

## 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 and three month ended September 30, 2017.

### SUMMARY OF FINANCIAL RESULTS

	Rs. '000			
	<u>Standalone</u>		<u>Consolidated</u>	
	Three Month ended			
	<b>30-Sep-17</b>	30-Sep-16	<b>30-Sep-17</b>	30-Sep-16
Turnover	<b>1,437,719</b>	1,298,239	<b>1,929,877</b>	1,624,950
Gross Profit	<b>289,133</b>	232,109	<b>406,674</b>	315,861
Profit before taxation	<b>202,015</b>	270,060	<b>307,398</b>	231,473
Taxation	<b>(60,356)</b>	(42,780)	<b>(60,578)</b>	(42,780)
Profit after taxation	<b>141,659</b>	227,280	<b>246,820</b>	188,693
Earnings per share (Rs.)	<b>4.92</b>	7.89	<b>8.57</b>	6.55

#### Standalone :

The turnover for the 1<sup>st</sup> quarter increased by 11% to Rs. 1.43 billion. Profit before tax of Rs. 202 million is down 33%, mainly on account of no dividend from the subsidiary company amounting to Rs. 114 million. However, excluding dividend income from subsidiary, the underlying profit for the period has increased by 29% as compared to last year. Earnings Per Share is Rs. 4.92 as compared to Rs. 7.89 i.e. 37%.

#### Consolidated

Consolidated turnover is 19% higher as compared to the corresponding period last year. The consolidated turnover includes the sales of newly developed products like power window regulator & catalytic convertors the delivery of which commenced from the 1<sup>st</sup> quarter. Profit before tax is 33% on account of higher sales. Earnings Per Share is 31% higher at Rs. 8.57 compared with Rs. 6.55 of last corresponding period.

Subsequent to the quarter end, SRO 1035 dated 16 October 2017 has been issued imposing Regulatory Duty (RD) on various products. The RD on steel products has remained unchanged despite of our various representations to the Government that this additional duty is making the local parts more expensive compared to the imports. We again urge the Government to save the automotive parts manufacturers by eliminating the RD or impose the similar duty on the imports.

The outlook of the auto industry is positive but lot is dependent on the stability on the political & economic front. Any devaluation of Pak Rupee can also impede the growth of the automotive sector.

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

We are pleased to inform the shareholders that the production of Catalytic Converter as planned commenced during the 1<sup>st</sup> quarter. The production is running smoothly with constant technical support from Ogihara Thailand. We have also sent key members of staff for extensive training to Thailand for improving our Welding, Press and Quality Control capability.

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 27, 2017