

## DIRECTORS' REVIEW REPORT

The Directors of your Company are pleased to report on the financial position and performance of your Company for the nine months and quarter ended March 31, 2019.

### SUMMARY OF FINANCIAL RESULTS

#### Consolidated

	Nine Months ended		Quarter ended	
	31-March-19	31-March-18	31-March-19	31-March-18
	Rs. '000			
Turnover	<b>7,651,565</b>	6,150,929	<b>2,714,856</b>	2,159,016
Gross Profit	<b>1,295,662</b>	1,241,235	<b>473,715</b>	431,520
Profit before taxation	<b>980,110</b>	951,397	<b>366,168</b>	337,904
Taxation	<b>(186,500)</b>	(187,970)	<b>(72,444)</b>	(66,694)
Profit after taxation	<b>793,610</b>	763,427	<b>293,724</b>	271,210
Earnings per share (Rs.)	<b>27.56</b>	26.51	<b>10.20</b>	9.42

The consolidated turnover (net) for the nine months ended March 31, 2019 was Rs. 7.65 (2018: Rs. 6.15) billion reflecting an increase of 24.4% over corresponding period last year. Profit before tax also grew by 3% over same period last year.

Earnings Per Share (EPS) for the nine months increased from Rs.26.51 to reach Rs.27.56, higher by 4% over corresponding period last year.

#### Standalone

	Nine Months ended		Quarter ended	
	31-March-19	31-March-18	31-March-19	31-March-18
	Rs. '000			
Turnover	<b>5,412,768</b>	4,539,895	<b>1,902,045</b>	1,589,819
Gross Profit	<b>858,865</b>	887,914	<b>315,681</b>	308,245
Profit before taxation	<b>571,958</b>	631,353	<b>215,205</b>	224,698
Taxation	<b>(181,882)</b>	(189,176)	<b>(73,963)</b>	(66,807)
Profit after taxation	<b>390,076</b>	442,177	<b>141,242</b>	157,891
Earnings per share (Rs.)	<b>13.54</b>	15.35	<b>4.90</b>	5.48

The turnover for the nine months ended March 31, 2019 amounted to Rs. 5.41 (2018: Rs. 4.54) billion reflecting an increase of 19.2% over corresponding period last year.

Profit before tax of Rs. 572 million was down by 9.4% despite higher sales mainly due to significant devaluation of Pak Rupee against the US Dollar & Japanese Yen during the current financial year 18-19 which was not fully compensated. In addition, slowdown in the tractor and two wheeler segments also impacted the profitability of the Company negatively.

Earnings Per Share (EPS) for the period decreased from Rs.15.35 to Rs.13.54 (-11.8%).

The volumes of the auto industry remained stagnant in the year to date, despite removal of ban on non-filers on purchase of new vehicles earlier this year. We expect that the demand for vehicles would not be materially different in the next quarter compared to the current trend.

### **AGRIAUTO STAMPING COMPANY (PVT) LIMITED (ASC)**

As disclosed in the previous director report, two presses having capacity of 800 and 500 tons respectively, that were imported from China have arrived at the Site and are currently being installed in the presence of Chinese engineers. The addition of these presses along with the planned extension of the welding gantry is expected to come into commercial production in the next financial year.

The Board of the subsidiary company has also recommended payment of 10% cash dividend to its parent company.

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 employees who have worked diligently for the progress of the Company.

On behalf of the Board of Directors.



Yutaka Arae  
Chairman



Fahim Kapadia  
Chief Executive

Dated: April 24, 2019