

April 30, 2019

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road,
Karachi.

Financial results for the year ended December 31, 2017

Dear Sir,

We have to inform you that the Board of Directors of the Company in their meeting on April 30, 2019 at 11:00 at AGL head office, Lahore, have approved the audited financial statements for the year ended December 31, 2017 and recommended the following:

Cash Dividend	Nil
Bonus Shares	Nil
Right Shares	Nil
Any other entitlement/corporate action	Nil
Any other price sensitive information	Nil

Financial results of the Company are enclosed.

The Annual General Meeting of the Company will be held on 29-May-2019 at 2:00 PM at Park Plaza Hotel, 107-B3, MM Malam Road, Gulberg III, Lahore.

The Share Transfer Books of the Company will be closed from 22-May-2019 to 29-May-2019 (both days inclusive).

- i) Auditors have issued qualified opinion on the presentation of long term debts are explained below:
- a. At the reporting date, the Company has not made repayments of principal and interest / mark-up related to long term debts as per the repayment schedules and as at the reporting date has not complied with certain financial and other covenants as required under the loan agreements. International Accounting Standard on Presentation of financial statements (IAS - 1) requires that if an entity breaches a provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand, it should classify the liability as current. Despite of these non-compliances, the long term debts have been classified as non-current according to their respective repayment terms. Had



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these debts been classified as per IAS – 1, current liabilities of the Company would have increased by Rs. 2,647.22 million as at the reporting date;

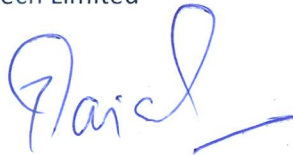
- b. Management has assessed the recoverability of deferred tax asset on tax losses and tested the impairment of goodwill based on five years business plan approved by the Board of Directors and asserts that no impairment is required. However, there is inability to obtain sufficient appropriate audit evidence with respect to key assumptions used in the business plan i.e. operational days based on availability of natural gas and cost of raw material based on gas rates as approval for supply of gas to the Company from Government of Pakistan is available only till October 2019 and gas tariff has not been notified. Management is however confident that supply of gas will be available on long term basis. Consequently, this creates an inability to determine whether any adjustments in respect of impairment were necessary for goodwill amounting to Rs. 2,567.31 million and deferred tax assets amounting to Rs. 6,113.59 million recognized on tax losses of Rs. 20,378.62 million in these financial statements.

ii) Auditors in their report have also drawn attention on the following matters:

- a. The Company during the year ended 31 December 2017 has incurred loss before tax of Rs. 3,876.34 million and its current liabilities exceeded its current assets by Rs. 35,855.63 million, and its accumulated losses stood at Rs. 14,447.68 million. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. These financial statements have however been prepared on a going concern basis on the Company's expectation of future profitability, ongoing financial restructuring and positive cash flows from operations.
- b. The Company has Redeemable Preference shares as part of the equity based in its interpretation of the Companies Ordinance, 1984, while the decision regarding the classification of these shares as either equity or debt is pending with SECP.

We will be sending you 200 copies of the printed accounts for distribution amongst the members of the Exchange.

For and on behalf of
Agritech Limited



Muhammad Faisal Muzammil
(Chief Executive Officer)



Agritech Limited

Profit and Loss Account

For the year ended 31 December 2017



	01 January 2017 to 31 December 2017 Rupees	01 January 2016 to 31 December 2016 Rupees
Sales –net	3,551,518,706	7,515,414,222
Cost of sales	(4,781,882,062)	(6,264,168,766)
Gross (loss) / profit	(1,230,363,356)	1,251,245,456
Selling and distribution expenses	(228,633,799)	(387,184,565)
Administrative and general expenses	(303,490,090)	(429,320,373)
Other expenses	-	(5,026,699)
	(532,123,889)	(821,531,637)
Other income - net	11,360,665	22,326,912
Operating (loss) / profit	(1,751,126,580)	452,040,731
Finance cost	(2,125,212,925)	(2,178,480,370)
Loss before taxation	(3,876,339,505)	(1,726,439,639)
Taxation	(432,075,415)	(582,485,057)
Loss after taxation	(4,308,414,920)	(2,308,924,696)
Loss per share - basic and diluted	(11.43)	(6.33)

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