

DIRECTOR'S REPORT

The Directors of your Company are pleased to issue this report on the financial position and performance of your Company for the 1st quarter ended September 30, 2016.

Sales for the 1st quarter were Rs. 1.29 billion compared to Rs. 1.38 billion of the same periods of last year, registering a decline of 6% over last year. The reduction in sales is mainly due to lesser number of passenger cars produced during the quarter. Profit before tax increased from Rs. 191.25 million to Rs. 270.06 million up by 41% primarily on account of dividend income from the subsidiary company.

Tractor segment is performing better than last year after the reduction of Sales Tax from 10% to 5%. Motorcycle segment is also steadily growing. Our sales in this segment have increased during the quarter.

The remainder part of the year is encouraging but the total volumes of the passenger car for the year would be lower than last year due to the one time volumes produced under Punjab Taxi Scheme.

AGRIAUTO STAMPING COMPANY (PVT) LIMITED (ASC)

The wholly owned subsidiary is now running smoothly. The additional press added is also commissioned and thus the capacity has been streamlined. In the meantime, efforts are being made to pursue other assemblers as well for supply of high tensile parts.

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

On behalf of the Board of Directors.

Fahim Kapadia
Chief Executive

Dated : October 24, 2016