



Interim Financial Report
for the nine months ended
September 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*)
Mr. Muhammad Faisal Muzammil (*Chief Executive Officer*)
Mr. Hasan Ahmad
Mr. Osman Malik
Syed Mohsin Raza Naqvi
Syed Mustafa Haider Hamdani
Ms. Minahil Mohsin Naqvi
Mr. Haroon Farooq

Audit Committee

Mr. Hasan Ahmad (*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
61-C, Main Gulberg, Lahore
+92 42 35870961-63
wasif.majeed@lexiumlaw.com

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 Ferozepur 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

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
Email: corporate@paf.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 present their report, along with the un-audited condensed interim financial statements, for the nine-month period ended September 30, 2024.

Overview of Fertilizer Industry:

Urea production increased by 3.7% to 4,942 k tons (2023: 4,765 k tons) during the period under review and the increase is attributed to the continuous gas supplies to the two plants on SNGPL Network and one on SSGC Network. Offtakes of Urea registered a decline of 7.5% for the period ending September 30, 2024 vs same period last year (2024: 4,573 k tons vs. 2023: 4,945 k tons). Key reason of offtakes decline has been the poor farm economics of the Wheat crop that negatively impacted farmers' liquidity during Kharif 2024; followed by the reduction of Cotton crop sowing area and declining Maize & Rice prices. Higher production and lower offtakes has resulted in increase in the closing inventory of Urea at the end of Kharif 2024 at 622 k tons (2023: 77 k tons).

The Company managed to produce 274 k tons of Urea (2023: 195 k tons) against installed capacity of 324 k tons for the period. The Company sold 194 k tons of Urea during the period under review (2023: 193 k tons).

Offtakes of Phosphate during the period ending September 2024 decreased by 14% to 556 k tons of P2O5 Nutrients (2023: 648 k tons) due to weak farmer affordability. Production of all Phosphatic fertilizers increased by 37% to 445 k ton of P2O5 Nutrient (2023: 325 k ton P2O5 Nutrient). International DAP prices remained volatile during the period under review which was US\$ 625 per ton CFR KHI at the start of the year, declined to US\$ 525 per ton in May and increased to US\$ 650 per ton CFR KHI towards the end of the period under review.

The Company being a major SSP player, produced 59 k tons SSP during the period under review (2023: 43 k tons) and sold 37 k tons SSP (2023: 43 k tons).

Financial Highlights

Rs. in Million

	Nine Months ended September 30, 2024	Nine Months ended September 30, 2023
Sales - net	19,018	13,909
Gross profit	3,387	2,385
Operating profit	3,000	1,509
Finance cost	(5,174)	(4,538)
(Loss) before tax	(2,174)	(3,029)
(Loss) after tax	(2,085)	(2,760)
(Loss) per share (Rs.)	(4.91)	(6.50)

For the nine-months period, the Company achieved record sales of Rs. 19.02 billion i.e. 37% higher than last year with operating profit margin of 16% as compared to 11% in year 2023, demonstrating Company's resilience and commitment towards growth and success.

This improvement is attributed to the uninterrupted gas supplies provided by the GOP, in contrast to the previous year when the gas supply to the Company's urea plant was suspended during most of first quarter. As a result, the Company has maintained consistent urea production since March 2023.

The Company is in the implementing phase of the Scheme of Arrangement ('Scheme') approved by the Lahore High Court (LHC) to restructure its overdue long-term debts and related mark-ups. As part of this process, it is issuing preference shares and privately placed term finance certificates (PPTFCs)/Sukuks. During this period, the Company disbursed Rs. 500 million to short-term lenders on a pro-rata basis to settle the outstanding principal portion of these liabilities. The Company also initiated the settlement with the Short-Term lenders on bi-lateral basis to reduce the overall debt burden of the Company.

Directors' Review Report

The Company is confident that sustainable gas supply solution likely to be agreed with the GOP to ensure continued urea production as GOP is prioritizing the domestic urea production to save precious Foreign Exchange and subsidy on Urea imports besides to meet rising demand and safeguard the country's food security. The Company also anticipates that most of the legal suits filed by banks and lenders shall be withdrawn or set aside once the Scheme is fully implemented in the near future.

Significant Events

Subsequent to the period end, National Bank of Pakistan ('NBP') (major shareholder of the Company) and Fauji Fertilizer Company Limited ('FFC') have entered into a sale and purchase transaction and both the parties have made disclosures on October 15, 2024 in this regard, whereby, FFC is purchasing from NBP, the following shares/securities of the Company held by NBP:

- a) 106,014,632 ordinary voting shares;
- b) 61,748,756 listed, convertible, non-voting, redeemable and cumulative preference shares; and
- c) 248,639,905 non-convertible, redeemable, cumulative preference shares with limited voting rights (which are to be allotted by AGL in accordance with the Scheme of Arrangement approved by the Lahore High Court dated on June 03, 2022 in CO No. 21 of 2016).

FFC's total shareholding in ordinary shares has increased to 28.86%. Further, FFC on October 23, 2024, has made Public Announcement of Offer to Acquire 151,052,013 Ordinary Shares of Agritech Limited under the Securities Act, 2015 (the 'Act') and Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2017.

Future Outlook

The Company's future outlook relies on the steady supply of Gas to its urea plant. The Government of Pakistan's renewed emphasis on increasing the yields of key staple crops is vital for ensuring long-term food security for the nation's over 240 million people. Fertilizers, especially urea, are essential for improving crop production and yields. The growing demand for urea highlights the importance of domestic production to enhance crop output, rather than depending on expensive imports by GOP. The company's urea plant is likely to maintain regular operations. The company is also expected to complete the process of implementation of the sanctioned Scheme in line with the applicable regulations and laws.

Acknowledgement

The Board would like to take this opportunity to express its gratitude to the Company's valued customers, financial institutions and shareholders, whose trust and support over the years have fostered a mutually beneficial relationship, significantly contributing to the growth of the business.

The Board also wishes to formally acknowledge and appreciate the Company's employees. Their dedication and hard work have been instrumental in maintaining business sustainability, despite the challenging business environment.

On behalf of the Board



Mr. Muhammad Faisal Muzammil
Chief Executive Officer



Mr. Hasan Ahmed
Director

Date : October 30, 2024

ڈائریکٹرز کی جائزہ رپورٹ

انٹرنیٹیک لمیٹڈ کے ڈائریکٹرز اپنی رپورٹ اور غیر آڈٹ شدہ عبوری مالیاتی گوشوارے نو ماہ کی مدت کے لیے پیش کرتے ہیں جو 30 ستمبر 2024 کو ختم ہوئی۔
فریڈائریکٹرز اور ممبروں کی جائزہ:

یورپا کی پیداوار میں 3.7% اضافہ ہوا، جبکہ 4,942 ہزار یورو (4,765,202) ہزار یورو۔ یہ اضافہ ایس این پی ٹی ایل نیٹ ورک کے دو پائپس ایس این پی ٹی نیٹ ورک کے ایک پائپ کو مسلسل گیس کی فراہمی کی وجہ سے ہوا۔ یورپا کی فروخت میں 7.5% کی کمی ہوئی اور یہ 4,573 ہزار یورو (4,945,202) ہزار یورو۔ فروخت میں کمی کی بنیادی وجوہات میں گندم کی فصل کی خراب معیشت ہے جس نے خریفہ 2024 کے دوران کسانوں کی مالی حالت کو منفی طور پر متاثر کیا، پائپس کی کاشت کرتے ہیں، اور کئی وچاول کی قیمتوں میں کمی شامل ہیں۔ زیادہ پیداوار اور کم فروخت کے نتیجے میں خریفہ 2024 کے آخر میں یورپا کا اختتامی اسٹاک 622 ہزار یورو تک پہنچ گیا (2023 ہزار 77)۔

کمپنی نے اس مدت کے دوران 274 ہزار یورو پائی (195,202) ہزار یورو، جبکہ نصب شدہ صلاحیت 324 ہزار یورو تک پہنچ گئی۔ کمپنی نے 194 ہزار یورو فروخت کیا (2023 ہزار 193)۔ ستمبر 2024 کے آخر تک فاسٹ فک فروخت 14% کم ہو کر 556 ہزار یورو (2023 ہزار 556) ہو گیا۔ اس کی بنیادی وجہ کسانوں کی خریداری کی کمزور سمت تھی۔ تمام فاسٹ فیک کھادوں کی پیداوار میں 37% اضافہ ہوا، جبکہ 445 ہزار یورو (2023 ہزار 325) ہو گیا۔

اس رپورٹ کے دوران میں بین الاقوامی ڈی اسے پی کی قیمتوں میں اتار چڑھاؤ دیکھا گیا۔ سال کے آغاز میں قیمت 625 امریکی ڈالر فی ٹن CFR-KHI تھی، جو مئی میں 525 امریکی ڈالر تک کم ہو گیا، اور مدت کے آخر تک دوبارہ بڑھ کر 650 امریکی ڈالر فی ٹن CFR-KHI تک پہنچ گیا۔

کمپنی جو کہ ایس این پی کی مارکیٹ کا بڑھا چھڑکتی ہے، اس مدت کے دوران 59 ہزار یورو ایس این پی پیدا کیا (2023 ہزار 43) اور 37 ہزار یورو ایس این پی فروخت کیا (2023 ہزار 43)۔

روپے ملین میں

مالیاتی جھلکیاں

30 ستمبر 2023	30 ستمبر 2024	
13,909	19,018	نہت سیلو
2,385	3,387	مجموعی منافع
1,509	3,000	آپریٹنگ منافع
(4,538)	(5,174)	مالیاتی لاگت
(3,029)	(2,174)	فنانسنگ نقصان
(2,760)	(2,085)	بعد از فنانس نقصان

(6.50)	(4.91)	فی شیئر نقصان (روپے)
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نو ماہ کی مدت کے دوران، کمپنی نے 19.02 ارب روپے کی ریکارڈ فروخت حاصل کی، جو پچھلے سال سے 37% زیادہ ہے، جبکہ آپریٹنگ منافع کا مارجن 16% رہا، جو کہ سال 2023 میں 11% تھا۔ یہ کمپنی کی ترقی اور کامیابی کے عزم اور پلگ کو ظاہر کرتا ہے۔

اس بہتری کی بنیادی وجہ حکومت کی جانب سے بلا تعلق گیس کی فراہمی ہے، جبکہ پچھلے سال کے دوران کمپنی کے یورپا پائپ کو کھلی سہ ماہی کے زیادہ تر حصے میں گیس کی فراہمی معطل رہی۔ نتیجتاً، کمپنی نے مارچ 2023 سے مسلسل یورپا کی پیداوار کو برقرار رکھا ہے۔

کمپنی اس وقت لاہور ہائی کورٹ (ایل این جی سی) سے منظور شدہ اسکیم آف آرگنٹ (ایس ایم) کے نفاذ کے مرحلے میں ہے، جس کا مقصد طویل مدتی واجب الادا قرضوں اور متعلقہ مارک اپ کو دوبارہ ترتیب دینا ہے۔ اس عمل کے ایک حصے کے طور پر، کمپنی ترقیاتی شیئرز اور فی طور پر جاری کیے جانے والے ٹرم ٹرانس سرٹیفکیٹس (PPTFC) اسٹاک جاری کر رہی ہے۔ اس مدت کے دوران، کمپنی نے مختصر مدتی قرض دہندگان کو 500 ملین روپے تقسیم کیے تاکہ ان واجبات کے بتایا اصل حصے کو تاسف کی بنیاد پر کم کیا جاسکے۔ کمپنی نے مختصر مدتی قرض دہندگان کے ساتھ دوطرفہ بنیادوں پر تصفیہ کا عمل بھی شروع کیا ہے تاکہ کمپنی کے مجموعی قرض کے بوجھ کو کم کیا جاسکے۔

کمپنی کو یقین ہے کہ گیس کی فراہمی کے حوالے سے ایک مستقل حل حکومت پاکستان (GOP) کے ساتھ طے پانے کا امکان ہے، تاکہ یورپا کی مسلسل پیداوار کو یقین بنایا جاسکے۔ GOP یورپا کی ملکی پیداوار کو ترجیح دے رہی ہے تاکہ قیمتی زرہ مالدار اور یورپا کی درآمدات پر سبسڈی کی بجٹ کی جاسکے، نیز بڑھتی ہوئی طلب کو پورا کیا جاسکے اور ملک کی فوڈ سیکورٹی کو محفوظ کیا جاسکے۔ کمپنی کو یہ بھی توقع ہے کہ بینکنگ اور قرض دہندگان کی جانب سے دائر کردہ زیادہ تر قانونی مقدمات اس اسکیم کے سیکل طور پر نافذ ہونے کے بعد واپس لے لیے جائیں گے یا ختم کر دیے جائیں گے۔

ڈائریکٹرز کی جائزہ رپورٹ

اہم واقعات:

اس رپورٹ کی مدت کے اختتام کے بعد نیشنل بینک آف پاکستان (این بی پی) (کمپنی کے بڑے شیئر ہولڈر) اور فوجی فریڈا نر کیمپنی لمیٹڈ (ایف ایف سی) نے ایک خرید و فروخت کا معاہدہ کیا ہے اور دونوں فریقین نے 15 اکتوبر 2024 کو اس والے سہ اشکافات کیے ہیں، جس کے تحت ایف ایف سی، این بی پی سے کمپنی کے درج ذیل شیئرز/سٹیکس ریٹرن خریدی رہے جو این بی پی کے پاس ہیں:

(الف) 106,014,632 عام ووٹنگ شیئرز؛

(ب) 61,748,756 غیر سٹمڈ، قابل تبادلہ، غیر ووٹنگ، ریڈیمپٹبل اور مجموعی پینڈیڈ شیئرز؛ اور

(ج) 248,639,905 غیر قابل تبادلہ، ریڈیمپٹبل، مجموعی پینڈیڈ شیئرز جن کے محدود ووٹنگ حقوق ہیں (جو کہ لاہور ہائی کورٹ کی طرف سے 03 جون 2022 کو اسکیم آف آرٹجمنٹ کے مطابق سی او نمبر 21 آف 2016 کے تحت منظور شدہ ہیں) اور انہیں اے سی ایل کی جانب سے الاٹ کیا جاتا ہے۔

ایف ایف سی کی عام شیئرز میں کل شیئر ہولڈنگ 28.86 فیصد تک بڑھ گئی ہے۔ مزید برآں، ایف ایف سی نے 23 اکتوبر 2024 کو عوامی پیشکش کا اعلان کیا ہے تاکہ ایکری ٹیک لمیٹڈ کے 151,052,013 عام شیئرز کو سے سکیوئریٹیز ایکٹ 2015 (ایکٹ) اور سکیوئریٹیز (ووٹنگ شیئرز کے بڑے پیمانے پر حصول اور ٹیک اوورز) کے ضوابط 2017 کے تحت حاصل کیا جاسکے۔

مستقبل کا جائزہ عمل:

کمپنی کا مستقبل گیس کی مسلسل فراہمی پر منحصر ہے تاکہ اس کے یوریا پلانٹ کی پیداوار جاری رہے۔ حکومت پاکستان کی اہم فصلوں کی پیداوار میں اضافے پر دو بارہ زوردہ پیمانے کے 240 ملین سے زیادہ لوگوں کے لیے طویل مدتی نوڈ سکیورٹی کو یقینی بنانے کے لیے بہت اہم ہے۔ کھادیں، خاص طور پر یوریا فصلوں کی پیداوار کو بہتر بنانے کے لیے ضروری ہیں۔ یوریا کی بڑھتی ہوئی مانگ ملٹی پیداوار کی اہمیت کو اجاگر کرتی ہے، تاکہ GOP کی جانب سے مہنگی درآمدات پر انحصار کرنے کے بجائے فصلوں کی پیداوار میں اضافہ کیا جاسکے۔ توقع ہے کہ کمپنی کا یوریا پلانٹ معمول کے مطابق کام کرتا رہے گا۔ اس کے علاوہ، کمپنی یہ بھی توقع رکھتی ہے کہ منظور شدہ اسکیم کے نافذ کامل متعلقہ قوانین اور ضوابط کے مطابق مکمل کر لیا جائے گا۔

ضروری اعتراضات:

بورڈ اس موقع پر کمپنی کے معزز صارفین، مالیاتی اداروں اور شیئر ہولڈرز کا شکریہ ادا کرنا چاہتا ہے، جن کے اعتماد اور تعاون نے ایک باہمی فائدہ مند تعلق کو فروغ دیا ہے، جو کاروبار کی ترقی میں نمایاں کردار ادا کرتا ہے۔

بورڈ کمپنی کے ملازمین کی باہمی طور پر تعریف اور اعتراف بھی کرنا چاہتا ہے۔ ان کی لگن اور محنت نے مشکل کاروباری ماحول کے باوجود کاروباری تسلسل کو برقرار رکھنے میں اہم کردار ادا کیا ہے۔

منجانب بورڈ



حسن احمد
ڈائریکٹر



محمد فیصل مرزا
چیف ایگزیکٹو آفیسر

تاریخ: 30 اکتوبر 2024ء

Condensed Interim Statement of Financial Position (Un-audited)*As At 30 September 2024*

		(Un-audited) 30 September 2024	(Audited) 31 December 2023
	<i>Note</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 losses		(25,266,183,541)	(23,858,874,985)
Surplus on revaluation of property, plant and equipment - net of tax		32,320,494,523	32,998,144,218
		11,309,762,172	13,072,569,233
<u>Non-current liabilities</u>			
Redeemable capital - secured	5	3,563,904,696	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		9,924,058,154	10,328,109,165
		33,515,168,180	33,634,558,977
<u>Current liabilities</u>			
Preference dividend payable		27,395,365,081	23,852,887,378
Short term borrowings - secured	8	2,926,355,996	3,413,457,179
Trade and other payables	9	7,610,130,491	7,928,091,479
Interest/mark-up accrued on borrowings		3,289,967,155	2,825,973,353
		41,221,818,723	38,020,409,389
Contingencies and commitments	10	86,046,749,075	84,727,537,599
ASSETS			
<u>Non-current assets</u>			
Property, plant and equipment	11	67,237,147,939	68,335,595,265
Intangible assets		2,567,526,704	2,567,742,587
Long term loans and advances		31,235,677	24,591,622
Long term deposits		62,040,962	54,949,437
		69,897,951,282	70,982,878,911
<u>Current assets</u>			
Stores, spares and loose tools		2,262,286,179	2,223,433,061
Stock-in-trade	12	6,889,609,512	1,185,544,326
Trade debts - secured		68,103,403	-
Advances, deposits, prepayments and other receivables	13	4,487,396,277	4,205,105,051
Tax refunds due from Government - net		91,064,323	82,775,808
Short term investments	14	2,112,459,587	5,527,370,029
Cash and bank balances		237,878,512	520,430,413
		16,148,797,793	13,744,658,688
		86,046,749,075	84,727,537,599

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



Chief Financial Officer



Chief Executive



Director

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

For the nine months period ended 30 September 2024

Note	9 months period ended		For the Quarter ended		
	30 September 2024	30 September 2023	July to September 2024	July to September 2023	
	<i>Rupees</i>				
Sales - net	15	19,018,319,338	13,908,623,010	4,712,220,728	8,324,338,580
Cost of sales		(15,631,436,943)	(11,523,381,070)	(3,672,301,194)	(6,306,590,112)
Gross profit		3,386,882,395	2,385,241,940	1,039,919,534	2,017,748,468
Selling and distribution expenses		(658,683,806)	(437,176,967)	(257,540,344)	(256,973,052)
Administrative and general expenses		(651,278,829)	(412,930,979)	(235,335,656)	(162,917,897)
Other expenses		(1,187,730)	(168,231,417)	-	(82,616)
		(1,311,150,365)	(1,018,339,363)	(492,876,000)	(419,973,565)
Other income		924,242,492	141,904,457	245,445,002	93,500,869
Operating profit for the period		2,999,974,522	1,508,807,034	792,488,536	1,691,275,772
Finance cost	16	(5,174,374,399)	(4,538,027,955)	(1,700,550,195)	(1,622,319,276)
Profit / (Loss) before taxation		(2,174,399,877)	(3,029,220,921)	(908,061,659)	68,956,496
Taxation for the period	17	89,441,626	268,779,857	58,293,193	35,678,836
Profit / (Loss) after taxation		(2,084,958,251)	(2,760,441,064)	(849,768,466)	104,635,332
Earnings / (Loss) per share - basic and diluted		(4.91)	(6.50)	(2.00)	0.25

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


Chief Financial Officer


Chief Executive


Director

Condensed Interim Statement of Comprehensive Income (Un-audited)

For the nine months period ended 30 September 2024

	9 months period ended		For the Quarter ended	
	30 September 2024	30 September 2023	July to September 2024	July to September 2023
	<i>Rupees</i>			
Profit / (Loss) after taxation	(2,084,958,251)	(2,760,441,064)	(849,768,466)	104,635,332
Other comprehensive income for the period	-	-	-	-
Total comprehensive income/ (loss) for the period	(2,084,958,251)	(2,760,441,064)	(849,768,466)	104,635,332

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



Chief Financial Officer



Chief Executive



Director



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

For the nine months period ended 30 September 2024

	Capital Reserve		Reserves		Total Equity
	Ordinary Share Capital	Surplus on revaluation property, plant and equipment - net of tax	Revenue Reserve	Accumulated Loss	
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 30 September 2023	-	-	-	(2,760,441,064)	(2,760,441,064)
Total comprehensive loss for the period ended 30 September 2023	-	-	-	(2,760,441,064)	(2,760,441,064)
Surplus transferred to accumulated losses on account of:					
- incremental depreciation on property, plant and equipment - net of deferred tax	-	(675,892,214)	-	675,892,214	-
Disposal of revalued assets during the period net of deferred tax	-	(81,933,845)	-	81,933,845	-
As at 30 September 2023	3,924,300,000	33,143,851,085	9,000,000	(27,853,412,282)	9,223,738,803
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 30 September 2024	-	-	-	(2,084,958,251)	(2,084,958,251)
Total comprehensive loss for the period ended 30 September 2024	-	-	-	(2,084,958,251)	(2,084,958,251)
Surplus transferred to accumulated losses on account of:					
- incremental depreciation on property, plant and equipment - net of deferred tax	-	(677,649,695)	-	677,649,695	-
Issuance of Ordinary Shares during the year	322,151,190	-	-	-	322,151,190
As at 30 September 2024	4,246,451,190	32,320,494,523	9,000,000	(25,266,183,541)	11,309,762,172

4 & 6

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

Chief Financial Officer

Chief Executive

Director

Condensed Interim Statement of Cash Flows (Un-audited)

For the nine months period ended 30 September 2024

	9 months period ended	
	30 September 2024	30 September 2023
	Rupees	
<u>Cash flows from operating activities</u>		
Cash from / (used) in operations	19 (3,427,507,412)	2,583,363,651
Income tax paid	(326,850,727)	(139,301,830)
Staff retirement benefits paid	(883,009)	(3,596,285)
Long term loans and advances	(6,644,055)	(5,297,707)
Long term deposits - net	(7,091,525)	(304,400)
Net cash used in operating activities	(3,768,976,728)	2,434,863,429
<u>Cash flows from investing activities</u>		
Capital expenditure incurred	(339,386,077)	(301,899,930)
Interest income received	920,447,015	113,533,635
Proceeds from disposal of property, plant and equipment	1,134,500	1,591,537
Short term investments redeemed / (made) during the period	3,414,910,442	(2,332,651,807)
Net cash from/ (used in) investing activities	3,997,105,880	(2,519,426,565)
<u>Cash flows from financing activities</u>		
Long term loans repaid	-	(30,000,000)
Increase / (Decrease) in short term borrowings - net	(132,664,236)	-
Finance cost paid	(19,053,274)	(14,763,441)
Net cash used in financing activities	(151,717,510)	(44,763,441)
Net increase/ (decrease) in cash and cash equivalents	76,411,642	(129,326,577)
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	21 (1,932,635,295)	(2,283,287,944)

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


Chief Financial Officer


Chief Executive


Director

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

For the nine months period ended 30 September 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 September 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 nine months period ended 30 September 2023.

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

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

2.3 Judgments and estimates

The preparation of condensed interim financial statements 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.

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.

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

For the nine months period ended 30 September 2024

	Note	30 September	31 December
		2024	2023
		Un-audited	Audited
		Rupees	Rupees
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	4.1	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
		4,246,451,190	3,924,300,000

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	24.97%	106,014,632
Faysal Bank Limited (ceased to be a related party w.e.f. 22nd July 2024)	4.22%	17,914,040
Pak China Investment Company (ceased to be a related party w.e.f. 22nd July 2024)	1.66%	7,070,000
Combined Shareholding of Maple Leaf Cement Factory Limited (MLCF) & Maple Leaf Capital Limited (MLCL)	20.58%	87,412,501

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.)

4.3 Subsequent to the reporting period, National Bank of Pakistan (NBP), the Company's major shareholder, and Fauji Fertilizer Company Limited (FFC) entered into a sale and purchase agreement. Under this transaction, FFC will acquire the following shares and securities of the Company currently held by NBP:

- 106,014,632 ordinary voting shares;
- 61,748,756 listed, convertible, non-voting, redeemable, cumulative preference shares;
- 248,639,905 non-convertible, redeemable, cumulative preference shares with limited voting rights, which are to be issued by the Company in accordance with the Scheme of Arrangement approved by the Lahore High Court on June 3, 2022.

FFC's total shareholding in ordinary shares has increased to 28.86% (2023: Nil).

	30 September	31 December
	2024	2023
	Un-audited	Audited
		Rupees
5 Redeemable Capital - Secured		
Privately Placed Term Finance Certificates (PPTFCs)	2,533,903,067	2,254,131,679
Privately Placed Sukuk Certificates (Sukuks)	1,030,001,629	916,277,943
	3,563,904,696	3,170,409,622
5.1 Types of redeemable capital		
Interest / mark-up based financing	2,533,903,067	2,254,131,679
Islamic mode of financing	1,030,001,629	916,277,943
	3,563,904,696	3,170,409,622

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

For the nine months period ended 30 September 2024

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 Sukus.

	30 September 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)	1,484,507,830	1,593,342,690

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)
National Bank of Pakistan (Refer to Note 4.3 above)	61,748,756
Faysal Bank Limited (<i>ceased to be a related party w.e.f. 22nd July 2024</i>)	31,035,594
	92,784,350

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.

	30 September 2024	31 December 2023
	Un-audited	Audited
	Rupees	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

Note

7.1 This represents local currency, non-listed, redeemable, non convertible and cumulative preference shares with limited voting rights, issued at the rate of Rs. 10 per share under the agreement between the Company and various lenders /investors under the Scheme of Arrangement sanctioned by Honorable Lahore High Court (LHC) on June 03, 2022, effective from 31 December, 2013. Currently, the company is in the process of induction of such 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 September 2024
National Bank of Pakistan (Refer to Note 4.3 above)	248,639,905
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
Pak China Investment Company Limited (<i>ceased to be a related party w.e.f. 22nd July 2024</i>)	18,787,215
	486,782,160

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

For the nine months period ended 30 September 2024

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.

	Note	30 September 2024	31 December 2023
		Un-audited	Audited
		Rupees	Rupees
9 Trade and other payables			
Trade and other creditors	9.1	6,393,825,832	5,849,335,546
Accrued liabilities		359,673,441	437,086,638
Advances from customers		730,905,296	1,339,009,140
Others		125,725,922	302,660,155
		7,610,130,491	7,928,091,479

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

10 Contingencies and commitments

10.1 Contingencies

There are no material changes in contingencies except for the following;

- 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). Reply was duly filed and 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 filed reference to the Honorable Lahore High Court, Lahore (LHC). 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 return for the Tax Year 2021 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). Proceedings under section 122 of the Ordinance for the amendment of the assessment has been initiated by the Additional Commissioner (ACIR). 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. AGL is in the process of filing appeal before ATIR.
- 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 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.

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

For the nine months period ended 30 September 2024

- The DCIR passed an order dated 20-06-2023, 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. AGL, being aggrieved, filed an appeal in ATIR which upheld the demand vide order dated 19-08-2024. The Company has filed reference to the Honorable 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 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 million. The Company, being aggrieved, preferred appeal before Commissioner Appeals PRA which is pending for adjudication. Based on opinion 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.

		30 September 2024	31 December 2023
		Un-audited	Audited
	Note	Rupees	Rupees
10.2 Commitments			
10.2.1 Commitments under irrevocable letters of credit for:			
- purchase of stores & spares / plant & machinery		35,329,410	69,323,686
- purchase of raw material		134,722,808	-
		170,052,218	69,323,686
11 Property, plant and equipment			
Operating fixed assets	11.1	67,122,101,974	68,330,193,294
Capital work in progress		115,045,965	5,401,971
		67,237,147,939	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		229,742,083	764,724,814
Less: Disposals during the period / year - net book value		2,322,230	57,417,992
Depreciation for the period / year		1,435,511,172	1,837,312,072
		1,437,833,402	1,894,730,064
Net book value at end of the period / year		67,122,101,975	68,330,193,294
12 Stock in Trade			
Raw Material		435,847,019	399,414,318
Packing Material		169,332,524	27,462,787
Work in Process		317,164,383	199,938,707
Finished goods - own manufactured		5,967,265,586	558,728,514
		6,889,609,512	1,185,544,326

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

For the nine months period ended 30 September 2024

		30 September 2024	31 December 2023
	Note	Un-audited Rupees	Audited Rupees
13	Advances, Deposits, Prepayments & Other Receivables		
	Advances to suppliers - <i>considered good</i>	680,619,964	421,857,514
	Advances to employees - <i>considered good</i>	40,298,402	47,886,989
	Deposit with High Court	36,000,000	36,000,000
	Prepayments	8,657,352	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	2,973,367,246	2,976,542,972
	Subsidy receivable	812,227,932	812,227,932
	Other receivables	146,996,208	114,165,856
		<u>4,705,060,010</u>	<u>4,422,768,784</u>
	Less: provision against doubtful receivables	<u>(217,663,733)</u>	<u>(217,663,733)</u>
		<u>4,487,396,277</u>	<u>4,205,105,051</u>

		30 September 2024	31 December 2023
		Un-audited Rupees	Audited Rupees
14	Short term investments		
	Investments in T-Bills	2,112,459,587	5,527,370,029
		<u>2,112,459,587</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 19.5% to 22%.

		30 September 2024	30 September 2023
		Un-audited Rupees	Un-audited Rupees
15	Sales - net		
	Sale of fertilizers	19,511,426,119	14,137,615,101
	Other products	433,538,367	150,631,708
	Total	<u>19,944,964,486</u>	<u>14,288,246,809</u>
	Less:		
	Federal excise duty	(846,980,677)	-
	Sales tax	(66,132,971)	(379,623,799)
	Trade Discounts	<u>(13,531,500)</u>	
		<u>19,018,319,338</u>	<u>13,908,623,010</u>

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

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

For the nine months period ended 30 September 2024

	30 September 2024	30 September 2023
	Un-audited	Un-audited
	Rupees	Rupees
16 Finance Cost		
Redeemable capital	393,495,074	1,948,756,667
Long term finances	-	1,249,390,827
Short term borrowings	508,358,239	564,386,387
Late payment surcharge on GIDC	551,424,085	559,227,481
Dividend on convertible, redeemable preference shares	125,192,708	131,083,634
Dividend on non convertible, redeemable preference shares	3,568,982,899	-
Amortization of present value of GIDC	26,419,089	83,700,647
Bank charges and commission	502,305	1,482,312
	<u>5,174,374,399</u>	<u>4,538,027,955</u>
	-	-
17 Taxation		
Current	318,562,208	173,857,788
Deferred	(408,003,834)	(442,637,645)
	<u>(89,441,626)</u>	<u>(268,779,857)</u>

18 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 September 2024	30 September 2023
	Un-audited	Un-audited
	Rupees	Rupees
18.1 Transactions with related parties		
18.1.1 Associated Undertakings		
18.1.1.1 Shareholding and common directorship		
National Bank of Pakistan		
Mark-up expense	44,193,066	545,789,552
Preference dividend	529,416,532	34,985,070
CFADs payments under Scheme of Arrangement	-	124,766,946
Finance Cost - Unwinding of present value of PPTFCs	80,567,577	-
Repayment of short term borrowings	27,111,006	-
Mark-up paid	13,584,183	-
Advisory fee	32,100,000	-
Advisory fee paid	90,000,000	-
Bank Balances - net	2,043,807	(2,897,269)
18.1.1.2 Common directorship		
Faysal Bank Limited		
<i>(ceased to be a related party w.e.f. 22nd July 2024)</i>		
Mark-up expense	-	327,441,454
Mark-up paid	-	8,433,973

Notes to the Condensed Interim Financial Statements (Un-audited)*For the nine months period ended 30 September 2024*

	30 September 2024	30 September 2023
	Un-audited	Un-audited
	Rupees	Rupees
Preference dividend	341,508,691	25,534,216
CFADs payments under Scheme of Arrangement	-	73,600,702
Loan repaid	-	15,000,000
Finance Cost - Unwinding of present value of Sukuks	46,786,285	-
Bank Balances - net	(17,673,890)	(62,924,391)
Bank Makramah Limited (Formerly: Summit Bank Limited)		
<i>(ceased to be a related party w.e.f. 22nd July 2024)</i>		
Mark-up expense	101,613,377	196,864,576
Preference dividend	106,249,952	-
CFADs payments under Scheme of Arrangement	-	20,241,777
Finance Cost - Unwinding of present value of PPTFCs	12,473,780	-
Repayment of short term borrowings	97,394,871	-
Bank Balances - net	140,464	(135,104)
Pak China Investment Company Limited		
<i>(ceased to be a related party w.e.f. 22nd July 2024)</i>		
Dividend on preference shares	36,160,461	-
Finance Cost - Unwinding of present value of PPTFCs	5,067,097	-
18.1.1.3 Post employment benefit plans		
Contribution to employees provident fund	19,648,469	18,854,640
Contribution to employees gratuity fund	-	4,714,005
18.1.1.4 Remuneration of Key management personnel		
	197,312,752	125,076,534
	30 September 2024	31 December 2023
	Un-audited	Audited
	Rupees	Rupees
18.2 Balances with related parties		
18.2.1 Associated Undertakings		
18.2.1.1 Shareholding and common directorship		
National Bank of Pakistan		
Redeemable capital	729,704,602	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	2,486,399,050	2,486,399,050
Mark-up payable	345,196,985	314,419,708
Preference dividend payable	4,292,718,060	3,165,190,626
Bank balances	3,351,194	1,307,387

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

For the nine months period ended 30 September 2024

	30 September 2024 Un-audited	31 December 2023 Audited
	Rupees	Rupees
Advisory fee payable	680,700,000	738,600,000
Advance for transaction Cost	23,200,000	23,200,000
18.2.1.2 Common directorship		
Faysal Bank Limited		
<i>(ceased to be a related party w.e.f. 22nd July 2024)</i>		
Redeemable capital	423,745,734	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	2,674,426,939	2,332,871,738
Bank balances	2,099,761	19,773,651
Trustee fee	5,668,582	5,668,582
SBLC	200,000,000	200,000,000
LC Margin	139,384,783	46,267,236
Bank Makramah Limited (Formerly: Summit Bank Limited)		
<i>(ceased to be a related party w.e.f. 22nd July 2024)</i>		
Redeemable capital	112,975,651	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	330,054,669	228,441,292
Preference dividend payable	754,380,189	648,130,237
Bank balances	347,611	207,147
Pak China Investment Company Limited		
<i>(ceased to be a related party w.e.f. 22nd July 2024)</i>		
Redeemable capital	45,892,951	40,825,854
Non convertible, redeemable preference shares	187,872,150	187,872,150
Dividend payable on preference shares	256,741,157	220,580,696
Others		
Housing colony - receivable	57,212,643	38,707,135
Iskanderabad Welfare Trust - payable	10,832,878	2,486,023
18.2.2 Post employment benefit plans		
Payable to Employees Provident Fund	-	1,141,459
Payable to Employees Gratuity Fund	(10,223,275)	6,270,448

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

For the nine months period ended 30 September 2024

	30 September 2024 Un-audited Rupees	30 September 2023 Un-audited Rupees
19 Cash flows from operating activities		
Loss before tax	(2,174,399,877)	(3,029,220,921)
Adjustment for non-cash items:		
Interest / markup expense	4,601,663,442	3,978,800,474
Adjustment of preference share into ordinary shares	61,618,426	-
Depreciation on property, plant and equipment	1,435,511,172	1,379,915,451
Amortization of intangible asset	215,883	215,883
Provision for staff retirement benefit	4,835,836	4,714,005
Mark-up / interest income	(920,447,015)	(113,533,635)
Loss on sale of property, plant and equipment	1,187,730	168,151,417
Operating profit before changes in working capital	3,010,185,597	2,389,042,674
Changes in working capital		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(38,853,117)	(82,806,142)
Stock in trade	(5,704,065,186)	(295,478,378)
Trade receivables	(68,103,403)	(10,683,276)
Advances, deposits, prepayments and other receivables	(282,291,227)	(1,186,793,076)
	(6,093,312,933)	(1,575,760,872)
Increase / (decrease) in current liabilities:		
Trade and other payables	(344,380,076)	1,770,081,849
Net cash used in operations	(3,427,507,412)	2,583,363,651

20 Segment reporting

20.1 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:

20.2 Segment revenue and results

Following is the information about reportable segments of the Company:

	Urea fertilizer segment		Phosphate fertilizer segment		Consolidated	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023	30 September 2024	30 September 2023
	<i>Rupees 'millions'</i>					
For the nine months period ended 30 Sep 2024						
External revenues	16,726	11,290	2,292	2,619	19,018	13,909
Reportable segment profit / (loss) before tax	(2,979)	(3,932)	805	902	(2,174)	(3,030)
	Urea fertilizer segment		Phosphate fertilizer segment		Consolidated	
	30 September 2024	31 December 2023	30 September 2024	31 December 2023	30 September 2024	31 December 2023
	<i>Rupees 'millions'</i>					
As at						
Reportable segment assets	84,072	83,673	11,821	11,273	95,893	94,946
Reportable segment liabilities	78,778	75,841	1,302	1,529	80,080	77,370

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

For the nine months period ended 30 September 2024

	30 September 2024	31 December 2023
	Un-audited	Audited
	Rupees	Rupees
20.3 Reconciliation of reportable assets & liabilities		
Assets		
Total assets for reportable segments	95,892,627,580	94,945,739,233
Elimination of inter-segment assets	<u>(9,845,878,505)</u>	<u>(10,218,201,634)</u>
Consolidated total assets	<u>86,046,749,075</u>	<u>84,727,537,599</u>
Liabilities		
Total liabilities for reportable segments	80,079,612,971	77,369,917,569
Elimination of inter-segment liabilities	<u>(5,342,626,068)</u>	<u>(5,714,949,203)</u>
Consolidated total liabilities	<u>74,736,986,903</u>	<u>71,654,968,366</u>
	30 September 2024	30 September 2023
	Un-audited	Un-audited
	Rupees	Rupees
20.4 Reconciliation of reportable segment -profit or loss		
Loss for reportable segments before taxation	<u>(2,174,399,877)</u>	(3,029,220,921)
Taxation for the period	<u>89,441,626</u>	268,779,857
Loss after taxation	<u>(2,084,958,251)</u>	<u>(2,760,441,064)</u>
21 Cash and cash equivalents		
Short term borrowings - running finance	<u>(2,170,513,807)</u>	(2,683,086,929)
Cash and bank balances	<u>237,878,512</u>	399,798,985
	<u>(1,932,635,295)</u>	<u>(2,283,287,944)</u>

22 Fair Value of Financial Assets and Liabilities

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

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

	Carrying amount				Fair value			
	Trade and other receivables	Cash and cash equivalents	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
As at 30 September 2024 - represented	----- Rupees -----							
Financial assets - not measured at fair value								
Trade debts - secured	68,103,403	-	-	68,103,403	-	-	-	-
Long term loans and advances	31,235,677	-	-	31,235,677	-	-	-	-
Long term deposits	62,040,962	-	-	62,040,962	-	-	-	-
Advances and other receivables	223,294,610	-	-	223,294,610	-	-	-	-
Cash and bank balances	237,878,512	-	-	237,878,512	-	-	-	-
	<u>622,553,164</u>	-	-	<u>622,553,164</u>	-	-	-	-

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

For the nine months period ended 30 September 2024

	Carrying amount			Fair value				
	Trade and other receivables	Cash and cash equivalents	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
As at 31 December 2023 - represented								
Financial assets - not measured at fair value								
Long term loans and advances	24,591,622	-	-	24,591,622	-	-	-	-
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>798,024,317</u>	<u>-</u>	<u>-</u>	<u>798,024,317</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Financial liabilities at amortized cost

	30-Sep-24	31-Dec-23
Redeemable capital	3,563,904,696	3,170,409,622
Convertible, redeemable preference shares	1,484,507,830	1,593,342,690
Short term borrowings	2,926,355,996	3,413,457,179
Trade and other creditors	6,393,825,832	5,849,335,546
Accrued liabilities	359,673,441	437,086,638
Security deposits and retention money	21,229,105	19,262,525
Other payables	35,720,837	33,951,604
Mark-up accrued on borrowings	3,289,967,155	2,825,973,353
Dividend payable on preference shares	27,395,365,081	23,852,887,378
	<u>45,470,549,973</u>	<u>41,195,706,535</u>

23 Financial Risk Management

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

24 Date of authorization

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

25 Seasonality

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

26 General

26.1 Figures have been rounded off to the nearest rupee.

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



Chief Financial Officer



Chief Executive



Director

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