

Agriauto Industries Limited

Condensed Interim Financial Statements
For the Period and Quarter Ended March 31, 2022
(Un-audited)



Company Information

BOARD OF DIRECTORS

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

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

AUDIT COMMITTEE

Muhammad Ali Jameel
Sohail P. Ahmed
Ayesha T. Haq

Chairman
Member
Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

Chairman
Member
Member
Member
Member

CHIEF FINANCIAL OFFICER

Hassan Ali Ghazi

COMPANY SECRETARY

Tariq Iqbal Bawani

AUDITORS

EY Ford Rhodes, Chartered Accountants

SHARE REGISTRAR

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

BANKERS

Bank Al-Habib Limited
Dubai Islamic Bank Pakistan Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Standard Chartered Bank (Pakistan) Limited
United Bank Limited

REGISTERED OFFICE

5th Floor, House of Habib
3 JCHS, Main Shahrah-e-Faisal,
Karachi.
Website: www.agriauto.com.pk
Email: 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' REVIEW REPORT

On behalf of the Board of Directors of the Company, we are pleased to present the financial performance of your Company for the nine months and quarter ended March 31, 2022.

THE BOARD OF DIRECTORS

The Board of Directors of the Company as at the reporting date is as follows:

1. Mr. Yutuka Arae – Chairman	Non-executive Director
2. Mr. Fahim Kapadia – Chief Executive	Executive Director
3. Mr. Hamza Habib	Non-executive Director
4. Mr. Sohail P. Ahmed	Non-executive Director
5. Mr. Salman Burney	Non-executive Director
6. Ms. Ayesha T. Haq	Independent Director
7. Mr. Muhammad Ali Jameel	Independent Director

AUDIT COMMITTEE

1. Mr. Muhammad Ali Jameel	Chairman
2. Mr. Sohail P. Ahmed	Member
3. Ms. Ayesha T. Haq	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

1. Mr. Muhammad Ali Jameel	Chairman
2. Mr. Salman Burney	Member
3. Mr. Sohail P. Ahmed	Member
4. Mr. Yutuka Arae	Member
5. Mr. Fahim Kapadia	Member

Financial Highlights

Consolidated

	Rs. in million			
	For Nine Months July to March		For Three Months Jan to March	
	2022	2021	2022	2021
Turnover	11,631	7,654	4,287	3,075
Profit before tax	1,008	899	360	418
Taxation	(282)	(198)	(103)	(124)
Profit after tax	726	701	257	294
Earnings per share (Rs.)	25.23	24.33	8.95	10.21

Consolidated turnover for the nine months ended March 31, 2022 increased from Rs. 7.65 billion to Rs. 11.63 billion compared to corresponding period last year, an increase of 52%. Profit after tax also increased by 4% from Rs. 701 million to Rs. 726 million compared to the corresponding period last year.

Standalone

	Rs. in million			
	For Nine Months July to March		For Three Months Jan to March	
	2022	2021	2022	2021
Turnover	6,745	5,109	2,385	1,956
Profit before tax	456	549*	137	195
Taxation	(136)	(53)	(40)	(55)
Profit after tax	320	496	97	140
Earnings per share (Rs.)	11.13	17.25	3.37	4.89

*Includes interim dividend of Rs. 114.4 million from the subsidiary company.

DIRECTORS' REVIEW REPORT

Turnover for the nine months under review was Rs. 6.75 billion compared to Rs. 5.11 billion reflecting an increase of 32% over corresponding period last year mainly due to increase in passenger car segment. In corresponding period last year, tax charge was lower as Company has reversed minimum tax of Rs. 79.8 million which was booked in tax year 2020 due to taxable loss u/s 113 of ITO 2001. However, due to company's profitability in same period this amount was reversed.

Profit as a percentage to sales decreased compared to last year due to volatile foreign exchange and consequent impact, increase in freight and higher financial charges.

Market overview

Auto Sector growth momentum continued during Q3 2021-22 on back of higher demand. Passenger car volumes and light commercial vehicle segment grew by 57% and 43% respectively compared to the nine months ended March 31, 2021. Continued rising inflation is taking its toll on Motorcycle sector with 3% decrease in volumes observed compared to same period last year. Tractor demand remained steady with 13% growth indicating better Agro Economy.

Business Overview

The Board has approved capital expenditure of Rs. 413 million for the expansion of Press Shop to cater expected future business and Rs. 226 million for setting up an Auto Chrome Facility at Hub Plant.

We are pleased to inform that the Solar Power Generation plant which was initiated last year at both Hub and Port Qasim (1 MW each) is completed. The project is part of Company's philosophy to prioritize sustainability, working together towards a better world and benefit our environment, people and communities.

Congestions at major transit ports was eased down in preceding quarter, however owing to COVID lockdowns in China and consequent cargo backlogs at Shanghai port is creating a shockwave which may cause supply chain disruptions going forward. Your company has already taken suitable measures and increased safety stock levels and re-order levels to ensure steady supplies to the customers. This has also momentarily affected Company's working capital cycle which we hope will be normalized going forward.

Agriauto Stamping Company (Pvt.) Limited (ASC)

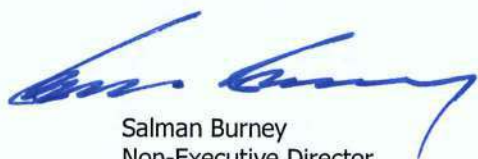
ASC's Board has also approved capital expenditure of Rs. 925 million which includes purchase of two new presses of 1,000 and 500 Tons. After the completion of project company will have two full tandem lines with 4 presses each. This expansion project increases the plant capacity of press parts and to accommodate additional business in future.

Going Forward

We expect sustained demand in short term which will reflect positivity in the financial performance of the Company. Rising global commodity prices and high volatility of US\$ and recent rise in interest rates may disrupt the market momentum.

We would like to express our sincerest appreciation to all our Customers, Shareholders, 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



Salman Burney
Non-Executive Director



Fahim Kapadia
Chief Executive

Dated: April 28, 2022

ڈائریکٹرز کی جائزہ رپورٹ

31 مارچ 2022ء کو اختتام پذیر نو ماہی اور سہ ماہی کے لئے کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے ہم آپ کی کمپنی کی مالیاتی کارکردگی ازراہ مسرت پیش کرتے ہیں۔

بورڈ آف ڈائریکٹرز

تاریخ رپورٹنگ تک کمپنی کے بورڈ آف ڈائریکٹرز کی تفصیل حسب ذیل ہے:

1. جناب یوٹا کا آرائے - چیئر مین نان ایگزیکٹو ڈائریکٹر
2. جناب فہیم کپاڈیا - چیف ایگزیکٹو ایگزیکٹو ڈائریکٹر
3. جناب حمزہ حبیب نان ایگزیکٹو ڈائریکٹر
4. جناب سہیل پی۔ احمد نان ایگزیکٹو ڈائریکٹر
5. جناب سلمان برنی نان ایگزیکٹو ڈائریکٹر
6. مس عائشہ ٹی۔ حق خود مختار ڈائریکٹر
7. جناب محمد علی جمیل خود مختار ڈائریکٹر

آڈٹ کمیٹی

1. جناب محمد علی جمیل چیئر مین
2. جناب سہیل پی۔ احمد رکن
3. مس عائشہ ٹی۔ حق رکن

ہیومن ریسورس اینڈ ریمونریشن کمیٹی

1. جناب محمد علی جمیل چیئر مین
2. جناب سلمان برنی رکن
3. جناب سہیل پی۔ احمد رکن
4. جناب یوٹا کا آرائے رکن
5. جناب فہیم کپاڈیا رکن

مالیاتی خلاصہ
مجموعی نتائج

ملین روپوں میں

برائے سہ ماہی جنوری تا مارچ		برائے نو ماہی جولائی تا مارچ		
2021ء	2022ء	2021ء	2022ء	
3,075	4,287	7,654	11,631	فروخت
418	360	899	1,008	نفع قبل از ٹیکس
(124)	(103)	(198)	(282)	ٹیکسیشن
294	257	701	726	نفع بعد از ٹیکس
10.21	8.95	24.33	25.23	فی حصص آمدنی (روپے)

31 مارچ 2022ء کو اختتام پذیر نو ماہی کا مجموعی فروخت پچھلے سال کی اسی مدت کی نسبت 7.65 بلین روپے سے بڑھ کر 11.63 بلین روپے ہو گئی جو کہ 52 فیصد اضافہ کی عکاسی کرتا ہے۔ نفع بعد از ٹیکس پچھلے سال کی اسی مدت کی نسبت 701 ملین روپے سے بڑھ کر 726 ملین روپے ہو گیا جو کہ 4 فیصد اضافہ کی عکاسی کرتا ہے۔

ملین روپوں میں

انفرادی نتائج

برائے سہ ماہی جنوری تا مارچ		برائے نو ماہی جولائی تا مارچ		
2021ء	2022ء	2021ء	2022ء	
1,956	2,385	5,109	6,745	فروخت
195	137	549*	456	نفع قبل از ٹیکس
(55)	(40)	(53)	(136)	ٹیکسیشن
140	97	496	320	نفع بعد از ٹیکس
4.89	3.37	17.25	11.13	فی حصص آمدنی (روپے)

* بشمول ذیلی کمپنی سے 114.4 ملین روپے عبوری منافع منقسمہ

زیر جائزہ نو ماہی کے لئے فروخت 5.11 ارب روپے کی نسبت 6.75 ارب روپے رہی جو پنچر کارسیگمنٹ میں اضافے کے باعث گذشتہ برس کی اسی مدت میں 32 فیصد اضافہ کی عکاسی کرتا ہے۔ گذشتہ برس کی اسی مدت میں ٹیکس چارج کم تھا کیونکہ

کمپنی نے ٹیکس سال 2020ء میں انکم ٹیکس آرڈیننس 2001ء کے سیکشن 113 کے تحت عائد قابل ٹیکس خسارے کے باعث 79.8 ملین روپے کا کم از کم ٹیکس ریکارڈ کیا تھا۔ البتہ اسی مدت میں کمپنی منافع میں ہونے کی وجہ سے اسے منہا کر دیا۔ غیر ملکی شرح مبادلہ میں عدم استحکام اور اس کے نتیجے میں نقصان، فریٹ اور مالیاتی اخراجات میں اضافے کے باعث سیلز کی نسبت نفع میں گذشتہ برس کے مقابلے میں کمی واقع ہوئی۔

مارکیٹ پر ایک نظر

زیادہ طلب کے باعث مالیاتی سال 2021-22 کے تیسری سہ ماہی میں آٹوسیکٹر کی ترقی کے تناسب کا سلسلہ جاری رہا۔ مسافر گاڑیوں کا حجم اور لائٹ کمرشل گاڑیوں کے شعبے کی نمو میں 31 مارچ 2021ء کو اختتام پذیر نو ماہی کے مقابلے میں بالترتیب 57% اور 43% اضافہ ہوا۔ جاری افراط زر کے باعث موٹر سائیکل سیکٹر کا حجم گذشتہ برس کی اسی مدت کے مقابلے میں 3% کم ہوا۔ ٹریکٹر کی طلب 13% نمو کے ساتھ مستحکم رہی جو بہتر ایگری معیشت کی نشاندہی کرتی ہے۔

کاروباری جائزہ

بورڈ نے مستقبل کے متوقع کاروبار کی ضروریات کو پورا کرنے کے لئے پریس شاپ (Press Shop) کی توسیع کی غرض سے 413 ملین روپے کے سرمایہ کی منظوری دی جب کہ حب پلانٹ پر 226 ملین روپے آٹو کروم سہولت (Auto Chrome Facility) قائم کرنے کے لئے تفویض کئے گئے۔

ہم یہاں ازراہ مسرت آگاہ کرتے ہیں کہ حب اور پورٹ قاسم میں گذشتہ برس شروع کیا جانے والا ایک ایک میگا واٹ کا سولر پاور جنریشن پلانٹ مکمل ہو چکا ہے۔ یہ پروجیکٹ پائیداری کو فوقیت دینے، مل کے ایک بہتر دنیا بنانے اور ہمارے ماحولیات، افراد اور آبادیوں کو فائدہ پہنچانے کے لئے کمپنی کے عزم کا حصہ ہے۔

گذشتہ سہ ماہی میں بڑی ٹرانزٹ بندرگاہوں میں رش میں کمی واقع ہوئی البتہ چین میں کرونا لاک ڈاؤن اور شنگھائی پورٹ پر کارگو میں رکاوٹ کے باعث مشکلات میں اضافہ ہو رہا ہے جس کی وجہ سے آئندہ سپلائی چین میں رکاوٹ پیدا ہو سکتی ہے۔ آپ کی کمپنی نے صارفین کے لئے سپلائی میں روانی کو یقینی بنانے کے لئے مناسب اقدامات کئے ہیں اور محفوظ ذخیرہ کی سطح اور ری آرڈر لیول میں اضافہ کیا ہے۔ اس طرح کمپنی کے سرمایہ کاری کے استعمال کی مدت بھی متاثر ہوئی ہے اور ہم مستقبل میں یہ معمول پر آنے کی توقع کی جا رہی ہے۔

ایگری آٹو سٹامپنگ کمپنی (پرائیویٹ) لمیٹڈ (ASC)

ASC کے بورڈ نے 925 ملین روپے کی سرمایہ داری منظور کی ہے جس میں 1,000 اور 500 ٹن کے دو نئے پریس شامل ہیں۔ پروجیکٹ کی تکمیل کے بعد کمپنی فی کس 4 پریسز کی دو مکمل فعال لائنز کی مالک ہو جائے گی۔ یہ توسیعی منصوبہ پریس پارٹس

کی استعداد میں اضافہ اور مستقبل میں اضافی کاروبار حاصل کرنے میں مدد کرے گا۔

مستقبل کا منظر نامہ

ہم مستقبل قریب میں پائیدار طلب کی توقع رکھتے ہیں جو کمپنی کی مالیاتی کارکردگی میں مثبت رجحان کی عکاسی کرے گی۔ اشیائے ضروریہ کی عالمی قیمتوں میں اضافہ، امریکی ڈالر میں انتہائی عدم استحکام اور شرح سود میں حالیہ اضافے مارکیٹ کی رفتار کو متاثر کر سکتا ہے۔

ہم اپنے تمام صارفین، شیئر ہولڈرز، ڈیلرز، بینکرز اور غیر ملکی تکنیکی معاونین کی بلا تعطل حمایت اور ہماری کمپنی پر بھروسہ کے لئے اظہار تشکر کرتے ہیں۔ ہم اپنے تمام ملازمین کے بھی تہہ دل سے شکر گزار ہیں جنہوں نے کمپنی کی ترقی میں خلوص نیت سے کام کیا۔

منجانب بورڈ آف ڈائریکٹرز



سلمان برنی

نان ایگزیکٹو ڈائریکٹر



فہیم کھاڈیا

چیف ایگزیکٹو

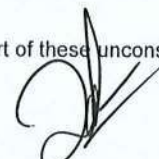
28 اپریل، 2022ء

AGRIAUTO INDUSTRIES LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2022

	Note	March 31, 2022 (un-audited)	June 30, 2021 (audited)
----- (Rupees in '000) -----			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	1,061,576	964,476
Right-of-use assets		11,896	18,740
Intangible asset		53,668	36,225
Long-term investment		1,144,006	1,144,006
Long-term deposits		7,563	6,801
Deferred taxation - net	7	19,282	2,547
		2,297,991	2,172,795
CURRENT ASSETS			
Stores, spares and loose tools		140,631	107,240
Stock-in-trade		2,317,163	1,056,905
Trade debts	8	1,027,068	792,502
Advances, deposits, prepayments and other receivables	9	687,425	552,299
Accrued profit		138	1,039
Short-term investments	10	38,602	122,323
Taxation – net		303,461	438,325
Cash and bank balances		49,579	165,517
		4,564,067	3,236,150
TOTAL ASSETS		6,862,058	5,408,945
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital			
40,000,000 (June 30, 2021: 40,000,000) ordinary shares of Rs. 5/- each		200,000	200,000
Issued, subscribed and paid-up capital			
28,800,000 (June 30, 2021: 28,800,000) ordinary shares of Rs. 5/- each		144,000	144,000
Reserves		4,393,733	4,245,998
		4,537,733	4,389,998
NON-CURRENT LIABILITIES			
Lease liabilities		3,593	13,305
Long-term financing - secured	11	41,774	-
Deferred income	11	4,329	-
		49,696	13,305
CURRENT LIABILITIES			
Trade and other payables		1,394,586	890,610
Current maturity of lease liabilities		9,992	7,425
Current maturity of long-term financing	11	963	-
Sales tax payable		24,480	36,449
Unpaid dividend		8,366	11,655
Unclaimed dividend		26,971	22,857
Short-term running finance	12	809,271	36,646
		2,274,629	1,005,642
CONTINGENCIES AND COMMITMENTS	13		
TOTAL EQUITY AND LIABILITIES		6,862,058	5,408,945

The annexed notes from 1 to 17 form an integral part of these unconsolidated condensed interim financial statements.


 DIRECTOR


 CHIEF EXECUTIVE


 CHIEF FINANCIAL OFFICER

AGRIAUTO INDUSTRIES LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2022
(un-audited)

	Nine months ended		Quarter ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	-----'(Rupees in '000)-----		-----'(Rupees in '000)-----	
Turnover – net	6,745,030	5,108,670	2,385,260	1,956,128
Cost of sales	<u>(5,959,469)</u>	<u>(4,403,805)</u>	<u>(2,121,680)</u>	<u>(1,694,836)</u>
Gross profit	785,561	704,865	263,580	261,292
Distribution costs	<u>(115,675)</u>	<u>(93,344)</u>	<u>(41,013)</u>	<u>(34,538)</u>
Administrative expenses	<u>(174,853)</u>	<u>(148,499)</u>	<u>(62,458)</u>	<u>(41,888)</u>
	<u>(290,528)</u>	<u>(241,843)</u>	<u>(103,471)</u>	<u>(76,426)</u>
Operating profit	495,033	463,022	160,109	184,866
Other expenses	<u>(39,982)</u>	<u>(42,841)</u>	<u>(12,782)</u>	<u>(12,792)</u>
Other income	<u>22,618</u>	<u>131,324</u>	<u>1,595</u>	<u>211</u>
Finance cost	<u>(21,368)</u>	<u>(2,172)</u>	<u>(11,750)</u>	<u>(1,124)</u>
	<u>(38,732)</u>	<u>86,311</u>	<u>(22,937)</u>	<u>(13,705)</u>
Profit before taxation	456,301	549,333	137,172	171,161
Taxation				
- Current	<u>(152,147)</u>	<u>(76,630)</u>	<u>(44,173)</u>	<u>(29,342)</u>
- Prior	<u>(352)</u>	<u>-</u>	<u>-</u>	<u>-</u>
- Deferred	<u>16,733</u>	<u>24,074</u>	<u>3,926</u>	<u>(25,246)</u>
	<u>(135,766)</u>	<u>(52,556)</u>	<u>(40,247)</u>	<u>(54,588)</u>
Profit after taxation	<u>320,535</u>	<u>496,777</u>	<u>96,925</u>	<u>116,573</u>
	----- (Rupees) -----			
Earnings per share - basic and diluted	<u>11.13</u>	<u>17.25</u>	<u>3.37</u>	<u>4.05</u>

The annexed notes from 1 to 17 form an integral part of these unconsolidated condensed interim financial statements.


DIRECTOR


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER

AGRIAUTO INDUSTRIES LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2022
(un-audited)

	Nine months ended		Quarter ended	
	March 31,	March 31,	March 31,	March 31,
	2022	2021	2022	2021
	-----'(Rupees in '000)-----		-----'(Rupees in '000)-----	
Profit after taxation for the period	320,535	496,777	96,925	116,573
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	320,535	496,777	96,925	116,573

The annexed notes from 1 to 17 form an integral part of these unconsolidated condensed interim financial statements.



 DIRECTOR



 CHIEF EXECUTIVE



 CHIEF FINANCIAL OFFICER

AGRIAUTO INDUSTRIES LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED MARCH 31, 2022

	Reserves				Total reserves	Total equity
	Capital reserve	Revenue reserves				
		Share premium	General	Unappropriated profit / accumulated (loss)		
	(Rupees in'000)					
Balance as at July 01, 2020 (audited)	144,000	12,598	3,765,000	(10,198)	3,767,400	3,911,400
Final dividend for the year ended June 30, 2020 @ Rs.1.0 /- per share	-	-	-	(28,800)	(28,800)	(28,800)
Interim dividend for the year ending June 30, 2021 @ Rs. 5.0 /- per share	-	-	-	(144,000)	(144,000)	(144,000)
Profit after taxation for the period	-	-	-	496,777	496,777	496,777
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	496,777	496,777	496,777
Balance as at March 31, 2021 (un-audited)	144,000	12,598	3,765,000	313,779	4,091,377	4,235,377
Balance as at July 01, 2021 (audited)	144,000	12,598	3,765,000	468,400	4,245,998	4,389,998
Final dividend for the year ended June 30, 2021 @ Rs. 6.0 /- per share	-	-	-	(172,800)	(172,800)	(172,800)
Transfer to general reserve	-	-	200,000	(200,000)	-	-
Profit after taxation for the period	-	-	-	320,535	320,535	320,535
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive profit for the period	-	-	-	320,535	320,535	320,535
Balance as at March 31, 2022 (un-audited)	144,000	12,598	3,965,000	416,135	4,393,733	4,537,733

The annexed notes from 1 to 17 form an integral part of these unconsolidated condensed interim financial statements.


DIRECTOR


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER

AGRIAUTO INDUSTRIES LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED MARCH 31, 2022
(un-audited)

	Nine months ended	
	March 31, 2022	March 31, 2021
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	456,301	549,333
Adjustments for:		
Depreciation and amortisation	75,631	95,882
Finance cost	21,368	2,172
Charge / (reversal) for expected credit losses	23	(283)
Liabilities no longer payable - written back	-	(1,085)
Profit on short-term investments – term deposit receipts	(3,343)	(5,750)
Profit on deposit accounts	(1,669)	(5,378)
Dividend income	-	(114,401)
Capital work-in-progress charged off	800	75
Gain on disposal of operating fixed assets	(2,873)	(1,276)
	<u>546,238</u>	<u>519,289</u>
Increase in current assets	(1,674,524)	(133,704)
Increase in current liabilities	497,566	111,391
Cash (used in) / generated from operations	<u>(630,720)</u>	<u>496,976</u>
Finance cost paid	(14,051)	(1,071)
Long-term deposits paid	(762)	(167)
Income tax paid	(17,635)	(254,440)
Net cash (used in) / generated from operating activities	<u>(663,168)</u>	<u>241,298</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(193,224)	(139,210)
Proceeds from disposal of property, plant and equipment	11,506	16,755
Short-term investments in mutual fund redeemed	-	51,039
Dividend received	-	114,401
Profit received on short-term investments - term deposit receipts	3,064	5,716
Profit received on deposit accounts	1,761	5,277
Net cash (used in) / generated from investing activities	<u>(176,893)</u>	<u>53,978</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term financing obtained	47,184	-
Long-term financing repaid	(414)	-
Dividends paid	(171,975)	(170,513)
Lease rentals paid	(7,297)	(6,245)
Net cash used in financing activities	<u>(132,502)</u>	<u>(176,758)</u>
Net (decrease) / increase in cash and cash equivalents	<u>(972,563)</u>	<u>118,518</u>
Cash and cash equivalents at the beginning of the period	250,871	92,615
Cash and cash equivalents at the end of the period	<u>(721,692)</u>	<u>211,133</u>
CASH AND CASH EQUIVALENTS		
Cash and bank balances	49,579	89,133
Short-term investments	38,000	122,000
Short-term running finance	(809,271)	-
	<u>(721,692)</u>	<u>211,133</u>

The annexed notes from 1 to 17 form an integral part of these unconsolidated condensed interim financial statements.


DIRECTOR


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER

AGRIAUTO INDUSTRIES LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2022
(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 the separate unconsolidated condensed interim financial statements of the Company in which investments in subsidiary is accounted for at cost less accumulated impairment losses, if any and is not consolidated or accounted for using equity method.

1.3 COVID-19 is a global pandemic which has affected the whole world and Pakistan is not an exception. Businesses are badly affected due to lockdowns to fight COVID-19 since March 2020. COVID-19 affected almost every individual across the globe. The Company fully supports the Government's vaccination drive to curb the spread of the virus, hence our staff are now fully vaccinated and in the process of getting booster dose. Management has assessed accounting impact of COVID-19 in these unconsolidated condensed interim financial statements and has concluded that there is no significant accounting and financial impact.

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 which 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 requirement 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 unconsolidated annual financial statements, and should be read in conjunction with the unconsolidated financial statements of the Company for the year ended June 30, 2021.

4 SUMMARY OF SIGNIFICANT 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 unconsolidated financial statements for the year ended June 30, 2021 except for deferred income, loans and borrowings as disclosed in note 4.1 and 4.2 and the adoption of amendments to approved accounting standards adopted during the period as disclosed in note 5.

4.1 Deferred income

The benefit of a long-term finance at a below-market rate of interest is treated as a deferred income, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates. The deferred income is held on the statement of financial position as a deferred credit and realised to the profit or loss over the periods necessary to match the related depreciation charges, or other expenses of the asset, as they are incurred.

4.2 Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

5 AMENDMENTS TO APPROVED ACCOUNTING STANDARDS ADOPTED DURING THE PERIOD

The Company has adopted the following amendments to International Financial Reporting Standards (IFRSs) which became effective for the current period:

Amendment:

IFRS 9, IAS 39, IFRS 7, IFRS 4 &
IFRS 16 - Interest Rate Benchmark Reform - Phase 2 (Amendments)

IFRS 16 - COVID-19 - Related Rent Concessions beyond 30 June 2021 (Amendments)

The adoption of above amendments to IFRSs did not have any material impact on the Company's condensed interim financial statements.

	Note	March 31, 2022 ----- (Rupees in '000) ----- (un-audited)	June 30, 2021 ----- (Rupees in '000) ----- (audited)
6	PROPERTY, PLANT AND EQUIPMENT		
	Operating fixed assets	923,054	925,960
	Capital work-in-progress	<u>138,522</u>	<u>38,516</u>
		<u>1,061,576</u>	<u>964,476</u>

6.1 The following additions (including transfers from capital work-in-progress) and disposals were made in the operating fixed assets during the period:

	Additions at cost / Transfers		Disposal at NBV	
	Nine months ended		Nine months ended	
	March 31,		March 31,	
	2022	2021	2022	2021
	(un-audited)		(un-audited)	
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
Owned				
Building	-	88,524	-	-
Plant and machinery	44,568	127,481	1,942	7,337
Furniture and fittings	2,546	500	-	-
Vehicles	11,449	7,097	6,609	8,045
Office equipment	443	-	-	-
Computer equipment	2,693	1,939	82	97
Dies and tools	31,015	-	-	-
	<u>92,714</u>	<u>225,541</u>	<u>8,633</u>	<u>15,479</u>

6.2 Depreciation charge for the period amounted to Rs. 86.99 million (March 31, 2021: Rs. 78.65 million).

	Note	March 31, 2022 ----- (Rupees in '000) ----- (un-audited)	June 30, 2021 ----- (Rupees in '000) ----- (audited)
6.3	Capital work-in-progress		
	Balance at the beginning of the period / year	38,516	170,283
	Capital expenditure incurred / advances made during the period / year	166,762	96,972
	Transfer to operating fixed assets during the period / year	(66,252)	(223,677)
	Borrowing cost capitalized during the period	296	-
	Charged off during the period / year	(800)	(5,062)
	Balance at the end of the period / year	<u>138,522</u>	<u>38,516</u>

6.3.1 The amount of borrowing costs capitalised during the period ended was Rs. 0.29 million (June 30, 2021: Nil). The rate used to determine the amount of borrowing costs eligible for capitalisation was ranging from 10.02% to 11.91% per annum, which is the effective interest rate of the specific borrowing.

		March 31, 2022 ----- (Rupees in '000) ----- (un-audited)	June 30, 2021 ----- (Rupees in '000) ----- (audited)
7	DEFERRED TAXATION - NET		
	Deductible temporary differences arising due to:		
	- provisions and lease liabilities	113,868	98,273
	Taxable temporary differences arising due to:		
	- accelerated tax depreciation	(94,586)	(95,726)
		<u>19,282</u>	<u>2,547</u>

8 Includes an amount of Rs. 5.13 million (June 30, 2021: Rs. 15.58 million) and Rs. 3.69 million (June 30, 2021: Rs. 1.95 million) receivable from Agriauto Stamping Company (Private) Limited, a wholly owned subsidiary and Thal Boshoku Pakistan (Private) Limited, an associated company, against sales made by the Company respectively.

9 Includes an amount of Rs. 413.24 million (June 30, 2021: Rs. 299.31 million) against LC margin deposits. Additionally includes Rs. 226.77 million (June 30, 2021: Rs. 226.77 million) with respect to claim against Additional Custom Duty from a customer.

		March 31, 2022 (un-audited)	June 30, 2021 (audited)
	Note	----- (Rupees in '000) -----	
10	SHORT-TERM INVESTMENTS		
	At amortised cost		
	Term deposit receipts	38,000	122,000
	Accrued profit thereon	602	323
		<u>38,602</u>	<u>122,323</u>

10.1 Represents three months term deposit receipts with a commercial bank under conventional banking relationship carrying profit rate of 9.25% (June 30, 2021: 4.00% to 6.70%) per annum and having latest maturity date of May 28, 2022.

		March 31, 2022 (un-audited)	June 30, 2021 (audited)
	Note	----- (Rupees in '000) -----	
11	LONG-TERM FINANCING - SECURED		
	SBP refinance scheme for renewable energy	42,737	-
	Current maturity of long-term financing	(963)	-
		<u>41,774</u>	<u>-</u>

11.1 This represents long term financing facility obtained from a conventional bank under State Bank of Pakistan (SBP) refinance scheme for renewable energy, recognised initially at fair value. The total facility amounts to Rs. 90 million and carries mark-up at the rate of 2% plus 0.75% (June 30, 2021: Nil) per annum payable quarterly. The facility is repayable in ten years from the date of disbursement. The facility is secured against first specific hypothecation charge over plant and machinery related to the solar power project for the disbursed amount in addition to margin of 15% to be secured against liquid collateral (Micro Products Division / Integrated Products Division or Government securities) held under lien. The incremental borrowing rate for the purposes of discounting adjustment for recognition at fair value is ranging from 10.02% to 11.91% (June 30, 2021: Nil) per annum.

		March 31, 2022 (un-audited)	June 30, 2021 (audited)
	Note	----- (Rupees in '000) -----	
11.2	Movement of long-term financing		
	Balance at beginning of the period	-	-
	Financing received during the period	47,184	-
	Repayment made during the period	(414)	-
	Recognised as deferred income for the period	(4,329)	-
	Unwinding of finance cost for the period	296	-
	Balance at end of the period	<u>42,737</u>	<u>-</u>

11.3 This represents deferred income recognised in respect of the benefit of below-market interest rate on long term finances. The benefit has been measured as the difference between the fair value of the loan and the proceeds received. The Company has used the prevailing market rate of mark-up for similar instruments to calculate fair values of respective loan. The discount rate used is ranging from 10.02% to 11.91% (June 30, 2021: Nil) per annum.

12 SHORT-TERM RUNNING FINANCE

Represents short-term running finance obtained from various commercial banks amounting to Rs. 809.27 million (June 30, 2021: Rs. 36.65 million). The total facility limit amounts to Rs. 990 million (June 30, 2021: Rs. 170 million). The rate of mark-up on these finances ranges from 3 months KIBOR plus rates varying from 0.20% to 0.75% (June 30, 2021: 1 to 3 months KIBOR plus rates varying from 0.75% to 1.25%) per annum. The facilities are secured by way of pari passu hypothecation plus second charge on the Company's stock-in-trade, stores, spares, loose tools and trade debts.

13 CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

As at the reporting date, total outstanding claims on the Company by certain vendors amounted to Rs. 3.63 million (June 30, 2021: Rs. 3.63 million). Management of the Company is confident that no loss is likely to occur from these claims and accordingly no provision in this respect has been made in these unconsolidated condensed interim financial statements.

13.2 Commitments

There is no material change in the status of commitments as reported in the annual financial statements for the year ended June 30, 2021 other than described below:

13.2.1 Commitments in respect of outstanding letters of credit for raw material amounting to Rs. 658.29 million (June 30, 2021: Rs. 707.17 million).

13.2.2 Commitments in respect of capital expenditure amounting to Rs. 243.72 million (June 30, 2021: Rs. 20.41 million).

14 Includes Rs. Nil (December 31, 2020: Rs. 114.40 million) on account of dividend income from the wholly owned subsidiary Agriauto Stamping Company (Private) Limited.

15 **TRANSACTIONS WITH RELATED PARTIES**

Related parties of the Company comprise the subsidiary company, companies with common directorship, retirement funds, directors and key management personnel. All the transactions with related parties are entered into at agreed terms in normal course of business as approved by the Board of Directors of the Company. Balance due from / to the related parties have been disclosed in respective notes to these unconsolidated condensed interim financial statements wherever applicable. Details of transactions with related parties during the period, other than disclosed elsewhere in these unconsolidated condensed interim financial statements, are as follows:

Name of related party and relationship with the Company	Nature of transactions	Percentage of share holding in the Company %	March 31, 2022 (un-audited) ----- (Rupees in '000) -----	March 31, 2021 (un-audited) -----
Subsidiary (wholly owned)				
Agriauto Stamping Company (Private) Limited	Sale of goods	Nil	67,560	61,574
	Tax refund paid under group taxation		-	128,879
	Tax liability paid under group taxation		64,242	-
	Dividend income		-	114,401
	Reimbursement of common expenses		6,750	-
Associated Companies (Common directorship)				
Thal Boshoku Pakistan (Private) Limited	Sale of goods	Nil	27,374	34,935
Thal Limited	Dividend paid	7.35	12,694	12,694
Shabbir Tiles and Ceramics Limited	Purchases	Nil	-	3,066
Retirement benefit funds				
Employees' Provident Fund	Contribution		10,056	7,837
Key management personnel				
	Remuneration and other benefits	Nil	29,369	26,933
	Fee for attending board meetings		2,100	1,500
	Sale of vehicle having net book value of Rs. 0.763 million (Dec 31, 2020: Rs. 0.705 million) as per the Company's policy		875	806

16 **DATE OF AUTHORISATION FOR ISSUE**

These unconsolidated condensed interim financial statements were authorized for issue on April 28, 2022 by the Board of Directors of the Company.

17 **GENERAL**

17.1 Figures have been rounded off to the nearest rupees in thousands unless stated otherwise.


DIRECTOR


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER

AGRIAUTO INDUSTRIES LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2022

	Note	March 31, 2022 (un-audited)	June 30, 2021 (audited)
----- (Rupees in '000) -----			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	2,625,102	2,281,986
Right-of-use assets		11,896	18,740
Intangible asset		53,668	36,225
Long-term deposits		14,567	13,605
		2,705,233	2,350,556
CURRENT ASSETS			
Stores, spares and loose tools		163,607	129,991
Stock-in-trade		4,001,436	1,726,252
Trade debts	7	1,692,599	1,159,086
Advances, deposits, prepayments and other receivables	8	824,256	882,286
Accrued profit		353	1,295
Short term investments	9	77,868	266,780
Sales tax receivable		86,862	29,461
Taxation -- net		248,228	346,860
Cash and bank balances		74,307	225,861
		7,169,516	4,767,872
TOTAL ASSETS		9,874,749	7,118,428
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital			
40,000,000 (June 30, 2021: 40,000,000) ordinary shares of Rs. 5/- each		200,000	200,000
Issued, subscribed and paid-up capital			
28,800,000 (June 30, 2021: 28,800,000) ordinary shares of Rs. 5/- each		144,000	144,000
Reserves		6,180,777	5,627,004
		6,324,777	5,771,004
NON-CURRENT LIABILITIES			
Deferred taxation - net	10	52,443	85,003
Lease liabilities		3,593	13,305
Long-term financing - secured	11	89,412	-
Deferred income	11	16,193	-
		161,641	98,308
CURRENT LIABILITIES			
Trade and other payables		1,963,955	1,134,084
Current maturity of lease liabilities		9,992	7,425
Current maturity of long-term financing	11	3,239	-
Sales tax payable		24,480	36,449
Unpaid dividend		8,366	11,655
Unclaimed dividend		26,971	22,857
Short-term running finance	12	1,351,328	36,646
		3,388,331	1,249,116
CONTINGENCIES AND COMMITMENTS			
	13		
TOTAL EQUITY AND LIABILITIES		9,874,749	7,118,428

The annexed notes from 1 to 16 form an integral part of these consolidated condensed interim financial statements.


 Director


 Chief Executive


 Chief Financial Officer

AGRIAUTO INDUSTRIES LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2022
(un-audited)

	Nine months ended		Quarter ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
Turnover – net	11,630,839	7,653,623	4,287,114	3,075,246
Cost of sales	<u>(10,165,091)</u>	<u>(6,433,326)</u>	<u>(3,738,599)</u>	<u>(2,565,825)</u>
Gross profit	1,465,748	1,220,297	548,515	509,421
Distribution costs	<u>(124,390)</u>	<u>(99,490)</u>	<u>(45,739)</u>	<u>(37,490)</u>
Administrative expenses	<u>(233,616)</u>	<u>(181,489)</u>	<u>(86,206)</u>	<u>(63,932)</u>
	<u>(358,006)</u>	<u>(280,979)</u>	<u>(131,945)</u>	<u>(101,422)</u>
Operating profit	1,107,742	939,318	416,570	407,999
Other expenses	<u>(84,707)</u>	<u>(81,714)</u>	<u>(29,803)</u>	<u>(29,864)</u>
Other income	34,708	44,031	1,819	9,666
Finance costs	<u>(49,324)</u>	<u>(2,760)</u>	<u>(28,087)</u>	<u>(1,325)</u>
	<u>(99,323)</u>	<u>(40,443)</u>	<u>(56,071)</u>	<u>(21,523)</u>
Profit before taxation	1,008,419	898,875	360,499	386,476
Taxation				
- Current	<u>(323,193)</u>	<u>(235,543)</u>	<u>(104,684)</u>	<u>(112,079)</u>
- Prior	8,788	-	-	260
- Deferred	<u>32,559</u>	<u>37,318</u>	<u>1,805</u>	<u>(12,002)</u>
	<u>(281,846)</u>	<u>(198,225)</u>	<u>(102,879)</u>	<u>(123,821)</u>
Profit after taxation	<u>726,573</u>	<u>700,650</u>	<u>257,620</u>	<u>262,655</u>
	----- (Rupees) -----			
Earnings per share - basic and diluted	<u>25.23</u>	<u>24.33</u>	<u>8.95</u>	<u>9.12</u>

The annexed notes from 1 to 16 form an integral part of these consolidated condensed interim financial statements.


Director


Chief Executive


Chief Financial Officer

AGRIAUTO INDUSTRIES LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2022
(un-audited)

	Nine months ended		Quarter ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
Profit for the period	726,573	700,650	257,620	262,655
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	726,573	700,650	257,620	262,655

The annexed notes from 1 to 16 form an integral part of these consolidated condensed interim financial statements.


Director


Chief Executive


Chief Financial Officer

AGRIAUTO INDUSTRIES LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED MARCH 31, 2022
(un-audited)

Issued, subscribed and paid-up capital	Reserves			Total reserves	Total equity	
	Capital reserve	Revenue reserves				
	Share premium	General	Unappropriated profit			
----- (Rupees in '000) -----						
Balance as at July 01, 2020 (audited)	144,000	12,598	2,315,000	2,642,542	4,970,140	5,114,140
Final dividend for the year ended June 30, 2020 @ Re. 1.0/- per share	-	-	-	(28,800)	(28,800)	(28,800)
Interim dividend for the year ending June 30, 2021 @ Rs. 5.0 /- per share	-	-	-	(144,000)	(144,000)	(144,000)
Profit after taxation for the period	-	-	-	700,650	700,650	700,650
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	700,650	700,650	700,650
Balance as at March 31, 2021 (un-audited)	144,000	12,598	2,315,000	3,170,392	5,497,990	5,641,990
Balance as at July 01, 2021 (audited)	144,000	12,598	2,315,000	3,299,406	5,627,004	5,771,004
Final dividend for the year ended June 30, 2021 @ Rs. 6.0 /- per share	-	-	-	(172,800)	(172,800)	(172,800)
Transfer to general reserve	-	-	(200,000)	200,000	-	-
Profit after taxation for the period	-	-	-	726,573	726,573	726,573
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	726,573	726,573	726,573
Balance as at March 31, 2022 (un-audited)	144,000	12,598	2,115,000	4,053,179	6,180,777	6,324,777

The annexed notes from 1 to 16 form an integral part of these consolidated condensed interim financial statements.


Director


Chief Executive


Chief Financial Officer

AGRIAUTO INDUSTRIES LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED MARCH 31, 2022
(un-audited)

	Nine months ended	
	March 31, 2022	March 31, 2021
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,008,419	898,875
Adjustments for:		
Depreciation and amortisation	212,759	215,229
Finance costs	49,324	2,760
Reversal for expected credit losses	(1,928)	(432)
Liabilities no longer payable - written back	-	(1,085)
Profit on term deposit receipts and deposit accounts	(11,140)	(34,063)
Capital work-in-progress charged off	800	75
Gain on disposal of operating fixed assets	(3,089)	(1,630)
	1,255,145	1,079,729
Increase in current assets	(2,779,869)	(501,367)
Increase in current liabilities	742,253	58,094
Cash (used in) / generated from operations	(782,471)	636,456
Finance cost paid	(31,182)	(1,071)
Long term security deposit paid	(962)	(167)
Income tax paid	(215,773)	(170,077)
Net cash (used in) / generated from operating activities	(1,030,388)	465,141
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(578,951)	(313,195)
Proceeds from disposal of property, plant and equipment	14,955	19,330
Short-term investments in mutual fund redeemed	-	51,039
Profit received on term deposit receipts and deposit accounts	11,066	32,973
Net cash used in investing activities	(552,930)	(209,853)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term financing obtained	108,928	-
Long-term financing repaid	(1,574)	-
Dividends paid	(171,975)	(170,513)
Lease rentals paid	(7,297)	(6,245)
Net cash used in financing activities	(71,918)	(176,758)
Net (decrease) / increase in cash and cash equivalents	(1,655,236)	78,530
Cash and cash equivalents at the beginning of the period	455,215	574,195
Cash and cash equivalents at the end of the period	(1,200,021)	652,725
CASH AND CASH EQUIVALENTS		
Cash and bank balances	74,307	205,063
Short-term investments	77,000	447,662
Short-term running finance	(1,351,328)	-
	(1,200,021)	652,725

The annexed notes from 1 to 16 form an integral part of these consolidated condensed interim financial statements.



Director



Chief Executive



Chief Financial Officer

AGRIAUTO INDUSTRIES LIMITED
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2022
(un-audited)

1 THE COMPANY AND ITS OPERATIONS

- 1.1 Agriauto Industries Limited (the Holding 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 July 02, 2014. The registered office of the Subsidiary Company is situated at 5th Floor, House of Habib, Main Shahrah-e-Faisal, Karachi.
- 1.3 COVID-19 is a global pandemic which has affected the whole world and Pakistan is not an exception. Businesses are badly affected due to lockdowns to fight COVID-19 since March 2020. COVID-19 affected almost every individual across the globe. The Group fully supports the Government's vaccination drive to curb the spread of the virus, hence our staff are now fully vaccinated and in the process of getting booster dose. Management has assessed accounting impact of COVID-19 in these consolidated condensed interim financial statements and has concluded that there is no significant accounting and financial impact.

2 STATEMENT OF COMPLIANCE

These consolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting which 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 requirement of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3 BASIS OF PREPARATION

These consolidated condensed interim financial statements are un-audited and do not include all the information and disclosures required in the consolidated annual financial statements, and should be read in conjunction with the consolidated audited financial statements of the Group for the year ended June 30, 2021.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these consolidated condensed interim financial statements are consistent with those followed in the preparation of the Group's annual audited consolidated financial statements for the year ended June 30, 2021 except for deferred income, loans and borrowings as disclosed in note 4.1 and 4.2 and the adoption of amendments to approved accounting standards adopted during the period of as disclosed in note 5.

4.1 Deferred income

The benefit of a long-term finance at a below-market rate of interest is treated as a deferred income, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates. The deferred income is held on the statement of financial position as a deferred credit and realised to the profit or loss over the periods necessary to match the related depreciation charges, or other expenses of the asset, as they are incurred.

4.2 Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

5 AMENDMENTS TO APPROVED ACCOUNTING STANDARDS ADOPTED DURING THE PERIOD

The Group has adopted the following amendments to International Financial Reporting Standards (IFRSs) which became effective for the current period:

Amendment:

IFRS 9, IAS 39, IFRS 7, IFRS 4 & IFRS 16 - Interest Rate Benchmark Reform - Phase 2 (Amendments)

IFRS 16 - COVID-19 - Related Rent Concessions beyond 30 June 2021 (Amendments)

The adoption of above amendments to IFRSs did not have any material impact on the Group's condensed interim financial statements.

	Note	March 31, 2022 ----- (Rupees in '000) ----- (un-audited)	June 30, 2021 ----- (Rupees in '000) ----- (audited)
6	PROPERTY, PLANT AND EQUIPMENT		
	Operating fixed assets	2,226,278	2,122,078
	Capital work-in-progress	398,824	159,908
		<u>2,625,102</u>	<u>2,281,986</u>

6.1 The following additions (including transfers from capital work-in-progress) and disposals were made in the operating fixed assets during the period:

	Additions at cost / Transfers		Disposal at NBV	
	Nine months ended		Nine months ended	
	March 31,		March 31,	
	2022	2021	2022	2021
	(un-audited)		(un-audited)	
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
Owned				
Building	-	88,524	-	-
Plant and machinery	223,109	137,426	1,942	7,337
Furniture and fittings	2,546	1,040	32	32
Vehicles	26,206	19,637	9,708	10,233
Office equipment	868	912	-	-
Computer equipment	4,740	2,989	184	97
Dies and tools	82,712	6,026	-	-
	<u>340,181</u>	<u>256,554</u>	<u>11,866</u>	<u>17,699</u>

6.2 Depreciation charge for the period amounted to Rs. 224.12 million (March 31, 2021: Rs. 197.99 million).

	Note	March 31, 2022 ----- (Rupees in '000) ----- (un-audited)	June 30, 2021 ----- (Rupees in '000) ----- (audited)
6.3	Capital work-in-progress		
	Balance at the beginning of the period / year	159,908	192,558
	Capital expenditure incurred / advances made during the period / year	424,900	300,836
	Transfer to operating fixed assets during the period / year	(186,130)	(328,424)
	Borrowing cost capitalized during the period	946	-
	Charged off during the period / year	(800)	(5,062)
	Balance at the end of the period / year	<u>398,824</u>	<u>159,908</u>

6.3.1 The amount of borrowing costs capitalised during the period ended was Rs. 0.95 million (June 30, 2021: Nil). The effective rate used to determine the amount of borrowing costs eligible for capitalisation was ranging from 9.998% to 12.258% which is the effective interest rate of the specific borrowing.

7 Includes an amount of Rs. 8.61 million (June 30, 2021: Rs. 4.04 million) receivable from Thal Boshoku Pakistan (Private) Limited, an associated company, against sales made by the Group.

8 Includes an amount of Rs. 472.95 million (June 30, 2021: Rs. 536.61 million) against LC margin deposits. Additionally includes Rs. 301.48 million (June 30, 2021: Rs. 301.17 million) with respect to claim against Additional custom duty from a customer.

		March 31, 2022 ----- (Rupees in '000) ----- (un-audited)	June 30, 2021 ----- (Rupees in '000) ----- (audited)
9	SHORT TERM INVESTMENTS		
	At amortised cost		
	Term deposit receipts	9.1 77,000	266,000
	Accrued profit thereon	868	780
		<u>77,868</u>	<u>266,780</u>

9.1 Represents three months' term deposit receipts with commercial bank under conventional banking relationship carrying profit rate of 9.25% (June 30, 2021: 4% to 6.7%) per annum having latest maturity by June 29, 2022.

		March 31, 2022 ----- (Rupees in '000) ----- (un-audited)	June 30, 2021 ----- (Rupees in '000) ----- (audited)
10	DEFERRED TAXATION - NET		
	Taxable temporary differences arising due to:		
	- accelerated tax depreciation	200,083	204,658
	Deductible temporary differences arising due to:		
	- provisions and lease liabilities	(147,640)	(119,655)
		<u>52,443</u>	<u>85,003</u>

11 LONG-TERM FINANCING - SECURED

	SBP refinance scheme for renewable energy	11.1 & 11.2 92,651	-
	Current maturity of long-term financing	(3,239)	-
		<u>89,412</u>	<u>-</u>

11.1 This represents long term financing facility obtained from a conventional bank under State Bank of Pakistan (SBP) refinance scheme for renewable energy, recognised initially at fair value. The total facility amounts to Rs. 175 million and carries mark-up at the rate of 2% plus 0.75% (June 30, 2021: Nil) per annum payable quarterly. The facility is repayable in ten years from the date of disbursement. The facility is secured against first specific hypothecation charge over plant and machinery related to the solar power project for the disbursed amount in addition to margin of 15% to be secured against liquid collateral (Micro Products Division / Integrated Products Division or Government securities) held under lien. The incremental borrowing rate for the purposes of discounting adjustment for recognition at fair value is ranging from 9.998% to 12.258% (June 30, 2021: Nil) per annum.

		March 31, 2022 ----- (Rupees in '000) ----- (un-audited)	June 30, 2021 ----- (Rupees in '000) ----- (audited)
11.2	Movement of long-term financing		
	Balance at beginning of the period	-	-
	Financing received during the period	108,928	-
	Repayment made during the period	(1,574)	-
	Recognised as deferred income for the period	11.3 (16,193)	-
	Unwinding of finance cost for the period	6.3 1,490	-
	Balance at end of the period	<u>92,651</u>	<u>-</u>

11.3 This represents deferred income recognised in respect of the benefit of below-market interest rate on long term finances. The benefit has been measured as the difference between the fair value of the loan and the proceeds received. The Company has used the prevailing market rate of mark-up for similar instruments to calculate fair values of respective loan. The discount rate used is ranging from 9.998% to 12.258% (June 30, 2021: Nil) per annum.

12 SHORT-TERM RUNNING FINANCE

Represents short-term running finance obtained from various commercial banks amounting to Rs. 1,351.33 million (June 30, 2021: Rs. 36.65 million). The total facility limit amounts to Rs. 1,990 million (June 30, 2021: Rs. 370 million). The rate of mark-up on these finances ranges from 3 months KIBOR plus rates varying from 0.20% to 1.00% (June 30, 2021: 1 to 3 months KIBOR plus rates varying from 0.75% to 1.25%) per annum. The facilities are secured by way of pari passu hypothecation plus second charge on the Company's stock-in-trade, stores, spares, loose tools and trade debts.

13 CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

13.1.1 As at the reporting date, total outstanding claims on the Group by certain vendors amounted to Rs. 5.44 million (June 30, 2021: Rs. 5.44 million). Management of the Group is confident that no loss is likely to occur from these claims and accordingly no provision in this respect has been made in these consolidated condensed interim financial statements.

13.1.2 Subsequent to the reporting date, the Subsidiary Company received an order from the Collector Adjudicator-1 alleging that incorrect tariff rate was used by the Subsidiary Company on import of certain components since 2017 and consequently custom duties and taxes amounting to Rs. 861.59 million is short paid. The Subsidiary Company has filed the appeal against the order of the Collector Adjudicator-1 with Appellate Tribunal of Customs and Stay Order has been granted against the recovery of contended amount. Based on the opinion of legal counsel, management expects a favourable decision, hence no provision in this respect has been made in these consolidated condensed interim financial statements.

13.2 COMMITMENTS

There is no material change in the status of commitments as reported in the annual audited financial statements for the year ended June 30, 2021 other than described below:

13.2.1 Commitments in respect of outstanding letters of credit for raw material amounting to Rs. 959.97 million (June 30, 2021: Rs. 1,320.45 million).

13.2.2 Commitments in respect of capital expenditure amounting to Rs. 589.79 million (June 30, 2021: Rs. 80.47 million).

14 TRANSACTIONS WITH RELATED PARTIES

Related parties of the Group comprise companies with common directorship, retirement funds, directors and key management personnel. Balance due from / to the related parties have been disclosed in respective notes to these consolidated condensed interim financial statements wherever applicable. Detail of transactions with related parties during the period, other than disclosed elsewhere in these condensed interim financial statements, are as follows:

Name of related party and relationship with the Group	Nature of transactions	Percentage of share holding in the Holding Company %	March 31, 2022 (un-audited) ----- (Rupees in '000) -----	March 31, 2021 (un-audited)
Associated Companies (Common directorship)				
Thal Boshoku Pakistan (Private) Limited	Sales	Nil	69,413	79,392
Thal Limited	Dividend paid	7.35	12,694	12,694
Shabbir Tiles and Ceramics Limited	Purchases	Nil	-	3,066
Retirement benefit funds				
Employees' Provident Fund	Contribution	Nil	11,477	8,976
Key management personnel				
	Remuneration and other benefit:	Nil	30,956	28,251
	Fee for attending board meetings		2,100	1,500
	Sale of vehicle having net book value of Rs. 0.763 million (Dec 31, 2020: Rs. 0.705 million) as per the Company's policy		875	806

15 DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements were authorised for issue on April 28, 2022 by the Board of Directors of the Holding Company.

16 GENERAL

Figures have been rounded off to the nearest rupees in thousands.



Director



Chief Executive



Chief Financial Officer