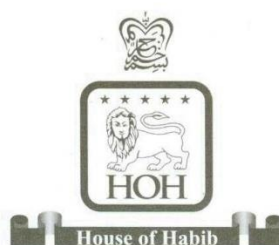


Agriauto Industries Limited

Condensed Interim Financial Statements
For the Quarter Ended September 30, 2018
(Un-audited)



Company Information

BOARD OF DIRECTORS

Yutaka Arae
Fahim Kapadia
Salman Burney
Sohail P. Ahmed
Owaisul Mustafa
Muhammad Ali Jameel
Ayesha T. Haq

Chairman
Chief Executive
Non Executive Director
Non Executive Director
Non Executive Director
Independent Director
Independent Director

AUDIT COMMITTEE

Muhammad Ali Jameel
Sohail P. Ahmed
Owaisul Mustafa

Chairman (Independent)
Member
Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Muhammad Ali Jameel
Salman Burney
Sohail P. Ahmed
Yutaka Arae
Fahim Kapadia

Chairman (Independent)
Member
Member
Member
Member

CHIEF FINANCIAL OFFICER

Saad Usman

COMPANY SECRETARY

Syed Jawwad ul Haq Haqqi

AUDITORS

EY Ford Rhodes
Chartered Accountants

SHARE REGISTRAR

FAMCO Associates (Pvt.) Limited
8-F, Next to Hotal Faran, Nursery,
Block-6, P.E.C.H.S.,
Shahrah-e-Faisal, Karachi.
Tel: 34380101-5, 34384621-3

BANKERS - CONVENTIONAL

Habib Metropolitan Bank Limited
Standard Chartered Bank (Pakistan) Ltd
National Bank of Pakistan
Habib Bank Limited
United Bank Limited
MCB Bank Limited

REGISTERED OFFICE

5th Floor, House of Habib
3 JCHS, Main Shahrah-e-Faisal,
Karachi.

[Website: www.agriauto.com.pk](http://www.agriauto.com.pk)

[Email: info@agriauto.com.pk](mailto:info@agriauto.com.pk)

FACTORY

Agriauto Industries Limited
Mouza Baroot, Hub Chowki,
Distt. Lasbella, Balochistan.

Agriauto Stamping Company (Pvt.) Ltd
DSU-12B, Down Stream Industrial Estate
Pakistan Steel, Bin Qasim, Karachi.

DIRECTORS' REPORT

The Directors of your Company are pleased to report on the financial position and performance of your Company for the 1st quarter ended September 30, 2018.

SUMMARY OF FINANCIAL RESULTS

Standalone

	Rs. '000	
	Quarter ended	
	30 Sep 2018	30 Sep 2017
Turnover	1,675,194	1,437,719
Gross Profit	256,354	289,133
Profit before taxation	167,974	202,215
Taxation	(47,691)	(60,356)
Profit after taxation	120,283	141,659
Earnings per share (Rs.)	4.18	4.92

The turnover for the quarter ended September 30, 2018 increased by 16.5% over corresponding period last year to reach Rs.1,675 million (2017: Rs.1,438 million), whereas profit before tax decreased by 17% to Rs.167.9 million (2017: Rs.202 million).

The decline in profit before tax is primarily due to the significant devaluation of the Pak Rupee against the US dollar and Japanese Yen, mainly on account of huge current account deficit as well as low foreign exchange reserves. The consequent increase in the cost of imported material could not be fully passed on to the customers in the period under review.

Earnings Per Share (EPS) for the quarter under review decreased from Rs.4.92 to Rs.4.18 (i.e. -17%) due to reasons mentioned above.

Consolidated

	Rs. '000	
	Quarter ended	
	30 Sep 2018	30 Sep 2017
Turnover	2,304,514	1,929,877
Gross Profit	358,737	406,674
Profit before taxation	262,425	307,398
Taxation	(50,427)	(60,578)
Profit after taxation	211,998	246,820
Earnings per share (Rs.)	7.36	8.57

Consolidated turnover for the quarter under review increased by 19% over the corresponding period last year to reach Rs.2,305 million (2017: Rs.1,930 million), whereas, the profit before tax declined by 14% to Rs.262 million (2017: Rs.307 million) mainly on account of the foreign exchange impact which will partly be recovered.

Earnings Per Share (EPS) for the quarter under review decreased from Rs.8.57 to Rs.7.36, (i.e. -14%) due to reasons mentioned above.

In addition to the rupee devaluation, as aforementioned, Regulatory Duty (RD) on steel products is also hurting the industry. The increase in steel prices in the international market coupled with RD & Additional Custom Duty (ACD) as well as exchange devaluation is making the local parts more expensive. In our several meetings with the Ministry of Industries and Federal Board of Revenue, we had requested them to reconsider giving exemption to the auto part makers from the levy of the RD. However, there has been no favorable outcome to our request as yet.

It has also been reported in the press that there is a substantial drop in the fresh order intake by the auto assemblers due to the requirement of being a tax filer for the registration of the new vehicle, resulting which, the sales volumes may decline in the forthcoming periods.

AGRIAUTO STAMPING COMPANY (PVT) LIMITED (ASC)

The Board of Directors of the wholly owned subsidiary company approved capital expenditure of Rs.376 million for the addition of 2 new presses of 800 & 500 tons' capacity and extension of the welding line in view of additional demand for the press parts. These new presses, which will be imported from China, are planned to be installed by end of Q3 of 2018-19. Since, the current production capacity is being utilized in full, these presses are expected to further streamline the operations of the Company and support in catering to additional production volumes in the future.

A team of Company engineers who have been extensively trained at Ogihara (Thailand) on die designing & development are currently involved in the development of dies for the upcoming new vehicle models by auto makers.

COMPOSITION OF THE BOARD OF DIRECTORS

During the quarter under review, one of the directors, Mr. Abbas ul Hussaini resigned from the Board and in his place, the Board appointed Ms. Ayesha Tammy Haq for the remainder of the term. Subsequent to the quarter end, another director Mr. Owais ul Mustafa resigned from the Board after 20-year long association with the Company. In his place, the Board appointed Mr. Hamza Habib for the remainder of the term.

The Board would like to place on record, its appreciation for the valuable services rendered by the outgoing directors especially Mr. Owaisul Mustafa who has been associated with the Company for over past 20 years. The Board acknowledges that he had been instrumental in providing effective guidance to the Company throughout these years, particularly through hard times and served the Company through his knowledge, experience and commitment. The Board would like to wish the outgoing directors for their future endeavors. The Board would also like to welcome the incoming directors and hope that the Board would benefit from their expertise and contribution.

We would like to express our sincerest appreciation to all our customers, dealers, bankers and foreign technical collaborators for their unabated support and confidence reposed in the Company. We are also thankful to all our employees who have worked diligently for the progress of the Company.

On behalf of the Board of Directors.
Fahim Kapadia



Chief Executive
Dated: October 24, 2018

ڈائریکٹرز رپورٹ

آپکی کمپنی کے ڈائریکٹرز ستمبر ۳۰، ۲۰۱۸ کو ختم ہونے کے پہلی سہ ماہی میں آپ کی کمپنی کی مالیاتی پوزیشن اور کارکردگی پر رپورٹ پیش کرنے میں خوشی محسوس کرتے ہیں۔

مالیاتی نتائج کا خلاصہ standalone

روپے '000

برائے ختم شدہ سہ ماہی		
30 Sep 2018	30 Sep 2017	
1,675,194	1,437,719	سیلز
256,354	289,133	کل منافع
167,974	202,215	ٹیکسیشن قبل منافع
(47,691)	(60,356)	ٹیکسیشن
120,283	141,659	ٹیکسیشن بعد منافع
4.18	4.92	فی شیئر آمدنی (روپے)

پہلی سہ ماہی کی سیل 16.5% اضافے کے ساتھ 1,675 ملین روپے رہی (2017:1438 ملین روپے)۔
موجودہ سہ ماہی کا 167.9 ملین روپے کا قبل از ٹیکس منافع 17% کم ہے۔

قبل از ٹیکس منافع میں کمی کی بنیادی وجہ امریکی ڈالر اور جاپانی ین کے مقابلے میں پاکستانی کرنسی میں نمایاں کمی ہے، بنیادی طور پر بہت بڑا موجودہ اکاؤنٹ خسارہ اور غیر ملکی کرنسی کے ذخائر میں کمی۔
درآمد شدہ مواد کی لاگت میں اضافے کی وجہ سے ڈیر جائزہ مدت میں کسٹمرز کو مکمل طور پر منتقل نہیں کیا جا سکتا۔

مندرجہ بالا وجوہات کی بناء پر فی شیئر منافع پچھلے سال کے مقابلے میں 17% کی کمی کے ساتھ 4.92 روپے سے گر کر 4.18 روپے ہو گیا۔

consolidated

روپے '000

برائے ختم شدہ سہ ماہی		
30 Sep 2018	30 Sep 2017	
2,304,514	1,929,877	سیلز
358,737	406,674	کل منافع
262,425	307,398	ٹیکسیشن قبل منافع
(50,427)	(60,578)	ٹیکسیشن
211,998	246,820	ٹیکسیشن بعد منافع
7.36	8.57	فی شیئر آمدنی (روپے)

موجودہ سال کی پہلی سہ ماہی کی مجموعی سیل 2,305 ملین روپے جو کہ گزشتہ سال 1,930 ملین کے مقابلے میں 19% زیادہ ہے۔ قبل از ٹیکس منافع 14% کمی کی وجہ سے 262 ملین رہا (2017:307 ملین)، جسکی بنیادی وجہ غیر ملکی زر مبادلہ کا اثر ہے جو کمپنی کے کسٹمرز سے کچھ وقت کی تاخیر کے بعد مل جائگا۔

مندرجہ بالا وجوہات کی بناء پر موجودہ سہ ماہی کا فی شیئر منافع پچھلے سال کے 8.57 روپے فی شیئر کے مقابلے میں 14% کی کمی کے ساتھ 7.36 روپے ہے۔

روپے کی مسلسل گراوٹ کے علاوہ، اسٹیل مصنوعات پر ریگولیٹری ڈیوٹی (آر ڈی) بھی انڈسٹری کو نقصان پہنچا رہی ہے۔ آر ڈی اور اضافی کسٹم ڈیوٹی (اے سی ڈی) کے علاوہ بین الاقوامی مارکیٹ میں اسٹیل کی قیمتوں میں اضافہ اور زر مبادلہ کی شرح میں کمی مقامی پیداوار کو زیادہ مہنگا بنا رہی ہیں۔ انڈسٹری اور وفاقی بورڈ آف ریونیو کے ساتھ ہماری کئی میٹنگوں میں، ہم نے ان سے درخواست کی تھی کہ وہ آر ڈی کے نفاذ سے آٹو پارٹ میکرز کو چھوٹ دیں۔ تاہم، ابھی تک ہمارے درخواست کاکوئی مناسب نتیجہ نہیں نکلا۔

پریس میں آنے والی اطلاعات کے مطابق نئی گاڑیوں کی رجسٹریشن کے لئے ٹیکس فائلر ہونے کی شرط کی وجہ سے آٹو انڈسٹری میں نئی گاڑیوں کے آرڈر میں خاطر خواہ کمی واقع ہوئی ہے، جس کے نتیجے میں آنے والے وقت میں سیلز کے حجم میں کمی متوقع ہے۔

ایگری آٹو اسٹیمپنگ کمپنی (پرائیویٹ) لمیٹڈ (ASC)

ماتحت کمپنی کے بورڈ آف ڈائریکٹرز نے پریس پارٹس کی ممکنہ طلب کے پیش نظر 800 اور 500 ٹن کے 2 نئے پریس کی خریداری اور ویلڈنگ لائن کی توسیع کے لئے 376 ملین روپے کی سرمایہ کاری کی منظوری دی۔ یہ نئے پریس جو چین سے درآمد کیے جائیں گے، سال 2018-19 کی تیسری سہ ماہی کے آخر تک نصب کئے جائیں گے۔ چونکہ موجودہ پیداواری صلاحیت کو مکمل طور پر استعمال کیا جا رہا ہے، ان نئے پریس کی مدد سے آنے والے وقت میں اضافی پیداوار کے حجم کو منظم طریقے سے پورا کرنے کی توقع ہے۔

کمپنی کے انجینئرز کی ایک ٹیم جس نے Ogihara (تھائی لینڈ) میں ڈائی ڈیزائن اور ڈیولپمنٹ کی تربیت حاصل کی ہے، فی الحال نئی آنے والی گاڑیوں کے ماڈلز کی ڈائی ڈیولپمنٹ میں مصروف ہیں۔

بورڈ آف ڈائریکٹرز کی تشکیل

زیر جائزہ سہ ماہی کے دوران، ایک ڈائریکٹر، جناب عباس الحسینی بورڈ سے مستعفی ہو گئے اور جن کی جگہ بورڈ نے بقیہ میعاد کے لئے محترمہ عائشہ ٹیمی حق کو منتخب کیا۔ سہ ماہی ختم ہونے کے بعد، ایک اور ڈائریکٹر جناب اویس المصطفیٰ نے کمپنی کے ساتھ 20 سالہ طویل وابستگی کے بعد بورڈ سے استعفیٰ دے دیا۔ ان کی جگہ بورڈ نے بقیہ میعاد کے لئے جناب حمزہ حبیب مقرر کیا۔

سبکدوش ہونے والے ڈائریکٹرز، خاص طور پر جناب اویس المصطفیٰ کی جانب سے مہیا کی گئی خدمات کو بورڈ ر قدر کی نگاہ سے دیکھتا ہے۔ بورڈ اس بات کا اعتراف کرنا چاہتا ہے کہ، ان سالوں میں خاص طور پر مشکل اوقات کے دوران جناب اویس المصطفیٰ نے کمپنی کو مؤثر رہنمائی فراہم کرنے میں اہم کردار ادا کیا اور اپنے علم، تجربے اور عزم کے ذریعے کمپنی کی گراں قدر خدمت کی۔ بورڈ ان کی مستقبل کی کوششوں میں کامیابی کے لیے نیک خواہشات کا اظہار کرتا ہے۔ بورڈ نے آنے والے ڈائریکٹرز کا بھی استقبال کرتا ہے اور امید کرتا ہے کہ بورڈ ان کے تجربے اور مہارت سے مستفیذ ہوگا۔

آخر میں، ہم اپنے تمام صارفین، ڈیلرز، بنکرز اور غیر ملکی تکنیکی شراکت داروں کی قدردانی کے شکر گزار ہیں جنہوں نے بلا روک ٹوک کمپنی کے ساتھ تعاون کیا اور کمپنی پہ اعتماد کیا۔ ہم اپنی ٹیم کے ارکان کے بھی مشکور ہیں جنہوں نے تند ہی کے ساتھ کمپنی کی ترقی کے لئے کام کیا۔

فہیم کیاڈیہ
چیف ایگزیکٹو
بتاریخ: 24 اکتوبر 2018۔

AGRIAUTO INDUSTRIES LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2018

		September 30, 2018 (Un-audited)	June 30, 2018 (Audited)
	Note	------(Rupees in '000)-----	
<u>ASSETS</u>			
NON-CURRENT ASSETS			
Property, plant and equipment	5	738,630	667,623
Long term investment		1,144,006	1,144,006
Long term deposits		6,234	6,234
Intangible asset		11,103	7,863
		<u>1,899,973</u>	<u>1,825,726</u>
CURRENT ASSETS			
Stores, spares and loose tools		74,120	83,178
Stock-in-trade		1,032,861	964,242
Trade debts	6	550,959	431,931
Advances, deposits, prepayments and other receivables	7	211,127	7,099
Accrued profit		552	681
Short term investments	8	344,316	543,560
Sales tax receivable		25,155	9,086
Taxation – net		207,235	254,258
Cash and bank balances		186,874	230,264
		<u>2,633,199</u>	<u>2,524,299</u>
TOTAL ASSETS		<u><u>4,533,172</u></u>	<u><u>4,350,025</u></u>
<u>EQUITY AND LIABILITIES</u>			
SHARE CAPITAL AND RESERVES			
Authorised capital			
40,000,000 (June 30, 2018: 40,000,000) ordinary shares of Rs.5/- each		<u>200,000</u>	<u>200,000</u>
Issued, subscribed and paid-up capital		144,000	144,000
Reserves		<u>3,847,269</u>	<u>3,726,986</u>
		<u>3,991,269</u>	<u>3,870,986</u>
NON-CURRENT LIABILITY			
Deferred taxation		10,603	16,792
CURRENT LIABILITIES			
Trade and other payables		505,505	436,227
Unpaid dividend		2,291	2,516
Unclaimed dividend		23,504	23,504
		<u>531,300</u>	<u>462,247</u>
COMMITMENTS	9		
TOTAL EQUITY AND LIABILITIES		<u><u>4,533,172</u></u>	<u><u>4,350,025</u></u>

The annexed notes from 1 to 12 form an integral part of this unconsolidated condensed interim financial statements.


YUTAKA ARAE
Chairman


FAHIM KAPADIA
Chief Executive


SAAD USMAN
Chief Financial Officer

AGRIAUTO INDUSTRIES LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS
FOR THE QUARTER ENDED SEPTEMBER 30, 2018
(UN-AUDITED)

	Quarter ended	
	September 30, 2018	September 30, 2017
	(Rupees in '000)	
Turnover – net	1,675,194	1,437,719
Cost of sales	(1,418,840)	(1,148,586)
Gross profit	256,354	289,133
Distribution costs	(31,567)	(27,057)
Administrative expenses	(52,402)	(53,516)
	(83,969)	(80,573)
Operating profit	172,385	208,560
Other expenses	(13,974)	(17,715)
Other income	9,666	11,246
Finance cost	(103)	(76)
	(4,411)	6,545
Profit before taxation	167,974	202,215
Taxation	(47,691)	(60,356)
Profit after taxation	120,283	141,659
	Rupees	Rupees
Earnings per share - basic and diluted	4.18	4.92

The annexed notes from 1 to 12 form an integral part of this unconsolidated condensed interim financial statements.



YUTAKA ARAE
Chairman



FAHIM KAPADIA
Chief Executive



SAAD USMAN
Chief Financial Officer

AGRIAUTO INDUSTRIES LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2018
(UN-AUDITED)

	Quarter ended	
	September 30, 2018	September 30, 2017
Profit after taxation for the period	120,283	141,659
Other comprehensive income	-	-
Total comprehensive income for the period	120,283	141,659

The annexed notes from 1 to 12 form an integral part of this unconsolidated condensed interim financial statements.



YUTAKA ARAE
Chairman



FAHIM KAPADIA
Chief Executive



SAAD USMAN
Chief Financial Officer

AGRIAUTO INDUSTRIES LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOW
FOR THE QUARTER ENDED SEPTEMBER 30, 2018
(UN-AUDITED)

	Quarter ended	
	September 30, 2018	September 30, 2017
	(Rs. in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	167,974	202,015
Adjustments for:		
Depreciation	19,922	19,354
Amortization of deferred cost	536	195
Finance costs	103	76
Provision/ (reversal) for doubtful trade debts	62	(39)
Gain on disposal of property, plant and equipment	(5)	(87)
Profit on term deposits receipts / bank balances	(8,393)	(10,816)
	<u>180,199</u>	<u>210,698</u>
 Increase in current assets	 (398,749)	 (178,391)
Increase in current liabilities	69,279	26,340
Cash (used in) / generated from operations	(149,271)	58,647
 Finance costs paid	 (103)	 (76)
Income tax paid	(6,857)	(3,131)
Net cash (used in) / generated from operating activities	(156,231)	55,440
 CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(91,033)	(9,831)
Proceeds from disposal of property, plant and equipment	109	1,585
Technical Fee paid	(3,776)	(5,847)
Profit received on term deposits receipt / bank balances	9,342	8,523
Net cash used in from investing activities	(85,358)	(5,570)
 CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(225)	(69)
 Net (decrease)/increase in cash and cash equivalents	(241,814)	49,801
 Cash and cash equivalents at the beginning of the period	 770,956	 869,835
Cash and cash equivalents at the end of the period	<u>529,142</u>	<u>919,636</u>
 CASH AND CASH EQUIVALENTS		
Cash and bank balances	186,874	283,280
Short-term investments	342,268	636,356
	<u>529,142</u>	<u>919,636</u>

The annexed notes from 1 to 12 form an integral part of this unconsolidated condensed interim financial statements.



YUTAKA ARAE
Chairman



FAHIM KAPADIA
Chief Executive



SAAD USMAN
Chief Financial Officer

AGRIAUTO INDUSTRIES LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED SEPTEMBER 30, 2018
(UN-AUDITED)

	Issued, subscribed and paid-up capital	Capital reserve Share premium	Revenue reserves		Total reserves	Total equity
			General	Unappro- priated profit		
			(Rupees in '000)			
Balance as at July 01, 2017	144,000	12,598	2,975,000	550,181	3,537,779	3,681,779
Final dividend for the year ended June 30, 2017 @ Rs.7.50 /- per share	-	-	-	(216,000)	(216,000)	(216,000)
Transfer to general reserve	-	-	300,000	(300,000)	-	-
Profit after taxation for the period	-	-	-	141,659	141,659	141,659
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	141,659	141,659	141,659
Balance as at September 30, 2017	<u>144,000</u>	<u>12,598</u>	<u>3,275,000</u>	<u>175,840</u>	<u>3,463,438</u>	<u>3,607,438</u>
Balance as at July 01, 2018	144,000	12,598	3,275,000	439,388	3,726,986	3,870,986
Transfer to general reserve	-	-	190,000	(190,000)	-	-
Profit after taxation for the period	-	-	-	120,283	120,283	120,283
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	120,283	120,283	120,283
Balance as at March 31, 2018	<u>144,000</u>	<u>12,598</u>	<u>3,465,000</u>	<u>369,671</u>	<u>3,847,269</u>	<u>3,991,269</u>

The annexed notes from 1 to 12 form an integral part of this unconsolidated condensed interim financial statements.


YUTAKA ARAE
Chairman


FAHIM KAPADIA
Chief Executive


SAAD USMAN
Chief Financial Officer

AGRIAUTO INDUSTRIES LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2018
(UN-AUDITED)

1. THE COMPANY AND ITS OPERATIONS

- 1.1** Agriauto Industries Limited (the Company) was incorporated in Pakistan on June 25, 1981 as a public limited company and is listed on Pakistan Stock Exchange Limited. The Company is engaged in the manufacture and sale of components for automotive vehicles, motor cycles and agricultural tractors. The registered office of the Company is situated at 5th Floor, House of Habib, Main Shahrah-e-Faisal, Karachi.
- 1.2** These unconsolidated condensed interim financial statements are separate financial statements of the Company in which investments in subsidiary is accounted for on the basis of direct equity interest and is not consolidated or accounted for using equity method.

2. STATEMENT OF COMPLIANCE

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

- International Accounting Standard (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 the 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.

3. BASIS OF PREPARATION

These unconsolidated condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's audited unconsolidated financial statements for the year ended June 30, 2018.

4. ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended June 30, 2018

	September 30, 2018 (Un-audited)	June 30, 2018 (Audited)
Note	----- (Rupees in '000) -----	

5. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	5.1	696,199	644,258
Capital work-in-progress		42,431	23,365
		<u>738,630</u>	<u>667,623</u>

- 5.1 The following additions and deletions (at cost) were made in operating fixed assets during the period:

	Additions at cost		Deletions at cost	
	Quarter ended		Quarter ended	
	September 30,		September 30,	
	2018	2017	2018	2017
	(Un-audited)		(Un-audited)	
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
Owned				
Plant and machinery	66,389	2,483	-	1,746
Vehicles	4,758	6,228	-	645
Furniture and fixtures	-	368	-	-
Computers	820	704	136	-
Office equipment	-	48	-	-
	<u>71,967</u>	<u>9,831</u>	<u>136</u>	<u>2,391</u>

6. TRADE DEBTS

Includes an amount of Rs.2.741 million (June 30, 2018: 2.180 million) due from the wholly owned subsidiary company - Agriauto Stamping Company (Private) Limited.

7. ADVANCE, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

This includes an amount of Rs. 192.383 million (June 30, 2018 Rs. Nil) deposited with banks in respect of cash margin requirement on import.

		September 30, 2018 (Un-audited)	June 30, 2018 (Audited)
		----- (Rupees in '000) -----	
8. SHORT TERM INVESTMENTS	Note		
Held- to- maturity			
Term deposit receipts	8.1	342,268	442,000
Treasury bills		-	98,692
Accrued profit thereon		2,048	2,868
		<u>344,316</u>	<u>543,560</u>

- 8.1 Represents one to three months term deposit receipts held with a commercial bank under conventional banking relationship carrying profit rate ranging from of 4.75% to 7.00% (June 30, 2018: 5.50% to 6.00%) per annum having maturity in November 2018.

9. COMMITMENTS

There is no material change in the status of commitments as reported in the annual financial statements for the year ended June 30, 2018 other than described below:

- 9.1 Commitments in respect of outstanding letters of credit for raw material amounted to Rs.442.329 million (June 30, 2018: Rs.634.494 million).
- 9.2 Commitments in respect of capital expenditure amounted to Rs.30.852 million (June 30, 2018: Rs.78.342 million).

10. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise subsidiary company, companies with common directorship, retirement funds, directors and key management personnel. Detail of transactions with related parties during the period, other than disclosed elsewhere in this unconsolidated condensed interim financial information, are as follows:

	September 30, 2018 (Un-audited) ----- (Rupees in '000) -----	September 30, 2017 (Un-audited) ----- (Rupees in '000) -----
Purchase of goods	<u>54</u>	<u>-</u>
Contribution to provident fund	<u>2,375</u>	<u>2,235</u>
Key management personnel compensation	<u>3,489</u>	<u>2,992</u>
Sale of goods	<u>7,896</u>	<u>7,557</u>

11. DATE OF AUTHORISATION FOR ISSUE

The Board of Directors of the Company authorized these unconsolidated condensed interim financial statements for issue on October 24, 2018.

12. GENERAL

Figures have been rounded off to the nearest thousands.



YUTAKA ARAE
Chairman



FAHIM KAPADIA
Chief Executive




SAAD USMAN
Chief Financial Officer

AGRIAUTO INDUSTRIES LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2018

	Note	September 30, 2018 (Un-audited) (Rupees in '000)	June 30, 2018 (Audited)
<u>ASSETS</u>			
NON-CURRENT ASSETS			
Property, plant and equipment	5	1,665,805	1,584,818
Long term deposits		13,028	13,028
Intangible asset		11,103	7,863
		<u>1,689,936</u>	<u>1,605,709</u>
CURRENT ASSETS			
Stores, spares and loose tools		88,630	95,788
Stock-in-trade		1,593,400	1,456,346
Trade debts		706,009	574,251
Advances, deposits, prepayments and other receivables	6	277,235	51,238
Accrued profit		1,104	1,318
Sales tax receivable		57,510	36,675
Short-term investments	7	548,355	743,488
Taxation – net		281,732	324,202
Cash and bank balances		365,406	425,961
		<u>3,919,381</u>	<u>3,709,267</u>
TOTAL ASSETS		<u><u>5,609,317</u></u>	<u><u>5,314,976</u></u>
<u>EQUITY AND LIABILITIES</u>			
SHARE CAPITAL AND RESERVES			
Authorised capital			
40,000,000 (June 30,2018: 40,000,000) Ordinary shares of Rs. 5/- each		<u>200,000</u>	<u>200,000</u>
Issued, subscribed and paid-up share capital		144,000	144,000
Reserves		<u>4,768,678</u>	<u>4,556,680</u>
		<u>4,912,678</u>	<u>4,700,680</u>
NON CURRENT LIABILITY			
Deferred taxation		72,558	76,011
CURRENT LIABILITIES			
Trade and other payables		598,286	512,265
Unpaid dividend		2,291	2,516
Unclaimed dividend		23,504	23,504
		<u>624,081</u>	<u>533,006</u>
COMMITMENTS	8		
TOTAL EQUITY AND LIABILITIES		<u><u>5,609,317</u></u>	<u><u>5,314,976</u></u>

The annexed notes from 1 to 11 form an integral part of these condensed interim financial statements.



YUTAKA ARAE
Chairman



FAHIM KAPADIA
Chief Executive



SAAD USMAN
Chief Financial Officer

AGRIAUTO INDUSTRIES LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE QUARTER ENDED SEPTEMBER 30, 2018
(UN-AUDITED)

	Quarter ended	
	September 30, 2018	September 30, 2017
	(Rupees in '000)	
Turnover – net	2,304,514	1,929,877
Cost of sales	(1,945,777)	(1,523,203)
Gross profit	358,737	406,674
Distribution costs	(34,165)	(28,714)
Administrative expenses	(56,467)	(58,245)
	(90,632)	(86,959)
Operating profit	268,105	319,715
Other expenses	(20,974)	(25,525)
Other income	15,436	13,312
Finance costs	(142)	(104)
	(5,680)	(12,317)
Profit before taxation	262,425	307,398
Taxation	(50,427)	(60,578)
Profit after taxation	211,998	246,820
	Rupees	Rupees
Earnings per share - basic and diluted	7.36	8.57

The annexed notes from 1 to 11 form an integral part of these consolidated condensed interim financial statements.


YUTAKA ARAE
Chairman


FAHIM KAPADIA
Chief Executive


SAAD USMAN
Chief Financial Officer

AGRIAUTO INDUSTRIES LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2018
(UN-AUDITED)

	Quarter ended	
	September 30, 2018	September 30, 2017
	(Rupees in '000)	
Net profit for the period	211,998	246,820
Other comprehensive income	-	-
Total comprehensive income the period	<u>211,998</u>	<u>246,820</u>

The annexed notes from 1 to 11 form an integral part of these consolidated condensed interim financial statements.



YUTAKA ARAE
Chairman



FAHIM KAPADIA
Chief Executive



SAAD USMAN
Chief Financial Officer

AGRIAUTO INDUSTRIES LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED SEPTEMBER 30, 2018
(UN-AUDITED)

	Quarter ended	
	September 30, 2018	September 30, 2017
	(Rs. in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	262,425	307,398
Adjustments for:		
Depreciation	44,760	49,223
Amortization of deferred cost	536	195
Finance costs	142	104
Provision for doubtful trade debts	62	(39)
Gain on disposal of property, plant and equipment	(5)	(87)
Profit on short-term investments / bank balances	(13,231)	(12,082)
	294,689	344,712
Increase in current assets	(506,371)	(306,027)
Decrease in current liabilities	83,843	15,186
Cash (used in) / generated from operations	(127,839)	53,871
Finance costs paid	(142)	(104)
Income tax paid	(11,410)	(13,430)
Net cash (used in) / generated from operating activities	(139,391)	40,337
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(125,850)	(10,615)
Proceeds from disposal of property, plant and equipment	109	1,585
Technical fee paid	(3,776)	(5,847)
Profit received on investments / bank balances	14,479	9,774
Net cash used in investing activities	(115,038)	(5,103)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(225)	(69)
Net (decrease) / increase in cash and cash equivalents	(254,654)	35,165
Cash and cash equivalents at the beginning of the period	1,165,328	1,037,261
Cash and cash equivalents at the end of the period	910,674	1,072,426
CASH AND CASH EQUIVALENTS		
Cash and bank balances	365,406	386,070
Short-term investments	545,268	686,356
	910,674	1,072,426

The annexed notes from 1 to 11 form an integral part of these consolidated condensed interim financial statements.



YUTAKA ARAE
Chairman



FAHIM KAPADIA
Chief Executive



SAAD USMAN
Chief Financial Officer

AGRIAUTO INDUSTRIES LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED SEPTEMBER 30, 2018
(UN-AUDITED)

	Issued, subscribed and paid- up capital	Capital reserve Share premium	Revenue reserves		Total	Total equity
			General	Unappro- priated profit		
Balance as at July 01, 2017	144,000	12,598	3,075,000	840,565	3,928,163	4,072,163
Final dividend for the year ended June 30, 2017 @ Rs.7.50/- per share	-	-	-	(216,000)	(216,000)	(216,000)
Transfer to general reserve	-	-	580,000	(580,000)	-	-
Profit after taxation for the period	-	-	-	246,820	246,820	246,820
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	246,820	246,820	246,820
Balance as at September 30, 2017	144,000	12,598	3,655,000	291,385	3,958,983	4,102,983
Balance as at July 01, 2018	144,000	12,598	3,655,000	889,082	4,556,680	4,700,680
Transfer to general reserve	-	-	590,000	(590,000)	-	-
Profit after taxation for the period	-	-	-	211,998	211,998	211,998
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	211,998	211,998	211,998
Balance as at September 30, 2018	144,000	12,598	4,245,000	511,080	4,768,678	4,912,678

The annexed notes from 1 to 11 form an integral part of these condensed interim financial statements.


YUTAKA ARAE
Chairman


FAHIM KAPADIA
Chief Executive


SAAD USMAN
Chief Financial Officer

AGRIAUTO INDUSTRIES LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2018
(UN-AUDITED)

1. THE COMPANY AND ITS OPERATIONS

- 1.1** Agriauto Industries Limited (the Company) was incorporated in Pakistan on June 25, 1981 as a public limited company and is listed on Pakistan Stock Exchange. The Holding Company is engaged in the manufacture and sale of components for automotive vehicles, motor cycles and agricultural tractors. The registered office of the Holding Company is situated at 5th Floor, House of Habib, Main Shahrah-e-Faisal, Karachi
- 1.2** The Group comprises of the Holding Company and Agriauto Stamping Company (Private) Limited (the Subsidiary Company). The Subsidiary Company was incorporated in Pakistan on January 20, 2012 as a private limited company. The Subsidiary Company is engaged in stamping of sheet metal parts, dies, fixtures primarily for the automotive industry and has commenced its commercial operations on 02 July, 2014. The registered office of the Subsidiary Company is situated at 5th Floor, House of Habib, Main Shahrah-e-Faisal, Karachi.

2. STATEMENT OF COMPLIANCE

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

- International Accounting Standard (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 the 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.

3. BASIS OF PREPARATION

This unconsolidated condensed interim financial information does not include all the information and disclosures required in the annual financial information, and should be read in conjunction with the financial statements of the Company for the year ended June 30, 2018.

4. ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this unconsolidated condensed interim financial information are consistent with those followed in the preparation of the Company's annual financial statements for the year ended June 30, 2018

5. PROPERTY, PLANT AND EQUIPMENT

	Note	September 30, 2018 (Un-audited)	June 30, 2018 (Audited)
		(Rupees in '000)	
Operating fixed assets	5.1	1,545,821	1,481,752
Capital work-in-progress		119,984	103,066
		<u>1,665,805</u>	<u>1,584,818</u>

- 5.1 The following additions and deletions (at cost) were made in operating fixed assets during the period:

	Additions at cost		Deletions at cost	
	Quarter ended		Quarter ended	
	September 30,		September 30,	
	2018	2017	2018	2017
	(Un-audited)		(Un-audited)	
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
Owned				
Plant and machinery	103,224	2,791	-	1,746
Vehicles	4,758	6,228	-	645
Furniture and fixtures	130	368	-	-
Computers	820	1,180	136	-
Office equipment	-	48	-	-
	108,932	10,615	136	2,391

6. ADVANCE, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

This includes an amount of Rs. 255.137 million (June 30, 2018 Rs. 40.594 million) deposited with banks in respect of cash margin requirement on import.

	Note	September 30, 2018 (Un-audited) ----- (Rupees in '000) -----	June 30, 2017 (Audited)
7. SHORT TERM INVESTMENTS			
Held- to- maturity			
Term deposit receipts	7.1	545,268	542,000
Treasury bills		-	197,367
Accrued profit thereon		3,087	4,121
		548,355	743,488

- 7.1 Represents one to three months term deposit receipts held with a commercial bank under conventional banking relationship carrying profit rate ranging from of 4.75% to 7.00% (June 30, 2018: 5.50% to 6.00%) per annum having maturity in November 2018.

8. COMMITMENTS

There is no material change in the status of contingencies and commitments as reported in the annual financial statements for the year ended June 30, 2018 other than described below:

- 8.1 Commitments in respect of outstanding letters of credit for raw material amounted to Rs. 653.163 million (June 30, 2018: Rs. 967.347 million).
- 8.2 Commitments in respect of capital expenditure amounted to Rs. 247.840 million (June 30, 2018: Rs. 287.966 million).

9. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise subsidiary company, companies with common directorship, retirement funds, directors and key management personnel. Detail of transactions with related parties during the period, are as follows:

	September 30, 2018 (Un-audited) ----- (Rupees in '000) -----	September 30, 2017 (Un-audited)
Purchase of asset/goods	54	-
Contribution to provident fund	2,643	2,488
Key management personnel compensation	3,489	2,056

10. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorized for issue on October 24, 2018 by the Board of Directors of the Company.

11. GENERAL

- 11.1 Corresponding figures have been re-arranged, wherever necessary for better and fair presentation

Following re-arrangements in the corresponding figures have been made on the balance sheet

From:	Rupees	To:	Rupees
Stock-in-trade	40,594	Advance, deposit, prepayments and other receivables	40,594

- 11.2 Figures have been rounded off to the nearest thousands.



YUTAKA ARAE
Chairman



FAHIM KAPADIA
Chief Executive



SAAD USMAN
Chief Financial Officer