

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 3rd quarter and nine months ended March 31, 2017.

SUMMARY OF FINANCIAL RESULTS

	Rs. '000			
	Standalone		Consolidated	
	Nine Month ended			
March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	
Turnover	4,372,635	4,321,911	5,483,775	5,346,344
Gross Profit	853,640	773,451	1,151,729	976,545
Profit before taxation	702,508	538,908	857,953	713,224
Taxation	(173,006)	(163,018)	(222,322)	(163,018)
Profit after taxation	529,502	375,890	635,631	550,206
Earnings per share (Rs.)	18.39	13.05	22.07	19.10

The marginal increase in sales is aligned to the passenger car production. The sale of tractor parts is now increasing so is the sale of motorcycle parts.

The remainder part of the year looks positive as demand for the locally assembled vehicles is encouraging.

We again would like to emphasize and urge the Government to review its decision on the imposition of Regulatory Duty (RD) ranging from 5% to 15% in January & March 2015 on the imported steel which is not produced in Pakistan and used as input material for parts being made locally. The RD was imposed on the pretext that the international prices of steel were falling. However, now the prices of steel are on increasing trend and the RD is making local parts more expensive while anomaly exists as RD is not applicable on the finished products.

AGRIAUTO STAMPING COMPANY (PVT) LIMITED (ASC)

The Catalytic Converter project installed at the Port Qassim facility is now ready for production. The commercial production will commence from July 2017 for which the materials and components have already been ordered.

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 for their continued dedication and valuable inputs in the progress of the Company.

On behalf of the Board of Directors.

Fahim Kapadia

Chief Executive

Dated : April 26, 2017