

# **AGRO ALLIANZ LIMITED**

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July 17, 2019

Mr. Hafiz Maqsood Munshi  
Manager  
Companies & Securities Compliance – RAD  
Pakistan Stock Exchange Limited  
Stock Exchange Building  
Stock Exchange Road  
Karachi.

Dear Sir,

## **Non-Compliance of Clause 5.11.1(b) of PSX Regulations**

Please refer to your letter No. Gen-3041 dated July 10, 2019.

As you are aware, Pakistan economy is currently faced with serious macro-economic challenges where State Bank of Pakistan is following a policy of slowing demand by increasing interest rates and at the same time trying to manage inflation. In the last 2 months, the economy has seen substantial increase in electricity, gas and oil prices, thus increasing input cost for any business. At the same time, Pak rupee has also depreciated substantially during the same period. All of these factors have had a negative effect on the projected financials of the business plan that was submitted with PSX earlier by the company. These circumstances have made the Board of the company re-think the business plan.

Despite these challenges, the sponsors of the company are focused on reviving the operations of the company and is now considering other business opportunities as well that can be made part of the company.

We would like to assure you once again that the sponsors of the company are keen in starting normal operations of the company as soon as possible and We remain committed to submit to PSX the feasibility report of the projects latest by first week of September this year.

We thank the management of PSX for the support it has rendered to the company by approving extension in time to allow the company to initiate work on the project feasibility under some of the most adverse economic circumstances and we look forward to the necessary backing and assistance from PSX to help revive the company in the interest of its various stakeholders including the minority shareholders and capital market at large.

Yours truly,

  
Yousuf Hamdani  
Company Secretary