

DIRECTORS' REPORT

The Directors of your Company are pleased to issue this report on the financial position and performance of your Company for the 1st quarter ended September 30, 2015.

Sales for the period were Rs. 1.38 billion compared to Rs. 0.89 billion of the same period last year, registering a growth of 55.7%. Profit before tax also grew from Rs. 108.19 million to Rs. 191.25 million, growth of 76.8% over the last year. The growth in sales and profitability is mainly attributable to the growth in the passenger car segment.

Announcement of the new Auto Development Policy 2015-20 is still awaited. The draft Auto Development Policy was presented to the Economic Coordination Committee. However, it was not approved by the Economic Coordination Committee as more consultation was recommended with the stockholders.

Improved economic environment coupled with the reduction in the interest rate has given boost to the local passenger cars. We are hopeful that the success of the new model launched last year will continue. The delivery of the balance quantity from the Apna Rozgar Scheme of the Government of Punjab is continuing and is expected to last until the 3rd quarter of this financial year.

The Governments of Sindh and Punjab announced in their budget subsidized tractor scheme for this financial year. It was expected that the schemes would boost tractor production which has seen a declining trend in the last few years due to GST rate changes, floods and commodity prices. However, after the lapse of 4months since the announcement of the provincial budgets there is no timeline for the launch of the schemes. In anticipation of the schemes the tractor production has been very slow and it is expected that the growth would be sluggish until the policy is announced.

AGRIAUTO STAMPING COMPANY (PVT) LIMITED (ASC)

We are very pleased to inform that the production has been going on without any interruption and since the start of the production there has been no concern from the customer.

The plant expansion work for adding one additional 650ton press, to the line of four presses already installed is progressing as per plan. The new press is expected to be commissioned in February 2016.

In the end, we would like to express our sincerest appreciation to all our Customers, Dealers, Bankers and Foreign Technical collaborators for their unabated support and confidence in the Company. We are also thankful to all our team members who have worked diligently for the progress of the Company.

On behalf of the Board of Directors.

Fahim Kapadia

Chief Executive

Dated : October 31, 2015