



Interim Financial Report
for the half year ended
June 30, 2024
(Un-audited)



conquering challenges
RISING STRONG

VISION

To become a major regional diversified fertilizer company

MISSION

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



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

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

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

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

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

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

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



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Company Information

Board of Directors

Mr. Shahid Iqbal Choudhri (*Chairman*) - reappointed on 22nd July 2024
Mr. Hasan Ahmad - reappointed on 22nd July 2024
Mr. Osman Malik - reappointed on 22nd July 2024
Syed Mohsin Raza Naqvi - appointed on 22nd July 2024
Syed Mustafa Haider Hamdani - appointed on 22nd July 2024
Ms. Minahil Mohsin Naqvi - appointed on 22nd July 2024
Mr. Haroon Farooq - appointed on 22nd July 2024
Mr. Muhammad Faisal Muzammil (*CEO*)

Mr. Shahid Iqbal Choudhri was appointed as Chairman and Mr. Muhammad Faisal Muzammil as CEO in board meeting of the Company dated 1st August 2024.

Audit Committee

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

HR & Remuneration Committee

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

Chief Financial Officer

Mr. Moeez ur Rehman Slehria

Company Secretary & Head of Legal

Ms. Asma Irfan

Head of Internal Audit

Mr. Sohaib Roomy Salih

Legal Advisor

Mr. Wasif Majeed
Lexium Attorneys At Law
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Shares Registrar

Corplink (Private) Limited
Wings Arcade, 1 – K Commercial, Model Town, Lahore
+92 (42) 35916714 – 19
+92 (42) 35839182
shares@corplink.com.pk

Auditors

Grant Thornton Anjum Rahman
Chartered Accountants
135 Ferozpur Road, Lahore
+92 42 37423621 -23

Bankers

National Bank of Pakistan
Faysal Bank Limited
Standard Chartered Bank (Pakistan) Limited
Albaraka Bank Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Summit Bank Limited
Silk Bank Limited
Allied Bank Limited
Bank Alfalah Limited
The Bank of Punjab
Bank Islami Pakistan Limited
Askari Bank Limited
Pak Libya Holding Company (Pvt.) Limited
Soneri Bank Limited
Citi Bank N.A. Pakistan
United Bank Limited
JS Bank Limited
Habib Bank Limited
MCB Bank Limited

Registered Office

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

Project Locations

Unit-I

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

Unit-II

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

Directors' Review Report

The Directors of Agritech Limited hereby submit their report along with the un-audited condensed interim financial statements for the six months period ended June 30, 2024.

Overview of Fertilizer Industry

During the 1st half of 2024, the production of Urea increased by 5% to 3,208 K tonnes vs 3,058 K tonnes in 1st half of 2023, primarily due to continuous gas supplies to the plants on SNGPL network including the Company's Urea plant. Urea offtakes for the period under review were recorded at 3,037 K tonnes decreasing by 2% vs 3101 K tonnes in same period last year. This decline was predominantly witnessed in the 2nd quarter of 2024 that was attributed to the slight shift in seasonal demand in line with Kharif Crops sowing and significant reduction in farm economics on last Wheat crop where market prices of wheat remained lower than Govt support prices. The Federal Government in order to meet the higher Rabi 2023/24 demand imported 173 k tonnes Urea (vs Zero last year) which was allocated and distributed through the urea producers as per their respective production shares.

The Company managed to produce 178 K tonnes Urea (96 K tonnes: 2023) against installed capacity of 215 K tonnes for the period and sold 147 K tonnes Urea (76 K tonnes: 2023). In addition to this, the Company also sold 13.6 k tonnes of imported urea share.

Offtakes of Phosphate (second major nutrient required for agriculture) decreased by 1% to 337 K tonnes of P2O5 Nutrients during the period under review versus 341K tonnes last year same period. Higher landed DAP prices and volatility in the International Phosphate prices have affected the farmers' affordability of using the recommended phosphate dose on the crops. However, the production of all Phosphate products registered an increase of 56% (289 K tonnes Nutrients in 2024 vs 185 K tonnes Nutrients in 2023). DAP prices were at around US\$ 625 per tonne CFR KHI at the start of the year, touched a low of US\$ 525/tonne in mid of May before recovering to US\$ 550 per tonne CFR KHI towards the end of the period under review. The Company, being a major SSP player, produced 39 K tonnes SSP in 1H 2024 (37 K tonnes: 2023) and sold 27 K tonnes during the period (26 K tonnes: 2023).

Financial Highlights

	Half year ended June 30, 2024 Rs. in Million	Half year ended June 30, 2023 Rs. in Million
Sales - Net	14,306	5,584
Gross profit	2,347	367
Operating Profit / (Loss)	2,207	(182)
Finance cost	(3,474)	(2,916)
(Loss) before Tax	(1,266)	(3,098)
(Loss) after Tax	(1,235)	(2,865)
(Loss) per share (Rs.)	(2.91)	(6.75)

For the six-month period, the Company achieved record sales of Rs. 14.3 billion, gross profit and operating profit of Rs. 2.3 billion & Rs. 2.2 billion respectively; the highest in more than a decade demonstrating Company's resilience and commitment towards growth and success.

Modification in the Auditor's Review Report

Qualification

In the auditor's review report for the period, following concern is raised which states as "The management has assessed the recoverability of deferred tax asset on tax losses and tested the impairment of goodwill based on five years business plan approved by the Board of Directors and asserts that no impairment is required in these interim financial statements. However, we are unable to obtain sufficient appropriate audit evidence with respect to key assumptions used in the business plan 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 certain. 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 goodwill amounting to Rs. 2,567 million and deferred tax asset amounting to Rs. 6,705 million recognized on tax losses in these interim financial statements.”

Material Uncertainty Relating to Going Concern

Auditors have also raised concern about the Company's ability to operate as going concern which states as “Notwithstanding the matter discussed in Basis for the Qualified Conclusion section, the Company during the half year ended 30 June 2024 has incurred loss before tax amounting to Rs. 1,266 million and, as of that date, its current liabilities exceeded its current assets by Rs. 24,624 million, and its accumulated loss stood at Rs. 24,642 million. These conditions, along with other matters as set forth in Note 2.4 to the financial statements, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our conclusion is not qualified in respect of this matter.”

Emphasis of Matter Paragraph

Auditors have given Emphasis of matter which states as “We draw attention towards Note 23.2 to the accompanying interim financial statements, wherein it is stated that the Company is defending legal suits filed by certain financial institutions for recovery of their dues. Our conclusion is not qualified in this respect.”

Explanation to the Modifications of Auditor's Review Report

During the period, the Company has earned a gross profit of Rs. 2,347 million (2023: Rs. 367 million) and an operating profit of Rs. 2,207 million (2023: a loss of Rs. 182 million). This improvement is attributed to the continuous gas supplies ensured by the GOP, unlike the previous year when gas supply to the Company's urea plant was suspended for the first two months. The growth in urea demand, driven by improved farm economics for major crops in Pakistan over the past couple of years, led to better gas/RLNG supply from the Government for plants on the SNGPL network, including the Company's urea plant. This resulted in consistent urea production from the Company since March 2023, with no further gas curtailments.

The Company is implementing a Scheme of Arrangement ('Scheme') approved by the Lahore High Court to restructure its overdue long-term debts and related markups. It is in the process of issuing preference shares (shariah-compliant/conventional) and Privately Placed Term Finance Certificates (PPTFCs)/Sukuks in pursuance of the Scheme. During the period, the Company disbursed Rs. 500 million to short-term lenders on a pro-rata basis to settle the outstanding principal portion of these short-term liabilities. The Company also intends to use its current liquidity for the partial redemption of the allotted preference shares amounting to approximately Rs. 2 billion, subject to necessary approvals, which are in process.

The Company is confident that a continuous and sustained gas supply solution will be worked out with the GOP to ensure sustained urea production in the future, given the Government's high priority on indigenous urea production to meet growing demand and ensure the country's food security. The Company also believes that the suits filed by most banks/lenders will be withdrawn upon completion of the implementation of the Scheme in the near future.

Significant Events

- The Company has successfully converted preference shares issued to Bank Alfalah Limited into ordinary shares. Accordingly the issued, subscribed and paid-up capital has increased from 392,430,000 shares to 424,645,119 shares.
- Board of Directors in their meeting held on 24th June 2024 approved partial redemption (to the extent of issue price component) of preference shares via a one-time payment to preference shareholders, while the Company would remain liable to the preference dividend on this one-time payment upto the date of disbursement, subject to obtaining the necessary threshold approvals from both preference shareholders and ordinary shareholders. In this regard, the Company has convened a meeting of preference shareholders on 19th July 2024 to approve this partial redemption and has obtained the necessary threshold approvals from the preference shareholders. Total payment to preference shareholders in this regard will amount to approx. Rs. 2 billion or any other amount as approved by the Board. The Company now intends to convene an extra-ordinary general meeting for approval of the same from the ordinary shareholders.
- The Company convened Extraordinary General Meeting for election of Directors on 22nd July 2024. The seven directors were appointed un-opposed for the next term of three (3) years commencing from the date of election.

- On 25th July 2024, M/s. Next Capital on behalf of M/s. Maple Leaf Cement Factory Limited ('MLCF') made a Public Announcement of Intention to acquire shares and control of Agritech Limited by MCLF under the Securities Act, 2015 and the Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2017. As of that date, combined shareholding of MCLF and M/s. Maple Leaf Capital Limited ('MLCL') stands at 87,412,501 ordinary shares of the face value of Rs. 10 each representing 20.584% of the shareholding in the Company.

Other Highlights

- During the period, the Company successfully distributed a record 7,830 metric tons of Urea to 30 Model Farm Services Centers across Khyber Pakhtunkhwa (KP). This initiative was undertaken to support the KP Government's agricultural programs, that was duly acknowledged by a Letter of Appreciation in recognition of our efforts and contribution to the region's agricultural sector.
- In alignment with our goal to support national agricultural initiatives, Agritech Limited sold 13.6k tonne of TCP NFML imported Urea. This sale was aimed at bolstering the Federal Government's efforts to ensure an adequate supply of fertilizers to the farming community without any subsidy cost to the National Exchequer.

Future Outlook

The company's future prospects are dependent on the consistent availability of gas/RLNG supplies to its Urea plant. The renewed focus of the Government of Pakistan (GOP) on increasing the yields of key staple crops is essential for the long-term food security of the country's over 240 million population. Fertilizer, particularly urea, plays a crucial role in enhancing crop production and yields. The rising demand for urea in the country underscores the need for local production to boost key crop outputs, rather than relying on costly imports by the GOP. Consequently, it is highly likely that the company's Urea plant will operate regularly. Additionally, the potential provision of system gas supplies at a uniform gas price would further improve margins to industry standards. The company is expected to streamline the implementation of the sanctioned Scheme of Arrangement in coordination with its lenders.

Acknowledgement

The Board takes this opportunity to thank the Company's valued customers and the financial institutions whose faith and support over the years has cultivated a mutually beneficial relationship, playing a key role in the growth of the businesses.

The Board also wishes to place on record its appreciation for the employees of the Company. The sustainability of business in the difficult business environment is possible due to their hard work and commitment.

On behalf of the Board



Mr. Muhammad Faisal Muzammil
Chief Executive Officer



Mr. Hasan Ahmed
Director

Date : August 16, 2024

ڈائریکٹرز کی جائزہ رپورٹ

ایگریٹیک لمیٹڈ کمپنی کے ڈائریکٹرز، 30 جون 2024ء کو ختم ہونے والی ششماہی کے لئے غیر نظر ثانی شدہ عبوری مالیاتی گوشواروں کے ہمراہ اپنی رپورٹ پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

کھاد کی صنعت کا جائزہ

سال 2024 کی پہلی ششماہی کے دوران یورپا کی پیداوار میں 5 فیصد اضافہ ہوا، جو 3,208 ہزار ٹن تک پہنچ گئی، جبکہ 2023 کی پہلی ششماہی میں یہ پیداوار 3,058 ہزار ٹن تھی۔ اس اضافے کی بنیادی وجہ ایس این پی ایل اینٹ ورک پر موجود پلانٹس کو مسلسل گیس کی فراہمی تھی، جس میں کمپنی کا یورپا پلانٹ بھی شامل ہے۔ جائزہ شدہ مدت کے دوران یورپا کی فروخت 3,037 ہزار ٹن ریکارڈ کی گئی، جو گزشتہ سال کے اسی عرصے میں 3,101 ہزار ٹن سے 2 فیصد کم تھی۔ یہ کمی خاص طور پر 2024 کی دوسری سہ ماہی میں دیکھی گئی، جس کی وجہ فریٹ کی فصلوں کی بوائی کے مطابق موسمی طلب میں ہلکی سی تبدیلی اور گزشتہ گندم کی فصل کی کمزور معیشت تھی، جہاں مارکیٹ میں گندم کی قیمتیں حکومتی امدادی قیمتوں سے کم رہیں۔

وفاقی حکومت نے ریجن 2023/24 کی زیادہ طلب کو پورا کرنے کے لیے 173 ہزار ٹن پیداوار مدد کی (جبکہ گزشتہ سال کوئی دیا مدد نہیں ہوئی تھی) جسے یورپا پیدا کرنے والے اداروں کے پیداواری حصص کے مطابق تقسیم کیا گیا۔

کمپنی نے اس مدت کے دوران 215 ہزار ٹن کی نصب شدہ صلاحیت کے مقابلے میں 178 ہزار ٹن یورپا پیدا کی (2023 میں 96 ہزار ٹن) اور 147 ہزار ٹن یورپا فروخت کی (2023 میں 76 ہزار ٹن)۔ اس کے علاوہ، کمپنی نے درآمد شدہ یورپا کے حصے میں سے 13.6 ہزار ٹن بھی فروخت کیے۔

فاسفیٹ (جو زراعت کے لیے دو سرا اہم غذائی عنصر ہے) کی فروخت جائزہ شدہ مدت کے دوران 1 فیصد کم ہو کر 337 ہزار 205 ٹن ڈائی ایزو ایکس پیجنگ گئی، جبکہ گزشتہ سال اسی مدت میں یہ 341 ہزار ٹن تھی۔ زیادہ درآمدی ڈی اے پی کے قیمتوں اور چین الاوامی فاسفیٹ قیمتوں میں اتار چڑھاؤ نے کسانوں کی فصلوں پر تجویز کردہ فاسفیٹ خوراک کے استعمال کی استطاعت کو متاثر کیا۔ تاہم، تمام فاسفیٹ مصنوعات کی پیداوار میں 56 فیصد اضافہ ہوا (2024 میں 289 ہزار ٹن ڈائی ایزو ایزو ایکس پیجنگ، 2023 میں 185 ہزار ٹن ڈائی ایزو ایزو ایکس پیجنگ)۔ ڈی اے پی کی قیمتیں سال کے آغاز میں تقریباً 625 امریکی ڈالرنی ٹن CFR-KHI پر تھیں، جو سٹی کے وسط میں 525 امریکی ڈالرنی ٹن تک کم ہو گئیں، اور پھر جائزہ شدہ مدت کے آخر میں 550 امریکی ڈالرنی ٹن CFR-KHI تک بحال ہو گئیں۔

کمپنی، جو کہ ایک اہم ایس ایٹس پی (سٹیکل سر فاسفیٹ) کھلاڑی ہے، نے 2024 کی پہلی ششماہی میں 39 ہزار ٹن ایس ایٹس پی پیدا کیا (2023 میں 37 ہزار ٹن) اور اس مدت کے دوران 27 ہزار ٹن فروخت کیا (2023 میں 26 ہزار ٹن)۔

چھ ماہ کی مدت کے دوران، کمپنی نے 14.3 ارب روپے کی ریکارڈ فروخت حاصل کی، مجموعی منافع 2.3 ارب روپے اور آپریٹنگ منافع 2.2 ارب روپے رہا، جو کہ ایک دہائی سے زیادہ کے عرصے میں سب سے زیادہ ہے، جو کمپنی کی مضبوطی اور ترقی کا مہیا بنا کر رہا ہے۔

(روپے ملین میں)

مالی جھلکیاں

تفصیل	30 جون 2024 مختصر ششماہی	30 جون 2023 مختصر ششماہی
نیت سبز	14,306	5,584
مجموعی منافع	2,347	367
آپریٹنگ نفع (نقصان)	2,207	(182)
مالیاتی لاگت	(3,474)	(2,916)
قبل از ٹیکس (نقصان)	(1,266)	(3,098)
بعد از ٹیکس (نقصان)	(1,235)	(2,865)
نی ٹیبٹر (نقصان) روپے	(2.91)	(6.75)

آڈیٹرز کی جائزہ رپورٹ میں ترمیم کو یقین دہانی

آڈیٹرز کی جائزہ رپورٹ میں ایک اہم نکتہ اٹھایا گیا ہے جس میں کہا گیا ہے کہ "انتظامیہ نے ٹیکس نقصانات پر مزید تحقیق کی تاکہ کی وصولیابی کا اندازہ لگایا ہے اور بورڈ آف ڈائریکٹرز کی منظوری سے پانچ سالہ کاروباری منصوبے کی بنیاد پر سادھ کی کمی کا ٹیمپٹ کیا ہے اور اس بات کی تصدیق کی ہے کہ ان عبوری مالیاتی بیانات میں کمی کی ضرورت نہیں ہے۔ تاہم، ہم کاروباری منصوبے میں استعمال ہونے والے کلیدی

مغروضات کے حوالے سے مناسب آڈٹ ثبوت حاصل کرنے سے قاصر ہیں، جیسے کہ قدرتی گیس کی دستیابی کی بنیاد پر پراپریشنل دن اور گیس کی قیمتوں کی بنیاد پر خام مال کی لاگت، کیونکہ حکومت پاکستان سے کہنی کو مسلسل گیس کی فراہمی کی منظوری یقینی نہیں ہے۔ تاہم، انتظامیہ گیس کی طویل مدتی دستیابی کے بارے میں براہ اعتماد ہے۔ نتیجتاً، ہم اس بات کا یقین نہیں کر سکتے کہ آیا ایلیٹ گھوٹواروں میں سائیکل کی جس کی عبوری مالیت 2,567 ملین روپے ہے اور گیس نقصان کا اٹھانے جن کی مالیت 6,705 ملین روپے ہے کے حوالے سے کوئی ایڈجسٹمنٹ ضروری تھی۔

کاروبار جاری رہنے کے متعلق اہم غیر یقینی صورتحال

آڈیٹرز نے کہنی کے تسلسل کے ساتھ چلنے کی اہلیت پر بھی تیشوش کا اظہار کیا ہے، جو کہ اس طرح بیان کی گئی ہے: "مذکورہ معاملے کے باوجود جو کہ شرط دارانے کے لیے دی گئی بنیاد کے سیکشن میں زیر بحث آیا، کہنی نے 30 جون 2024 کو ختم ہونے والے چھ ماہ کے دوران گیس سے پہلے 1,266 ملین روپے کا نقصان اٹھایا ہے، اور اس تاریخ تک اس کی موجودہ واجبات اس کے موجودہ اثاثوں سے 24,624 ملین روپے زیادہ تھیں، اور اس کا جمع شدہ خسارہ 24,644 ملین روپے تھا۔ یہ حالات، اور دیگر معاملات جو مالیاتی گھوٹواروں کے نوٹ 2.4 میں بیان کیے گئے ہیں، اس بات کی موجودگی کی نشاندہی کرتے ہیں کہ موادیت پٹنی غیر یقینی صورتحال موجود ہے جو کہ کہنی کے تسلسل کے ساتھ چلنے کی اہلیت پر نمایاں شک پیدا کر سکتی ہے۔ اس معاملے کے حوالے سے ہماری رائے شرط نہیں ہے۔"

ایک اہم توجیہ طلب معاملہ

آڈیٹرز نے ایک اہلیت کے معاملے پر زور دیا ہے، جس میں کہا گیا ہے: "ہم آپ کی توجیہ نوٹ 23.2 کی طرف دلاتے ہیں، جس میں کہا گیا ہے کہ کہنی کچھ مالیاتی اداروں کی طرف سے دائر کردہ قانونی مقدمات کا دفاع کر رہی ہے جو اپنے واجبات کی وصولی کے لیے ہیں۔ اس معاملے کے حوالے سے ہماری رائے شرط نہیں ہے۔"

آڈیٹرز کی جائزہ رپورٹ میں ترامیم کی وضاحت

اس مدت کے دوران، کہنی نے 2,347 ملین روپے (2023: 367 ملین روپے) کا مجموعی منافع اور 2,207 ملین روپے (2023: 182 ملین روپے) کا نقصان) کا آپریٹنگ منافع حاصل کیا۔ اس بہتری کا سہرا حکومت پاکستان (GOP) کی جانب سے مسلسل گیس کی فراہمی کا جاتا ہے، جو پچھلے سال کے برعکس ہے جب کہنی کے یوریا پلانٹ کو پیلہ دو ماہ کے لیے گیس کی فراہمی معطل کر دی گئی تھی۔ پاکستان میں گزشتہ چند سالوں کے دوران اہم مصلوں کے لیے بہتر زرعی معیشت کے باعث یوریا کی طلب میں اضافہ ہوا، جس کے نتیجے میں حکومت کی جانب سے ایس این بی پی ایل نیٹ ورک پر موجود پلانٹس کے لیے بہتر گیس رینگ رینگ پلائی فراہم کی گئی، جس میں کہنی کا یوریا پلانٹ بھی شامل ہے۔ اس کے نتیجے میں، مارچ 2023 سے کہنی کی یوریا کی پیداوار مسلسل رہی، اور مزید گیس کی بندش کا سامنا نہیں کرنا پڑا۔

کہنی ایک منصوبہ بندی اسکیم ('اسکیم') کو لاگو کر رہی ہے جس کی منظوری لاہور ہائی کورٹ نے دی ہے تاکہ اس کے واجب الادا طویل مدتی قرضوں اور متعلقہ مارک اپس کی تعظیم نوکی جا سکے۔ اس اسکیم کے تحت کہنی شریعت کے مطابق/روایتی تزنجی شیئرز اور پرائیویٹ پبلک انٹرپرائسز (PPTFC) /سکوک جاری کرنے کے عمل میں ہے۔ اس مدت کے دوران، کہنی نے 500 ملین روپے قبل مدتی قرض دہندگان کو اسکے تناسب کی بنیاد پر قرضے کو جس کے قرض کی اصل رقم میں سے منہا ہونے لگے۔ کہنی کا ارادہ ہے کہ اپنی موجودہ کیوبڈ پٹی استعمال کرتے ہوئے تقریباً 2 ارب روپے کے الاٹ شدہ تزنجی شیئرز کی جزی دی واپس کرے، بشرطیکہ ضروری منظوریوں کے عمل مکمل ہو جائیں، جو کہ جاری ہیں۔

کہنی کو یقین ہے کہ مستقبل میں یوریا کی مسلسل پیداوار کو یقینی بنانے کے لیے حکومت پاکستان کے ساتھ گیس کی مسلسل اور پائیدار سپلائی کے عمل پر کام کیا جائے گا، کیونکہ حکومت ملک کی غذائی تحفظ کو یقینی بنانے اور برقی طاقت کی طلب کو پورا کرنے کے لیے مقامی یوریا کی پیداوار کو اولین ترجیح دیتی ہے۔ کہنی کو یہ بھی یقین ہے کہ اسکیم کے نفاذ کی تکمیل پر زیادہ تر بینکوں/قرض دہندگان کی طرف سے دائر کیے گئے مقدمات واپس لے لیے جائیں گے۔

اہم واقعات

- کہنی نے چیک الفلاح لمیٹڈ کو جاری کیے گئے تزنجی شیئرز کو کامیابی سے عام شیئرز میں تبدیل کر دیا ہے۔ اس کے مطابق جاری کردہ، سوسلر انب اور ادارہ سرمایہ 392,430,000 شیئرز سے بڑھ کر 424,645,119 شیئرز ہو گیا ہے۔
- بورڈ آف ڈائریکٹرز نے اپنی میٹنگ میں جو کہ 24 جون 2024 کو منعقد ہوئی، تزنجی شیئرز کی جزی دی واپسی (اجرائی قیمت کے عنصر کی حد تک) ایک دفعہ کی ادائیگی کے ذریعے تزنجی شیئرز ہولڈرز کو منظوری، جبکہ کہنی ایک اسکیم دفعہ کی ادائیگی (ادائیگی کی تاریخ تک) کو تزنجی ڈیویڈنڈ کی ادائیگی کے لیے ذمہ دار رہے گی، بشرطیکہ تزنجی اور عام شیئرز ہولڈرز دونوں کی جانب سے ضروری منظوری حاصل کر لی جائے۔ اس حوالے سے کہنی نے 19 جولائی 2024 کو تزنجی شیئرز ہولڈرز کی ایک میٹنگ بلائی تاکہ اس جزی دی واپسی کی منظوری دی جا سکے اور تزنجی شیئرز ہولڈرز سے ضروری منظوری حاصل کر لی ہے۔ اس حوالے سے تزنجی شیئرز ہولڈرز کو لکھائی تقریباً 2 ارب روپے یا کوئی اور رقم ہوگی جو بورڈ کی جانب سے منظوری حاصل کی جائے گی۔ کہنی کا ارادہ ہے کہ اس کی منظوری کے لیے عام شیئرز ہولڈرز کی ایک غیر معمولی جزی میٹنگ بلائی جائے۔
- کہنی نے 22 جولائی 2024 کو ڈائریکٹرز کے انتخاب کے لیے غیر معمولی جزی میٹنگ کا انعقاد کیا۔ سات ڈائریکٹرز کو اگلے تین (3) سالہ مدت کے لیے، جو انتخاب کی تاریخ سے شروع ہو رہی ہے، یا متبادلہ مقرر کیا گیا۔

- 25 جولائی 2024 کو بلیکسٹ کیپٹل نے زمپیل سیمنٹ فیکٹری لمیٹڈ (ایم ایل سی ایف) کی جانب سے ایگریٹیک لمیٹڈ کے شیئرز اور کنٹرول کو ایم ایل سی ایف کے تحت سکیورٹیز ایکٹ 2015 اور سکیورٹیز (دوٹنگ شیئرز) کا نئی حد تک حصول اور ٹیک اوور (ریگولیشنز 2017) کے تحت حاصل کرنے کی عوامی اعلان نیت کی۔ اس تاریخ کے مطابق، ایم ایل سی ایف اور زمپیل ایف کیپٹل لمیٹڈ (ایم ایل سی ایف) کی مشترکہ شیئرز ہولڈنگ 87,412,501 عام شیئرز پر مشتمل ہے، جن کی قیمت 10 روپے فی شیئر ہے اور جو کمپنی میں 20.584% شیئرز ہولڈنگ کی نمائندگی کرتی ہے۔

دیگر معاملات

اس مدت کے دوران، کمپنی نے خیبر پختونخوا (کے پی) کے 30 ماڈل فارمنگ سروسز سینٹرز میں ریکارڈ 7,830 میٹرک ٹن یوریا کا میانی سے تقسیم کی۔ یہ اقدام کے پی حکومت کے زرعی پروگراموں کی حمایت کے لیے کیا گیا تھا، جس کو ہمارے خطے کے زرعی شعبے میں ہماری کوششوں اور شراکت کے اعتراف کے طور پر تعریف کے خطے کے ذریعے تسلیم کیا گیا۔

قومی زرعی اقدامات کی حمایت کے ہمارے مقصد کے مطابق، ایگریٹیک لمیٹڈ نے 13.6 ہزار ٹن ٹی سی پی این ایف ایم ایل ڈیآ مد شدہ یوریا فروخت کی۔ اس فروخت کا مقصد وفاقی حکومت کی کوششوں کو مضبوط بنانا تھا تاکہ بغیر قومی خزانے پر سبسڈی کا کوئی بوجھ ڈالے لکسان برادری کو کھاد کی مناسب فراہمی کو یقینی بنایا جاسکے۔

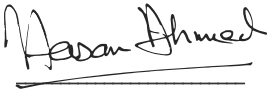
مستقبل کا جائزہ

کمپنی کے مستقبل کے امکانات اس کے یوریا پلانٹ کے لیے گیس /RLNG کی مستقل دستیابی پر منحصر ہیں۔ پاکستان کی حکومت (GOP) کی اہم فصلوں کی پیداوار میں اضافے پر پی ٹی او جہد ملک کی 240 ملین سے زائد آبادی کی طویل مدتی غذائی تحفظ کے لیے ضروری ہے۔ کھاد، خاص طور پر یوریا، فصلوں کی پیداوار اور پیداوار میں اضافے میں اہم کردار ادا کرتی ہے۔ ملک میں یوریا کی بڑھتی ہوئی طلب اس بات کی اہمیت کو اجاگر کرتی ہے کہ مقامی پیداوار کو بڑھا کر کلیدی فصلوں کی پیداوار میں اضافہ کیا جائے، بجائے اس کے کہ حکومت مہنگی درآمدات پر انحصار کرے۔ نتیجتاً، یہ بہت زیادہ امکان ہے کہ کمپنی کا یوریا پلانٹ باقاعدگی سے کام کرے گا۔ مزید برآں، یکساں گیس قیمت پر سسٹم گیس کی کمزوری اس سے مارچن میں بہتری آئے گی اور یہ صنعت کے معیار کے مطابق ہو جائے گا۔ کمپنی سے توقع کی جاتی ہے کہ وہ اپنے قرض و بندگان کے ساتھ ہم آہنگی کے ساتھ منظور شدہ اسکیم آف آرٹھیٹ کے نفاذ کو بہتر بنائے گی۔

ضروری اعتراف

بورڈ اس موقع پر کمپنی کے معزز کارکنوں اور مایاتی اداروں کا شکریہ ادا کرنا چاہتا ہے جن کے اعتماد اور تعاون نے سالوں سے باہمی فائدہ مند تعلقات کو فروغ دیا ہے اور کاروبار کی ترقی میں کلیدی کردار ادا کیا ہے۔ بورڈ کمپنی کے ملازمین کی محنت کو بھی سراہتا ہے۔ مشکل کاروباری ماحول میں کاروبار کے تسلسل کو برقرار رکھنے میں ان کی محنت اور وابستگی کا اہم کردار ہے۔

بورڈ کے لیے اور اس کی طرف سے



حسن احمد
ڈائریکٹر



محمد فیصل مرزا
چیف ایگزیکٹو آفیسر

16 اگست 2024ء

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Agritech Limited

Report on review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Agritech Limited as at June 30, 2024 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial statements Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

The management has assessed the recoverability of deferred tax asset on tax losses and tested the impairment of goodwill based on five years business plan approved by the Board of Directors and asserts that no impairment is required in these interim financial statements. However, we are unable to obtain sufficient appropriate audit evidence with respect to key assumptions used in the business plan 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 certain. 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 goodwill amounting to Rs. 2,567 million and deferred tax asset amounting to Rs. 6,705 million recognized on tax losses in these interim financial statements.

Qualified Conclusion

Based on our review, except for the possible effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Material Uncertainty Relating to Going Concern

Notwithstanding the matter discussed in Basis for the Qualified Conclusion section, the Company during the half year ended 30 June 2024 has incurred loss before tax amounting to Rs. 1,266 million and, as of that date, its current liabilities exceeded its current assets by Rs. 24,624 million, and its accumulated loss stood at Rs. 24,642 million. These conditions, along with other matters as set forth in Note 2.4 to the financial statements, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our conclusion is not qualified in respect of this matter.

Emphasis of Matter Paragraph

We draw attention towards Note 23.2 to the accompanying interim financial statements, wherein it is stated that the Company is defending legal suits filed by certain financial institutions for recovery of their dues. Our conclusion is not qualified in this respect.

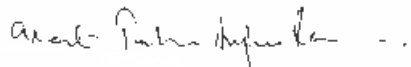
Other Matter

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three-months period ended June 30, 2024 have not been reviewed, as we are required to review only the cumulative figures for the six-month period ended June 30, 2024.

The engagement partner on the review resulting in this independent auditor's review report is Muhammad Khalid Aziz.

August 19, 2024

Karachi



Grant Thornton Anjum Rahman

Chartered Accountants

UDIN # RR2024I0154FaA6HohvP

Condensed Interim Statement of Financial Position

As at 30 June 2024

		(Un-audited) 30 June 2024	(Audited) 31 December 2023
	<i>Note</i>	<i>Rupees</i>	<i>Rupees</i>
EQUITY AND LIABILITIES			
<u>Authorized share capital</u>		35,000,000,000	35,000,000,000
<u>Share capital and reserves</u>			
Issued, subscribed and paid-up ordinary share capital	4	4,246,451,190	3,924,300,000
Reserves		9,000,000	9,000,000
Accumulated loss		(24,642,298,300)	(23,858,874,985)
Surplus on revaluation of property, plant and equipment - net of tax		32,546,377,754	32,998,144,218
		12,159,530,644	13,072,569,233
<u>Non-current liabilities</u>			
Redeemable capital - secured	5	3,426,623,033	3,170,409,622
Convertible, redeemable preference shares	6	1,484,507,830	1,593,342,690
Non convertible, redeemable preference shares	7	18,542,697,500	18,542,697,500
Deferred liabilities		10,051,856,294	10,328,109,165
		33,505,684,657	33,634,558,977
<u>Current liabilities</u>			
Short term borrowings - secured	8	2,917,983,774	3,413,457,179
Trade and other payables	9	8,471,978,153	7,928,091,479
Interest/mark-up accrued on borrowings		3,169,961,628	2,825,973,353
Preference dividend payable		26,155,973,413	23,852,887,378
		40,715,896,968	38,020,409,389
		86,381,112,269	84,727,537,599
Contingencies and commitments	10		
ASSETS			
<u>Non-current assets</u>			
Property, plant and equipment	11	67,642,512,546	68,335,595,265
Intangible assets		2,567,598,665	2,567,742,587
Long term loans and advances		24,165,544	24,591,622
Long term deposits		55,125,837	54,949,437
		70,289,402,592	70,982,878,911
<u>Current assets</u>			
Stores, spares and loose tools		2,165,197,728	2,223,433,061
Stock-in-trade	12	3,705,151,010	1,185,544,326
Advances, deposits, prepayments and other receivables	13	4,493,466,479	4,205,105,051
Tax refunds due from Government -net		61,109,107	82,775,808
Short term investments	14	5,337,030,862	5,527,370,029
Cash and bank balances		329,754,491	520,430,413
		16,091,709,677	13,744,658,688
		86,381,112,269	84,727,537,599

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.


Chief Financial Officer


Chief Executive


Director

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

For the six months period ended 30 June 2024

Note	6 months period ended		For the Quarter ended		
	30 June	30 June	April to June	April to June	
	2024	2023	2024	2023	
	Rupees	Rupees	Rupees	Rupees	
Sales - net	15	14,306,098,611	5,584,284,429	5,065,448,297	4,743,446,007
Cost of sales		(11,959,135,747)	(5,216,790,958)	(4,352,019,443)	(3,824,678,169)
Gross profit		2,346,962,864	367,493,471	713,428,854	918,767,838
Selling and distribution expenses		(401,143,463)	(180,203,915)	(158,625,507)	(151,919,697)
Administrative and general expenses		(415,943,173)	(250,013,082)	(249,771,878)	(124,792,973)
Other expenses		(1,187,732)	(168,148,800)	(70,589)	(168,148,800)
		(818,274,368)	(598,365,797)	(408,467,974)	(444,861,470)
Other income	16	678,797,491	48,403,588	299,615,047	44,046,753
Operating profit / (loss) for the period		2,207,485,987	(182,468,738)	604,575,927	517,953,121
Finance cost	17	(3,473,824,200)	(2,915,708,679)	(1,723,175,293)	(1,576,137,644)
Loss before taxation		(1,266,338,213)	(3,098,177,417)	(1,118,599,366)	(1,058,184,523)
Taxation for the period	18	31,148,434	233,090,307	56,103,020	105,961,643
Loss after taxation		(1,235,189,779)	(2,865,087,110)	(1,062,496,346)	(952,222,880)
Loss per share - basic and diluted	6	(2.91)	(6.75)	(2.50)	(2.24)

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive



Director

Condensed Interim Statement of Comprehensive Income (Un-audited)

For the six months period ended 30 June 2024

	6 months period ended		For the Quarter ended	
	30 June 2024	30 June 2023	April to June 2024	April to June 2023
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Loss after taxation	(1,235,189,779)	(2,865,087,110)	(1,062,496,346)	(952,222,880)
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period	<u>(1,235,189,779)</u>	<u>(2,865,087,110)</u>	<u>(1,062,496,346)</u>	<u>(952,222,880)</u>

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive



Director

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

For the six months period ended 30 June 2024

	Ordinary Share Capital		Reserves		Total Equity
	Ordinary Share Capital	Surplus on revaluation property, plant and equipment - net of tax	Revenue Reserve	Accumulated Loss	
	<i>Ringgits</i>				
As at 01 January 2023	3,924,300,000	33,901,677,144	9,000,000	(25,850,797,277)	11,984,179,867
Loss for the period ended June 30, 2023	-	-	-	(2,865,087,110)	(2,865,087,110)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive loss for the period ended 30 June 2023	-	-	-	(2,865,087,110)	(2,865,087,110)
Surplus transferred to accumulated loss on account of:					
- incremental depreciation on property, plant and equipment - net of deferred tax	-	(441,435,406)	-	441,435,406	-
- disposal of revalued assets during the period - net	-	(81,933,845)	-	81,933,845	-
As at 30 June 2023	3,924,300,000	33,378,307,893	9,000,000	(28,192,515,136)	9,119,092,757
As at 01 January 2024	3,924,300,000	32,998,144,218	9,000,000	(23,858,874,985)	13,072,569,233
Loss for the period ended June 30, 2024	-	-	-	(1,235,189,779)	(1,235,189,779)
Other comprehensive income for the period ended June 30, 2024	-	-	-	-	-
Total comprehensive loss for the period ended 30 June 2024	-	-	-	(1,235,189,779)	(1,235,189,779)
Surplus transferred to accumulated loss on account of:					
- incremental depreciation on property, plant and equipment - net of deferred tax	-	(451,766,464)	-	451,766,464	-
Issuance of ordinary shares during the period	322,151,190	-	-	-	322,151,190
As at 30 June 2024	4,246,451,190	32,546,377,754	9,000,000	(24,642,298,300)	12,159,530,644

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.


Chief Financial Officer


Chief Executive


Director

Condensed Interim Statement of Cash Flows (Un-audited)

For the six months Period ended 30 June 2024

	Note	6 months period ended	
		30 June 2024	30 June 2023
		Rupees	Rupees
<u>Cash flows from operating activities</u>			
Cash used in operations	20	(61,273,989)	(411,657,308)
Income tax paid		(224,067,008)	(84,904,152)
Staff retirement benefits paid		(883,007)	(98,630)
Long term loans and advances		426,076	(4,118,451)
Long term deposits - net		(176,400)	-
Net cash used in operating activities		(285,974,328)	(500,778,541)
<u>Cash flows from investing activities</u>			
Capital expenditure incurred		(265,324,669)	(148,799,912)
Interest income received		673,592,638	19,391,501
Proceeds from disposal of property, plant and equipment		1,134,500	1,492,537
Short term investments redeemed during the period		190,339,167	-
Net cash from / (used in) investing activities		599,741,636	(127,915,874)
<u>Cash flows from financing activities</u>			
Long term loans repaid		-	(15,000,000)
(Decrease)/Increase in short term borrowings - net		(132,664,236)	400,000,000
Finance cost paid		(4,443,229)	(3,748,306)
Net cash from / (used in) financing activities		(137,107,465)	381,251,694
Net increase / (decrease) in cash and cash equivalents		176,659,843	(247,442,721)
Cash and cash equivalents at the beginning of period		(2,009,046,937)	(2,153,961,367)
Cash and cash equivalents at the end of period	22	(1,832,387,094)	(2,401,404,088)

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.


Chief Financial Officer


Chief Executive


Director

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

For the six months period ended 30 June 2024

1 Reporting entity

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

2 Basis of preparation

2.1 Statement of compliance

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

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

Provisions of and directives issued under the Companies Act, 2017.

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

2.2 Basis of accounting

These condensed interim financial statements comprise the condensed interim statement of financial position of Agritech Limited ("the Company") as at 30th June 2024 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity together with the notes forming part thereof.

These condensed interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the financial statements for the year ended on 31 December 2023.

Comparative condensed interim statement of financial position's numbers are extracted from the annual audited financial statements of the Company for the year ended 31 December 2023, whereas comparative interim statement of profit or loss, interim statement of comprehensive income, interim statement of cash flows and interim statement of changes in equity and related notes are stated from unaudited condensed interim financial statements of the Company for the six months period ended 30 June 2023.

These condensed interim financial statements are unaudited and being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 and the Listing Regulations of the Pakistan Stock Exchange Limited.

2.3 Judgments and estimates

The preparation of condensed interim financial statements require management to make judgments, estimates and assumptions for the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing these condensed interim financial statements, the significant judgments made by the management in applying accounting policies and key sources of estimation were the same as those that were applied to the financial statements as at and for the year ended 31 December 2023.

2.4 Going concern assumptions

During the period, the Company has earned gross profit amounting to Rs. 2,347 million (2023: Rs. 367 million) and operating profit of Rs. 2,207 million (2023: loss of Rs. 182 million) as continuity of gas supplies were ensured by the GOP during the period versus last year when the gas supply to the Company's urea plant remained suspended during the first two months. Urea demand growth due to the improved farm economics particularly for the major crops in Pakistan for the past couple of years has resulted into improved supply of Gas / RLNG from Government for the plants on SNGPL network including the Company's Urea plant resulting into consistent Urea production from the Company from March 2023 onwards without any further gas curtailment.

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

For the six months period ended 30 June 2024

The Company is in process of implementation of Scheme of Arrangement ('Scheme') as approved by Lahore High Court to restructure its over-due long term debts due towards creditors and related markup and currently is in the process of issuing preference shares (shariah compliant / conventional) and Privately Placed Term Finance Certificates (PPTFCs) / Sukuks in pursuance of the Scheme.

During the period, the Company has disbursed Rs. 500 million to short term lenders on pro-rata basis to settle the outstanding principal portion of these short-term liabilities. Further, the Company also intends to utilize its current liquidity for the partial redemption of the allotted Preference shares amounting to Rs. 2 billion (approx.), subject to necessary approvals which are in process.

However, the Company's current liabilities still exceed its current assets by Rs. 24,624 million and hence, there is material uncertainty that may cast significant doubt on the entity's ability to continue as going concern and therefore, it may not be able to realise its assets and discharge its liabilities in normal course of business.

At the same time, the Company is confident that the continuous and sustained gas supply solution is likely to be worked out with GOP for sustained Urea production in future due to Government's high priority of indigenous Urea production to meet the growing demand and ensure the country's food security. The Company is also confident that the suits filed by most of Banks/lenders will also be withdrawn on completion of implementation of scheme in near future.

Accordingly, these financial statements are prepared on a going concern basis and do not include any adjustments relating to the realization of its assets and liquidation of any liabilities that might be necessary should the Company be unable to continue as a going concern.

3 Statement of consistency in accounting policies

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended 31 December 2023.

		30 June 2024	31 December 2023
	<i>Note</i>	Un-audited Rupees	<u>Audited Rupees</u>
4 Issued, subscribed and paid up ordinary share capital			
415,645,119 (December 31, 2023: 383,430,000) class A ordinary shares of Rs.10 each fully paid in cash	<i>4.1</i>	4,156,451,190	3,834,300,000
9,000,000 (December 31, 2023: 9,000,000) ordinary shares of Rs. 10 each issued for consideration other than cash		90,000,000	90,000,000
		<u>4,246,451,190</u>	<u>3,924,300,000</u>

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

	(Percentage held)	(Number of shares)
National Bank of Pakistan - ceases to be related party w.e.f 22nd July 2024	24.97%	106,014,632
Faysal Bank Limited - ceases to be related party w.e.f 22nd July 2024	4.22%	17,914,040
Bank Makrammah Limited - ceases to be related party w.e.f 22nd July 2024	0.00%	-
Pak China Investment Company	1.77%	7,500,000
Combined shareholding of Maple Leaf Cement Factory Limited (MLCF) & Maple Leaf Capital Limited (MLCL)	19.41%	82,412,501

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

For the six months period ended 30 June 2024

- 4.2 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 6.3 for details of the conversion.)

	30 June 2024	31 December 2023
	Un-audited	Audited
<i>Note</i>	Rupees	Rupees
5 Redeemable Capital - Secured		
Privately Placed Term Finance Certificates (PPTFCs)	2,436,297,064	2,254,131,679
Privately Placed Sukuk Certificates (Sukuks)	990,325,969	916,277,943
	<u>3,426,623,033</u>	<u>3,170,409,622</u>
5.1 Types of redeemable capital		
Interest / mark-up based financing	2,436,297,064	2,254,131,679
Islamic mode of financing	990,325,969	916,277,943
	<u>3,426,623,033</u>	<u>3,170,409,622</u>

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

- 5.3 Increase in Redeemable Capital-secured is due to Unwinding of present value of PPTFCs and Sukuks.

	30 June 2024	31 December 2023
	Un-audited	Audited
	Rupees	Rupees
6 Convertible, redeemable preference shares		
Preference shares of Rs. 10 each fully paid in cash 148,450,783 (2023: 159,334,269)	<u>1,484,507,830</u>	<u>1,593,342,690</u>

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

- 6.2 Preference shares held by related / associated undertakings as at period end are as follows:

	--- (Number of shares) ---
Faysal Bank Limited - ceases to be related party w.e.f 22nd July 2024	31,035,594
National Bank of Pakistan	<u>61,748,756</u>
	<u>92,784,350</u>

- 6.3 During the period, the company received a notice from Bank Alfalah Limited for conversion of 10,883,486 preference shares into 32,215,119 ordinary shares. Accordingly, the company has issued new 32,215,119 ordinary shares to Bank Alfalah Limited during the period.

- 6.4 The effect of conversion of preference shares into ordinary shares is anti-dilutive, accordingly the diluted loss per share (LPS) is restricted to basic EPS.

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

For the six months period ended 30 June 2024

		30 June 2024 Un-audited Rupees	31 December 2023 Audited Rupees
7	Non convertible, redeemable preference shares		
	Preference shares of Rs. 10 each		
	1,854,269,750 (2023: 1,854,269,750) shares	18,542,697,500	18,542,697,500

7.1 This represents local currency, non-listed, redeemable, non convertible and cumulative preference shares with limited voting rights, allotted at the rate of Rs. 10 per share under the agreement between the Company and various lenders /investors under the Scheme of Arrangement sanctioned by Honorable Lahore High Court (LHC) on June 03, 2022, effective from 31 December, 2013. Currently, the Company is in the process of issuance of shares as well as induction of these shares in CDC.

The Company shall have option to redeem these preference shares plus any accumulated unpaid dividends in full or in part, within ninety days after the expiry of first anniversary from the date of issue and subsequently, every anniversary thereafter, by giving at least thirty days notice.

The preference shareholders have a preferred right of dividend @ 1 Year KIBOR + 4% per annum on cumulative basis.

7.2 Preference shares of the Company allotted to associated undertakings/ related parties are as follows:

	--- (Number of shares) --- 30-Jun-24
Faysal Bank Limited - ceases to be related party w.e.f 22nd July 2024	164,152,738
National Bank of Pakistan	248,639,905
Bank Makramah Limited (Formerly: Summit Bank Limited) - ceases to be related party w.e.f 22nd July 2024	55,202,302
Pak China Investment Company Limited - ceases to be related party w.e.f 22nd July 2024	18,787,215
	486,782,160

7.3 Considering available liquidity, the Board of directors of the Company has approved a partial redemption (to the extent of issue price component) of these preference shares via a one-time payment to preference shareholders, subject to approvals from ordinary and preference shareholders. In this regard, the Company convened a meeting of preference shareholders on 19th July 2024 and obtained requisite threshold approval for the partial redemption. Total payment to preference shareholders in this regard will amount to approx. Rs. 2 billion or any other amount as approved by the Board. The Company will be holding extra-ordinary general meeting for seeking approval from the ordinary shareholders.

8 Short term borrowings - secured

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

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

For the six months period ended 30 June 2024

		30 June 2024	31 December 2023
		Un-audited	Audited
	<i>Note</i>	Rupees	Rupees
9 Trade and other payables			
Trade and other creditors	9.1	6,969,722,101	5,849,335,546
Accrued liabilities		318,935,064	437,086,638
Advances from customers		958,718,137	1,339,009,140
Others		224,602,851	302,660,155
		<u>8,471,978,153</u>	<u>7,928,091,479</u>

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

10 Contingencies and commitments

10.1 Tax Contingencies

There is no material changes in tax contingencies except for the followings:

- The Company filed return for the Tax Year 2015 declaring a loss of Rs. 4,075 million and claimed refund of Rs. 85 million. Proceeding u/s 161(1A) read with section 236G and 236H of the Income Tax Ordinance, 2001 (the Ordinance) were initiated by the Deputy Commissioner Inland Revenue (DCIR). The department created a demand of Rs.17 million including Rs. 5 million on account of default surcharge. Being aggrieved the Company filed an appeal before Commissioner Inland Revenue – Appeals (CIR-A). The CIR-A confirmed the demand created by the DCIR. Being aggrieved, the Company filed an appeal before Appellate Tribunal Inland Revenue, (ATIR) Lahore 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 is in the process of filing reference to the Honourable Lahore High Court, Lahore. Based on opinion of tax advisor handling the litigation, the management believes that Company has strong legal grounds and no financial liability is expected to accrue. Accordingly no provision has been made in these interim financial statements.
- 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. Based on opinion of tax advisor handling the litigation, the management believes that Company has strong legal grounds and no financial liability is expected to accrue. Accordingly no provision has been made in these interim financial statements.
- The Company filed four tax refund claims for the tax periods January 2021 to June 2022 amounting to Rs. 2,215 million. The DCIR initiated the proceedings of pre-refund audit under Rule 30(3) and 39S of the Sales Tax Rules, 2006 and passed the order no. 02/2023 dated 29 January 2024 vide which the Company was charged with sales tax (including further sales tax and penalty) amounting to Rs. 2,467 million. 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. Based on opinion of tax advisor handling the litigation, the management believes that Company has strong legal grounds and no financial liability is expected to accrue. Accordingly no provision has been made in these interim financial statements.
- 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 periods July 2022 to June 2023 wherein the Deputy Commissioner PRA passed Order no. 24/2024 dated 08 April 2024 and created demand to the tune of Rs. 127

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

For the six months period ended 30 June 2024

million. The Company, being aggrieved, preferred appeal before Commissioner Appeals PRA which is pending for adjudication. Based on opinion of tax advisor handling the litigation, the management believes that Company has strong legal grounds and no financial liability is expected to accrue. Accordingly no provision has been made in these interim financial statements.

- 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 which is pending for adjudication. however, due to promulgation of Tax Laws (Amendment) Act, 2024 this case has been transferred to ATIR. Based on opinion of tax advisor handling the litigation, the management believes that Company has strong legal grounds and no financial liability is expected to accrue. Accordingly no provision has been made in these interim financial statements.

10.2 Other Contingencies

There is no material change in the status of contingencies from the preceding published financial statements of the Company for the year ended 31 December 2023. Both the management and the legal advisor of the Company hold the view that all such suits, disclosed in the annual audited financial statements, lack merit.

	30 June 2024	31 December 2023
	Un-audited	Audited
<i>Note</i>	Rupees	Rupees

10.3 Commitments

10.3.1 Commitments under irrevocable letters of credit for:

- purchase of stores & spares / plant & machinery	104,329,427	69,323,686
- purchase of raw material	74,066,443	-
	178,395,870	69,323,686

11 Property, plant and equipment

Operating fixed assets	<i>11.1</i>	67,526,265,520	68,330,193,294
Capital work in progress		116,247,026	5,401,971
		67,642,512,546	68,335,595,265

11.1 Operating fixed assets

Net book value at beginning of the period / year	68,330,193,294	69,460,198,544
Add: Additions during the period / year	154,479,616	764,724,814
Less: Disposals during the period / year - net book value	2,322,231	57,417,992
Depreciation for the period / year	956,085,159	1,837,312,072
	958,407,390	1,894,730,064
Net book value at end of the period / year	67,526,265,520	68,330,193,294

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

For the six months period ended 30 June 2024

		30 June 2024	31 December 2023
		Un-audited	Audited
	<i>Note</i>	Rupees	Rupees
12 Stock in Trade			
Raw Material		536,368,806	399,414,318
Packing Material		117,327,619	27,462,787
Stock in Trade (Ammonium Sulphate)		936,221	
Work in Process		295,693,057	199,938,707
Finished goods - own manufactured		2,754,825,307	558,728,514
		<u>3,705,151,010</u>	<u>1,185,544,326</u>
13 Advances, Deposits, Prepayments & Other Receivables			
Advances to suppliers - <i>considered good</i>		679,047,200	421,857,514
Advances to employees - <i>considered good</i>		71,455,654	47,886,989
Deposit with High Court		36,000,000	36,000,000
Prepayments		9,545,263	7,194,615
Receivable from Government of Pakistan		1,346,250	1,346,250
Receivable from Government of Punjab		5,546,656	5,546,656
Sales tax receivable		2,964,842,689	2,976,542,972
Subsidy receivable		812,227,932	812,227,932
Other receivables		131,118,568	114,165,856
		<u>4,711,130,212</u>	<u>4,422,768,784</u>
Less: provision against doubtful receivables		<u>(217,663,733)</u>	<u>(217,663,733)</u>
		<u>4,493,466,479</u>	<u>4,205,105,051</u>
14 Short term investment-at amortised cost			
Investments in T-Bills	14.1	5,337,030,862	5,527,370,029
		<u>5,337,030,862</u>	<u>5,527,370,029</u>
14.1 This represents investment made in treasury bills issued by Govt. of Pakistan which carry mark up between 20.5% to 22%.			
		30 June 2024	30 June 2023
		Un-audited	Un-audited
		Rupees	Rupees
15 Sales - net			
Sale of fertilizers	15.1	14,740,136,270	5,496,593,374
Other products		253,346,514	103,365,155
Total		<u>14,993,482,784</u>	<u>5,599,958,529</u>
Less:			
Federal excise duty		(648,738,095)	-
Sales tax		(38,646,078)	(15,674,100)
		<u>14,306,098,611</u>	<u>5,584,284,429</u>

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

For the six months period ended 30 June 2024

15.1 This includes sale of imported urea purchased for resale of 13,565 tonnes amounting to Rs. 1,116,671,190 (2023: Nil) allocated by National Fertilizer Marketing Limited.

	2024	2023
	Un-audited	Un-audited
	Rupees	Rupees
16 Other Income		
Return on investment in T-bills	662,098,418	606,720
Return on Bank Deposits	10,515,540	18,784,781
Others	6,183,533	29,012,087
	678,797,491	48,403,588
17 Finance Cost		
Redeemable capital - Unwinding of present value	256,213,411	1,239,243,579
Long term finances	-	794,824,495
Short term borrowings	352,525,163	357,456,401
Late payment surcharge on GIDC	383,449,659	352,334,834
Dividend on convertible, redeemable preference shares	84,145,663	86,906,570
Dividend on non convertible, redeemable preference shares	2,370,638,276	-
Amortization of present value of GIDC	26,419,089	83,700,647
Bank charges and commission	432,939	1,242,153
	3,473,824,200	2,915,708,679
18 Taxation		
Current	245,733,711	69,803,555
Deferred	(276,882,145)	(302,893,862)
	(31,148,434)	(233,090,307)
19 Transactions and balances with related parties		

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

	30 June	30 June
	2024	2023
	Un-audited	Un-audited
	Rupees	Rupees
19.1 Transactions with related parties		
19.1.1 Associated Undertakings		
19.1.1.1 Shareholding and common directorship		
National Bank of Pakistan		
Mark-up expense	35,470,552	346,549,366
Preference dividend	351,748,774	17,872,513
Finance Cost - Unwinding of present value of PPTFCs	52,459,345	-
Advisory fee paid	36,000,000	-
Repayment of short term borrowings	27,111,006	-
(Decrease) / Increase in bank balances - net	15,143,570	(2,541,724)

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

For the six months period ended 30 June 2024

	30 June 2024 <u>Un-audited</u> Rupees	30 June 2023 <u>Un-audited</u> Rupees
19.1.1.2 Common directorship & others		
Faysal Bank Limited - ceases to be related party w.e.f 22nd July 2024		
Mark-up expense	-	207,084,062
Preference dividend	226,888,050	16,929,279
Loan repayment	-	15,000,000
Short term borrowings - net	-	200,000,000
Finance Cost - Unwinding of present value of Sukuks	30,463,592	-
(Decrease) / Increase in bank balances - net	2,130,449	(56,564,717)
Bank Makramah Limited (Formerly: Summit Bank Limited) - ceases to be related party w.e.f 22nd July 2024		
Mark-up expense	72,525,345	124,616,463
Dividend on preference shares	70,574,786	-
Finance Cost - Unwinding of present value of PPTFCs	8,121,956	-
Repayment of short term borrowings	97,394,871	-
(Decrease) / Increase in bank balances - net	134,338	(141,196)
Pak China Investment Company Limited - ceases to be related party w.e.f 22nd July 2024		
Dividend on preference shares	24,018,993	-
Finance Cost - Unwinding of present value of PPTFCs	3,299,300	-
19.1.1.3 Post employment benefit plans		
Contribution to Employees Provident Fund	14,832,799	11,673,460
Contribution to Employees Gratuity Fund	1,512,290	(10,583,992)
19.1.1.4 Remuneration of Key management personnel	164,112,917	77,188,560
	30 June 2024 <u>Un-audited</u> Rupees	31 December 2023 <u>Audited</u> Rupees
19.2 Balances with related parties		
19.2.1 Associated Undertakings		
19.2.1.1 Shareholding and common directorship		
National Bank of Pakistan		
Redeemable capital	701,596,370	649,137,025
Bills payable	159,918,994	187,030,000
Convertible, redeemable preference shares	617,487,560	617,487,560
Non convertible, redeemable preference shares	2,486,399,100	2,486,399,100
Mark-up payable	349,890,260	314,419,708
Preference dividend payable	4,114,957,765	3,165,190,626
Bank balances	16,450,957	1,307,387
Advisory fee payable	702,600,007	738,600,000
Advance for transaction Cost	23,200,000	23,200,000

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

For the six months period ended 30 June 2024

	30 June 2024	31 December 2023
	<u>Un-audited</u> Rupees	<u>Audited</u> Rupees
19.2.1.2 Common directorship & others		
Faysal Bank Limited - ceases to be related party w.e.f 22nd July 2024		
Redeemable capital	407,423,042	376,959,450
Convertible, redeemable preference shares	310,355,940	310,355,940
Non convertible, redeemable preference shares	1,641,527,430	1,641,527,430
Mark up payable	2,806,923	2,806,923
Preference dividend payable	2,559,759,788	2,332,871,738
Bank balances	21,904,100	19,773,651
Trustee fee payable	5,668,582	5,668,582
SBLC	200,000,000	200,000,000
LC Margin	102,286,669	46,267,236
Bank Makramah Limited (Formerly: Summit Bank Limited) - ceases to be related party w.e.f 22nd July 2024		
Redeemable capital	108,623,827	100,501,871
Non convertible, redeemable preference shares	552,023,020	552,023,020
Short term borrowings	574,500,607	671,895,478
Mark up payable	300,966,637	228,441,292
Preference dividend payable	718,705,023	648,130,237
Bank balances	341,485	207,147
Pak China Investment Company Limited - ceases to be related party w.e.f 22nd July 2024		
Redeemable capital	44,125,154	40,825,854
Non convertible, redeemable preference shares	187,872,150	187,872,150
Preference dividend payable	244,599,689	220,580,696
Others		
Housing Colony - receivable	53,927,880	38,707,135
Iskanderabad Welfare Trust - payable	3,371,320	2,486,023
19.2.2 Post employment benefit plans		
Payable to Employees Provident Fund	-	1,141,459
Payable to Employees Gratuity Fund	6,899,729	6,270,448

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

For the six months period ended 30 June 2024

	30 June 2024	30 June 2023
	Un-audited	Un-audited
	Rupees	Rupees
20 Cash flows from operating activities		
Loss before tax	(1,266,338,213)	(3,098,177,417)
Adjustment for non-cash items:		
Interest / markup expense	3,090,374,537	2,563,373,845
Adjustment of preference share into ordinary shares	61,618,426	-
Depreciation on property, plant and equipment	956,085,159	901,914,025
Amortization of intangible asset	143,922	143,922
Provision for staff retirement benefit	1,512,288	(10,583,992)
Mark-up / interest income	(673,592,638)	(19,391,501)
Loss on sale of property, plant and equipment	1,187,730	168,148,800
Operating profit before changes in working capital	2,170,991,211	505,427,682
Changes in working capital		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	58,235,333	99,548,778
Stock in trade	(2,519,606,684)	(1,177,822,693)
Trade receivables	-	(4,804,906)
Advances, deposits, prepayments and other receivables	(288,361,428)	(957,790,201)
	(2,749,732,779)	(2,040,869,022)
Increase / (decrease) in current liabilities:		
Trade and other payables	517,467,579	1,123,784,032
Net cash used in operations	(61,273,989)	(411,657,308)

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

For the six months period ended 30 June 2024

21 Segment reporting

21.1 Reportable segments

The Company's reportable segments are as follows:

- Urea fertilizer segment - production of Urea fertilizer and Ammonia from natural gas; and
- Phosphate fertilizer segment - production of Phosphate fertilizer from rock phosphate

Information regarding the Company's reportable segments is presented below:

21.2 Segment revenue and results

Following is the information about reportable segments of the Company:

Urea fertilizer segment		Phosphate fertilizer			Consolidated	
30 June	30 June	30 June	30 June	30 June	30 June	30 June
2024	2023	2024	2023	2024	2023	2023
<i>Rupees 'mln'</i>						
12,621	4,115	1,685	1,469	14,306	5,584	(3,098)
(1,908)	(3,632)	642	534	(1,266)		
Urea fertilizer segment		Phosphate fertilizer			Consolidated	
30 June	31 December	30 June	31 December	30 June	31 December	31 December
2024	2023	2024	2023	2024	2023	2023
<i>Rupees 'mln'</i>						
84,498	83,673	11,940	11,272	96,438	94,946	
78,186	75,841	1,576	1,529	79,762	77,370	

For the six months period ended 30 June 2024

External revenues

Reportable segment Profit / (loss) before tax

As at

Reportable segment assets

Reportable segment liabilities

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

For the six months period ended 30 June 2024

	30 June 2024 Un-audited Rupees	31 December 2023 Audited Rupees
21.3 Reconciliation of reportable assets & liabilities Assets		
Total assets for reportable segments	96,438,150,050	94,945,739,233
Elimination of inter-segment assets	(10,057,037,781)	(10,218,201,634)
Consolidated total assets	<u>86,381,112,269</u>	<u>84,727,537,599</u>
Liabilities		
Total liabilities for reportable segments	79,762,306,968	77,369,917,569
Elimination of inter-segment liabilities	(5,540,725,343)	(5,714,949,203)
Consolidated total liabilities	<u>74,221,581,625</u>	<u>71,654,968,366</u>

	30 June 2024 Un-audited Rupees	30 June 2023 Un-audited Rupees
21.4 Reconciliation of reportable segment -profit or loss		
Loss for reportable segments before taxation	(1,266,338,213)	(3,098,177,417)
Taxation for the period	31,148,434	233,090,307
Loss after taxation	<u>(1,235,189,779)</u>	<u>(2,865,087,110)</u>
22 Cash and cash equivalents		
Short term borrowings - running finance	(2,162,141,585)	(2,683,086,929)
Cash and bank balances	329,754,491	281,682,841
	<u>(1,832,387,094)</u>	<u>(2,401,404,088)</u>

23 Overdue Financial Liabilities

23.1 The Company continues to face a liquidity shortfall due to which it was unable to meet its obligations in respect of various debt finances. The details of overdue financial liabilities as at 30 June 2024 are as follows:

Nature of Liability	Principal Rupees	Interest / markup/ dividend Rupees	Total Rupees
	Convertible, redeemable preference shares	-	2,014,353,543
Short term borrowings	2,882,335,787	3,169,961,628	6,052,297,415
	<u>2,882,335,787</u>	<u>5,184,315,171</u>	<u>8,066,650,958</u>

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

For the six months period ended 30 June 2024

23.2 Financial Liabilities in litigation are as follows:

Name of banks	30 June 2024 Rupees
Silk Bank Limited	780,494,785
Askari Bank Limited	2,511,488,460
Unit Trust of Pakistan and JS investment Limited	333,487,415
JS Income Fund and JS Investment Limited	164,172,750
JS Infocom Limited	1,280,996,756
JS Large Capital Fund	16,959,889
Federal Employees Benevolent and Group Insurance Funds	3,251,552,724
National Bank of Pakistan	6,496,599,568
Bank Makramah/Summit Bank Limited	1,165,357,852
Soneri Bank Limited	738,452,864
JS Bank Limited	2,880,221,844
Al Baraka Bank (Pakistan) Limited	289,694,985
Bank Alfalah Limited	314,178,286
The Bank of Punjab	3,301,068,828
	<u>23,524,727,006</u>

24 Fair Value of Financial Assets and Liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

	Carrying amount				Fair value			
	Amortized Cost	Fair value through profit/loss	Fair value through OCI	Total	Level 1	Level 2	Level 3	Total
As at 30 June 2024 - represented	----- Rupees -----							
<i>Financial assets - not measured at fair value</i>								
Long term loans and advances	24,165,544	-	-	24,165,544	-	-	-	-
Short term investments	5,337,030,862	-	-	5,337,030,862	-	-	-	-
Long term deposits	55,125,837	-	-	55,125,837	-	-	-	-
Advances and other receivables	238,574,223	-	-	238,574,223	-	-	-	-
Cash and bank balances	329,754,491	-	-	329,754,491	-	-	-	-
	<u>5,984,650,957</u>	-	-	<u>5,984,650,957</u>	-	-	-	-
As at 31 December 2023 - represented	----- Rupees -----							
<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	-	-	-	-
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	-	-	-	-
	<u>6,325,394,346</u>	-	-	<u>6,325,394,346</u>	-	-	-	-

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

For the six months period ended 30 June 2024

	30 June 2024	31 December 2023
	Un-audited	Audited
	Rupees	Rupees
<i>Financial liabilities at amortized cost</i>		
Redeemable capital	3,426,623,033	3,170,409,622
Convertible, redeemable preference shares	1,484,507,830	1,593,342,690
Short term borrowings	2,917,983,774	3,413,457,179
Trade and other creditors	6,969,722,101	5,849,335,546
Accrued liabilities	318,935,064	437,086,638
Security deposits and retention money	19,774,907	19,262,525
Other payables	42,040,098	33,951,604
Mark-up accrued on borrowings	3,169,961,628	2,825,973,353
Dividend payable on preference shares	26,155,973,411	23,852,887,378
	<u>44,505,521,846</u>	<u>41,195,706,535</u>

25 Financial Risk Management

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

26 Date of authorization

These condensed interim financial statements were authorized for issue by the Board of Directors of the Company on 16 August 2024.

27 Seasonality

The Company's fertilizer business is subject to seasonal fluctuations as a result of two different farming seasons viz, Rabi (from October to March) and Kharif (from April to September). On an average, fertilizer sales are more tilted towards Rabi season. The Company manages seasonality in the business through appropriate inventory management.

28 General

28.1 Figures have been rounded off to the nearest rupee.

28.2 Corresponding figures have been re-arranged / reclassified in these condensed interim financial statements for the purpose of comparison. However, no significant reclassification has been made in these condensed interim financial statements.



Chief Financial Officer



Chief Executive



Director

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