

DIRECTORS' REVIEW REPORT

The Directors of your Company would like to report on the financial position and performance of your Company for the quarter ended September 30, 2019.

SUMMARY OF FINANCIAL RESULTS

Consolidated

Rs. '000

	Quarter ended	
	30-September-19	30-September-18
Turnover	1,449,227	2,304,514
Gross Profit	100,818	358,737
Profit before taxation	22,489	262,425
Taxation	(25,042)	(50,427)
(Loss) / Profit after taxation	(2,553)	211,998
Earnings per share (Rs.)	(0.09)	7.36

The consolidated turnover (net) for the quarter ended September 30, 2019 was Rs. 1,449 (2018: Rs. 2,304) million reflecting a decrease of 37% over corresponding period last year. Profit before tax also declined by 91% over same period last year.

Earnings Per Share (EPS) for the period under consideration also significantly declined from Rs.7.36 to reach Rs. -0.09, lower by 101% over corresponding period last year.

Standalone

Rs. '000

	Quarter ended	
	30-September-19	30-September-18
Turnover	1,071,054	1,675,194
Gross Profit	89,882	256,354
Profit before taxation	15,456	167,974
Taxation	(9,963)	(47,691)
Profit after taxation	5,493	120,283
Earnings per share (Rs.)	0.19	4.18

The turnover for the quarter ended September 30, 2019 amounted to Rs. 1,071 (2018: Rs. 1,675) million reflecting a decrease of 36% over corresponding period last year.

Profit before tax of Rs. 15.5 million was down by 91% which is mainly attributable to lower volumes of auto sector. Passenger car segment is down by 38%, motorcycle 19% and tractor 31% as compared to SPLY. There is overall decline in the auto market due to significant increase in prices because of devaluation, increase custom duty and other taxes. The decline is also attributable to economic measures taken in order document the economy.

Earnings Per Share (EPS) for the period decreased from Rs. 4.18 to Rs.0.19 (95%).

We expect that the demand for vehicles would not be materially different in the next quarter compared to the current trend. Generally, the demand for new vehicles is lower in the 2nd quarter and especially in the prevailing situation, the auto-assemblers are carrying stocks and their priority would be to dispose that stock instead of producing additional vehicles.

AGRIAUTO STAMPING COMPANY (PVT) LIMITED (ASC)

During the quarter, the company successfully completed the production trial for the new presses and the extended welding line. However, after the extension of capacity, the production volumes dropped which has severely affected the profitability of the subsidiary company.

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 employees who have worked diligently for the progress of the Company.

On behalf of the Board of Directors.



Yutaka Arae
Chairman



Fahim Kapadia
Chief Executive

Dated: October 22, 2019