

# Agriauto Industries Limited

Condensed Interim Financial Statements  
For the Period and Quarter Ended March 31, 2023  
(Un-audited)



# Company Information

## BOARD OF DIRECTORS

Yutaka Arae  
Fahim Kapadia  
Hamza Habib  
Salman Burney  
Sohail P. Ahmed  
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  
Salman Burney  
Sohail P. Ahmed  
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  
The Bank of Punjab  
United 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' REVIEW REPORT

On behalf of the Board of Directors of Agriauto Industries Limited (the "Company"), we are pleased to present the financial performance of the Company for the quarter and nine months ended March 31, 2023.

## THE BOARD OF DIRECTORS

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

- |  |                        |
|--|------------------------|
| 1. Mr. Yutaka 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. Yutaka Arae         | Member   |
| 5. Mr. Fahim Kapadia       | Member   |

## Financial Highlights

### Consolidated

|                                   | Rs. in million              |        |                             |       |
|-----------------------------------|-----------------------------|--------|-----------------------------|-------|
|                                   | For Nine Months July to Mar |        | For Three Months Jan to Mar |       |
|                                   | 2023                        | 2022   | 2023                        | 2022  |
| Turnover                          | 6,459                       | 11,631 | 1,981                       | 4,287 |
| (Loss) / Profit before tax        | (172)                       | 1,008  | (54)                        | 360   |
| Taxation                          | (99)                        | (282)  | (57)                        | (103) |
| (Loss) / Profit after tax         | (271)                       | 726    | (111)                       | 257   |
| (Loss) / Earnings per share (Rs.) | (7.54)                      | 20.18* | (3.10)                      | 7.16* |

\*restated due to issue of bonus shares.

Consolidated turnover for the nine months ended March 31, 2023 was Rs. 6.46 billion compared to Rs. 11.63 billion in same period last year, a decrease of 44%.

Sales revenue decreased due to a substantial reduction in production volumes of auto assemblers. Banks were directed by State Bank of Pakistan (SBP) to prioritize imports of essentials. Consequently, letter of credits (LCs) for the import of completely knocked down ("CKD") units were restricted or hold back by the banks, forcing auto assemblers to declare non-production days ("NPD") and operate on 40% to 45% of their production capacity.

The continuous reduction in production volumes of auto assemblers also caused an increase in inventory levels. This builds up in inventory and ongoing expansion projects resulted in the Company having to utilize financing from banks. Furthermore, increases in policy rates resulted in higher financial charges of Rs. 187 million compared to Rs. 49 million in the same period last year. On account of rupee devaluation, the Company suffered a foreign exchange loss of Rs. 146 million (2022: Rs. 116 million) as compared with the same period last year.

## DIRECTORS' REVIEW REPORT

The Company took appropriate measures to free up working capital trapped in inventory was released to decrease borrowings during the quarter thereby, reducing financial charges compared to the previous quarter despite an increase in the interest rates.

The Company incurred a loss before tax of Rs. 172 million compared to a profit before tax of Rs. 1,008 million in the corresponding period last year.

### Standalone

|                                   | For Nine Months July to Mar |        | For Three Months Jan to Mar |        |
|-----------------------------------|-----------------------------|--------|-----------------------------|--------|
|                                   | 2023                        | 2022   | 2023                        | 2022   |
| Turnover                          | 4,072                       | 6,745  | 1,232                       | 2,385  |
| (Loss) / Profit before tax        | (47)*                       | 456    | (109)                       | 137    |
| Taxation                          | (54)                        | (136)  | (33)                        | (40)   |
| (Loss) / Profit after tax         | (101)                       | 320    | (142)                       | (97)   |
| (Loss) / Earnings per share (Rs.) | (2.80)                      | 8.90** | (3.96)                      | 2.69** |

\*Includes dividend of Rs. 228.8 million from the subsidiary company.

\*\* restated due to issue of bonus shares.

Turnover for the nine months under review was Rs. 4.07 billion compared to Rs. 6.74 billion in same period last year, a decrease of 40% due to aforementioned reasons.

Regarding the tax charge for the period, minimum tax is applicable in accordance with section 113 of the Income Tax Ordinance, 2001 which was partially adjusted due to deferred tax asset.

Profit after tax decreased by 132% to Rs. 101 million compared to Rs. 320 million in corresponding period last year.

### Outlook

During the period under review, auto sector remained in distress in line with the country's ongoing economic crises. Passenger car volumes and light commercial vehicle segment decreased by 47% and 20%, respectively, compared to the nine months ended March 31, 2022, while motorcycle and tractor volumes both decreased by 46%, over the same period last year.

Since January 2023, SBP has increased the policy rate from 16% to 21% in a bid to control inflation, which is adversely affecting overall business environment. However, SBP waived the requirement of cash margin on LCs for import of certain items, effective from March 31, 2023 which is expected to be favorable in terms of liquidity of the Company.

The Company is adopting measures directed towards reducing costs and increasing control over costs in addition to the ongoing cost containment program. However, amidst the highly volatile exchange rate and record high inflation, any savings achieved are being offset.

The factors above have had a dampening effect on consumer demand, which in-turn has affected the demand of the Company's products. Management is taking suitable measures to minimize the resultant impact.

### Agriauto Stamping Company (Pvt.) Limited ("ASC")

ASC continued to concentrate and excel in its core capability of stamping of high tensile sheet metal parts. ASC is continuously pursuing and securing new product development and operations are growing with increase in number of parts being produced for various auto assemblers.

## **DIRECTORS' REVIEW REPORT**

The expansion project with a capital expenditure of approximately Rs. 925 million, includes two new presses of 1,000 and 500 tons, is progressing as planned and expected to complete in Q4 FY 2023. After the completion of the project, ASC will have two full tandem lines with four presses each and this will increase the plant capacity of press parts and accommodate additional business in future.

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.



Salman Burney  
Non-Executive Director



Fahim Kapadia  
Chief Executive

Dated: April 28, 2023

## ڈائریکٹرز کی جائزہ رپورٹ

31 مارچ 2023ء 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 |        |                                  |
|-----------------------------|--------|------------------------------|--------|----------------------------------|
| 2022ء                       | 2023ء  | 2022ء                        | 2023ء  |                                  |
| 4,287                       | 1,981  | 11,631                       | 6,459  | فروخت                            |
| 360                         | (54)   | 1,008                        | (172)  | (خسارہ) / نفع قبل از ٹیکس        |
| (103)                       | (57)   | (282)                        | (99)   | ٹیکسیشن                          |
| 257                         | (111)  | 726                          | (271)  | (خسارہ) / نفع بعد از ٹیکس        |
| 7.16*                       | (3.10) | 20.18*                       | (7.54) | نی حصص (خسارہ)<br>/ آمدنی (روپے) |

\* بونس حصص کی وجہ سے ری اسٹیٹڈ

31 مارچ 2023ء کو اختتام پذیر نو ماہی پر کمپنی کی مجموعی فروخت 11.63 بلین روپے سے کم ہو کر 6.46 بلین روپے رہی جو کہ پچھلے سال کی اسی مدت کی نسبت 44 فیصد کم ہے۔

فروخت میں کمی کی بنیادی وجہ آٹو اسمبلرز کے پیداواری حجم میں خاطر خواہ کمی ہے۔ اسٹیٹ بینک آف پاکستان ("SBP") کی جانب سے بینکوں کو ہدایت جاری کی گئی تھی کہ وہ ضروری درآمدات کے زمرے کے تحت درآمدات کو ترجیح دیں۔ نتیجتاً بینکوں نے مکمل طور پر "completely knocked down" ("CKD") units کی درآمد کے لیے لیٹر آف کریڈٹس (LCs) کو محدود یا روک دیا جس سے آٹو اسمبلرز کو غیر پیداواری دنوں ("NPD") اعلان کرنے اور اپنی پیداوار نہ صلاحیت کو 40% سے 45% تک محدود کرنے پر مجبور ہو گئے ہیں۔

اس کے علاوہ آٹو اسمبلرز کے پیداواری حجم میں مسلسل کمی کی وجہ سے انونٹری کی سطح میں نمایاں اضافہ ہوا۔ ورکنگ کیپٹل اور جاری کردہ توسیعی پراجیکٹس میں پھنس جانے والے پیسوں کے نتیجے میں کمپنی کو بینکوں سے قرض لینا پڑا۔ قرضوں اور پالیسی کی شرح میں اضافے کے نتیجے میں پچھلے سال کی اسی مدت کی نسبت مالی اخراجات 187 ملین روپے (2022ء: 49 ملین

روپے) اور غیر ملکی کرنسی کے نقصانات 146 ملین روپے (2022ء: 116 ملین روپے) ہو گئے۔

کمپنی نے انویسٹری سے منسلک ورکنگ کیپٹل کو آزاد کرنے کے لیے مناسب اقدامات کیے ہیں تاکہ مارچ 2023ء کو ختم ہونے والے سہ ماہی میں قرضے کم لیے گئے اور مالی اخراجات کم ہوئے، اس بات کے باوجود کہ سود کی شرح میں اضافہ ہوا۔ کمپنی کو 172 ملین روپے کا قبل از ٹیکس نقصان اٹھانا پڑا جو کہ پچھلے سال کی اسی مدت میں 1,008 ملین روپے کا منافع تھا۔

ملین روپوں میں

انفرادی نتائج

| برائے سہ ماہی جنوری تا مارچ |        | برائے نو ماہی جولائی تا مارچ |        |                               |
|-----------------------------|--------|------------------------------|--------|-------------------------------|
| 2022ء                       | 2023ء  | 2022ء                        | 2023ء  |                               |
| 2,385                       | 1,232  | 6,745                        | 4,072  | فروخت                         |
| 137                         | (109)  | 456                          | (47)*  | (خسارہ) / نفع قبل از ٹیکس     |
| (40)                        | (33)   | (136)                        | (54)   | ٹیکسیشن                       |
| (97)                        | (142)  | 320                          | (101)  | (خسارہ) / نفع بعد از ٹیکس     |
| 2.69**                      | (3.96) | 8.90**                       | (2.80) | فی حصص (خسارہ) / آمدنی (روپے) |

\* بشمول ذیلی کمپنی سے 228.8 ملین روپے عبوری منافع منقسمہ

\*\* بونس حصص کی وجہ سے ری اسٹیڈڈ

مذکورہ بالا وجوہات کی وجہ سے زیر جائزہ نو ماہی میں کمپنی کی فروخت 4.07 بلین روپے رہی جو کہ پچھلے سال کی اسی مدت میں 6.74 بلین روپے تھی اور 40 فیصد کم ہے۔

انکم ٹیکس آرڈیننس 2001ء کے سیکشن 113 کی بنیاد پر کمپنی پر کم از کم ٹیکس لاگو ہوا تاہم یہ کم از کم ٹیکس deferred tax asset زیادہ ہونے کی وجہ سے ایڈجسٹ کر دیا۔

کمپنی کا نفع بعد از ٹیکس 132 فیصد سے کم ہو کر 101 ملین روپے رہا جو کہ پچھلے سال کی اسی مدت میں 320 ملین روپے تھا۔



## جائزہ

زیر جائزہ مدت کے دوران ملک میں جاری معاشی بحرانوں کی وجہ سے آٹوسیکٹر بد حالی کا شکار رہا۔ مسافر گاڑیوں کے حجم اور لائٹ کمرشل گاڑیوں کے شعبے میں گزشتہ برس کی اسی مدت کی نسبت بالترتیب %47 اور %20 کمی ہوئی۔ اسی دورانیہ میں موٹر سائیکل سیکٹر اور ٹریکٹر دونوں کے حجم میں %46 کمی ہوئی۔

SBP نے جنوری 2023ء سے افراط زر کو قابو کرنے کے لیے پالیسی کی شرح کو %16 سے بڑھا کر %21 کر دیا ہے، جس سے مجموعی کاروباری ماحول بری طرح متاثر ہو رہا ہے۔ تاہم SBP نے 31 مارچ 2023ء سے لاگو ہونے والی بعض اشیاء کی درآمد والی LCs پر کیش مارجن کی شرط کو معاف کر دیا ہے جو کہ کمپنی کی لیکویڈیٹی کے لحاظ سے سازگار ہونے کی امید ہے۔

کمپنی نے جاری لاگت پر قابو پانے کے لیے کئی اقدامات کر رہی ہے۔ تاہم انتہائی غیر مستحکم شرح مبادلہ اور ریکارڈ بلند افراط زر کے درمیان کوئی بھی بچت نظر انداز ہو رہی ہے۔

مندرجہ بالا عوامل کا صارفین کی طلب پر گہرا اثر ہوتا ہے، جس کے نتیجے میں کمپنی کی مصنوعات کی طلب متاثر ہوتی ہے۔ انتظامیہ اس کے نتیجے میں ہونے والے اثرات کو کم کرنے کے لیے مناسب اقدامات کر رہی ہے۔

## ایگری آٹو اسٹیٹمنٹ کمپنی (پرائیویٹ) لمیٹڈ ("ASC")

ASC تسلسل کے ساتھ اپنی بنیادی سرگرمی یعنی اعلیٰ تناؤ کے حامل شیٹ میٹل پرزوں کی اسٹیٹمنٹ پر پرتکڑ ہے اور اس میں مزید اضافہ کے لیے کوشاں ہے۔ ASC تسلسل کے ساتھ نئی مصنوعات کی ترویج اور حصول کے لیے کوشاں ہے۔ اس سے آپریشنز کے ساتھ ساتھ مختلف آٹو اسمبلرز کے لیے پرزوں کی پیداواری تعداد میں اضافہ ہو رہا ہے۔

کمپنی کے توسیعی پروجیکٹ جس پہ کہ 925 ملین روپے سرمایہ جاتی خرچ آئے گا اور جس میں دو نئے پریس 1,000 اور 500 ٹن شامل ہیں، منصوبہ بندی کے ساتھ آگے بڑھ رہا ہے اور توقع ہے کہ مالیاتی سال 2023ء کی چوتھی سہ ماہی میں مکمل ہو جائے گا۔ اس پروجیکٹ کی تکمیل کے بعد ASC کوئی کس 4 پریسز کی دو مکمل ٹینڈم لائنیں دستیاب ہوں گی اور اس سے پریس پارٹس کی پیداواری گنجائش میں اضافہ ہوگا اور مستقبل کی اضافی کاروباری ضروریات کو پورا کرنے میں مدد کرے گا۔

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 2023ء

**AGRIAUTO INDUSTRIES LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2023**

|  |      | March 31,<br>2023<br>(un-audited) | June 30,<br>2022<br>(audited) |
|--|------|-----------------------------------|-------------------------------|
|  | Note | ----- (Rupees in '000) -----      |                               |
| <b>ASSETS</b>  |      |                                   |                               |
| <b>NON-CURRENT ASSETS</b>  |      |                                   |                               |
| Property, plant and equipment  | 7    | 1,599,558                         | 1,235,589                     |
| Right-of-use assets  |      | 4,386                             | 10,230                        |
| Intangible assets  |      | 59,665                            | 75,730                        |
| Long-term investment   |      | 1,144,006                         | 1,144,006                     |
| Long-term deposits   |      | 9,022                             | 8,063                         |
| Deferred taxation - net  | 8    | 24,776                            | 27,011                        |
|  |      | 2,841,413                         | 2,500,629                     |
| <b>CURRENT ASSETS</b>  |      |                                   |                               |
| Stores, spares and loose tools   |      | 152,552                           | 149,300                       |
| Stock-in-trade   |      | 2,045,311                         | 2,221,450                     |
| Trade debts  | 9    | 451,318                           | 742,883                       |
| Advances, deposits, prepayments and other receivables                  | 10   | 327,985                           | 645,165                       |
| Accrued profit   | 11   | 1,179                             | 1,765                         |
| Short-term investments   | 12   | 38,734                            | 39,164                        |
| Sales tax receivable   |      | 1,650                             | -                             |
| Taxation – net   |      | 320,244                           | 328,036                       |
| Cash and bank balances   | 13   | 126,375                           | 67,147                        |
|  |      | 3,465,348                         | 4,194,910                     |
|  |      | 6,306,761                         | 6,695,539                     |
| <b>TOTAL ASSETS</b>  |      |                                   |                               |
| <b>EQUITY AND LIABILITIES</b>  |      |                                   |                               |
| <b>SHARE CAPITAL AND RESERVES</b>                                      |      |                                   |                               |
| Authorised capital   |      |                                   |                               |
| 40,000,000 (June 30, 2022: 40,000,000) ordinary shares of Rs. 5/- each |      | 200,000                           | 200,000                       |
| Issued, subscribed and paid-up capital                                 |      |                                   |                               |
| 36,000,000 (June 30, 2022: 28,800,000) ordinary shares of Rs. 5/- each |      | 180,000                           | 144,000                       |
| Reserves   |      | 4,240,253                         | 4,377,207                     |
|  |      | 4,420,253                         | 4,521,207                     |
| <b>NON-CURRENT LIABILITIES</b>   |      |                                   |                               |
| Lease liabilities  |      | 501                               | 3,387                         |
| Long-term financing - secured  | 14   | 366,690                           | 41,770                        |
| Deferred income  | 14   | 22,643                            | 19,435                        |
|  |      | 389,834                           | 64,592                        |
| <b>CURRENT LIABILITIES</b>   |      |                                   |                               |
| Trade and other payables   |      | 1,372,548                         | 1,308,062                     |
| Current maturity of lease liabilities                                  |      | 10,298                            | 8,795                         |
| Current maturity of long-term financing                                | 14   | 79,090                            | 4,020                         |
| Sales tax payable  |      | -                                 | 11,049                        |
| Unpaid dividend  |      | 6,928                             | 8,357                         |
| Unclaimed dividend   |      | 27,810                            | 26,956                        |
| Short-term running finance   | 15   | -                                 | 742,501                       |
|  |      | 1,496,674                         | 2,109,740                     |
| <b>CONTINGENCIES AND COMMITMENTS</b>                                   |      |                                   |                               |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                    |      |                                   |                               |
|  | 16   | 6,306,761                         | 6,695,539                     |

The annexed notes from 1 to 23 form an integral part of these unconsolidated condensed interim financial statements.

  
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 DIRECTOR

  
 \_\_\_\_\_  
 CHIEF EXECUTIVE

  
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 CHIEF FINANCIAL OFFICER

**AGRIAUTO INDUSTRIES LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS**  
**FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2023**  
**(un-audited)**

|  | Note | Nine months ended                                 |                    | Quarter ended                                     |                    |
|--|------|---|--------------------|---|--------------------|
|  |      | March 31,<br>2023<br>----- (Rupees in '000) ----- | March 31,<br>2022  | March 31,<br>2023<br>----- (Rupees in '000) ----- | March 31,<br>2022  |
| Turnover – net   |      | 4,071,921   | 6,745,030          | 1,231,925   | 2,385,260          |
| Cost of sales  |      | <u>(3,859,117)</u>                                | <u>(5,896,070)</u> | <u>(1,207,244)</u>                                | <u>(2,121,680)</u> |
| <b>Gross profit</b>                                    |      | <b>212,804</b>                                    | <b>848,960</b>     | <b>24,681</b>                                     | <b>263,580</b>     |
| Distribution costs                                     |      | <u>(89,794)</u>                                   | <u>(115,675)</u>   | <u>(28,084)</u>                                   | <u>(41,013)</u>    |
| Administrative expenses                                |      | <u>(189,826)</u>                                  | <u>(174,853)</u>   | <u>(60,654)</u>                                   | <u>(62,458)</u>    |
|  |      | <u>(279,620)</u>                                  | <u>(290,528)</u>   | <u>(88,738)</u>                                   | <u>(103,471)</u>   |
| <b>Operating (loss) / profit</b>                       |      | <b>(66,816)</b>                                   | <b>558,432</b>     | <b>(64,057)</b>                                   | <b>160,109</b>     |
| Other expenses   | 17   | <u>(92,915)</u>                                   | <u>(108,725)</u>   | <u>(20,363)</u>                                   | <u>(18,126)</u>    |
| Other income   | 18   | <u>239,914</u>                                    | <u>27,962</u>      | <u>2,946</u>                                      | <u>6,939</u>       |
| Finance costs  |      | <u>(127,385)</u>                                  | <u>(21,368)</u>    | <u>(27,941)</u>                                   | <u>(11,750)</u>    |
|  |      | <u>19,614</u>                                     | <u>(102,131)</u>   | <u>(45,358)</u>                                   | <u>(22,937)</u>    |
| <b>(Loss) / Profit before taxation</b>                 |      | <b>(47,202)</b>                                   | <b>456,301</b>     | <b>(109,415)</b>                                  | <b>137,172</b>     |
| Taxation   |      |   |                    |   |                    |
| - Current  |      | <u>(50,899)</u>                                   | <u>(152,147)</u>   | <u>(15,399)</u>                                   | <u>(44,173)</u>    |
| - Prior  |      | <u>(618)</u>                                      | <u>(352)</u>       | <u>(135)</u>                                      | <u>-</u>           |
| - Deferred   |      | <u>(2,235)</u>                                    | <u>16,733</u>      | <u>(17,756)</u>                                   | <u>3,926</u>       |
|  |      | <u>(53,752)</u>                                   | <u>(135,766)</u>   | <u>(33,290)</u>                                   | <u>(40,247)</u>    |
| <b>(Loss) / Profit after taxation</b>                  |      | <b>(100,954)</b>                                  | <b>320,535</b>     | <b>(142,705)</b>                                  | <b>96,925</b>      |
|  |      | ----- (Rupees) -----                              |                    |   |                    |
| <b>(Loss) / Earnings per share - basic and diluted</b> | 19   | <u>(2.80)</u>                                     | <u>8.90</u>        | <u>(3.96)</u>                                     | <u>2.69</u>        |

The annexed notes from 1 to 23 form an integral part of these unconsolidated condensed interim financial statements.

  
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 DIRECTOR

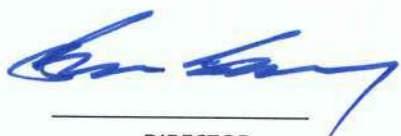
  
 \_\_\_\_\_  
 CHIEF EXECUTIVE

  
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 CHIEF FINANCIAL OFFICER

**AGRIAUTO INDUSTRIES LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2023**  
**(un-audited)**

|   | Nine months ended            |                   | Quarter ended                |                   |
|---|------------------------------|-------------------|------------------------------|-------------------|
|   | March 31,<br>2023            | March 31,<br>2022 | March 31,<br>2023            | March 31,<br>2022 |
|   | ----- (Rupees in '000) ----- |                   | ----- (Rupees in '000) ----- |                   |
| (Loss) / Profit after taxation for the period                 | (100,954)                    | 320,535           | (142,705)                    | 96,925            |
| Other comprehensive income<br>for the period                  | -                            | -                 | -                            | -                 |
| <b>Total comprehensive (loss) / income<br/>for the period</b> | <b>(100,954)</b>             | <b>320,535</b>    | <b>(142,705)</b>             | <b>96,925</b>     |

The annexed notes from 1 to 23 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, 2023**

| Issued,<br>subscribed and<br>paid-up capital                          | Reserves           |                  |                          | Total<br>reserves | Total<br>equity  |                  |
|---|--------------------|------------------|--------------------------|-------------------|------------------|------------------|
|   | Capital<br>reserve | Revenue reserves |                          |                   |                  |                  |
|   | Share<br>premium   | General          | Unappropriated<br>profit |                   |                  |                  |
| ----- (Rupees in '000) -----  |                    |                  |                          |                   |                  |                  |
| <b>Balance as at July 01, 2021 (audited)</b>                          | 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 income for the period                             | -                  | -                | -                        | 320,535           | 320,535          | 320,535          |
| <b>Balance as at March 31, 2022 (un-audited)</b>                      | <u>144,000</u>     | <u>12,598</u>    | <u>3,965,000</u>         | <u>416,135</u>    | <u>4,393,733</u> | <u>4,537,733</u> |
| <b>Balance as at July 01, 2022 (audited)</b>                          | 144,000            | 12,598           | 3,965,000                | 399,609           | 4,377,207        | 4,521,207        |
| Transfer to general reserve   | -                  | -                | 300,000                  | (300,000)         | -                | -                |
| Issue of bonus shares   | 36,000             | -                | -                        | (36,000)          | (36,000)         | -                |
| Loss after taxation for the period                                    | -                  | -                | -                        | (100,954)         | (100,954)        | (100,954)        |
| Other comprehensive income for the period                             | -                  | -                | -                        | -                 | -                | -                |
| Total comprehensive loss for the period                               | -                  | -                | -                        | (100,954)         | (100,954)        | (100,954)        |
| <b>Balance as at March 31, 2023 (un-audited)</b>                      | <u>180,000</u>     | <u>12,598</u>    | <u>4,265,000</u>         | <u>(37,345)</u>   | <u>4,240,253</u> | <u>4,420,253</u> |

The annexed notes from 1 to 23 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 PERIOD ENDED MARCH 31, 2023**  
**(un-audited)**

|   | Nine months ended |                   |
|---|-------------------|-------------------|
|   | March 31,<br>2023 | March 31,<br>2022 |
|   | (Rupees in '000)  |                   |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                     |                   |                   |
| (Loss) / Profit before taxation                                 | (47,202)          | 456,301           |
| <b>Adjustments for:</b>   |                   |                   |
| Depreciation and amortisation                                   | 118,112           | 75,631            |
| Finance costs   | 127,385           | 21,368            |
| (Reversal) / charge for expected credit losses                  | (22)              | 23                |
| Profit on term deposit receipts and deposit accounts            | (5,940)           | (5,012)           |
| Dividend income   | (228,802)         | -                 |
| Capital work-in-progress charged off                            | 32                | 800               |
| Gain on disposal of operating fixed assets                      | (3,200)           | (2,873)           |
|   | <u>(39,637)</u>   | <u>546,238</u>    |
| Decrease / (increase) in current assets                         | 781,020           | (1,674,524)       |
| Increase in current liabilities                                 | 49,929            | 497,566           |
| <b>Cash generated from / (used in) operations</b>               | <u>791,312</u>    | <u>(630,720)</u>  |
| Finance costs paid  | (122,957)         | (14,051)          |
| Long-term deposits paid   | (959)             | (762)             |
| Income tax paid / adjusted                                      | (43,725)          | (17,635)          |
| <b>Net cash generated from / (used in) operating activities</b> | <u>623,671</u>    | <u>(663,168)</u>  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                     |                   |                   |
| Fixed capital expenditure                                       | (466,634)         | (193,224)         |
| Proceeds from disposal of property, plant and equipment         | 9,788             | 11,506            |
| Dividend received   | 228,802           | -                 |
| Profit received on term deposit receipts and deposit accounts   | 6,956             | 4,825             |
| <b>Net cash used in investing activities</b>                    | <u>(221,088)</u>  | <u>(176,893)</u>  |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                     |                   |                   |
| Long-term financing obtained                                    | 507,769           | 47,184            |
| Long-term financing repaid                                      | (105,300)         | (414)             |
| Dividend paid   | (575)             | (171,975)         |
| Lease payments  | (2,748)           | (7,297)           |
| <b>Net cash generated from / (used in) financing activities</b> | <u>399,146</u>    | <u>(132,502)</u>  |
| <b>Net increase / (decrease) in cash and cash equivalents</b>   | <u>801,729</u>    | <u>(972,563)</u>  |
| Cash and cash equivalents at the beginning of the period        | (637,354)         | 250,871           |
| <b>Cash and cash equivalents at the end of the period</b>       | <u>164,375</u>    | <u>(721,692)</u>  |
| <b>CASH AND CASH EQUIVALENTS</b>                                |                   |                   |
| Cash and bank balances  | 126,375           | 49,579            |
| Short-term investments  | 38,000            | 38,000            |
| Short-term running finance                                      | -                 | (809,271)         |
|   | <u>164,375</u>    | <u>(721,692)</u>  |

The annexed notes from 1 to 23 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 PERIOD ENDED MARCH 31, 2023**  
**(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.

**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, 2022.

**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, 2022.

**5 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED ACCOUNTING AND REPORTING STANDARDS THAT ARE EFFECTIVE IN THE CURRENT PERIOD**

There are certain amendments to the published accounting and reporting standards that are mandatory for the Company's annual accounting period beginning on July 1, 2022. However, these do not have any significant impact on the Company's operations and, therefore, have not been detailed in these unconsolidated condensed interim financial statements.

**6 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED ACCOUNTING AND REPORTING STANDARDS THAT ARE NOT YET EFFECTIVE**

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

| <b>Standards, interpretations and amendments</b>  | <b>Effective date</b> |
|---|-----------------------|
| Definition of Accounting Estimates - Amendments to IAS 8  | January 01, 2023      |
| Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2                 | January 01, 2023      |
| Deferred Tax related to Assets and Liabilities arising from a Single Transaction Amendments to IAS 12 | January 01, 2023      |
| Classification of liabilities as current or non-current - Amendment to IAS 1                          | January 01, 2024      |



| Standards, interpretations and amendments   | Effective date    |
|---|-------------------|
| Lease Liability in a Sale and Leaseback - Amendments to IFRS 16   | January 01, 2024  |
| Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28 | Not yet finalised |

The above standards and amendments are not expected to have any material impact on the Company's unconsolidated condensed interim financial statements in the period of initial application.

| Standards   | IASB Effective date<br>(annual periods<br>beginning on or after)  |
|---|---|
| IFRS 1 - First-time Adoption of International Financial Reporting Standards | July 01, 2009   |
| IFRS 17 – Insurance Contracts   | January 01, 2023  |
|   | <b>March 31,                  June 30,</b><br><b>2023                                  2022</b><br>----- (Rupees in '000) -----<br><b>(un-audited)                  (audited)</b> |
| <b>7</b>  | <b>PROPERTY, PLANT AND EQUIPMENT</b>  |
| Operating fixed assets  | 7.1 & 7.2 <b>1,034,019</b> 919,292  |
| Capital work-in-progress  | 7.3 <b>565,539</b> 316,297  |
|   | <b><u>1,599,558</u></b> <b><u>1,235,589</u></b>   |

7.1 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,                    |                      |
|                        | 2023                          | 2022                 | 2023                         | 2022                 |
|                        | (un-audited)                  |                      | (un-audited)                 |                      |
|                        | ----- (Rupees in '000) -----  |                      | ----- (Rupees in '000) ----- |                      |
| <b>Owned</b>           |                               |                      |                              |                      |
| Plant and machinery    | 197,459                       | 44,568               | 6,247                        | 7,337                |
| Furniture and fittings | -                             | 2,546                | -                            | -                    |
| Vehicles               | 14,839                        | 11,449               | 80                           | 8,045                |
| Office equipment       | -                             | 443                  | -                            | -                    |
| Computer equipment     | 5,062                         | 2,693                | 261                          | 97                   |
| Dies and tools         | -                             | 31,015               | -                            | -                    |
|                        | <b><u>217,360</u></b>         | <b><u>92,714</u></b> | <b><u>6,588</u></b>          | <b><u>15,479</u></b> |

7.2 Depreciation charge for the period amounted to Rs. 96.04 million (March 31, 2022: Rs. 86.99 million).

|   | March 31,                    | June 30,              |
|---|------------------------------|-----------------------|
|   | 2023                         | 2022                  |
|   | ----- (Rupees in '000) ----- |                       |
|   | (un-audited)                 | (audited)             |
| <b>7.3 Capital work-in-progress</b>                                   |                              |                       |
| Balance at the beginning of the period / year                         | 316,297                      | 38,516                |
| Capital expenditure incurred / advances made during the period / year | 396,753                      | 360,980               |
| Transfer to operating fixed assets during the period / year           | (147,479)                    | (82,399)              |
| Charged off during the period / year                                  | (32)                         | (800)                 |
| Balance at the end of the period / year                               | <b><u>565,539</u></b>        | <b><u>316,297</u></b> |

|             |   | March 31,<br>2023<br>----- (Rupees in '000) -----<br>(un-audited) | June 30,<br>2022<br>----- (Rupees in '000) -----<br>(audited) |
|-------------|---|---|---|
| <b>8</b>    | <b>DEFERRED TAXATION - NET</b>  |   |   |
|             | Deductible temporary differences arising due to:  |   |   |
|             | - provisions and long-term financing  | 144,912   | 129,706   |
|             | - lease liabilities and right-of-use-assets   | 2,117   | 644   |
|             | Taxable temporary differences arising due to:   |   |   |
|             | - accelerated tax depreciation  | <u>(122,253)</u>  | <u>(103,339)</u>  |
|             |   | <u>24,776</u>   | <u>27,011</u>   |
| <b>9</b>    | Includes an amount of Rs. Nil (June 30, 2022: Rs. 3.96 million) and Rs. Nil (June 30, 2022: Rs. 5.04 million) receivable from Agriauto Stamping Company (Private) Limited, a wholly owned subsidiary and Thal Boshoku Pakistan (Private) Limited - associated company, respectively, against sales made by the Company.   |   |   |
| <b>10</b>   | Includes an amount of Rs. 48.59 million (June 30, 2022: Rs. 391.06 million) against LC margin deposits, out of which Rs. 38.13 million (June 30, 2022: Rs. 76.21 million) are held with Habib Metropolitan Bank Limited - associated company. Additionally includes Rs. 226.77 million (June 30, 2022: Rs. 226.77 million) with respect to claim against Additional Custom Duty from a customer and Rs. 1.76 million (June 30, 2022: Rs. Nil) receivable from Agriauto Stamping Company (Private) Limited, a wholly owned subsidiary.   |   |   |
| <b>11</b>   | Represents accrued profit on deposit account held with Habib Metropolitan Bank Limited - associated company.  |   |   |
|             |   | March 31,<br>2023<br>----- (Rupees in '000) -----<br>(un-audited) | June 30,<br>2022<br>----- (Rupees in '000) -----<br>(audited) |
|             | Note  |   |   |
| <b>12</b>   | <b>SHORT-TERM INVESTMENTS</b>   |   |   |
|             | At amortised cost   |   |   |
|             | Term deposit receipts   | 12.1<br>38,000  | 38,000  |
|             | Accrued profit thereon  | 734   | 1,164   |
|             |   | <u>38,734</u>   | <u>39,164</u>   |
| <b>12.1</b> | Represents three months term deposit receipts with a commercial bank under conventional banking relationship carrying profit rate ranging from 15% to 17.75% (June 30, 2022: 12.75% to 13%) per annum and having latest maturity date of June 10, 2023.   |   |   |
| <b>13</b>   | Includes an amount of Rs. 82.41 million (June 30, 2022: Rs. 29.06 million) and Rs. 40.65 million (June 30, 2022: Rs. 37.50 million) held with Habib Metropolitan Bank Limited - associated company in bank accounts and dividend accounts respectively.   |   |   |
|             |   | March 31,<br>2023<br>----- (Rupees in '000) -----<br>(un-audited) | June 30,<br>2022<br>----- (Rupees in '000) -----<br>(audited) |
|             | Note  |   |   |
| <b>14</b>   | <b>LONG-TERM FINANCING - SECURED</b>  |   |   |
|             | SBP refinance scheme for renewable energy   | 14.1<br>45,780  | 45,790  |
|             | Current maturity of long-term financing   | (4,090)   | (4,020)   |
|             |   | 41,690  | 41,770  |
|             | Long-term loan  | 14.2<br>400,000   | -   |
|             | Current maturity of long-term loan  | (75,000)  | -   |
|             |   | 325,000   | -   |
|             |   | 14.3<br><u>366,690</u>  | <u>41,770</u>   |
| <b>14.1</b> | 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, 2022: 2% plus 0.75%) 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 16.65% (June 30, 2022: 10.02% to 15.60%) per annum. |   |   |
| <b>14.2</b> | This represents long-term financing facility obtained from a conventional bank with a total limit of Rs. 500 million and at a markup rate of 3 months KIBOR + 30 bps payable on quarterly basis. The tenure of this facility is six years, including grace period of one year. This facility is secured by first pari passu hypothecation / first charge over present and future fixed assets (excluding land and building) of the Company with 25% margin.   |   |   |



|             | Note  | March 31,<br>2023<br>----- (Rupees in '000) -----<br>(un-audited) | June 30,<br>2022<br>----- (Rupees in '000) -----<br>(audited) |
|-------------|---|---|---|
| <b>14.3</b> | <b>Movement of long-term financing</b>              |   |   |
|             | Balance at beginning of the period / year           | 45,790  | -   |
|             | Financing received during the period / year         | 507,769   | 65,483  |
|             | Repayment made during the period / year             | (105,300)   | (1,619)   |
|             | Recognised as deferred income for the period / year | (3,208)   | (19,435)  |
|             | Accretion of interest during the period / year      | 728   | 1,361   |
|             | Balance at end of the period / year                 | <u>445,779</u>  | <u>45,790</u>   |
|             | Current maturity of long-term financing             | <u>(79,090)</u>   | <u>(4,020)</u>  |
|             |   | <u>366,689</u>  | <u>41,770</u>   |

14.4 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.

## 15 SHORT-TERM RUNNING FINANCE

Represents short-term running finance obtained from various banks amounting to Rs. Nil (June 30, 2022: Rs. 742.50 million). The total facility limit amounts to Rs. 1,240 million (June 30, 2022: Rs. 990 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, 2022: 3 months KIBOR plus rates varying from 0.20% 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. Includes an amount of Rs. Nil (June 30, 2022: Rs. Nil) from Habib Metropolitan Bank Limited - associated company, against short-term running finance availed as at the reporting date.

## 16 CONTINGENCIES AND COMMITMENTS

### 16.1 Contingencies

There is no material change in the status of contingencies as reported in the annual financial statements for the year ended June 30, 2022.

### 16.2 Commitments

16.2.1 Commitments in respect of outstanding letters of credit for raw material amounting to Rs. 325.15 million (June 30, 2022: Rs. 965.80 million), out of which Rs. 126.63 million (June 30, 2022: Rs. 175.82 million) is outstanding with Habib Metropolitan Bank Limited - associated company as at the reporting date.

16.2.2 Commitments in respect of capital expenditure amounting to Rs. 141.60 million (June 30, 2022: Rs. 258.83 million), out of which Rs. 88.09 million (June 30, 2022: Rs. 154.36 million) is outstanding with Habib Metropolitan Bank Limited - associated company as at the reporting date.

|           |  | March 31,<br>2023<br>----- (Rupees in '000) -----<br>(un-audited) | March 31,<br>2022<br>----- (Rupees in '000) -----<br>(un-audited) |
|-----------|--|---|---|
| <b>17</b> | <b>OTHER EXPENSES</b>                                |   |   |
|           | Exchange loss on foreign currency transactions - net | 92,413  | 68,743  |
|           | Workers' Profit Participation Fund                   | -   | 24,319  |
|           | Workers' Welfare Fund                                | -   | 10,778  |
|           | Donations  | 502   | 4,885   |
|           |  | <u>92,915</u>   | <u>108,725</u>  |

18 Includes Rs. 228.80 million (March 31, 2022: Rs. Nil) on account of dividend income from the wholly owned subsidiary Agriauto Stamping Company (Private) Limited.

19 (LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED

|   | March 31,<br>2023<br>(un-audited) | March 31,<br>2022<br>(un-audited) |
|---|-----------------------------------|-----------------------------------|
| (Loss) / Profit after taxation (Rs. in '000)  | <u>(100,954)</u>                  | <u>320,535</u>                    |
|   |                                   | (Restated)                        |
| Weighted average number of ordinary shares outstanding during the period (shares in '000) | <u>36,000</u>                     | <u>36,000</u>                     |
|   |                                   | (Restated)                        |
| (Loss) / Earnings per share (Rs.)   | <u>(2.80)</u>                     | <u>8.90</u>                       |

19.1 The shareholders of the Company, in the Annual General Meeting held on October 20, 2022 approved to issue bonus shares in the proportion of 1 share for every 4 shares held i.e., 25%. This has resulted in restatement of basic and diluted earnings per share.

20 FAIR VALUE MEASUREMENT

Fair value is the amount for which an asset could be exchanged, or a liability can be settled, between knowledgeable willing parties in an arm's length transaction. The carrying amounts of all the financial instruments reflected in these unconsolidated condensed interim financial statements approximate to their fair value.

The following table shows assets recognised at fair value, analysed between those whose fair value is based on:

Level 1: Quoted prices in active markets for identical assets or liabilities;

Level 2: Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: Those whose inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As of the reporting date, the Company does not have any financial assets carried at fair value that required categorisation in Level 1, Level 2 and Level 3.

21 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 the normal course of business as approved by the Board of Directors of the Company. 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<br>% | March 31,<br>2023<br>----- (Rupees in '000) -----<br>(un-audited) | March 31,<br>2022<br>(un-audited) |
|---|---|---|---|-----------------------------------|
| <b>Subsidiary (wholly owned)</b>                        |   |   |   |                                   |
| Agriauto Stamping Company (Private) Limited             | Sale of goods   | Nil   | 24,492  | 67,560                            |
|   | Dividend received   |   | 228,802   | -                                 |
|   | Tax refund adjusted under group taxation                  |   | <u>26,651</u>   | <u>64,242</u>                     |
| <b>Associated Companies (Common directorship)</b>       |   |   |   |                                   |
| Thal Limited  | Dividend paid   | 7.35  | <u>-</u>  | <u>12,694</u>                     |
| Shabbir Tiles and Ceramics Limited                      | Purchases   | Nil   | <u>651</u>  | <u>-</u>                          |
| Thal Boshoku Pakistan (Private) Limited                 | Sale of goods   | Nil   | <u>19,763</u>   | <u>27,374</u>                     |
| Habib Metropolitan Bank Limited                         | Mark-up expense   | Nil   | 10,036  | 2,860                             |
|   | Profit earned on term deposit receipt and deposit account |   | 2,665   | 3,294                             |
|   | Bank charges  |   | 1,634   | 2,888                             |
|   | Guarantee given   |   | <u>30,000</u>   | <u>30,000</u>                     |



| Name of related party and relationship with the Company | Nature of transactions  | Percentage of share holding in the Company % | March 31, 2023<br>----- (Rupees in '000) -----<br>(un-audited) | March 31, 2022<br>----- (Rupees in '000) -----<br>(un-audited) |
|---|---|--|--|--|
| <b>Retirement benefit funds</b>                         |   |  |  |  |
| Employees' Provident Fund                               | Contribution  | Nil  | <u>12,478</u>  | <u>10,056</u>  |
| <b>Key management personnel</b>                         | Remuneration and other benefits   | Nil  | <u>34,905</u>  | <u>29,369</u>  |
|   | Fee for attending board meetings  |  | <u>1,500</u>   | <u>2,100</u>   |
|   | Sale of laptop having net book value of Rs. 0.04 million as per the Company's policy  |  | 18   | -  |
|   | Sale of vehicle having net book value of Rs. 0.76 million as per the Company's policy |  | -  | <u>875</u>   |

**22 DATE OF AUTHORISATION FOR ISSUE**

These unconsolidated condensed interim financial statements were authorised for issue on April 28, 2023 by the Board of Directors of the Company.

**23 GENERAL**

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

**23.2** Certain prior period's figures have been reclassified for better presentation, wherever necessary. However, there are no material reclassifications to report except for exchange loss from cost of sales to other expenses.

  
\_\_\_\_\_  
DIRECTOR

  
\_\_\_\_\_  
CHIEF EXECUTIVE

  
\_\_\_\_\_  
CHIEF FINANCIAL OFFICER

**AGRIAUTO INDUSTRIES LIMITED**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2023**

|  |      | March 31,<br>2023<br>(un-audited) |  | June 30,<br>2022<br>(audited) |
|--|------|-----------------------------------|--|-------------------------------|
|  | Note | ----- (Rupees in '000) -----      |  |                               |
| <b>ASSETS</b>  |      |                                   |  |                               |
| <b>NON-CURRENT ASSETS</b>  |      |                                   |  |                               |
| Property, plant and equipment  | 7    | 3,358,289                         |  | 2,835,452                     |
| Right-of-use assets  |      | 4,386                             |  | 10,230                        |
| Intangible assets  |      | 59,665                            |  | 75,730                        |
| Long-term deposits   |      | 17,475                            |  | 15,517                        |
|  |      | 3,439,815                         |  | 2,936,929                     |
| <b>CURRENT ASSETS</b>  |      |                                   |  |                               |
| Stores, spares and loose tools   |      | 174,332                           |  | 171,494                       |
| Stock-in-trade   |      | 3,160,193                         |  | 3,784,346                     |
| Trade debts  | 8    | 760,575                           |  | 1,179,531                     |
| Advances, deposits, prepayments and other receivables                  | 9    | 545,296                           |  | 903,140                       |
| Accrued profit   | 10   | 2,754                             |  | 1,879                         |
| Short term investments   | 11   | 75,397                            |  | 78,286                        |
| Sales tax receivable   |      | 60,437                            |  | 238,672                       |
| Taxation – net   |      | 269,359                           |  | 61,799                        |
| Cash and bank balances   | 12   | 193,434                           |  | 170,029                       |
|  |      | 5,241,777                         |  | 6,589,176                     |
| <b>TOTAL ASSETS</b>  |      | 8,681,592                         |  | 9,526,105                     |
| <b>EQUITY AND LIABILITIES</b>  |      |                                   |  |                               |
| <b>SHARE CAPITAL AND RESERVES</b>                                      |      |                                   |  |                               |
| Authorised capital   |      |                                   |  |                               |
| 40,000,000 (June 30, 2022: 40,000,000) ordinary shares of Rs. 5/- each |      | 200,000                           |  | 200,000                       |
| Issued, subscribed and paid-up capital                                 |      |                                   |  |                               |
| 36,000,000 (June 30, 2022: 28,800,000) ordinary shares of Rs. 5/- each |      | 180,000                           |  | 144,000                       |
| Reserves   |      | 5,883,460                         |  | 6,191,025                     |
|  |      | 6,063,460                         |  | 6,335,025                     |
| <b>NON-CURRENT LIABILITIES</b>   |      |                                   |  |                               |
| Deferred taxation - net  | 13   | 69,182                            |  | 48,570                        |
| Lease liabilities  |      | 501                               |  | 3,387                         |
| Long-term financing - secured  | 14   | 427,847                           |  | 80,657                        |
| Deferred income  | 14   | 40,993                            |  | 34,827                        |
|  |      | 538,523                           |  | 167,441                       |
| <b>CURRENT LIABILITIES</b>   |      |                                   |  |                               |
| Trade and other payables   |      | 1,919,264                         |  | 1,863,191                     |
| Current maturity of lease liabilities                                  |      | 10,298                            |  | 8,795                         |
| Current maturity of long-term financing                                | 14   | 115,309                           |  | 10,270                        |
| Unpaid dividend  |      | 6,928                             |  | 8,357                         |
| Unclaimed dividend   |      | 27,810                            |  | 26,956                        |
| Short-term running finance   | 15   | -                                 |  | 1,106,070                     |
|  |      | 2,079,609                         |  | 3,023,639                     |
| <b>CONTINGENCIES AND COMMITMENTS</b>                                   | 16   |                                   |  |                               |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                    |      | 8,681,592                         |  | 9,526,105                     |

The annexed notes from 1 to 22 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, 2023**  
**(un-audited)**

|   | Note | Nine months ended            |                      | Quarter ended                |                    |
|---|------|------------------------------|----------------------|------------------------------|--------------------|
|   |      | March 31,<br>2023            | March 31,<br>2022    | March 31,<br>2023            | March 31,<br>2022  |
|   |      | ----- (Rupees in '000) ----- |                      | ----- (Rupees in '000) ----- |                    |
| Turnover – net                                  |      | 6,458,760                    | 11,630,839           | 1,980,910                    | 4,287,114          |
| Cost of sales                                   |      | <u>(5,953,162)</u>           | <u>(10,059,232)</u>  | <u>(1,851,832)</u>           | <u>(3,738,599)</u> |
| Gross profit                                    |      | 505,598                      | 1,571,607            | 129,078                      | 548,515            |
| Distribution costs                              |      | <u>(97,144)</u>              | <u>(124,390)</u>     | <u>(30,682)</u>              | <u>(45,739)</u>    |
| Administrative expenses                         |      | <u>(277,012)</u>             | <u>(233,616)</u>     | <u>(87,396)</u>              | <u>(86,206)</u>    |
| Operating profit                                |      | 131,442                      | 1,213,601            | 11,000                       | 416,570            |
| Other expenses                                  | 17   | <u>(159,793)</u>             | <u>(200,267)</u>     | <u>(34,054)</u>              | <u>(39,504)</u>    |
| Other income                                    |      | 43,282                       | 44,409               | 7,499                        | 11,520             |
| Finance costs                                   |      | <u>(187,123)</u>             | <u>(49,324)</u>      | <u>(39,110)</u>              | <u>(28,087)</u>    |
| (Loss) / Profit before taxation                 |      | <u>(303,634)</u>             | <u>(205,182)</u>     | <u>(65,665)</u>              | <u>(56,071)</u>    |
|   |      | (172,192)                    | 1,008,419            | (54,665)                     | 360,499            |
| Taxation  |      |                              |                      |                              |                    |
| - Current                                       |      | <u>(79,209)</u>              | <u>(323,193)</u>     | <u>(23,236)</u>              | <u>(104,684)</u>   |
| - Prior   |      | 448                          | 8,788                | (135)                        | -                  |
| - Deferred                                      |      | <u>(20,612)</u>              | <u>32,559</u>        | <u>(33,427)</u>              | <u>1,805</u>       |
|   |      | (99,373)                     | (281,846)            | (56,798)                     | (102,879)          |
| (Loss) / Profit after taxation                  |      | <u>(271,565)</u>             | <u>726,573</u>       | <u>(111,463)</u>             | <u>257,620</u>     |
|   |      |                              |                      |                              |                    |
|   |      |                              | ----- (Rupees) ----- |                              |                    |
| (Loss) / Earnings per share - basic and diluted | 18   | <u>(7.54)</u>                | <u>20.18</u>         | <u>(3.10)</u>                | <u>7.16</u>        |

The annexed notes from 1 to 22 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 PERIOD ENDED MARCH 31, 2023**  
(un-audited)

|   | Nine months ended                                |                   | Quarter ended                                    |                   |
|---|--|-------------------|--|-------------------|
|   | March 31,<br>2023<br>------(Rupees in '000)----- | March 31,<br>2022 | March 31,<br>2023<br>------(Rupees in '000)----- | March 31,<br>2022 |
| (Loss) / Profit for the period                            | (271,565)  | 726,573           | (111,463)  | 257,620           |
| Other comprehensive income for the period                 | -  | -                 | -  | -                 |
| <b>Total comprehensive (loss) / income for the period</b> | <b>(271,565)</b>                                 | <b>726,573</b>    | <b>(111,463)</b>                                 | <b>257,620</b>    |

The annexed notes from 1 to 22 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, 2023**  
(un-audited)

|   | Reserves                               |                 |                  |                       | Total reserves   | Total equity     |
|---|--|-----------------|------------------|-----------------------|------------------|------------------|
|   | Issued, subscribed and paid-up capital | Capital reserve | Revenue reserves |                       |                  |                  |
|   |  | Share premium   | General          | Unappropriated profit |                  |                  |
| ----- (Rupees in '000) -----  |  |                 |                  |                       |                  |                  |
| <b>Balance as at July 01, 2021 (audited)</b>                          | 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   | -                                      | -               | 350,000          | (350,000)             | -                | -                |
| 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          |
| <b>Balance as at March 31, 2022 (un-audited)</b>                      | <u>144,000</u>                         | <u>12,598</u>   | <u>2,665,000</u> | <u>3,503,179</u>      | <u>6,180,777</u> | <u>6,324,777</u> |
| <b>Balance as at July 01, 2022 (audited)</b>                          | 144,000                                | 12,598          | 2,665,000        | 3,513,427             | 6,191,025        | 6,335,025        |
| Transfer to general reserve   | -                                      | -               | 500,000          | (500,000)             | -                | -                |
| Issue of bonus shares   | 36,000                                 | -               | -                | (36,000)              | (36,000)         | -                |
| Loss after taxation for the period                                    | -                                      | -               | -                | (271,565)             | (271,565)        | (271,565)        |
| Other comprehensive income  | -                                      | -               | -                | -                     | -                | -                |
| Total comprehensive loss for the period                               | -                                      | -               | -                | (271,565)             | (271,565)        | (271,565)        |
| <b>Balance as at March 31, 2023 (un-audited)</b>                      | <u>180,000</u>                         | <u>12,598</u>   | <u>3,165,000</u> | <u>2,705,862</u>      | <u>5,883,460</u> | <u>6,063,460</u> |

The annexed notes from 1 to 22 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 PERIOD ENDED MARCH 31, 2023**  
**(un-audited)**

|   | Nine months ended |                    |
|---|-------------------|--------------------|
|   | March 31,<br>2023 | March 31,<br>2022  |
|   | (Rupees in '000)  |                    |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                     |                   |                    |
| (Loss) / Profit before taxation                                 | (172,192)         | 1,008,419          |
| <b>Adjustments for:</b>   |                   |                    |
| Depreciation and amortisation                                   | 268,456           | 212,759            |
| Finance costs   | 187,123           | 49,324             |
| Reversal for expected credit losses                             | (22)              | (1,928)            |
| Profit on term deposit receipts and deposit accounts            | (13,223)          | (11,140)           |
| Capital work-in-progress charged off                            | 32                | 800                |
| Gain on disposal of operating fixed assets                      | (3,197)           | (3,089)            |
|   | <u>266,977</u>    | <u>1,255,145</u>   |
| Decrease / (increase) in current assets                         | 1,467,411         | (2,779,869)        |
| (Decrease) / increase in current liabilities                    | (8,431)           | 742,253            |
| <b>Cash generated from / (used in) operations</b>               | <u>1,725,957</u>  | <u>(782,471)</u>   |
| Finance costs paid  | (189,684)         | (31,182)           |
| Long term deposits paid   | (1,958)           | (962)              |
| Income tax adjusted / paid                                      | (109,448)         | (215,773)          |
| <b>Net cash generated from / (used in) operating activities</b> | <u>1,424,867</u>  | <u>(1,030,388)</u> |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                     |                   |                    |
| Fixed capital expenditure                                       | (775,963)         | (578,951)          |
| Proceeds from disposal of property, plant and equipment         | 9,873             | 14,955             |
| Profit received on term deposit receipts and deposit accounts   | 14,257            | 11,066             |
| <b>Net cash used in investing activities</b>                    | <u>(751,833)</u>  | <u>(552,930)</u>   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                     |                   |                    |
| Long-term financing obtained                                    | 717,691           | 108,928            |
| Long-term financing repaid                                      | (260,427)         | (1,574)            |
| Dividend paid   | (575)             | (171,975)          |
| Lease payments  | (2,748)           | (7,297)            |
| <b>Net cash generated from / (used in) financing activities</b> | <u>453,941</u>    | <u>(71,918)</u>    |
| <b>Net increase / (decrease) in cash and cash equivalents</b>   | <u>1,126,975</u>  | <u>(1,655,236)</u> |
| Cash and cash equivalents at the beginning of the period        | (859,041)         | 455,215            |
| <b>Cash and cash equivalents at the end of the period</b>       | <u>267,934</u>    | <u>(1,200,021)</u> |
| <b>CASH AND CASH EQUIVALENTS</b>                                |                   |                    |
| Cash and bank balances  | 193,434           | 74,307             |
| Short-term investments  | 74,500            | 77,000             |
| Short-term running finance                                      | -                 | (1,351,328)        |
|   | <u>267,934</u>    | <u>(1,200,021)</u> |

The annexed notes from 1 to 22 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 PERIOD ENDED MARCH 31, 2023**  
**(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** As of the reporting date, the Group's shareholding in its subsidiary is 100% (June 30, 2022: 100%).

**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 annual consolidated financial statements, and should be read in conjunction with the consolidated audited financial statements of the Group for the year ended June 30, 2022.

**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 consolidated financial statements for the year ended June 30, 2022.

**5 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED ACCOUNTING AND REPORTING STANDARDS THAT ARE EFFECTIVE IN THE CURRENT PERIOD**

There are certain amendments to the published accounting and reporting standards that are mandatory for the Group's annual accounting period beginning on July 1, 2022. However, these do not have any significant impact on the Group's operations and, therefore, have not been detailed in these consolidated condensed interim financial statements.

**6 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED ACCOUNTING AND REPORTING STANDARDS THAT ARE NOT YET EFFECTIVE**

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

| <b>Standards, interpretations and amendments</b>  | <b>Effective date</b> |
|---|-----------------------|
| Definition of Accounting Estimates - Amendments to IAS 8  | January 01, 2023      |
| Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2                 | January 01, 2023      |
| Deferred Tax related to Assets and Liabilities arising from a Single Transaction Amendments to IAS 12 | January 01, 2023      |
| Classification of liabilities as current or non-current - Amendment to IAS 1                          | January 01, 2024      |
| Lease Liability in a Sale and Leaseback - Amendments to IFRS 16                                       | January 01, 2024      |

| Standards, interpretations and amendments   | Effective date    |
|---|-------------------|
| Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28 | Not yet finalised |

The above standards and amendments are not expected to have any material impact on the Group's consolidated condensed interim financial statements in the period of initial application.

| Standards   | IASB Effective date<br>(annual periods<br>beginning on or after) |
|---|--|
| IFRS 1 - First-time Adoption of International Financial Reporting Standards | July 01, 2009  |
| IFRS 17 – Insurance Contracts   | January 01, 2023   |

|  | Note      | March 31,<br>2023<br>----- (Rupees in '000) -----<br>(un-audited) | June 30,<br>2022<br>----- (Rupees in '000) -----<br>(audited) |
|--|-----------|---|---|
| <b>7 PROPERTY, PLANT AND EQUIPMENT</b>   |           |   |   |
| Operating fixed assets   | 7.1 & 7.2 | 2,446,699   | 2,214,120   |
| Capital work-in-progress   | 7.3       | 911,590   | 621,332   |
|  |           | <u>3,358,289</u>  | <u>2,835,452</u>  |
| 7.1 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<br>Nine months ended<br>March 31, |                | Disposal at NBV<br>Nine months ended<br>March 31,    |               |
|------------------------|---|----------------|--|---------------|
|                        | 2023<br>(un-audited)<br>----- (Rupees in '000) -----            | 2022           | 2023<br>(un-audited)<br>----- (Rupees in '000) ----- | 2022          |
| <b>Owned</b>           |   |                |  |               |
| Building               | 58,406  | -              | -  | -             |
| Plant and machinery    | 356,279   | 223,109        | 6,247  | 7,337         |
| Furniture and fittings | 5,277   | 2,546          | -  | 32            |
| Vehicles               | 18,073  | 26,206         | 80   | 11,144        |
| Office equipment       | 800   | 868            | -  | -             |
| Computer equipment     | 5,760   | 4,740          | 348  | 199           |
| Dies and tools         | 41,048  | 82,712         | -  | -             |
|                        | <u>485,643</u>  | <u>340,181</u> | <u>6,675</u>   | <u>18,712</u> |

7.2 Depreciation charge for the period amounted to Rs. 246.39 million (March 31, 2022: Rs. 224.12 million).

|   | March 31,<br>2023<br>----- (Rupees in '000) -----<br>(un-audited) | June 30,<br>2022<br>----- (Rupees in '000) -----<br>(audited) |
|---|---|---|
| <b>7.3 Capital work-in-progress</b>                                   |   |   |
| Balance at the beginning of the period / year                         | 621,332   | 159,908   |
| Capital expenditure incurred / advances made during the period / year | 686,556   | 816,449   |
| Transfer to operating fixed assets during the period / year           | (396,266)   | (354,225)   |
| Charged off during the period / year                                  | (32)  | (800)   |
| Balance at the end of the period / year                               | <u>911,590</u>  | <u>621,332</u>  |

8 Includes an amount of Rs. 0.99 million (June 30, 2022: Rs. 9.48 million) receivable from Thal Boshoku Pakistan (Private) Limited - associated company, against sales made by the Group.

9 Includes an amount of Rs. 115.53 million (June 30, 2022: Rs. 566.36 million) against LC margin deposits, out of which Rs. 62.76 million (June 30, 2022: Rs. 105.77 million) are held with Habib Metropolitan Bank Limited - associated company. Additionally includes Rs. 301.17 million (June 30, 2022: Rs. 301.17 million) with respect to claim against Additional Custom Duty from a customer.

10 Represents accrued profit on deposit accounts held with Habib Metropolitan Bank Limited - associated company.





|   | Note | March 31,<br>2023<br>----- (Rupees in '000) -----<br>(un-audited) | June 30,<br>2022<br>----- (Rupees in '000) -----<br>(audited) |
|---|------|---|---|
| <b>14.3 Movement of long-term financing</b>         |      |   |   |
| Balance at beginning of the period / year           |      | 90,927  | -   |
| Financing received during the period / year         |      | 717,691   | 127,226   |
| Repayment made during the period / year             |      | (260,427)   | (4,322)   |
| Recognised as deferred income for the period / year | 14.4 | (6,166)   | (34,827)  |
| Accretion of interest during the period / year      |      | 1,131   | 2,850   |
| Balance at end of the period / year                 |      | <u>543,156</u>  | <u>90,927</u>   |
| Current maturity of long-term financing             |      | <u>(115,309)</u>  | <u>(10,270)</u>   |
|   |      | <u>427,847</u>  | <u>80,657</u>   |

14.4 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 Group has used the prevailing market rate of mark-up for similar instruments to calculate fair values of respective loan.

## 15 SHORT-TERM RUNNING FINANCE

Represents short-term running finance obtained from various banks amounting to Rs. Nil (June 30, 2022: Rs. 1,106.07 million). The total facility limit amounts to Rs. 2,390 million (June 30, 2022: Rs. 990 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, 2022: 3 months KIBOR plus rates varying from 0.20% to 1.25%) per annum. The facilities are secured by way of pari passu hypothecation plus second charge on the Group's stock-in-trade, stores, spares, loose tools and trade debts. Includes an amount of Rs. Nil (June 30, 2022: Rs. Nil) from Habib Metropolitan Bank Limited - associated company, against short-term running finance availed as at the reporting date.

## 16 CONTINGENCIES AND COMMITMENTS

### 16.1 Contingencies

There is no material change in the status of contingencies as reported in the annual consolidated financial statements for the year ended June 30, 2022, other than described below:

16.1.1 As reported in the consolidated audited financial statements of the Group for the year ended June 30, 2022, the Subsidiary Company received an order from the Custom Authorities i.e., West Collectorate and East Collectorate, regarding the short payment of custom duties and taxes amounting to Rs. 861.5 million and Rs. 28.14 million respectively, totaling Rs. 890 million, alleging the application of incorrect tariff classification/rate on a component, being imported since 2017. Both cases were adjudicated in favor of the department. Based on valid grounds and legal position/arguments, the Subsidiary Company filed separate appeals in both these cases before the Customs Appellate Tribunal (CAT) along with an application seeking interim relief.

For the West Collectorate – CAT upheld earlier decision of the Adjudicator but waived any penalty and fine. Aggrieved with this decision of the CAT, the Subsidiary Company preferred an appeal/reference before the Honorable Sindh High Court (SHC). The SHC was pleased to grant interim relief, restraining Customs from taking any coercive action against the Subsidiary Company.

During the quarter under review, the CAT accepted the contention of the Subsidiary Company in the other identical case pertaining to East Collectorate and set aside the earlier order of the Adjudicator in favor of the Subsidiary Company.

There are now varying decisions of two different benches of the CAT on the same issue, with the most recent judgment being in favour of the Subsidiary Company. Based on the facts of the matter and in the light of the opinion of a legal advisor, the Subsidiary Company is confident that the ultimate outcome will be in favor of the Subsidiary Company, and accordingly no provision is required to be recorded in these consolidated condensed interim financial statements.



## 16.2 Commitments

There is no material change in the status of commitments as reported in the annual consolidated financial statements for the year ended June 30, 2022 other than described below:

- 16.2.1 Commitments in respect of outstanding letters of credit for raw material, stores, spares and loose tools amounting to Rs. 544.13 million (June 30, 2022: Rs. 1,447.08 million), out of which Rs. 289.66 million (June 30, 2022: Rs. 297.49 million) is outstanding with Habib Metropolitan Bank Limited - associated company as at the reporting date.
- 16.2.2 Commitments in respect of capital expenditure amounting to Rs. 802.81 million (June 30, 2022: Rs. 782.22 million), out of which Rs. 676.30 million (June 30, 2022: Rs. 660.63 million) is outstanding with Habib Metropolitan Bank Limited - associated company as at the reporting date.
- 16.2.3 Outstanding bank guarantees issued to Collector of Customs in respect of infrastructure cess, custom duty and non-deduction of withholding tax amounting to Rs. 127 million (June 30, 2022: Rs. 103 million), Rs. 258.48 million (June 30, 2022: Rs. 153.46 million) and Rs. 8.62 million (June 30, 2022: Rs. 8.62 million) respectively.

|   | March 31,<br>2023<br>----- (Rupees in '000) -----<br>(un-audited) | March 31,<br>2022<br>----- (Rupees in '000) -----<br>(un-audited) |
|---|---|---|
| <b>17 OTHER EXPENSES</b>  |   |   |
| Exchange loss on foreign currency transactions - net                                      | 146,028   | 115,561   |
| Workers' Profit Participation Fund  | 5,290   | 53,690  |
| Workers' Welfare Fund   | 1,770   | 22,881  |
| Donations   | 6,702   | 8,135   |
| Loss on disposal of operating fixed assets  | 3   | -   |
|   | <u>159,793</u>  | <u>200,267</u>  |
| <b>18 (LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED</b>                                 |   |   |
| (Loss) / Profit after taxation (Rs. in '000)  | <u>(271,565)</u>  | <u>726,573</u>  |
|   |   | (Restated)  |
| Weighted average number of ordinary shares outstanding during the period (shares in '000) | <u>36,000</u>   | <u>36,000</u>   |
|   |   | (Restated)  |
| (Loss) / Earnings per share (Rs.)   | <u>(7.54)</u>   | <u>20.18</u>  |

- 18.1 The shareholders of the Holding Company, in the Annual General Meeting held on October 20, 2022 approved to issue bonus shares in the proportion of 1 share for every 4 shares held i.e., 25%. This has resulted in restatement of basic and diluted earnings per share.

## 19 FAIR VALUE MEASUREMENT

Fair value is the amount for which an asset could be exchanged, or a liability can be settled, between knowledgeable willing parties in an arm's length transaction. The carrying amounts of all the financial instruments reflected in these consolidated condensed interim financial statements approximate to their fair value.

The following table shows assets recognised at fair value, analysed between those whose fair value is based on:

Level 1: Quoted prices in active markets for identical assets or liabilities;

Level 2: Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: Those whose inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As of the reporting date, the Group does not have any financial assets carried at fair value that required categorisation in Level 1, Level 2 and Level 3.

20 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 consolidated 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, 2023<br>----- (Rupees in '000) -----<br>(un-audited) | March 31, 2022<br>(un-audited) |
|---|---|--|--|--------------------------------|
| <b>Associated Companies<br/>(Common directorship)</b> |   |  |  |                                |
| Thal Limited  | Dividend paid   | 7.35   | -  | 12,694                         |
| Shabbir Tiles and Ceramics Limited                    | Purchases   | Nil  | 651  | -                              |
| Thal Boshoku Pakistan (Private) Limited               | Sales   | Nil  | 40,658   | 69,413                         |
| Habib Metropolitan Bank Limited                       | Mark-up expense   | Nil  | 15,335   | 4,630                          |
|   | Profit earned on term deposit receipts and deposit accounts                         |  | 6,240  | 5,695                          |
|   | Gain on foreign exchange forward cover  |  | 20,251   | -                              |
|   | Bank charges  |  | 3,725  | 6,921                          |
|   | Guarantee given   |  | 103,087  | 96,000                         |
| <b>Retirement benefit funds</b>                       |   |  |  |                                |
| Employees' Provident Fund                             | Contribution  | Nil  | 17,864   | 11,477                         |
| <b>Key management personnel</b>                       |   |  |  |                                |
|   | Remuneration and other benefits   | Nil  | 36,667   | 30,956                         |
|   | Fee for attending board meetings  |  | 1,500  | 2,100                          |
|   | Sale of laptop having net book value of Rs. 0.04 million as per the Group's policy  |  | 18   | -                              |
|   | Sale of vehicle having net book value of Rs. 0.76 million as per the Group's policy |  | -  | 875                            |
|   |   |  |  | -                              |

21 DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements were authorised for issue on 28 April, 2023 by the Board of Directors of the Holding Company.

22 GENERAL

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

22.2 Certain prior period's figures have been reclassified for better presentation, wherever necessary. However, there are no material reclassifications to report except for exchange loss from cost of sales to other expenses.

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Chief Executive

  
\_\_\_\_\_  
Chief Financial Officer