forthcoming AGM in accordance with the conditions mentioned in the aforesaid regulations.

5. Appointment of Scrutinizer and e-voting Service Provider

In accordance with the applicable law mentioned above in Note 4 above, M/S. Corplink (Private) Limited have been appointed as the e-voting service provider and M/s Abdul Rahman & Co., Chartered Accountants, have been appointed as scrutinizer to monitor and validate voting for election of directors.

6. Submission of copy of Valid CNIC

Members who have not yet submitted photocopies of the Computerized National Identity Card ("CNIC") are requested to send the same at the earliest.

7. CDC Account Holders will further have to follow the guidelines as laid down by the Securities and Exchange Commission of Pakistan.

8. Participation in the AGM

A. For attending the Meeting

- I. In the case of individuals, the accounts holders and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his original CNIC or Passport at the time of attending the Meeting, and

NOTICE OF ANNUAL GENERAL MEETING

- II. In the case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

B. Online participation in AGM

- I. Members may avail video conference facility for this General Meeting, provided the Company receives the request at least 10 days prior to the date of the Meeting from members holding in aggregate 10% or more shareholding from respective location. Any member interested to join meeting through video link is requested to provide their name, CNIC Number, Folio/CDC Account Number, number of shares held, their mobile number and email address at the following email address corporate@pafl.com.pk on or before April 18, 2025. Video link will be shared a day prior to the meeting, and
- II. The shareholders will be able to login and participate in the AGM proceedings through their smartphones or computer devices after completing all the formalities required for the verification and identification of the shareholders.

9. Change of Address

Members are requested to intimate any change in their registered addresses to the Share Registrar of the Company. Those members who have not yet submitted a copy of their CNICs/NTN (in case of corporate entity) are also requested to send the same at the earliest. Shareholders maintaining their shares in electronic form should get their address updated with their participant or CDC Investor Accounts Services.

10. Contact Details

For any query/problem/information, Members may contact the Company at email corporate@pafl.com.pk and/or the Share Registrar of the Company at (+92 42) 35916714, 35916719, 35839182, email : shares@corplink.com.pk. Members may also visit the website of the Company www.agritech.com.pk for notices/information.

11. Electronic Dividend Mandate

In accordance with the Companies (Distribution of Dividend) Regulation 2017, shareholders are advised to provide International Bank Account Number (IBAN) details, if they have not already done so, to our Share Registrar (if shares are held in physical form) at their above referred office address, or to the respective Participants/Broker (if any share are held through CDS Account) without any delay.

12. Conversion of Physical Shares into Book-Entry Form Shares

Those shareholders who have physical share certificates are requested to convert them into book entry form as per Section 72 of the Companies Act, 2017.

13. Transmission of annual audited financial statements / annual report and notice of AGM

Members are hereby informed that Securities and Exchange Commission of Pakistan (SECP) vide SRO 389(I)/2023 dated March 21, 2023 has allowed Companies for transmission of the annual balance sheet, profit and loss account, auditor's report and directors' report, etc. (annual audited financial statements or the annual report) to the members/shareholders through QR-enabled code and web-link, instead of transmitting the same through CD/DVD/USB, the same was approved in Company's Annual General Meeting held on 28 April, 2023. The Annual Audited Financial Statements/Annual Report and the Notice of Annual General Meeting for the year ended December 31, 2024, have been placed on the Company's Website, which can be accessed/downloaded from the following link and QR code.

<https://agritech.com.pk/wp-content/uploads/2025/03/Annual-Report-31-December-2024.pdf>



Dated: March 27, 2025
Place: Lahore


Asma Irfan
Company Secretary

Statement of Material Facts Under Section 134(3) of the Companies Act, 2017

This statement sets out the material facts concerning the following businesses to be transacted at the Annual General Meeting (“AGM”) of Agritech Limited (the “Company”) to be held on April 21, 2025.

Ordinary Business

Agenda Item 4 – Election of Directors of the Company

Election of Directors

The term of office of the present Directors of the Company will expire on July 21, 2027. However, pursuant to the requisition notice received by the Company from a member under Section 162 of the Companies Act, 2017 read with Section 119 of the Securities Act, 2015, the Company is required to hold fresh election of directors of the Company at the AGM.

In accordance with Section 159(1) of the Act, the Board of Directors have fixed the number of Directors to be elected at the AGM at nine (09) to hold the office of director for a period of three (3) years commencing from the date of the AGM.

Independent Directors shall be selected in accordance with the provisions of the Act, the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the Companies (Manner and Selection of Independent Directors) Regulations, 2018.

To safeguard the interest of the minority shareholders, any member can send his/her nomination for contesting the election in any of above-mentioned categories.

Any person, who seeks to contest the election to the office of the director (“the Candidate”), whether they are a retiring director or otherwise, is required to file the following documents with the Company at its registered office i.e., Askari Corporate Tower, 4th Floor, 75-76, Block -D1 Main Boulevard Gulberg III, Lahore not later than fourteen (14) days before the date of the Meeting:

- a) A Notice of his/her intention to offer himself/herself for election as director in terms of Section 159(3) of the Act and consent to act as a director on Form 9 as prescribed under the Act and the Companies Regulations, 2024;
- b) Any person contesting the election of directors must be a Member of the Company at the time of filing his/her consent unless such person is representing a Member which is not a natural person. In case of member, complete Folio number/CDC Account Number including Participation ID must be submitted.
- c) Assigned declaration in respect of the following:
 - (i) He/she is aware of his/her duties and powers under the Act, the Listed Companies (Code of Corporate Governance) Regulations, 2019 (“COCG”), the Rule Book of Pakistan Stock Exchange Limited, Memorandum and Articles of Association of the Company and other relevant laws and regulations.
 - ii) He/she is not ineligible to become a director of a listed company under the provisions of the Act, the COCG and other applicable laws/regulations.
- d) A detailed profile of the Candidate along with address for placement on the Company website as per requirements of SECP’s notification S.R.O. 1196 (I)/2019 dated October 03, 2019;
- e) Details of other Directorship(s) and office(s) held.
- f) National Tax Number (“NTN”), attested copy of CNIC/Passport,;
- g) The Candidate who seeks to contest for election in the category of independent director or a female director, should clearly mention only one category (either female or independent) in which he/she intends to contest for the election of director.
- h) The following additional documents are required to be submitted by the candidates intending to contest the election as an independent director:
 - (i) Declaration of independence under Regulation 6(3) of the COCG.
 - (ii) Undertaking on non-judicial stamp paper that he/she meets the requirements of Regulation 4(1) of the Companies (Manner and Selection of Independent Directors) Regulations, 2018.

All the notices received for the category of Independent Director, shall be subject to due diligence by the Company as prescribed under Section 166 of the Act and 7A of the COCG.

NOTICE OF ANNUAL GENERAL MEETING

The final list of candidates contesting the election will be circulated not later than seven (7) days before the date of the AGM in terms of Section 159(4) of the Act. The website of the Company will be updated with the required information and Directors' profile.

Material Statement as required under Section 166(3) of the Act

In compliance of Section 166(3) of the Companies Act, 2017, for an independent director, consent papers will be accepted from those persons who meet the criteria set out for independence directors under Section 166 of the Companies Act, 2017. This provision also provides that the independent directors of a listed company shall be elected in the same manner as other directors are elected in terms of Section 159 of the Act. Accordingly, it will be ensured that the persons contesting as independent directors must meet the criteria of independent directors laid down under the applicable law and their names are listed on the data bank of independent directors maintained by Pakistan Institute of Corporate Governance / institute / organization duly notified by the Securities and Exchange Commission of Pakistan.

The present Directors of the Company have no interest in the above business except their eligibility for re-election as director of the Company.

SPECIAL BUSINESS

Agenda Item 5 – Amendment of Articles of Association of the Company

The Board of Directors has recommended that Articles 84 and 107 of the Articles of Association be amended to bring these Articles in line with the provisions of the Companies Act 2017, and to allow for a streamlined approach to procedure for election of directors. The amendments are summarized below:

Comparative Table

Existing Article	Proposed Alteration
84. Until otherwise determined by the Company in general meeting the number of Directors shall not be less than seven nor more than nine, inclusive of ex-officio Directors. The Managing Agents shall be at liberty to appoint Directors (not exceeding one third of the total number of Directors, for the time being of the Company) one of whom will be the Chairman Of the Board and to remove from office any person so appointed and upon the removal or retirement of any such person to appoint any other person in his place and such Directors shall be ex-officio Directors within the meaning of these presents.	84. The Directors shall, from time to time, fix their number in accordance with the provisions of Section 159(1) of the Companies Act, 2017, and the number so fixed shall not be changed except with the prior approval of the general meeting in which election of Directors is to be held.
107. Subject to the provisions of Section 174 and 178(1), the Company in general meeting may from time to time increase or reduce the number of Directors.	107. Subject to Article 84 and the provisions of Section 154 and 159(1) of the Companies Act, 2017, the Company in a general meeting may, from time to time, reduce or increase the number of Directors.

The resolution required for the above purpose is set forth in the notice convening the Annual General Meeting and that resolution will be proposed and passed as a Special Resolution.

The Directors are not interested, directly or indirectly in the above Special Business, other than as Directors and/or shareholders of the Company.

اطلاع برائے سالانہ اجلاس عام

کمپنی کے موجودہ ڈائریکٹرز کو مذکورہ کاروبار میں کوئی ذاتی مفاد حاصل نہیں ہے، سوائے اس کے کہ وہ دوبارہ ڈائریکٹر منتخب ہونے کے اہل ہیں۔

خصوصی کاروبار

ایجنڈا آئٹم 5- کمپنی کے آرٹیکلز آف ایسوسی ایشن میں ترمیم

بورڈ آف ڈائریکٹرز نے تجویز دی ہے کہ آرٹیکل 84 اور 107 میں ترمیم کی جائے تاکہ انہیں کمپنیز ایکٹ 2017 کے مطابق ہم آہنگ کیا جاسکے اور ڈائریکٹرز کے انتخاب کے طریقہ کار کو مزید موثر اور منظم بنایا جاسکے۔ ان ترمیم کا خلاصہ درج ذیل ہے:

تفصیلی جدول

موجودہ آرٹیکل	تجویز کردہ تبدیلی
84. جب تک کمپنی کی طرف سے عام اجلاس میں بصورت دیگر تعین نہ کیا جائے ڈائریکٹرز کی تعداد سات سے کم نہیں ہوگی اور نہ ہی نو سے زیادہ، بشمول سابقہ ڈائریکٹرز۔ مینجنگ ایجنٹوں کو ڈائریکٹرز کی تقرری کرنے کی آزادی ہوگی (کمپنی کے ڈائریکٹرز کی کل تعداد کے ایک تہائی سے زیادہ نہیں) جن میں سے ایک بورڈ کا چیئرمین ہوگا اور کسی بھی ایسے شخص کو عہدے سے ہٹایا جائے گا اور ایسے شخص کی برطرفی یا ریٹائرمنٹ پر اس کی جگہ کسی دوسرے شخص کو مقرر کیا جائے گا اور ایسے ڈائریکٹرز ان کی جگہ پر موجود ہوں گے۔	84. ڈائریکٹرز، وقتاً فوقتاً کمپنیز ایکٹ، 2017 کے سیکشن 159(1) کی دفعات کے مطابق اپنی تعداد طے کریں گے، اور اس طرح مقرر کردہ نمبر کو تبدیل نہیں کیا جائے گا سوائے اس عام اجلاس کی پیشگی منظوری کے جس میں ڈائریکٹرز کا انتخاب ہونا ہے۔
107. دفعہ 174 اور 178(1) کی دفعات کے تحت، کمپنی جنرل مینٹنگ میں وقتاً فوقتاً ڈائریکٹرز کی تعداد میں اضافہ یا کمی کر سکتی ہے۔	107. آرٹیکل 84 اور کمپنیز ایکٹ، 2017 کے سیکشن 154 اور 159(1) کی دفعات کے تحت، کمپنی، وقتاً فوقتاً، ایک جنرل مینٹنگ میں، ڈائریکٹرز کی تعداد کو کم یا بڑھا سکتی ہے۔

مندرجہ بالا مقصد کے لیے درکار قرار داد سالانہ عام اجلاس طلب کرنے والے نوٹس میں درج کی گئی ہے اور اس قرار داد کو خصوصی قرار داد کے طور پر تجویز کیا جائے گا اور منظور کیا جائے گا۔

ڈائریکٹرز کمپنی کے ڈائریکٹرز اور/یا شیئر ہولڈرز کے علاوہ مذکورہ خصوصی کاروبار میں بالواسطہ یا بلاواسطہ دلچسپی نہیں رکھتے۔

یہ بیان کمپنیز ایکٹ 2017 کے سیکشن 134 (3) کے تحت مادی حقائق کو واضح کرتا ہے جو ایگریٹیک لیمیٹڈ ("کمپنی") کی سالانہ جنرل میٹنگ ("اے جی ایم") میں زیر غور آئیں گے، جو 21 اپریل 2025 کو منعقد ہوگی۔

معمول کاروبار

ایجنڈا آئٹم 4- کمپنی کے ڈائریکٹرز کا انتخاب

ڈائریکٹرز کا انتخاب

کمپنی کے موجودہ ڈائریکٹرز کی مدت ملازمت 21 جولائی 2027 کو ختم ہو رہی ہے۔ تاہم، کمپنی کو ایک رکن کی جانب سے کمپنیز ایکٹ 2017 کے سیکشن 162 اور سیکورٹیز ایکٹ 2015 کے سیکشن 119 کے تحت موصول ہونے والے ریکورڈیشن نوٹس کے نتیجے میں نئے ڈائریکٹرز کے انتخابات کے انعقاد کے لیے اے جی ایم بلانے کی ضرورت ہے۔ کمپنیز ایکٹ کے سیکشن 159 (1) کے مطابق، بورڈ آف ڈائریکٹرز نے اے جی ایم میں منتخب کیے جانے والے ڈائریکٹرز کی تعداد نو (09) مقرر کی ہے، جو اے جی ایم کی تاریخ سے شروع ہونے والے تین (3) سال کی مدت کے لیے ڈائریکٹرز کے طور پر خدمات انجام دیں گے۔

آزاد ڈائریکٹرز کا انتخاب کمپنیز ایکٹ، لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019، اوپنیز (آزاد ڈائریکٹرز کے انتخاب کا طریقہ کار) ریگولیشنز 2018 کے مطابق کیا جائے گا۔ اعلیٰ حصص داروں کے مفادات کے تحفظ کے لیے، کوئی بھی رکن ڈائریکٹرز کے انتخاب کے لیے کسی بھی درج بالا کیٹیگری میں اپنی نامزدگی جمع کرا سکتا ہے۔

کوئی بھی شخص جو ڈائریکٹرز کے عہدے کے لیے انتخاب میں حصہ لینا چاہتا ہو (خواہ وہ موجودہ ڈائریکٹر ہو یا کوئی اور امیدوار)، اسے درج ذیل دستاویزات کمپنی کے رجسٹرڈ آفس (اسکری کارپوریٹ ٹاور، چوتھی منزل، 75-76، بلاک ڈی 1، مین بلیوارڈ گلبرگ III، لاہور) میں میٹنگ کی تاریخ سے کم از کم چودہ (14) دن قبل جمع کرانی ہوں گی:

a- کمپنیز ایکٹ کے سیکشن 159 (3) کے مطابق، اپنی نامزدگی کے ارادے کا نوٹس اور فارم 9 پر اپنی رضامندی جسے ایکٹ اوپنیز ریگولیشنز 2024 کے تحت مقرر کیا گیا ہے۔

b- جو بھی شخص ڈائریکٹرز کے انتخاب میں حصہ لینا چاہتا ہے، اسے نامزدگی داخل کرنے کے وقت کمپنی کا رکن ہونا ضروری ہے، جب تک کہ وہ کسی ایسے رکن کی نمائندگی نہ کر رہا ہو جو قدرتی شخص نہ ہو۔ رکن کی صورت میں، مکمل فوئیو نمبر/سی ڈی سی اکاؤنٹ نمبر بشمول پارٹیشنیشن آئی ڈی لازمی جمع کرانی جائے۔

c- درج ذیل امور کے حوالے سے ایک دستخط شدہ اعلامیہ:

(i) وہ/وہ ایکٹ، لسٹڈ کمپنیز (کارپوریٹ گورننس کوڈ) ریگولیشنز 2019 ("COCG")، پاکستان اسٹاک ایکسچینج لیمیٹڈ کے رول بک، کمپنی کے میمورنڈم اور آرٹیکلز آف ایسوسی ایشن اور دیگر متعلقہ قوانین و ضوابط کے تحت اپنی ذمہ داریوں اور اختیارات سے آگاہ ہے۔

(ii) وہ/وہ ایکٹ، COCG اور دیگر قابل اطلاق قوانین/ضوابط کے تحت لسٹڈ کمپنی کے ڈائریکٹرز بننے کے لیے نااہل نہیں ہے۔

d- امیدوار کا تفصیلی پروفائل اور پینہ، جو کمپنی کی ویب سائٹ پر SECP کے نوٹیفیکیشن 1196 (I.S.R.O.)/2019 مورخہ 3 اکتوبر 2019 کے تقاضوں کے مطابق شائع کیا جائے گا۔

e- دیگر ڈائریکٹرز اور عہدوں کی تفصیلات۔

f- نیشنل ٹیکس نمبر ("NTN")، شناختی کارڈ (CNIC) یا پاسپورٹ کی تصدیق شدہ کاپی۔

g- وہ امیدوار جو آزاد ڈائریکٹر یا خاتون ڈائریکٹر کے زمرے میں انتخاب میں حصہ لینا چاہتا ہو، اسے واضح طور پر صرف ایک کیٹیگری (یا تو آزاد یا خاتون) کا ذکر کرنا ہوگا جس میں وہ ڈائریکٹر کے انتخاب کے لیے امیدوار بننا چاہتا ہے۔

h- وہ امیدوار جو آزاد ڈائریکٹر کے طور پر انتخابات میں حصہ لینا چاہتے ہیں، انہیں درج ذیل اضافی دستاویزات جمع کرانی ہوں گی:

(i) لسٹڈ کمپنیز (کارپوریٹ گورننس کوڈ) ریگولیشنز 2019 کے سیکشن 6 (3) کے تحت آزادی کا اعلامیہ۔

(ii) غیر عدالتی اسٹامپ پیپر پر حلف نامہ کہ وہ کمپنیز (آزاد ڈائریکٹرز کے انتخاب کا طریقہ کار) ریگولیشنز 2018 کے سیکشن 4 (1) کی ضروریات پر پورا اترتا ہے۔

آزاد ڈائریکٹرز کے زمرے میں موصول ہونے والے تمام نوٹس، کمپنی کی جانب سے کمپنیز ایکٹ کے سیکشن 166 اور لسٹڈ کمپنیز (کارپوریٹ گورننس کوڈ) ریگولیشنز 2019 کے سیکشن 7A کے تحت مقرر کردہ جانچ پڑتال سے مشروط ہوں گے۔

انتخاب میں حصہ لینے والے امیدواروں کی حتمی فہرست سالانہ جنرل میٹنگ (AGM) کی تاریخ سے کم از کم سات (7) دن قبل جاری کی جائے گی، جیسا کہ ایکٹ کے سیکشن 159 (4) میں درج ہے۔ کمپنی کی ویب سائٹ کو مطلوبہ معلومات اور ڈائریکٹرز کے پروفائلز کے ساتھ اپ ڈیٹ کیا جائے گا۔

کمپنیز ایکٹ 2017 کے سیکشن 166 (3) کے تحت درکار مادی بیان

کمپنیز ایکٹ 2017 کے سیکشن 166 (3) کی تعمیل میں، آزاد ڈائریکٹرز کے لیے صرف ان افراد کا عنوانات نامزدگی قبول کیے جائیں گے جنہیں ایکٹ 2017 کے سیکشن 166 کے تحت آزاد ڈائریکٹرز کے معیار پر پورا اترتے ہیں۔ اس شق کے مطابق، لسٹڈ کمپنی کے آزاد ڈائریکٹرز کو اسی طریقہ کار کے تحت منتخب کیا جائے گا جس کے تحت دیگر ڈائریکٹرز کا

انتخاب سیکشن 159 کے مطابق کیا جاتا ہے۔ اس لیے یہ یقینی بنایا جائے گا کہ آزاد ڈائریکٹرز کے طور پر انتخابات میں حصہ لینے والے افراد لازمی طور پر آزاد ڈائریکٹرز کے مقررہ معیار پر پورا اتریں قابل اطلاق قانون کے تحت، آزاد ڈائریکٹرز کے طور پر انتخاب میں حصہ لینے والے امیدواروں کے نام پاکستان انسٹیٹیوٹ آف کارپوریٹ گورننس/کسی بھی تسلیم شدہ ادارے/تنظیم کے ڈیٹا بینک میں درج ہونے چاہئیں، جو سیکورٹیز ایکسچینج کمیشن آف پاکستان (SECP) کی جانب سے باقاعدہ طور پر نوٹیفائی کیا گیا ہو۔

اطلاع برائے سالانہ اجلاس عام

شامل ہونا چاہتے ہیں، وہ اپنا نام، CNIC نمبر، فوٹیو/ CDC اکاؤنٹ نمبر، حصص کی تعداد، موبائل نمبر اور ای میل ایڈریس 18 اپریل 2025 تک

corporate@pafli.com.pk پر بھیجیں۔ ویڈیو لنک مینٹنگ سے ایک دن پہلے شیئر کیا جائے گا۔

ii. شیئر ہولڈرز اپنے اسمارٹ فونز یا کمپیوٹر ڈیوائسز کے ذریعے AGM کی کارروائی میں لاگ ان ہو کر حصہ لیں گے، بشرطیکہ وہ شیئر ہولڈرز کی تصدیق اور شناخت کے لیے درکار تمام رسمی کارروائیاں مکمل کر لیں۔

9. پتہ کی تبدیلی

اراکین سے درخواست ہے کہ وہ اپنی رجسٹرڈ پتہ کی تبدیلی سے کمپنی کے شیئر رجسٹرار کو مطلع کریں۔ وہ اراکین جنہوں نے ابھی تک اپنی شناختی کارڈ (CNIC) یا نیشنل ٹیکس نمبر (NTN) کی کاپی (کارپوریٹ ادارے کی صورت میں) جمع نہیں کروائی، ان سے گزارش ہے کہ جلد از جلد جمع کروائیں۔ وہ شیئر ہولڈرز جو اپنے شیئرز کو الیکٹرانک شکل میں رکھتے ہیں، انہیں چاہیے کہ وہ اپنا پتہ اپنے شریک یا CDC انویسٹرا کا ڈیٹا سروسز کے ساتھ اپ ڈیٹ کروائیں۔

10. رابطے کی تفصیلات

کسی بھی سوال، مسئلے یا معلومات کے لیے، اراکین کمپنی سے ای میل کے ذریعے رابطہ کر سکتے ہیں: corporate@pafli.com.pk اور/یا کمپنی کے شیئر رجسٹرار سے درج ذیل نمبر پر رابطہ کریں: 35916714, 35916719, 35839182 (+92-42) 35916714، 35916719، 35839182 ای میل: shares@corplink.com.pk، مزید برآں، اراکین کمپنی کی ویب سائٹ www.agritech.com.pk پر بھی نوٹسز اور دیگر معلومات ملاحظہ کر سکتے ہیں۔

11. الیکٹرانک ڈویڈنڈ مینڈیٹ

کمپنی (ڈسٹری بیوٹن آف ڈویڈنڈ) ریگولیشن 2017 کے مطابق، شیئر ہولڈرز کو مشورہ دیا جاتا ہے کہ وہ اپنے انٹرنیشنل بینک اکاؤنٹ نمبر (IBAN) کی تفصیلات، اگر پہلے سے فراہم نہیں کیں، تو فوری طور پر ہمارے شیئر رجسٹرار (اگر شیئرز فزیکل فارم میں ہیں) کو ان کے درج بالا دفتر کے پتے پر یا اپنے متعلقہ شریک/ بروکر (اگر شیئرز CDS اکاؤنٹ کے ذریعے رکھے گئے ہیں) کو فراہم کریں۔

12. فزیکل شیئرز کو بک انٹری فارم میں تبدیل کرنا

وہ شیئر ہولڈرز جن کے پاس فزیکل شیئر سرٹیفکیٹس ہیں، ان سے گزارش ہے کہ وہ کمپنی ایکٹ 2017 کے سیکشن 72 کے مطابق، انہیں بک انٹری فارم میں تبدیل کروالیں۔

13. سالانہ آڈٹ شدہ مالیاتی بیانات/ سالانہ رپورٹ اور نوٹس آف AGM کی ترسیل

اراکین کو مطلع کیا جاتا ہے کہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) نے 389SRO (I)/2023 مورخہ 21 مارچ 2023 کے ذریعے کمپنی کو اجازت دی ہے کہ وہ سالانہ بیلنس شیٹ، منافع و نقصان کا حساب، آڈیٹ کی رپورٹ، ڈائریکٹرز رپورٹ وغیرہ (سالانہ آڈٹ شدہ مالیاتی بیانات یا سالانہ رپورٹ) اراکین/شیئر ہولڈرز کو QR کوڈ اور ویب لنک کے ذریعے فراہم کریں، بجائے USB/ DVD/ CD کے ذریعے ترسیل کے۔ یہ فیصلہ کمپنی کی سالانہ جنرل مینٹنگ، مورخہ 28 اپریل 2023 کو منظور کیا گیا تھا۔ سالانہ آڈٹ شدہ مالیاتی بیانات/ سالانہ رپورٹ اور سالانہ جنرل مینٹنگ کا نوٹس، سال 31 دسمبر 2024 کو ختم ہونے والے سال کے لیے، کمپنی کی ویب سائٹ پر اپ لوڈ کر دیے گئے ہیں، جنہیں درج ذیل لنک اور QR کوڈ کے ذریعے حاصل/ ڈاؤن لوڈ کیا جاسکتا ہے۔

<https://agritech.com.pk/wp-content/uploads/2025/03/Annual-Report-31-December-2024.pdf>



Asma Irfan

اسماء عرفان

کمپنی سیکریٹری

تاریخ: 27 مارچ 2025

مقام: لاہور

نوٹس:

1.

شیئرز انسفر بکس کی بندش

کمپنی کے شیئرز انسفر بکس پیر، 14 اپریل 2025 سے پیر، 21 اپریل 2025 تک بند رہیں گے (دونوں دن شامل ہیں)۔ شیئرز انسفر جو ہمارے رجسٹرار میسرز کورپوریشن (پرائیویٹ) لمیٹڈ، گلزار کئیڈ، K-1، کمرشل، ماڈل ٹاؤن، لاہور میں کاروباری اوقات کے اختتام تک 13 اپریل 2025 کو موصول ہوں گے، انہیں AGM کے مقصد کے لیے بروقت سمجھا جائے گا۔

2. کمپنی کے سالانہ اکاؤنٹس

کمپنی کی سالانہ رپورٹ کی ایک کاپی کمپنی کی ویب سائٹ پر دستیاب ہے۔ جو ممبر اس رپورٹ کی بارڈ کاپی حاصل کرنے میں دلچسپی رکھتا ہے، وہ مکمل ڈاک کا پیسہ اور فوٹیو/ CDC اکاؤنٹ نمبر کے ساتھ corporate@paf.com.pk پر ای میل کے ذریعے درخواست بھیج سکتا ہے۔

3. پراسی کی تقرری

کوئی بھی ممبر، جو اجلاس میں شرکت اور ووٹ دینے کا حق رکھتا ہے، کسی بھی فرد/ ممبر کو اپنی جگہ پر کسی کے طور پر اجلاس میں شرکت اور ووٹ دینے کے لیے مقرر کر سکتا ہے۔ پراسی فارم کو مؤثر بنانے کے لیے، اسے اجلاس کے انعقاد کے وقت سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرار آفس میں جمع کروانا ضروری ہے۔

I۔ انفرادی صورت میں، اکاؤنٹ ہولڈرز اور/یا سب اکاؤنٹ ہولڈرز، جن کی رجسٹریشن کی تفصیلات CDC کے قواعد کے مطابق اپلوڈ کی گئی ہیں، انہیں پراسی فارم کو نوٹد کوہ بالا تقاضوں کے مطابق جمع کروانا ہوگا۔ پراسی فارم اس نوٹس کے ساتھ منسلک ہے اور کمپنی کی ویب سائٹ پر اردو اور انگریزی زبانوں میں بھی دستیاب ہے۔

II۔ پراسی فارم کو نوٹد کوہ بالا کے دستخطوں کے ساتھ مکمل کیا جائے گا، جن کے نام، پتے اور قومی شناختی کارڈ (CNIC) نمبر فارم پر درج ہوں گے۔

III۔ مستفید مالک اور پراسی کے قومی شناختی کارڈ (CNIC) یا پاسپورٹ کی تصدیق شدہ کاپیاں پراسی فارم کے ساتھ منسلک کی جائیں گی۔

IV۔ پراسی کو اجلاس کے وقت اپنا اصل CNIC یا اصل پاسپورٹ پیش کرنا ہوگا۔

V۔ کارپوریٹ ادارے کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/ پاور آف اٹارنی مع نمونہ دستخط پراسی فارم کے ساتھ جمع کروائی جائے گی (جب تک کہ یہ پہلے سے فراہم نہ کی گئی ہو)۔

6.

پوش بیلٹ کے ذریعے ووٹنگ

ممبران کو مطلع کیا جاتا ہے کہ پینیز (پوش بیلٹ) ریگولیشنز 2018، جو کہ SECP کے نوٹیفیکیشن SRO 2192/1(1) مورخہ 5 دسمبر 2022 کے ذریعے ترمیم شدہ ہے، کے مطابق پینیز ایکٹ 2017 کے سیکشن 143 اور 144 کی شرائط کے تحت، SECP نے تمام فہرست شدہ کمپنیوں کو اپنے ممبران کو ای-ووٹنگ کی سہولت اور پوش بیلٹ کے ذریعے ووٹ ڈالنے کا حق فراہم کرنے کی ہدایت دی ہے۔ یہ سہولت خاص کاروبار کے معاملات اور ڈائریکٹرز کے انتخاب کے لیے دستیاب ہوگی، بشرطیکہ وہ افراد جو خود کو ڈائریکٹرز کے انتخاب کے لیے نامزد کریں، ان کی تعداد ایکٹ کے سیکشن 159(1) کے تحت مقرر کردہ ڈائریکٹرز کی تعداد سے زیادہ ہو۔

5. اسکر وٹسٹا ز اور ای ووٹنگ سروس فراہم کنندہ کی تقرری

نوٹد کوہ بالا نوٹ 4 میں بیان کردہ قابل اطلاق قانون کے مطابق، ایم/ ایس کورپوریشن (پرائیویٹ) لمیٹڈ کو ای ووٹنگ سروس فراہم کنندہ اور ایم/ ایس قادر بر اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو ڈائریکٹرز کے انتخاب کے لیے ووٹنگ کی نگرانی اور تصدیق کے لیے اسکر وٹسٹا ز مقرر کیا گیا ہے۔

6. درست CNIC کی کاپی جمع کروانا

وہ ممبران جنہوں نے ابھی تک کمپیوٹرائزڈ قومی شناختی کارڈ ("CNIC") کی فوٹو کاپی جمع نہیں کروائی ہے، ان سے گزارش ہے کہ جلد از جلد اسے جمع کرائیں۔

7. CDC اکاؤنٹ ہولڈرز کو مزید ان ہدایات پر عمل کرنا ہوگا جو سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے ذریعے وضع کی گئی ہیں۔

8. AGM میں شرکت

A۔ اجلاس میں شرکت کے لیے

I. انفرادی صورت میں، اکاؤنٹ ہولڈرز اور/یا سب اکاؤنٹ ہولڈرز، جن کی رجسٹریشن کی تفصیلات CDC ریگولیشنز کے مطابق اپلوڈ کی گئی ہیں، انہیں اجلاس میں شرکت کے وقت اپنی اصل CNIC یا پاسپورٹ دکھا کر اپنی شناخت کی تصدیق کرنی ہوگی۔

II. کارپوریٹ ادارے کی صورت میں، نامزد نمائندے کے نمونہ دستخط کے ساتھ بورڈ آف ڈائریکٹرز کی قرارداد/ پاور آف اٹارنی اجلاس کے وقت پیش کرنا ہوگی (بشرطیکہ پہلے سے فراہم نہ کی گئی ہو)۔

B۔ AGM میں آن لائن شرکت

I. ممبران اس جزیل مینٹنگ کے لیے ویڈیو کانفرنس کی سہولت حاصل کر سکتے ہیں، بشرطیکہ کمپنی کو مینٹنگ کی تاریخ سے کم از کم 10 دن پہلے وہ درخواست

موصول ہو، اور یہ درخواست ایسے ممبران کی طرف سے ہونی چاہیے جن کے پاس مجموعی طور پر 10% یا اس سے زیادہ شیئرز ہولڈنگ ہو۔ جو ممبران ویڈیو لنک کے ذریعے مینٹنگ میں

اطلاع برائے سالانہ اجلاس عام

ایگری ٹیک لیٹنڈ ("کمپنی") کے تمام اراکین کو اطلاع دی جاتی ہے کہ کمپنی کی سالانہ جنرل میٹنگ ("AGM") 21 اپریل 2025 کو صبح 11:00 بجے پاک لین ہوٹل، 107-B3، ایم ایم عالم روڈ، گلبرگ III، لاہور میں منعقد ہوگی تاکہ درج ذیل امور پر غور کیا جاسکے:

عام کاروبار

- 22 جولائی 2024 کو منعقدہ غیر معمولی جنرل میٹنگ کے منٹس کی تصدیق۔
- 31 دسمبر 2024 کو ختم ہونے والے سال کے لیے کمپنی کے آڈٹ شدہ مالیاتی بیانات، ڈائریکٹرز اور آڈیٹرز کی رپورٹس اور چیئرمین کی جائزہ رپورٹ پر غور اور منظوری۔
- 31 دسمبر 2025 کو ختم ہونے والے مالی سال کے لیے بیرونی آڈیٹرز کی تقرری اور ان کی فیس کا تعین۔ ریٹائر ہونے والے آڈیٹرز ڈیمسٹر گرانٹ تھارنٹن انجم رحمان اینڈ کمپنی نے دوبارہ تقرری کی پیشکش کی ہے۔
- کمپنی کے نو (09) ڈائریکٹرز کا انتخاب، جو بورڈ آف ڈائریکٹرز نے ایک ممبر کی درخواست کے تحت کمپنیز ایکٹ 2017 کے سیکشن 162 کے مطابق تین سال کی مدت کے لیے منتخب کیے ہیں، جو AGM کی تاریخ یعنی 21 اپریل 2025 سے مؤثر ہوگی۔

ریٹائر ہونے والے ڈائریکٹرز کے نام:

(i) مسٹر شاہد اقبال چوہدری

(ii) مسٹر عثمان ملک

(iii) مسٹر سعید محسن رضا نقوی

(iv) مسٹر حسن احمد

(v) محترمہ منال حسن نقوی

(vi) مسٹر سعید مصطفیٰ حیدر حمدانی

(vii) مسٹر بارون فاروق

خصوصی کاروبار

- کمپنی کے آرٹیکلز آف ایسوسی ایشن میں ترمیم کے لیے خصوصی قراردادوں پر غور اور منظوری۔
منظور شدہ قرارداد یہ قرارداد منظور کی جاتی ہے کمپنیز ایکٹ 2017 کے سیکشن 38 اور دیگر قابل اطلاق دفعات کے تحت کمپنی کے آرٹیکلز آف ایسوسی ایشن میں درج ذیل ترمیم کی جاتی ہیں:
(a) موجودہ آرٹیکل 84 کی جگہ درج ذیل نیا آرٹیکل شامل کیا جائے:
84۔ ڈائریکٹرز وقتاً فوقتاً کمپنیز ایکٹ 2017 کے سیکشن 159(1) کے مطابق اپنی تعداد کا تعین کریں گے، اور یہ تعداد صرف اسی عام اجلاس میں تبدیل کی جاسکتی ہے جس میں ڈائریکٹرز کا انتخاب ہونا ہو۔
(b) موجودہ آرٹیکل 107 کی جگہ درج ذیل نیا آرٹیکل شامل کیا جائے:
107۔ آرٹیکل 84 اور کمپنیز ایکٹ 2017 کے سیکشن 154 اور 159(1) کی دفعات کے تحت، کمپنی عام اجلاس میں وقتاً فوقتاً ڈائریکٹرز کی تعداد کم یا زیادہ کر سکتی ہے۔
یہ مزید منظور کیا جاتا ہے کہ چیف ایگزیکٹو آفیسر اور/یا کمپنی سیکریٹری کو مجاز بنایا جاتا ہے کہ وہ تمام قانونی، کارپوریٹ اور پروسیجرل تقاضے پورے کرنے کے لیے تمام ضروری اقدامات کریں اور مجوزہ ترمیم کو نافذ کرنے کے لیے تمام مطلوبہ دستاویزات متعلقہ اداروں میں جمع کرائیں۔
یہ بھی منظور کیا جاتا ہے کہ کمپنی کے آرٹیکلز آف ایسوسی ایشن میں مذکورہ بالا ترمیم کو ضروری ترمیم، اضافے یا حذف کے تابع بنایا جائے گا، اور ایسی ترمیم کے لیے دوبارہ ممبران کی منظوری کی ضرورت نہیں ہوگی۔

دیگر کاروبار

- کسی بھی دیگر کاروبار پر غور، جس کی اجازت چیئرمین دے۔
سالانہ جنرل میٹنگ کے نوٹس کے ساتھ کمپنیز ایکٹ کے سیکشن 134(3) کے تحت درکار مادی حقائق کا بیان منسلک ہے۔

بورڈ آف ڈائریکٹرز کے حکم سے

Asma Irfan

اسماء عرفان

کمپنی سیکریٹری

تاریخ: 27 مارچ 2025

مقام: لاہور

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Form of Proxy
Agritech Limited



I _____ s/o _____ r/o _____
_____ being a member of
Agritech Limited (the Company), hereby appoint _____ s/o
_____ r/o _____ as my proxy to attend
and vote on my behalf at the Annual General Meeting of the company to be held on the 21st day of April, 2025 and
at any adjournment thereof.”

In witness whereof on this _____ day of _____ April 2025.

WITNESSES:

1. Signature _____

Name _____

Address _____

CNIC: _____

Affix Revenue
Stamp

2. Signature _____

Name _____

Address _____

CNIC: _____

Member's Signature

NOTE:

1. The Form of Proxy should be deposited at the Registered Office of the Agritech Limited situated at 4th Floor, Askari Corporate Tower, Block D-75, 76 Main Boulevard, Gulberg-II, Lahore not later than 48 hours before the time for holding the meeting.
2. CDC Shareholders, entitled to attend and vote at this meeting, must bring with them their national Identity Cards/Passport in original to provide his/her identity, and in case of Proxy, must enclosed an attested copy of his/her CNIC or Passport. Representatives of corporate members should bring the usual documents for such purposes



The Company Secretary
AGRITECH LIMITED
Askari Corporate Tower,
4th Floor, 75-76 Block D-1,
Main Boulevard,
Gulberg-III, Lahore.

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ایگری ٹیک لمیٹڈ پراکسی فارم

ہم _____ فرزند _____ رہائشی _____
اس کے ذریعے تقرری _____
ایگری ٹیک لمیٹڈ (کمپنی) کا رکن ہونے کے ناطے، _____ فرزند _____
رہائشی _____ میرا نمائندہ بن کر شرکت کریں
اور میری طرف سے 21 اپریل 2025 کو منعقد ہونے والی کمپنی کی سالانہ جنرل میٹنگ اور اس کے کسی بھی التوا میں ووٹ دیں۔

آج بروز _____ تاریخ _____ اپریل 2025ء میرے / ہمارے دستخط اور گواہوں کی تصدیق کے ساتھ جاری ہوا۔

گواہان:

1. دستخط: _____

نام: _____

پتہ: _____

رہائشی یہاں چسپاں کریں

کمپیوٹرائزڈ شناختی کارڈ: _____

2. دستخط: _____

نام: _____

پتہ: _____

ممبر کے دستخط

کمپیوٹرائزڈ شناختی کارڈ: _____

نوٹ:

- 1- پراکسی فارم ایگری ٹیک لمیٹڈ کے رجسٹرڈ آفس میں جو چوتھی منزل، عسکری کارپوریٹ ٹاور، بلاک D-75، 76 مین بلیوارڈ، گلبرگ-II، لاہور میں میٹنگ کے انعقاد کے وقت سے 48 گھنٹے پہلے جمع کرایا جائے۔
- 2- اس میٹنگ میں شرکت کرنے اور ووٹ دینے کے حقدار CDC کے شیئرز ہولڈرز کو اپنی شناخت فراہم کرنے کے لیے اپنے ساتھ اصل میں اپنا قومی شناختی کارڈ / پاسپورٹ لانا چاہیے، اور پراکسی کی صورت میں، اپنے CNIC یا پاسپورٹ کی ایک تصدیق شدہ کاپی منسلک کرنا چاہیے۔ کارپوریٹ ممبران کے نمائندوں کو اس طرح کے مقاصد کے لیے معمول کے دستاویزات ساتھ لانا چاہیے۔



کمپنی سیکرٹری
ایگری ٹیک لمیٹڈ
عسکری کارپوریشن ٹاور
چوتھی منزل 75-76 بلاک D-1،
مین بیلو وارڈ، گلبرگ III، لاہور

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AGRITECH LIMITED

Head Office: Askari Corporate Tower, 4th Floor,
75-76 Block D-1, Main Boulevard, Gulberg-III, Lahore.
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