

DIRECTOR'S REPORT

The Directors of your Company are pleased to issue this report on the financial position and performance of your Company for the 2nd quarter and half year ended December 31, 2016.

SUMMARY OF FINANCIAL RESULTS:

Following are the summarized financial results of the Company for the half-year ended December 31, 2016.

	Rs. in '000			
	Standalone		Consolidated	
	Half-year ended			
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Turnover	2,775,658	2,831,304	3,467,846	3,489,983
Gross profit	516,880	525,647	692,505	649,617
Profit before taxation	462,425	378,949	507,461	483,595
Taxation	(101,838)	(113,223)	(151,060)	(113,223)
Profit after taxation	<u>360,587</u>	<u>265,726</u>	<u>356,401</u>	<u>370,372</u>
Earnings per share (Rs.)	12.52	9.23	12.38	12.86

The reduction in sales is line with passenger car production which has reduced due to the termination of Punjab Taxi Scheme. The sale of tractor parts and motorcycle parts remained better than the last quarter.

Profit before tax (standalone) increased from Rs. 378.94 million to Rs. 462.42 million up by 22% on account of receipt of dividend from the subsidiary company.

The future of the automobile industry looks positive. The Automotive Development Policy (ADP) is attracting new players in the market with array of products. We are hopeful that auto parts makers will be able to get additional business from the new assemblers.

AGRIAUTO STAMPING COMPANY (PVT) LIMITED (ASC)

The Catalytic Converter project is currently being installed at the Company. Foreign experts are currently working on the installation of the plant & machinery. Commercial production of catalytic converter is scheduled to start from July 2017. Stamping business is also progressing satisfactorily with the addition of a fuel tank.

In the end, 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 team members who have worked diligently for the progress of the Company.

On behalf of the Board of Directors.

Fahim Kapadia
Chief Executive
Dated: February 20, 2017