



Sustainable **Food Security**
with Agritech **Fertilizers**



Interim Financial Report
for the quarter ended
March 31, 2023
(Un-audited)

VISION
VISION
VISION

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



MISSION

Contents

Company Information	02
Directors' Review	03
Condensed Interim Statement of Financial Position	07
Condensed Interim Statement of Profit or Loss	08
Condensed Interim Statement of Comprehensive Income	09
Condensed Interim Statement of Cash Flows	10
Condensed Interim Statement of Changes in Equity	11
Condensed Interim Notes to the Financial Information	12

Company Information

Board of Directors

Mr. Shahid Iqbal Choudhri

Chairman

Mr. Hassan Raza

Mr. Osman Malik

Mr. Asim Murtaza Khan

Mr. Asim Jilani

Mr. Ghazzanfar Ahsan

Ms. Sarwat Salahuddin Khan

Mr. Muhammad Faisal Muzammil

(Chief Executive Officer)

Audit Committee

Mr. Asim Murtaza Khan

Chairman

Mr. Osman Malik

Mr. Hassan Raza

Mr. Asim Jilani

Mr. Ghazzanfar Ahsan

HR & Remuneration Committee

Ms. Sarwat Salahuddin Khan

Chairperson

Mr. Asim Jilani

Mr. Osman Malik

Mr. Ghazzanfar Ahsan

Chief Financial Officer

Syed Taneem Haider

Company Secretary & Head of Legal

Ms. Asma Irfan

Legal Advisor

Mr. Wasif Majeed

Shares Registrar

Corplink Pvt Ltd

Auditors

Grant Thornton Anjum Rahman

Chartered Accountants, Lahore.

Bankers

National Bank of Pakistan

Faysal Bank Limited

Standard Chartered Bank (Pakistan) Limited

Albaraka Bank Pakistan Limited

Dubai Islamic Bank Pakistan Limited

Summit Bank Limited

Silk Bank Limited

Allied Bank Limited

Bank Alfalah Limited

The Bank of Punjab

Bank Islami Pakistan Limited

Askari Bank Limited

Pak Libya Holding Company (Pvt.) Limited

Soneri Bank Limited

Citi Bank N.A.

Meezan Bank Limited

United Bank Limited

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@pafll.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

The Board of Directors of Agritech Limited, henceforth called the Company, along with the Management Team are pleased to present the Company's Quarterly Report accompanied by the Un-Audited Financial Statements for the quarter ended March 31, 2023.

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

Business Review

Principal Activities

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

First Quarter in Review

Financial Results of Agritech Limited

	Quarter ended March 31, 2023	Quarter ended March 31, 2022
Sales - Net	840,838,422	3,286,875,856
Operating Loss	(700,421,859)	(125,409,485)
Finance cost	(1,339,571,036)	(872,687,401)
(Loss) before Tax	(2,039,992,895)	(998,096,886)
(Loss) after Tax	(1,912,864,230)	(925,083,258)
(Loss) per share	(4.87)	(2.36)

Overview of Fertilizer Industry:

Urea Production during the period ending March 31, 2023 declined by 15% to 1,436 K tons (2022: 1,681K tons). Lower production is due to gas curtailment to the Urea plants primarily on SNGPL Network versus last year when gas continued during the winter months to meet growing Urea demand in the country. Urea off takes for the period under review also saw a decline of 1% to 1,623K tons vs 1,633K tons in same period last year primarily due to the impact of the floods affecting the Rabi crops in Sindh. No imports were made by GOP during the period versus 100K tons last year.

The Company in the first quarter 2023 managed to produce 6K tons of urea (93 KT: 2022) against installed capacity of 108K tons for the quarter. Gas supply to the company Urea plant was resumed on 25 March 2023 after shutdown from 4 January 2023 due to winter gas curtailment by GOP. The plant is presently fully operational. The Company sold 5 K tons Urea during 1 Q 2023 (87K tons: 2022).

Consumption of Phosphates, during the quarter under review, increased by 5% to 157K tons of P2O5 Nutrient vs 148K tons last year. Production of Phosphates products saw massive decline of 65% (55K tons Nutrients in 2023 vs 157K tons Nutrients in 2022) due to closure of most of phosphate manufacturing of DAP and NP in the country owing to high last year carryover stocks and decline of global phosphate prices. The Company, being a major SSP player, produced 16 K tons SSP in 1 Q 2023 (14 KT: 2022) and sold 10 KT during the quarter (6 K tons: 2022) and the production continued during the quarter.

Future Outlook;

Urea demand outlook in upcoming Kharif season looks strong on account of better returns to the farmers on all major crops of Kharif i.e. Sugarcane, Maize & Rice. Cotton though last year faced unprecedented output declines also likely to recover as Federal Government intervened to announce Minimum Support Price for the Cotton. Conversion to Hybrid Seed varieties of

Directors' Review

Rice and Maize likely to be continued across all Provinces. GOP for the year 2023 has envisaged Urea demand of ~6,500 K tons with likely shortage of ~700K tons to be bridged through production of SNGPL based plants including Agritech Urea plant. Present economic situation of the country with stressed Foreign Exchange situation and devaluation of PKR has made urea imports economically unviable and unaffordable for the country which further strengthens the enhanced local production to meet urea shortages.

With the reduction in global Phosphate prices and adjustment of local DAP prices Phosphate demand in the country is likely to recover, however, the continuous devaluation of PKR may increase the retail prices of the farmers which could slow down the recovery of demand. Local production of phosphate likely to remain strong and imports likely to be affected due to volatility, low demand, and foreign exchange related LC challenges. AGL SSP Plant is expected to show further improved production and sales upon the recovery of the overall Phosphate demand.

Litigations with Banks & Scheme of Arrangement

Gas curtailment to the Company's Urea plant during the past years was the major cause of non-servicing of the debt of the Company and the accumulation of mark-ups has further increased its debt burden. In addition to this, few banks and financial institutions have filed cases for recovery of loans along with accrued markup and other related charges against the Company. The Company is confident that likelihood of any additional liabilities is remote as markup has already been recognized in these financial statements in accordance with terms of loan agreements and such lenders have also given consent to restructuring scheme sanctioned by Court.

To streamline this debt burden, the comprehensive rehabilitation (in the form of Scheme of Arrangement ("the Scheme") to restructure its existing over-due long-term debts, towards creditors and related markup as of 31 December 2013 (proposed effective date) through issuance of preference shares prepared by the Company in support of its lenders. The said scheme was sanctioned by the Honorable Lahore High Court (LHC) on July 1st, 2022, with effect from December 31, 2013. The Company is in the process of effectuating the scheme and has disbursed cash payments amounting to Rs 891 million to entitled lenders and has successfully increased authorized share capital upto Rs 35,000 million to initiate the process of issuing preference shares. The Company is confident that with the restoration of gas supplies and regular plant production, the remaining CFADs will be paid and issuance of instruments shall be carried out during the year.

Acknowledgement

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

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

On behalf of the Board



Muhammad Faisal Muzammil
Chief Executive Officer



Asim Murtaza Khan
Director

Lahore

Date : 28 April 2023

ڈائریکٹرز رپورٹ

ایگزیکٹو لیٹرنڈ، کمپنی کے بورڈ آف ڈائریکٹرز اور مینجمنٹ ٹیم، 31 مارچ 2022ء کو ختم ہونے والی سہ ماہی کے لئے غیر نظر ثانی شدہ مالیاتی گوشواروں کے ہمراہ کمپنی کی سہ ماہی رپورٹ پیش کرتے ہوئے خوش ہیں۔

یہ مالیاتی گوشوارے، کوڈ آف کارپوریٹ گورننس کے مطابق چیف ایگزیکٹو آفیسر، چیف فنانس آفیسر اور ایک ڈائریکٹر کی طرف سے توثیق کیے گئے ہیں جو کہ بورڈ کی آڈٹ کمیٹی کی طرف سے سفارش کردہ اور بورڈ آف ڈائریکٹرز کی طرف سے منظور شدہ ہیں۔

کاروباری جائزہ

پرنسپل سرگرمیاں

کمپنی کا بنیادی کاروبار کھاد کی پیداوار اور ترسیل ہے۔ کمپنی ملک میں موجود توانائی کے لحاظ سے جدید اور موثر ترین کھاد کا پلانٹ چلاتی ہے جو کہ میانوالی پنجاب میں واقع ہے۔ کمپنی ہری پور ہزارہ صوبہ خیبر پختونخواہ (کے پی کے) میں جی ایس ایس پی (دانے دار سنگل پیر فاسفیٹ) کی پیداوار کی سہولت بھی چلا رہی ہے۔ کمپنی کھاد کی صنعت میں قابل اعتماد برانڈ "تارا" کے تحت ان پلائٹس سے کھاد مارکیٹ کرتی ہے۔

پہلی سہ ماہی کا جائزہ

ایگزیکٹو لیٹرنڈ کے مالیاتی نتائج

March 31, 2022	March 31, 20223	
3,286,875,856	840,838,422	خالص فروخت
(125,409,485)	(700,421859)	آپریٹنگ منافع (تقصان)
(872,687,401)	(1,339,571,036)	مالیاتی لاگت
(998,096,886)	(2,039,992,895)	قبل از ٹیکس (تقصان)
(925,083,258)	(1,912,864,230)	بعد از ٹیکس (تقصان)
(2.36)	(4.87)	نی چھس (تقصان)

کھاد کی صنعت کا مجموعی جائزہ:

31 مارچ 2023ء کو ختم ہونے والی مدت کے دوران، یوریا کی پیداوار 14% کم ہو کر 1,438 ہزار ٹن (2022: 1,681 ہزار ٹن) ہوئی۔ پیداوار میں کمی بنیادی طور پر SNGPL نیٹ ورک پر یوریا پوریا پلائٹس کو گیس کی قلت کی وجہ سے ہوئی ہے جس کے برعکس گزشتہ سال ملک میں یوریا کی بڑھتی ہوئی طلب کو پورا کرنے کے لئے سردیوں کے مہینوں میں بھی گیس جاری رکھی گئی تھی۔ زیر جائزہ مدت کے لئے یوریا کی فروخت بھی سندھ میں ریج کی فصلوں کو متاثر کرنے والے سیلاب کے اثرات کی وجہ سے گزشتہ سال کی اسی مدت میں 1,633 ہزار ٹن کے مقابلے میں 1% کم ہو کر 1,623 ہزار ٹن ہو گئی۔ حکومت پاکستان نے گزشتہ سال 100 ہزار ٹن کے برعکس کوئی درآمد بھی نہیں کی ہے۔

کمپنی مالی سال 2023ء کی پہلی سہ ماہی میں سہ ماہی کے لئے 108 ہزار ٹن کی نصب شدہ صلاحیت کے مقابلے میں 6 ہزار ٹن یوریا (93 KT: 2022) بنانے میں کامیاب رہی۔ کمپنی کے یوریا پلائٹس کو گیس کی پلائی حکومت پاکستان کی طرف سے سردیوں میں گیس کی تخفیف کی وجہ سے شٹ ڈاؤن کے بعد 25 مارچ 2023ء سے دوبارہ بحال کر دی گئی۔ پلائٹ اس وقت تک ٹی آپریشنل ہے۔ کمپنی نے سال 2023ء کی پہلی سہ ماہی کے دوران 5 ہزار ٹن یوریا (2022: 87K tois) فروخت کیا۔

زیر جائزہ سہ ماہی کے دوران، فاسفیٹس کا استعمال پچھلے سال 148 ہزار ٹن کے مقابلے میں 1% کمی کے ساتھ P2O5 نیوٹرینٹ کے 148 ہزار ٹن تک ہو گیا ہے۔ فاسفیٹ مصنوعات کی پیداوار میں گزشتہ سال کے اعلیٰ کیری اور اسٹاکس اور فاسفیٹ کی عالمی قیمتوں کی کمی کی وجہ سے ملک میں DAP اور NP کے اکثر فاسفیٹ مینوفیکچرنگ کمپنیوں کی بندش کی وجہ سے 65% کی مجموعی کمی (2022 میں 157 ہزار ٹن نیوٹرینٹ کے مقابلے میں 2023 میں 157 ہزار ٹن نیوٹرینٹ) دیکھی گئی۔ کمپنی نے، ایس ایس پی کے اہم مینوفیکچر ہونے کے ناطے، سال 2023ء کی پہلی سہ ماہی میں 16 ہزار ٹن ایس ایس پی (14 ہزار ٹن: 2022) پیدا کی اور سہ ماہی کے دوران 10 ہزار ٹن (6 ہزار ٹن: 2022) فروخت کی اور سہ ماہی کے دوران پیداوار جاری ہے۔

ڈائریکٹرز رپورٹ

مستقبل کا نقطہ نظر

خریف کی تمام بڑی فصلوں یعنی گنے، کئی اور چاول پر کسانوں کو بہتر منافع ہونے کی وجہ سے آئندہ خریف سیزن میں یوریا کی طلب کا نقطہ نظر مضبوط دکھائی دیتا ہے۔ اگرچہ گزشتہ سال کپاس کی پیداوار میں غیر معمولی کمی کی سامنا کرنا پڑا اور وفاقی حکومت نے کپاس کی کمی کو پورا کرنے کی خاطر کم از کم امدادی قیمت کا اعلان کرنے کے لیے مداخلت کی تھی۔ چاول اور کئی کی باہر ڈسٹریکٹ کی اقسام میں تبدیلی کا عمل تمام صوبوں میں جاری رہنے کا امکان ہے۔ پورے 2023 کے لیے GOP نے 6,500- ہزار ٹن یوریا کی طلب کا تصور کیا ہے جس میں 700- ہزار ٹن کی ملکیتی SINGPL پمپنی پلائس بشمول ایگریٹیک یوریا پلانٹ کی پیداوار کے ذریعے پورا کیا جائے گا۔ غیر ملکی زرمبادلہ کی تناؤ کی صورتحال اور پاکستانی روپیہ کی قدر میں کمی کے ساتھ ملک کی موجودہ معاشی صورتحال نے یوریا کی درآمدات کو معاشی طور پر ناقابل عمل اور ملک کے لیے ناقابل برداشت بنا دیا جو یوریا کی کمی کو پورا کرنے کے لیے مقامی پیداوار کو مزید تقویت دیتا ہے۔

فاسفیٹ کی عالمی قیمتوں میں کمی اور مقامی ڈی اے پی کی قیمتوں میں ایڈجسٹمنٹ کے ساتھ ملک میں فاسفیٹ کی طلب میں بحالی کا امکان ہے، تاہم پاکستانی روپیہ کی قدر میں مسلسل کمی سے کسانوں کی خوردہ قیمتوں میں اضافہ ہو سکتا ہے جس سے طلب کی بحالی سست ہو سکتی ہے۔ اتار چڑھاؤ، کم طلب اور غیر ملکی زرمبادلہ سے متعلقہ ایل سی چیلنجز کی وجہ سے فاسفیٹ کی مقامی پیداوار مضبوط رہنے اور درآمدات کے متاثر ہونے کا امکان ہے۔ AGL ایس ایس پی پلانٹ سے توقع کی جاتی ہے کہ فاسفیٹ کی مجموعی طلب کی بحالی پر پیداوار اور فروخت میں مزید بہتری آئے گی۔

بیکوں کے ساتھ قانونی چارہ جوئی اور اسکیم آف اربٹمنٹ:

گزشتہ چند سالوں کے دوران کمپنی کے یوریا پلانٹ کو گیس کی تخفیف قرض کی واپسی میں تاخیر کی اہم وجہ تھی اور مارک اپ جمع ہونے سے اس کے قرض کا بوجھ مزید بڑھ گیا ہے۔ اس کے علاوہ چند بیکوں اور مالی اداروں نے کمپنی کے خلاف مارک اپ اور دیگر متعلقہ واجبات کے ساتھ ساتھ قرضوں کی ریکوری کے مقدمات دائر کئے ہیں۔ کمپنی کو یقین ہے کہ کسی بھی اضافی ذمہ داریوں کا امکان کم ہے کیونکہ قرض کے معاہدوں کی شرائط کے مطابق ان مالیاتی حسابات میں مارک اپ کو پہلے ہی تسلیم کیا گیا ہے اور ایسے قرض دہندگان نے عدالت کی طرف سے منظور شدہ سٹرکچرنگ اسکیم کی رضامندی بھی ظاہر کی ہے۔

قرضوں کے اس بوجھ کو ہموار کرنے کے لیے، کمپنی کی طرف سے اپنے قرض دہندگان کی حمایت میں ترمیمی شخص کے اجراء کے ذریعے 31 دسمبر 2013 (مجوزہ موثر تاریخ) سے قرض دہندگان اور متعلقہ مارک اپ کے لیے اپنے موجودہ زائد المیعاد واجب الادا قرضوں کی تنظیم نو کے لیے جامع بحالی (اسکیم آف اربٹمنٹ "اسکیم") کی شکل میں تیار کی گئی ہے۔ مذکورہ اسکیم کو معزز بورڈ اور ہائی کورٹ (LHC) نے یکم جولائی 2022 کو منظور کیا، جو 31 دسمبر 2013 سے نافذ العمل ہے۔ اسکیم کو نافذ کرتے ہوئے اور اہل قرض دہندگان کو 891 ملین روپے کی نقد ادائیگیاں کیں اور ترجیحی شخص جاری کرنے کے عمل کو شروع کر کے 35,000 ملین روپے تک مجاز شخص سرمایہ میں کامیابی سے اضافہ کیا ہے۔ کمپنی کو یقین ہے کہ گیس کی سپلائی کی بحالی اور باقاعدہ پلانٹ کی پیداوار کے ساتھ، بقیہ CFAD کی ادائیگی کی جائے گی اور آلات کا اجراء سال کے دوران انجام دیا جائے گا۔

اظہار تشکر

بورڈ کمپنی کے قابل قدر صارفین اور مالیاتی اداروں جن کے اعتماد اور حمایت نے سال کے دوران کاروبار کی ترقی میں اہم کردار ادا کیا ہے، کی باہم مفید تعلق داری کا شکریہ ادا کرتا ہے۔ بورڈ کمپنی کے ملازمین کی خدمات کو بھی سراہتا ہے۔ مشکل کاروباری ماحول میں کاروبار کی پائیداری ان کی محنت اور عزم کی وجہ سے ممکن ہوئی ہے۔



محمد عاصم تعصی خان
ڈائریکٹر



محمد فیصل مزیل
چیف ایگزیکٹو آفیسر

Condensed Interim Statement of Financial Position

As at 31st March 2023

	Note	(Un-audited) 31 March 2023 Rupees	(Audited) 31 December 2022 Rupees
EQUITY AND LIABILITIES			
Authorized share Capital		35,000,000,000	35,000,000,000
Share capital and reserves			
Issued, subscribed and paid-up ordinary share capital	4	3,924,300,000	3,924,300,000
Reserves		9,000,000	9,000,000
Accumulated Losses		(27,537,778,274)	(25,850,797,277)
Surplus on revaluation of property, plant and equipment - net of tax		33,675,793,911	33,901,677,144
		10,071,315,637	11,984,179,867
Non-current liabilities			
Redeemable capital - Secured	5	-	-
Long term finances - Secured	6	-	-
Convertible, redeemable preference shares	7	1,593,342,690	1,593,342,690
Long term payables - Unsecured		390,580,807	551,438,375
Deferred Liabilities		10,743,372,497	10,875,636,015
		12,727,295,994	13,020,417,080
Current liabilities			
Current maturity of long term liabilities		19,269,126,210	19,269,126,210
Preference dividend payable		1,949,854,778	1,906,638,085
Short term borrowings -secured	8	3,581,869,970	3,581,994,123
Trade and other payables		5,483,302,267	4,620,048,579
Interest/mark-up accrued on borrowings		28,174,951,760	27,088,095,036
		58,459,104,986	56,465,902,033
Contingencies and commitments	9	81,257,716,617	81,470,498,980
ASSETS			
Non-current assets			
Property, plant and equipment	10	69,568,503,421	69,925,058,640
Intangible asset		2,567,958,470	2,568,030,431
Long term loans and advances - considered good		21,841,201	17,123,956
Long term deposits - unsecured, considered good		54,721,537	54,721,537
		72,213,024,629	72,564,934,564
Current assets			
Stores, spares and loose tools		2,144,862,098	2,246,110,220
Advance against restructuring scheme		891,198,023	891,198,023
Stock-in-trade		1,247,367,294	1,063,281,065
Trade debts		139,633	513,312
Advances, deposits, prepayments and other receivables		4,208,871,218	4,080,352,276
Tax refunds due from Government -net		97,166,246	95,056,594
Cash and bank balances	11	455,087,476	529,052,926
		9,044,691,988	8,905,564,416
		81,257,716,617	81,470,498,980

The annexed notes 1 to 21 form an integral part of these condensed interim financial statements.


Chief Executive


Chief Financial Officer


Director

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

For the three months period ended 31 March 2023

	3 month	
	31 March 2023 Rupees	31 March 2022 Rupees
Sales - net	840,838,422	3,286,875,856
Cost of sales	(1,392,112,789)	(3,199,926,011)
Gross Profit/(loss)	(551,274,367)	86,949,845
Selling and distribution expenses	(28,284,218)	(130,039,870)
Administrative and general expenses	(125,220,109)	(92,462,087)
	(153,504,327)	(222,501,957)
Other income (loss)	4,356,835	10,142,627
Operating Income/(loss)	(700,421,859)	(125,409,485)
Finance cost	(1,339,571,036)	(872,687,401)
Loss before taxation	(2,039,992,895)	(998,096,886)
Taxation for the period	127,128,665	73,013,628
Loss after taxation	(1,912,864,230)	(925,083,258)
Loss per share - basic and diluted	(4.87)	(2.36)

The annexed notes 1 to 21 form an integral part of this condensed interim consolidated financial information.


Chief Executive


Chief Financial Officer


Director

Condensed Interim Statement of Comprehensive Income (Un-audited)

For the three months period ended 31 March 2023

	<u>3 month</u>	
	<u>31 March</u>	<u>31 March</u>
	<u>2023</u>	<u>2022</u>
	<u>Rupees</u>	<u>Rupees</u>
Loss after taxation	(1,912,864,230)	(925,083,258)
<u>Other comprehensive income:</u>		
Items that will not be reclassified to statement of profit or loss:		
- Re-measurement of defined benefit liability	-	-
- Related deferred tax asset/(liability)	-	-
	-	-
Total comprehensive loss for the period	<u>(1,912,864,230)</u>	<u>(925,083,258)</u>

The annexed notes 1 to 21 form an integral part of this condensed interim consolidated financial information.


Chief Executive


Chief Financial Officer


Director

Condensed Interim Statement of Cash Flows (Un-audited)

For the three months period ended 31 March 2023

		31 March 2023	31 March 2022
	<i>Note</i>	Rupees	Rupees
<u>Cash flows from operating activities</u>			
Cash used in operations	13	49,443,213	(699,585,855)
Income tax paid		(12,854,994)	(64,903,707)
Staff retirement benefits paid		-	(11,271,494)
Long term loans and advances received		(4,717,245)	2,820,836
Long term deposits - net		-	5,965,714
Net cash used in operating activities		31,870,974	(766,974,506)
<u>Cash flows from investing activities</u>			
Capital expenditure incurred		(112,279,021)	(7,006,280)
Interest income received		7,659,095	104,200,000
Proceeds from disposal of property, plant and equipment		-	47,000
Short term investment		-	-
Net cash used in investing activities		(104,619,926)	106,942,637
<u>Cash flows from financing activities</u>			
Increase / (decrease) in long term finances		-	-
Long Term Loan paid		-	-
Short term borrowings - net		-	-
Finance cost paid		(1,092,348)	(3,786,788)
Net cash used in financing activities		(1,092,348)	(3,786,788)
Net increase/(decrease) in cash and cash equivalents		(73,841,299)	(663,818,656)
Cash and cash equivalents at the beginning of period		(2,153,961,367)	(1,505,637,211)
Cash and cash equivalents at the end of period	15	(2,227,802,666)	(2,169,455,867)

The annexed notes 1 to 21 form an integral part of this condensed interim consolidated financial information.


Chief Executive


Chief Financial Officer


Director

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

For the three months period ended 31 March 2023

	Capital Reserve		Reserves		Total equity
	Ordinary Shares Capital	Surplus on revaluation property, plant and equipment - net of tax	Revenue reserve	Accumulated Loss	
	Rupees	Rupees	Rupees	Rupees	Rupees
As at 01 January 2022	3,924,300,000	23,435,770,397	9,000,000	(23,613,277,966)	3,755,792,431
Loss for the period ended March 31, 2022	-	-	-	(925,083,258)	(925,083,258)
Other comprehensive income for the period:	-	-	-	-	-
Re-measurement gain on employee retirement benefits	-	-	-	-	-
Related deferred tax liability on re-measurement gain	-	-	-	-	-
Total comprehensive income for the period ended 31 March 2022	-	-	-	(925,083,258)	(925,083,258)
Surplus transferred to accumulated losses on account of:	-	-	-	-	-
- incremental depreciation on property, plant and equipment - net of deferred tax	-	(175,290,734)	-	175,290,734	-
As at 31 March 2022	3,924,300,000	23,260,479,663	9,000,000	(24,363,070,490)	2,830,709,173
As at 01 January 2023	3,924,300,000	33,901,677,144	9,000,000	(25,850,797,277)	11,984,179,867
Loss for the period ended March 31, 2023	-	-	-	(1,912,864,230)	(1,912,864,230)
Other comprehensive income for the period:	-	-	-	-	-
Re-measurement gain on employee retirement benefits	-	-	-	-	-
Related deferred tax liability on re-measurement gain	-	-	-	-	-
Total comprehensive income for the period ended 31 March 2023	-	-	-	(1,912,864,230)	(1,912,864,230)
Surplus transferred to accumulated losses on account of:	-	-	-	-	-
- incremental depreciation on property, plant and equipment - net of deferred tax	-	(225,883,232)	-	225,883,232	-
As at 31 March 2023	3,924,300,000	33,675,793,912	9,000,000	(27,537,778,276)	10,071,315,637

The annexed notes 1 to 21 form an integral part of this condensed interim consolidated financial information.


Chief Executive


Chief Financial Officer


Director

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

For the three months period ended 31 March 2023

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") fertilizer.

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

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

2 Basis of preparation

2.1 Statement of compliance

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

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

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

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

2.2 Basis of accounting

This condensed interim financial information comprises the condensed interim balance sheet of Agritech Limited ("the Company"), as at 30 September 2022 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof.

These condensed interim financial statements does 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 2022.

Comparative condensed interim statement of financial position's numbers are extracted from the proposed annual audited financial statements of the Company for the year ended 31 December 2022, whereas comparative interim statement of profit or loss, interim statement of comprehensive income, interim statement of cash flows and interim statement of changes in equity and related notes are stated from unaudited condensed interim financial statements of the Company for the three months period ended 31 March 2023.

This 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 requires management to make judgments, estimates and assumptions for the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing 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 2022.

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 2022.

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

For the three months period ended 31 March 2023

	31 March 2022	31 December 2022		
	Un-audited	Audited		
	Rupees	Rupees		
4 Issued, subscribed and paid up ordinary share capital				
383,430,000 (December 31, 2022: 383,430,000) class A ordinary shares of Rs.10	3,834,300,000	3,834,300,000		
9,000,000 (December 31, 2022: 9,000,000) ordinary shares of Rs. 10 each issued	90,000,000	90,000,000		
	<u>3,924,300,000</u>	<u>3,924,300,000</u>		
4.1 Ordinary shares of the Company held by associated undertaking at period/year end are as follows:				
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
	(Percentage held)		(Number of shares)	
National Bank of Pakistan Limited	27.01%	27.01%	106,014,632	106,014,632
Faysal Bank Limited	4.56%	4.56%	17,914,040	17,914,040
Summit Bank Limited	8.74%	8.74%	34,306,400	34,306,400
Silk Bank Limited	0.00%	0.00%	1,000	1,000
			31 March 2022	31 December 2022
			Un-audited	Audited
			Rupees	Rupees
5 Redeemable Capital - Secured				
Term Finance Certificates - I			1,498,602,000	1,498,602,000
Term Finance Certificates - II			6,894,286,800	6,894,286,800
Term Finance Certificates - III			495,460,750	495,460,750
Privately Placed Term Finance Certificates - IV			548,825,000	548,825,000
Privately Placed Term Finance Certificates - V			618,685,000	618,685,000
Privately Placed Term Finance Certificates - Vi			509,874,996	509,874,996
Sukkuks			1,599,800,000	1,599,800,000
			<u>12,165,534,546</u>	<u>12,165,534,546</u>
Current maturity presented under current liabilities			<u>(12,165,534,546)</u>	<u>(12,165,534,546)</u>
			-	-
5.1 Types of redeemable capital				
Interest / mark-up based financing			10,565,734,546	10,565,734,546
Islamic mode of financing			1,599,800,000	1,599,800,000
			<u>12,165,534,546</u>	<u>12,165,534,546</u>

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

For the three months period ended 31 March 2023

5.2 For overdue principal and markup, refer to note 16 to the financial statements.

5.3 The Company, in order to streamline and to restructure its existing over-due long-term debts towards creditors (i.e. Rs. 19.447 billion) and related markup (i.e. 6.075 billion) as of 31 December 2013, developed a Comprehensive Rehabilitation Scheme in the form of Scheme of Arrangement ("the Scheme") under Section 284 to 288 of the Companies Ordinance 1984. Subsequent to approvals of the lenders and shareholders, the Scheme was filed with Honorable Lahore High Court (LHC) in June, 2016. LHC has sanctioned the Scheme on July 1st, 2022 with effect from December 31, 2013.

The scheme envisaged the payment of CFADs of Rs. 1.65 Billion to the lenders as per the chosen options; issuance of preference shares in lieu of outstanding Long term Debts; waiver of Markups as at 31 December 2013; and issuance of Zero coupon PPTFCs in lieu of accrued markups outstanding on 31 December 2013 as per chosen options

The Company is in process of implementation of sanctioned scheme. After sanctioning of the scheme by LHC, key milestones achieved from reconciliation of balances with lenders, amendment in Memorandum of Articles and Association of the Company to increase authorized capital upto Rs. 35,000 million and disbursement of cash payments of Rs 891 million to the lenders, while last tranche of Rs. 758 million to lenders and issuance of new instruments is yet to be made by the Company. Due to these pending milestones the Company has not incorporated related adjustments required for full implementation of such scheme.

		31 March 2023	31 December 2022
		Un-audited	Audited
	Note	Rupees	Rupees
6	Long term finances		
	Syndicate Term Finance - I	3,000,000,000	3,000,000,000
	Syndicate Term Finance - II	466,362,600	466,362,600
	Syndicate Term Finance - III	2,840,145,329	2,840,145,329
	Bankislami Pakistan - Term Finance	300,000,000	300,000,000
	National Bank of Pakistan - Term Finance	132,083,735	132,083,735
	Dubai Islamic Bank Limited - Term Finance	365,000,000	365,000,000
	5.3	7,103,591,664	7,103,591,664
	Current maturity presented under current liabilities	(7,103,591,664)	(7,103,591,664)
		-	-
6.1	Types of long term finances - secured		
	Interest / mark-up based financing	6,738,591,664	6,738,591,664
	Islamic mode of financing	365,000,000	365,000,000
		7,103,591,664	7,103,591,664
6.2	For overdue principal and markup, refer to note 16 to the financial statements.		
7	Convertible, redeemable preference shares		
	159,334,269 (31 December 2022: 159,334,269)		
	Preference shares of Rs. 10 each fully paid in cash	1,593,342,690	1,593,342,690
7.1	The preference shareholders have a preferred right of dividend at the rate of 11% per annum on cumulative basis.		

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

For the three months period ended 31 March 2023

7.2 Preference shares of the company held by related / associated undertakings as at year end are as follows:

	--- (Number of shares) ---	
Faysal Bank Limited	31,035,594	31,035,594
National Bank of Pakistan	61,748,756	3,458,756
	92,784,350	34,494,350

8 Short term borrowings - secured

Interest / mark-up based loans - secured	3,050,131,907	3,050,256,059
Islamic mode of financing - secured	531,738,064	531,738,064
	3,581,869,971	3,581,994,123

8.1 All terms and conditions applicable on these facilities are same as those disclosed in the annual financial statements for the year ended 31 December 2022.

9 Contingencies and commitments

9.1 Contingencies

There is no material change in the status of contingencies from the preceding published financial statements of the Company for the year ended 31 December 2022 .

	31 March 2023	31 December 2022
	Un-audited	Audited
Note	Rupees	Rupees

9.2 Commitments

9.2.1 Commitments under irrevocable letters of credit

- purchase of plant and machinery	91,409,774	17,333,664
- purchase of raw material	-	6,798,000
	91,409,774	24,131,664

10 Property, plant and equipment

Operating fixed assets	69,005,113,923	69,460,198,546
Capital work in progress	563,389,498	464,860,095
	69,568,503,421	69,925,058,640

10.1 Operating fixed assets

Net book value at end of the period		69,459,963,690	56,960,824,711
Add: Additions/Revaluation during the period	10.1.1	13,984,474	21,242,255,233
Less: Disposals during the period - net book value		-	42,648,539
Depreciation for the period		468,834,241	8,700,232,860
		468,834,241	8,742,881,399
Net book value at end of the period		69,005,113,923	69,460,198,546

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

For the three months period ended 31 March 2023

	31 March 2023	31 December 2022
	Un-audited	Audited
	Rupees	Rupees
10.1.1 Additions - cost		
<u>Owned assets</u>		
Buildings on freehold land	445,952,800	831,330,646
Plant and machinery	-	16,366,689,560
Residential colony assets	-	18,408
Furniture, fixtures and office equipment	3,841,793	21,771,173
Vehicles and rail transport	5,080,000	3,111,396
Tools and other equipment	-	13,523,250
Catalyst	603,153	-
	<u>13,984,474</u>	<u>21,242,255,233</u>
	31 March 2023	31 December 2022
	Un-audited	Audited
	Rupees	Rupees
11 Cash and bank balances		
Cash in hand	915,773	458,002
Cash at banks		
- current accounts	300,723,238	442,087,767
- savings accounts 11.1	153,448,464	86,507,157
	<u>454,171,702</u>	<u>528,594,924</u>
	<u>455,087,476</u>	<u>529,052,926</u>

11.1 Rate of return on saving accounts ranges from 18.50% to 18.70% per annum (31 December 2022: 8.25% to 14% per annum).

12 Transactions and balances with related parties

Related parties from the Company's perspective comprise associated undertakings, key management personnel (comprising the Chief Executive and Directors), post employment benefit plans and other related parties. The Company in the normal course of business carries out transactions with various related parties. All transactions with related parties have been carried out on commercial terms and conditions.

Detail of transactions and balances with related parties are as follows:

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

For the three months period ended 31 March 2023

	Un-audited January to 31 March 2023	Un-audited January to 31 March 2022
	Rupees	Rupees
12.1 Transactions with related parties		
12.1.1 Associated Undertakings		
12.1.1.1 <u>Shareholding and common directorship</u>		
National Bank of Pakistan		
Markup expense	157,934,896	104,130,533
Preference dividend	938,128	938,128
Bank Balances - net	(1,015,360)	10,021,021
12.1.1.2 <u>Common directorship</u>		
Faysal Bank Limited		
Markup expense	92,519,078	60,728,716
Preference dividend	8,417,873	8,417,873
Bank Balances - net	(20,058,630)	13,317,607
Silk Bank limited		
Mark-up expense	32,482,789	20,046,928
Summit Bank Limited		
Mark-up expense	56,296,605	33,269,196
Bank Balances - net	(141,043)	(457,679)
12.1.1.3 Post employment benefit plans		
Contribution to employees provident fund	5,676,371	5,031,694
Contribution to employees gratuity fund	5,610,489	3,270,287
12.1.1.4 Key management personnel		
Short term employee benefits	5,400,000	5,400,000
Post employment benefits	321,300	321,300
	Un-audited 31 March 2023	Audited 31-Dec 2022
	Rupees	Rupees
12.2 Balances with related parties		
12.2.1 Associated Undertakings		
12.2.1.1 <u>Shareholding and common directorship</u>		
National Bank of Pakistan		
Long term finances	2,467,083,735	2,467,083,735
Redeemable capital	462,057,100	462,057,100
Bills payable	187,030,000	187,030,000

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

For the three months period ended 31 March 2023

	Un-audited 31 March 2023 <u>Rupees</u>	Audited 31-Dec 2022 <u>Rupees</u>
Convertible, redeemable Preference shares	34,587,560	34,587,560
Mark-up payable	4,462,693,224	4,304,758,328
Preference dividend payable	194,734,158	193,796,029
Bank account Balances	4,005,898	5,021,257
Advisory fee	738,600,000	738,600,000
Advance for transaction Cost	23,200,000	23,200,000
12.2.1.2 Common directorship		
Faysal Bank		
Redeemable capital	1,499,109,500	1,499,109,500
Long term Finance	344,325,600	344,325,600
Convertible, redeemable Preference shares	310,355,940	310,355,940
Preference dividend payable	379,833,156	371,415,283
Bank account Balances	43,602,450	63,661,080
Trustee fee	5,668,582	5,668,582
Silk Bank		
Long term finances	130,607,546	130,607,546
Short term borrowings	550,948,624	550,948,624
Mark up payable	411,232,980	378,750,190
Summit Bank Limited		
Redeemable capital	603,406,000	603,406,000
Short term borrowings	671,888,070	671,888,070
Mark up payable	737,117,436	680,820,831
Bank account Balances	196,320	337,363
Others		
Housing Colony	32,717,293	34,195,761
Iskanderabad Welfare Trust	1,782,741	6,490,814
12.2.3 Post employment benefit plans		
Payable to Provident Fund Trust	-	-
Payable to gratuity Trust	8,223,810	2,613,321

Notes to the Condensed Interim Financial Information (Un-audited)
For the three months period ended 31 March 2023

	Un-audited 31 March 2023	Un-audited 31 March 2022
	Rupees	Rupees
13 Cash flow from operating activities		
Profit or (Loss) before tax	(2,039,992,895)	(998,096,886)
Adjustment for non-cash items:		
Interest / markup expense	1,160,358,937	793,099,610
Depreciation on property, plant and equipment	468,834,240	400,033,772
Provision for staff retirement benefit	5,610,489	3,270,287
Mark-up / Interest Income	(7,659,095)	(7,652,590)
Gain on sale of property, plant and equipment	-	(23,455)
Operating profit before changes in working capital	<u>(412,776,363)</u>	<u>190,702,698</u>
Changes in working capital		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	101,248,123	226,342
Stock in trade	(184,086,229)	(376,355,187)
Trade receivables	373,679	88,538,380
Advances, deposits, prepayments and other receivables	(128,518,941)	(1,090,681,163)
	<u>(210,983,368)</u>	<u>(1,378,271,628)</u>
Increase / (decrease) in current liabilities		
Trade and other payables	673,202,944	487,983,075
Cash used in operations	<u>49,443,213</u>	<u>(699,585,855)</u>

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

For the three months period ended 31 March 2023

14 Segment reporting

14.1 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:

14.2 Segment revenue and results

Following is the information about reportable segments of the Company:

	Urea fertilizers segment		Phosphate fertilizer segment		Consolidated (AGL)	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	Un-audited Rupees 'min'	Un-audited Rupees 'min'	Un-audited Rupees 'min'	Un-audited Rupees 'min'	Un-audited Rupees 'min'	Un-audited Rupees 'min'
For the three months period ended 31 March 2023						
External revenues	291	3,005	549	282	841	3,287
Inter-segment revenue						
Reportable segment Profit/(Loss)	(2,217)	(1,094)	177	96	(2,040)	(998)
Reportable segment Profit/(Loss) before tax						
	Urea fertilizers segment		Phosphate fertilizer segment		Consolidated (AGL)	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022	31 March 2023	31 December 2022
	Un-audited Rupees 'min'	Audited Rupees 'min'	Un-audited Rupees 'min'	Audited Rupees 'min'	Un-audited Rupees 'min'	Audited Rupees 'min'
As at						
Reportable segment assets	79,897	80,538	9,689	9,479	89,586	90,016
Reportable segment liabilities	73,403	72,092	1,608	1,568	75,012	73,660

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

For the three months period ended 31 March 2023

14.3 Reconciliation of reportable segment profitable segment profit or loss

	Un-audited 31 March 2023	Un-audited 31 March 2022
	Rupees	Rupees
For the three months ended		
Total loss for reportable segments before taxation	(2,039,992,895)	(998,096,886)
Taxation	127,128,665	73,013,628
Loss after taxation	<u>(1,912,864,230)</u>	<u>(925,083,258)</u>

15 Cash and cash equivalents

Short term borrowings - running finance - secured	(2,682,890,142)	(2,675,754,620)
Cash and bank balances	455,087,476	506,298,752
	<u>(2,227,802,666)</u>	<u>(2,169,455,868)</u>

16 Overdue financial liabilities

The Company continues to face a liquidity shortfall due to which it was unable to meet its obligations in respect of various debt finances. The details of overdue financial liabilities as at 31 March 2023 are as follows:

	Principal	Interest / mark up	Total
Nature of Liability			
Redeemable capital	12,165,534,546	15,490,139,115	27,655,673,661
Long term finances	7,103,536,831	10,209,702,255	17,313,239,086
Short term borrowings	2,773,246,744	2,155,913,929	4,929,160,673
5.3	<u>22,042,318,121</u>	<u>27,855,755,299</u>	<u>49,898,073,420</u>

17 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.

A financial instrument is regarded as quoted in an active market if quoted price is readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and that price represents actual and regularly occurring market transactions on an arm's length basis.

18 Financial Risk Management

The Company's financial risk management objective and policies are consistent with the disclosed in the financial statement for the financial year ended on 31 December 2022.

Notes to the Condensed Interim Financial Information (Un-audited) For the three months period ended 31 March 2023

19 Date of authorization

This interim financial information was authorized for issue by the Board of Directors of the Company on April 28, 2023.

20 Seasonality

The Company's fertilizer business is subject to seasonal fluctuations as a result of two different farming seasons viz, Rabi (from October to June) 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.

21 General

Figures have been rounded off to the nearest rupee.

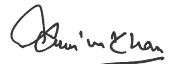
Corresponding figures have been re-arranged / reclassified in these interim financial information for the purpose of comparison.



Chief Executive



Chief Financial Officer



Director



AGRITECH LIMITED

Head Office: 2nd Floor Asia Centre, 8-Babar Block New Garden Town, Lahore.

Ph: 042 - 35860341-44, Fax: 042 - 35860339-40