

Agriauto Industries Limited

Condensed Interim Financial Statements
For the Quarter Ended September 30, 2023
(Un-audited)



Company Information

BOARD OF DIRECTORS

Yutaka Arae	Chairman
Fahim Kapadia	Chief Executive
Hamza Habib	Non Executive Director
Salman Burney	Non Executive Director
Sohail P. Ahmed	Non Executive Director
Ayesha T. Haq	Independent Director
Aqueel E. Merchant	Independent Director

BOARD AUDIT AND RISK MANAGEMENT COMMITTEE

Aqueel E. Merchant	Chairman
Sohail P. Ahmed	Member
Ayesha T. Haq	Member

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Aqueel E. Merchant	Chairman
Salman Burney	Member
Sohail P. Ahmed	Member
Yutaka Arae	Member
Fahim Kapadia	Member

CHIEF FINANCIAL OFFICER

Tariq Iqbal Bawani

COMPANY SECRETARY

Shaharyar Ashraf Khan

AUDITORS

A.F. Ferguson and Co. 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

Email: 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 the Company, we are pleased to present the financial performance of your Company for the quarter ended September 30, 2023.

THE BOARD OF DIRECTORS

Following Board members have been elected on the Board at the Annual General Meeting of the Company held on October 23, 2023:

The Board has appointed Mr. Yutaka Arae as Chairman of the Board and Mr. Fahim Kapadia as the Chief Executive of the Company at the Board meeting held on October 30, 2023.

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. Aqueel E. Merchant	Independent Director

Subsequent to the election of the directors, the Board committees are reconstituted as follows:

AUDIT AND RISK MANAGEMENT COMMITTEE

1. Mr. Aqueel E. Merchant	Chairman
2. Mr. Sohail P. Ahmed	Member
3. Ms. Ayesha T. Haq	Member

HUMAN RESOURCE AND REMUNERATION COMMITTEE

1. Mr. Aqueel E. Merchant	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 Quarter July to Sep	
	2023	2022
Turnover	1,753	2,187
Profit / (Loss) before tax	29	(69)
Taxation	(23)	(16)
Profit / (Loss) after tax	6	(85)
Earnings / (Loss) Per Share (Rs.)	0.17	(2.37)

Consolidated turnover for the quarter ended September 30, 2023 decreased from Rs. 2.19 billion to Rs. 1.75 billion compared to corresponding period last year, reflecting a reduction of 20%. This decline is mainly attributed to a substantial drop in demand of passenger cars due to prevailing challenging economic conditions. Passenger car segment witnessed a drop of 49% (CY 15,993 vs LY 31,417) in production as compared to same period last year and the Two Wheeler segment dropped by 10% (CY 266,050 vs LY 296,775) whereas Tractor segment increased by 45% (CY 7,991 vs LY 3,595).

Standalone

	Rs. in million	
	For Quarter July to Sep	
	2023	2022
Turnover	1,227	1,366
Profit before tax	9	27*
Taxation	(17)	9
(Loss) / Profit after tax	(8)	36
(Loss) / Earnings Per Share (Rs.)	(0.23)	1.00

*Includes final dividend of Rs. 114.4 million from the subsidiary company.

Turnover for the quarter ended September 30, 2023 remained Rs. 1.23 billion, a decrease of 10%, compared to Rs. 1.37 billion last year. Resultantly, the Company made a Loss after tax of Rs. 8 million as compared to a profit after tax of Rs. 36 million in the corresponding period last year.

Business Overview

The automotive sector continues to contend with a range of challenges and persistent pressures. Stringent fiscal measures implemented by the State Bank of Pakistan (SBP) in the past, particularly concerning the import of Completely Knocked Down (CKD) vehicle parts, coupled with the upsurge in inflation and fuel costs, alongside an increase in the interest rates, collectively contributed to a notable decrease in overall demand within the automotive sector.

Notably, the interim government has recently taken decisive actions to combat smuggling and stockpiling, aimed at stabilizing the national currency. The Government of Pakistan's measures to deter the hoarding of foreign currency have significantly strengthened the currency, instilling confidence in the country's economic prospects.

As a result of the appreciation of the Pakistani Rupee (PKR), many Original Equipment Manufacturers (OEMs) have initiated price reduction strategies in an effort to stimulate demand. Looking ahead, the sustainability of economic recovery is primarily linked to the Pak Rupee's (PKR) performance. Should the PKR remain stable, we anticipate a decline in inflation, paving the way for potential interest rate reductions, which, in turn, will serve to stimulate economic growth.

Agriauto Stamping Company (Pvt.) Limited (ASC)

ASC continued to concentrate and excel in its core capability of stamping of high-tensile sheet metal parts. Its operations are growing with an increase in the number of parts being produced. The Company is continuously pursuing and securing new product development, as part of its growth strategy, which will bring sustainability and improve profitability going forward.

ASC is currently in the process of installing a new Press line, which is expected to be completed by the end of the calendar year. Additionally, ASC has effectively expanded the welding assembly line for the upcoming new model and has also added necessary utilities to meet its specific requirements. After the completion of the project, ASC will have two full tandem lines with 4 press machines each. This expansion project increases the plant capacity of press parts substantially.

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.



Fahim Kapadia
Chief Executive



Salman Burney
Non-Executive Director

Dated: October 30, 2023

ڈائریکٹرز کی جائزہ رپورٹ

کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے ہم 30 ستمبر 2023ء کو اختتام پذیر سہ ماہی کے لئے آپ کی کمپنی مالیاتی کارکردگی ازراہ مسرت پیش کرتے ہیں۔

بورڈ آف ڈائریکٹرز

23 اکتوبر 2023ء کو منعقدہ کمپنی کے سالانہ اجلاس عام میں بورڈ کے لئے مندرجہ ذیل اراکین کو منتخب کیا گیا:
30 اکتوبر 2023ء کو منعقد ہونے والے بورڈ اجلاس میں بورڈ نے مسٹر یوٹا کا آرائے کو بورڈ کا چیئر مین اور مسٹر فہیم کپاڈیا کو کمپنی کا چیف ایگزیکٹو آفیسر مقرر کیا۔

رپورٹنگ تاریخ 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. محترمہ عائشہ ٹی - حق خود مختار ڈائریکٹر
7. جناب عقیل ای - مرچنٹ خود مختار ڈائریکٹر

ڈائریکٹرز کے انتخاب کے بعد بورڈ کمیٹیوں کو حسب ذیل تشکیل دیا گیا:

آڈٹ اور رسک مینجمنٹ کمیٹی

1. جناب عقیل ای - مرچنٹ چیئر مین
2. جناب سہیل پی - احمد رکن
3. محترمہ عائشہ ٹی - حق رکن

ہیومن ریسورس اینڈ ریمونڈیشن کمیٹی

1. جناب عقیل ای - مرچنٹ 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

ملین روپوں میں

سہ ماہی برائے جولائی تا ستمبر		
2022ء	2023ء	
2,187	1,753	فروخت
(69)	29	نفع/(نقصان) بمعہ ٹیکس
(16)	(23)	ٹیکسیشن
(85)	6	نفع/(نقصان) علاوہ ٹیکس
(2.37)	0.17	فی حصص آمدنی/(خسارہ)

30 ستمبر 2023ء کو اختتام پذیر سہ ماہی کے لئے مجموعی فروخت گذشتہ برس کی اسی مدت میں 2.19 بلین روپے کی نسبت 1.75 بلین روپے تک کم ہو گیا جو 20 فیصد کمی کی عکاسی کرتی ہے۔ مشکل ترین جاری معاشی مشکلات کے باعث اس کمی کو مسافر گاڑیوں کی طلب میں نمایاں کمی سے منسوب کیا جا رہا ہے۔ مسافر گاڑیوں کے شعبے نے گذشتہ برس کی اسی مدت کی نسبت پیداوار میں 49 فیصد کمی ظاہر کی (رواں برس: 15,993 بنام گذشتہ برس 31,417) اور ٹو وہیلر شعبے کی پیداوار میں بھی 10 فیصد کمی واقع ہوئی (رواں برس: 266,050 بنام گذشتہ برس 296,775) جبکہ ٹریکٹر کے شعبے کی پیداوار میں 45 فیصد اضافے سے پورا ہوا (رواں برس: 7,991 بنام گذشتہ برس 3,595)۔

ملین روپوں میں

سہ ماہی برائے جولائی تا ستمبر		
2022ء	2023ء	
1,366	1,227	فروخت
27*	9	نفع بمعہ ٹیکس
9	(17)	ٹیکسیشن
36	(8)	(نقصان)/نفع علاوہ ٹیکس
1.00	(0.23)	فی حصص (خسارہ)/آمدنی

* بشمول حتمی منافع منقسمہ مالیت 114.4 ملین روپے منجانب ذیلی کمپنی

30 ستمبر 2023ء کو اختتام پذیر سہ ماہی کے لئے فروخت 1.23 بلین روپے رہی جو گذشتہ برس میں 1.37 بلین روپے کی نسبت 10 فیصد کم ہے۔ نتیجتاً، کمپنی نے گذشتہ برس کی اسی مدت میں 36 ملین روپے منافع علاوہ ٹیکس کے مقابلے میں 8 ملین روپے خسارہ علاوہ ٹیکس درج کیا۔

کاروباری جائزہ

آٹومیٹیو انڈسٹری کئی مسائل اور مسلسل دباؤ کا سامنا کر رہی ہے۔ اسٹیٹ بینک آف پاکستان (SBP) نے ماضی میں مربوط مالیاتی اقدامات کئے جس میں گاڑیوں کے پرزوں کی درآمد میں مکمل پابندی، افراط زر کی شرح اور ایندھن کے اخراجات میں اضافہ بشمول شرح سود میں اضافہ شامل ہے جس نے مجموعی طور پر آٹومیٹیو شعبہ میں مجموعی طلب کو شدید متاثر کیا ہے۔ واضح رہے کہ، نگران حکومت نے سمگلنگ اور زخیرہ اندوزی سے نپٹنے کے لئے حتمی اور سخت اقدامات کئے ہیں تاکہ ملکی کرنسی کو مستحکم کیا جاسکے۔ حکومت پاکستان کے ان اقدامات نے غیر ملکی کرنسی کی زخیرہ اندوزی کو روکنے میں اہم کردار ادا کیا ہے جس سے ملکی کرنسی مضبوط ہوئی ہے اور ملکی معیشت میں بہتری کے امکانات روشن کئے ہیں۔

پاکستانی روپے کی قدر میں بہتری کے نتیجے میں، اصلی آلات بنانے والے کئی مینوفیکچرز (OEMs) نے طلب کو متحرک کرنے کے لئے قیمتوں میں کمی کے لئے حکمت عملی مرتب کی ہے۔ آگے چلتے ہوئے، معاشی بحالی کی پائیداری پاکستانی روپے کی کارکردگی سے منسلک ہے۔ جونہی پاکستانی روپیہ مستحکم ہوگا، ہم منہگائی میں کمی کی توقع کر سکتے ہیں جس کے نتیجے میں ممکنہ طور پر شرح سود میں کمی واقع ہوگی اور معاشی نمو میں بہتری آئے گی۔

اگیری آٹو سٹامپنگ کمپنی (پرائیویٹ) لمیٹڈ (ASC)

ASC ہائی ٹیکنالوجی شیفٹ میٹل پارٹس کی سٹامپنگ کی اپنی بنیادی صلاحیت کو بڑھانے اور اس میں پیش رفت کرنے کے لئے پرعزم ہے۔ پرزوں کی تعداد میں اضافے سے اس کے آپریشنز میں بہتری آرہی ہے۔ کمپنی نئی پروڈکٹس کی تیاری کے لئے مسلسل کوششیں کر رہی ہے جو اس کی نمو کی حکمت عملی کا حصہ ہے جس سے مستقبل میں کمپنی میں استحکام اور منافع بڑھے گا۔

ASC فی الوقت نئی پریس لائن نصب کرنے کے عمل میں ہے جس کی تکمیل حالیہ برس کے اختتام تک متوقع ہے۔ مزید برآں، ASC نے آئندہ متعارف کرائے جانے والے نئے ماڈل کے لئے ویلڈنگ اسمبلی لائن میں کامیابی سے توسیع کی ہے اور اس میں ضروری سہولیات بھی شامل کی ہیں تاکہ مخصوص ضروریات کو پورا کیا جاسکے۔ پروجیکٹ مکمل ہونے کے بعد ASC دو بھر پور لائنز کی مالک ہو جائے گی جس میں ہر کسی کی 4 پریس مشینیں ہوں گی۔ یہ توسیعی منصوبہ پریس پارٹس کے لئے پلانٹ کی پیداواری استعداد میں اضافہ کرے گا۔

آخر میں، ہم اپنے تمام صارفین، ڈیلرز، مینکرز اور غیر ملکی تکنیکی معاونین کی حوصلہ افزائی کرتے ہیں جنہوں نے کمپنی پر بھرپور اعتماد کا اظہار کیا اور مشکل وقت میں کمپنی کا ساتھ دیا۔ ہم اپنے تمام ملازمین کے بھی شکر گزار ہیں جنہوں نے کمپنی کی ترقی میں اپنا اہم کردار ادا کیا۔

مجناب بورڈ آف ڈائریکٹرز



سلمان برنی

نان ایگزیکٹو ڈائریکٹر



فہیم کھاٹا

چیف ایگزیکٹو

تاریخ: 30 اکتوبر 2023ء

AGRIAUTO INDUSTRIES LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2023

		September 30, 2023 (un-audited)	June 30, 2023 (audited)
Note	-----	(Rupees in '000)	-----
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	1,868,860	1,859,965
Right-of-use assets		4,095	2,227
Intangible assets		49,253	54,459
Long-term investment		1,144,006	1,144,006
Long-term deposits		10,022	9,022
Deferred taxation - net	6	81,786	83,908
		3,158,022	3,153,587
CURRENT ASSETS			
Stores, spares and loose tools		132,642	129,303
Stock-in-trade		1,781,280	1,788,694
Trade debts		585,500	505,492
Advances, deposits, prepayments and other receivables	7	268,272	339,918
Accrued profit	8	68	3,489
Short-term investments	9	38,964	38,928
Taxation – net		294,877	317,497
Cash and bank balances	10	47,789	89,528
		3,149,392	3,212,849
TOTAL ASSETS		6,307,414	6,366,436
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital 40,000,000 (June 30, 2023: 40,000,000) ordinary shares of Rs. 5/- each		200,000	200,000
Issued, subscribed and paid-up capital 36,000,000 (June 30, 2023: 36,000,000) ordinary shares of Rs. 5/- each		180,000	180,000
Reserves		4,288,622	4,296,924
		4,468,622	4,476,924
NON-CURRENT LIABILITIES			
Long-term financing - secured	11	310,347	367,198
Deferred income		14,724	15,856
		325,071	383,054
CURRENT LIABILITIES			
Trade and other payables	12	1,299,398	1,359,713
Lease liabilities		3,387	3,387
Current maturity of long-term financing	11	83,940	78,940
Current maturity of deferred income		4,528	4,528
Sales tax payable		20,948	25,476
Unpaid dividend		4,158	6,748
Unclaimed dividend		30,113	27,666
Short-term running finance	13	67,249	-
		1,513,721	1,506,458
CONTINGENCIES AND COMMITMENTS	14		
TOTAL EQUITY AND LIABILITIES		6,307,414	6,366,436

The annexed notes from 1 to 20 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 PROFIT OR LOSS
FOR THE QUARTER ENDED SEPTEMBER 30, 2023
(un-audited)

	Note	Quarter ended	
		September 30, 2023	September 30, 2022
		----- (Rupees in '000) -----	
Turnover – net		1,227,080	1,366,354
Cost of sales		(1,123,227)	(1,242,474)
Gross profit		103,853	123,880
Distribution costs		(28,311)	(28,286)
Administrative expenses		(63,493)	(65,454)
		(91,804)	(93,740)
Operating profit		12,049	30,140
Other expenses	15	(9,594)	(73,184)
Other income	16	10,010	116,610
Finance costs		(3,172)	(46,717)
		(2,756)	(3,291)
Profit before taxation		9,293	26,849
Taxation			
- Current		(15,373)	(17,124)
- Prior		(100)	(370)
- Deferred		(2,122)	26,471
		(17,595)	8,977
(Loss) / Profit after taxation		(8,302)	35,826
		----- (Rupees) -----	
(Loss) / Earnings per share - basic and diluted		(0.23)	1.00

The annexed notes from 1 to 20 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 COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2023
(un-audited)

	Quarter ended	
	September 30, 2023	September 30, 2022
	----- (Rupees in '000) -----	
(Loss) / Profit after taxation for the period	(8,302)	35,826
Other comprehensive income for the period	-	-
Total comprehensive (loss) / income for the period	<u><u>(8,302)</u></u>	<u><u>35,826</u></u>

The annexed notes from 1 to 20 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 QUARTER ENDED SEPTEMBER 30, 2023

	Reserves				Total reserves	Total equity
	Capital reserve	Revenue reserves				
		Share premium	General	Unappropriated profit		
Issued, subscribed and paid-up capital						
----- (Rupees in'000) -----						
Balance as at July 01, 2022 (audited)	144,000	12,598	3,965,000	399,609	4,377,207	4,521,207
Transfer to general reserve	-	-	300,000	(300,000)	-	-
Profit after taxation for the period	-	-	-	35,826	35,826	35,826
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	35,826	35,826	35,826
Balance as at September 30, 2022 (un-audited)	<u>144,000</u>	<u>12,598</u>	<u>4,265,000</u>	<u>135,435</u>	<u>4,413,033</u>	<u>4,557,033</u>
Balance as at July 01, 2023 (audited)	180,000	12,598	4,265,000	19,326	4,296,924	4,476,924
Loss after taxation for the period	-	-	-	(8,302)	(8,302)	(8,302)
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(8,302)	(8,302)	(8,302)
Balance as at September 30, 2023 (un-audited)	<u>180,000</u>	<u>12,598</u>	<u>4,265,000</u>	<u>11,024</u>	<u>4,288,622</u>	<u>4,468,622</u>

The annexed notes from 1 to 20 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 QUARTER ENDED SEPTEMBER 30, 2023
(un-audited)

	Quarter ended	
	September 30, 2023	September 30, 2022
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	9,293	26,849
Adjustments for:		
Depreciation and amortisation	46,733	37,796
Finance costs	3,172	46,717
Profit on term deposit receipts and deposit account	(3,146)	(906)
Amortisation of deferred income	(1,132)	-
Dividend income	-	(114,401)
Capital work-in-progress charged off	-	32
Loss on disposal of operating fixed assets	2,498	1,851
	<u>57,418</u>	<u>(2,062)</u>
Increase in current assets	(902)	(320,672)
Decrease in current liabilities	(66,321)	(109,193)
Cash used in operations	<u>(9,805)</u>	<u>(431,927)</u>
Finance costs paid	(1,555)	(23,127)
Long-term deposits paid	(1,000)	-
Income tax adjusted / paid	7,147	(40,678)
Net cash used in operating activities	<u>(5,213)</u>	<u>(495,732)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(59,622)	(296,643)
Proceeds from disposal of property, plant and equipment	7,259	3,577
Dividend received	-	114,401
Profit received on term deposit receipts and deposit account	3,127	3,025
Net cash used in investing activities	<u>(49,236)</u>	<u>(175,640)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term financing obtained	-	507,769
Long-term financing repaid	(51,851)	(1,637)
Dividend paid	(143)	(229)
Lease payments	(2,545)	(2,453)
Net cash (used in) / generated from financing activities	<u>(54,539)</u>	<u>503,450</u>
Net decrease in cash and cash equivalents	<u>(108,988)</u>	<u>(167,922)</u>
Cash and cash equivalents at the beginning of the period	127,528	(637,354)
Cash and cash equivalents at the end of the period	<u>18,540</u>	<u>(805,276)</u>
CASH AND CASH EQUIVALENTS		
Cash and bank balances	47,789	42,567
Lien on short-term investments - term deposit receipts	38,000	38,000
Short-term running finance	(67,249)	(885,843)
	<u>18,540</u>	<u>(805,276)</u>

The annexed notes from 1 to 20 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 QUARTER ENDED SEPTEMBER 30, 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, 2023.

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, 2023.

	Note	September 30, 2023 ----- (Rupees in '000) ----- (un-audited)	June 30, 2023 ----- (Rupees in '000) ----- (audited)
5 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1 & 5.2	1,433,119	1,090,860
Capital work-in-progress	5.3	435,741	769,105
		<u>1,868,860</u>	<u>1,859,965</u>

- 5.1 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	
	Quarter ended September 30, 2023 (un-audited) ----- (Rupees in '000) -----	2022	Quarter ended September 30, 2023 (un-audited) ----- (Rupees in '000) -----	2022
Owned				
Building	144,816	-	-	-
Plant and machinery	220,764	4,204	4,494	5,326
Furniture and fittings	-	-	-	-
Vehicles	26,564	3,922	5,226	-
Computer equipment	842	4,760	37	102
	<u>392,986</u>	<u>12,886</u>	<u>9,757</u>	<u>5,428</u>

- 5.2 Depreciation charge for the period amounted to Rs. 40.97 million (September 30, 2022: Rs. 29.69 million).

	Note	September 30, 2023 ----- (Rupees in '000) ----- (un-audited)	June 30, 2023 ----- (Rupees in '000) ----- (audited)
5.3 Capital work-in-progress			
Balance at the beginning of the period / year		769,105	316,297
Capital expenditure incurred / advances made during the period / year	5.3.1	22,490	600,319
Transfer to operating fixed assets during the period / year		(355,854)	(147,479)
Charged off during the period / year		-	(32)
Balance at the end of the period / year		<u>435,741</u>	<u>769,105</u>

- 5.3.1 During the period, borrowing costs have been capitalised amounting to Rs. 23.55 million (June 30, 2023: Rs. 77.06 million) using capitalisation rate of 3 months KIBOR + 0.3% per annum on account of long-term financing obtained specifically for this purpose as fully mentioned in note 12.2 to these unconsolidated interim financial statements.

	September 30, 2023 ----- (Rupees in '000) ----- (un-audited)	June 30, 2023 ----- (Rupees in '000) ----- (audited)
6 DEFERRED TAXATION - NET		
Deductible / (taxable) temporary differences arising due to:		
- provisions	126,586	125,620
- lease liabilities and right-of-use-assets	(205)	336
- unused business losses	77,885	77,885
- accelerated tax depreciation	<u>(122,480)</u>	<u>(119,933)</u>
	<u>81,786</u>	<u>83,908</u>

- 7 Includes an amount of Rs. 7.96 million (June 30, 2023: Rs. 95.36 million) against LC margin deposits, out of which Rs. 7.96 million (June 30, 2023: Rs. 89.07 million) are held with Habib Metropolitan Bank Limited - associated company. Additionally includes Rs. 226.77 million (June 30, 2023: Rs. 226.77 million) with respect to claim against Additional Custom Duty from a customer.

- 8 Represents accrued profit on deposit account held with Habib Metropolitan Bank Limited - associated company.

	September 30, 2023 (un-audited)	June 30, 2023 (audited)
9 SHORT-TERM INVESTMENTS		
At amortised cost		
Term deposit receipts	38,000	38,000
Accrued profit thereon	964	928
	<u>38,964</u>	<u>38,928</u>

- 9.1 Represents three months term deposit receipts, marked as lien, with a commercial bank under conventional banking relationship carrying profit rates ranging from 18.75% to 19.25% (June 30, 2023: 12.75% to 19.25%) per annum and having latest maturity date of December 11, 2023.

- 10 Includes an amount of Rs. Nil (June 30, 2023: Rs. 45.31 million) and Rs. 43.08 million (June 30, 2023: Rs. 40.32 million) held with Habib Metropolitan Bank Limited - associated company in deposit accounts and dividend accounts respectively.

	September 30, 2023 (un-audited)	June 30, 2023 (audited)
11 LONG-TERM FINANCING - SECURED		
SBP refinance scheme for renewable energy	44,287	46,138
Current maturity of long-term financing	<u>(3,940)</u>	<u>(3,940)</u>
	40,347	42,198
Long-term financing	350,000	400,000
Current maturity of long-term financing	<u>(80,000)</u>	<u>(75,000)</u>
	270,000	325,000
	<u>310,347</u>	<u>367,198</u>

- 11.1 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, 2023: 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 16.30% (June 30, 2023: 10.02% to 16.30%) per annum.

- 11.2 This represents long-term financing facility obtained from a conventional bank to refinance capital expenditure incurred by the Company, with a total limit of Rs. 500 million and at a markup rate of 3 months KIBOR + 0.3% (June 30, 2023: 3 months KIBOR + 0.3%) 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.

		September 30, 2023 (un-audited) ----- (Rupees in '000) -----	June 30, 2023 (audited)
11.3	Movement of long-term financing		
	Balance at beginning of the period / year	446,138	45,790
	Financing received during the period / year	-	507,769
	Repayment made during the period / year	(51,851)	(107,131)
	Recognised as deferred income for the period / year	-	(3,208)
	Accretion of interest during the period / year	-	2,918
	Balance at end of the period / year	<u>394,287</u>	<u>446,138</u>
	Current maturity of long-term financing	<u>(83,940)</u>	<u>(78,940)</u>
		<u>310,347</u>	<u>367,198</u>
11.4	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.		
12	Includes accrued markup amounting to Rs. 2.43 million (June 30, 2023: Rs. 2.07 million) on short-term running finance availed from Habib Metropolitan Bank Limited - associated company.		
13	SHORT-TERM RUNNING FINANCE		
	Represents short-term running finance obtained from various banks amounting to Rs. 67.25 million (June 30, 2023: Rs. Nil). The total facility limit amounts to Rs. 1,240 million (June 30, 2023: Rs. 1,240 million). The rate of mark-up on these finances ranges from 1 month to 3 months KIBOR plus rates varying from 0.10% to 0.75% (June 30, 2023: 1 month to 3 months KIBOR plus rates varying from 0.20% to 0.75%) 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. 25.45 million (June 30, 2023: Rs. Nil) from Habib Metropolitan Bank Limited - associated company, against short-term running finance availed as at the reporting date.		
14	CONTINGENCIES AND COMMITMENTS		
14.1	Contingencies		
	There is no material change in the status of contingencies as reported in the annual financial statements for the year ended June 30, 2023.		
14.2	Commitments		
14.2.1	Commitments in respect of outstanding letters of credit for raw material amounting to Rs. 437.85 million (June 30, 2023: Rs. 474.28 million), out of which Rs. 6.56 million (June 30, 2023: Rs. 186.43 million) is outstanding with Habib Metropolitan Bank Limited - associated company as at the reporting date.		
14.2.2	Commitments in respect of capital expenditure amounting to Rs. 28.37 million (June 30, 2023: Rs. 80.72 million), out of which Rs. 10.92 million (June 30, 2023: Rs. 6.57 million) is outstanding with Habib Metropolitan Bank Limited - associated company as at the reporting date.		
		September 30, 2023 (un-audited) ----- (Rupees in '000) -----	September 30, 2022 (audited)
15	OTHER EXPENSES		
	Exchange loss on foreign currency transactions - net	6,623	69,769
	Workers' Profit Participation Fund	297	1,413
	Workers' Welfare Fund	176	-
	Donations	-	151
	Loss on disposal of operating fixed assets	2,498	1,851
		<u>9,594</u>	<u>73,184</u>
16	Includes Rs. Nil (September 30, 2022: Rs. 114.40 million) on account of dividend income from the wholly owned subsidiary Agriauto Stamping Company (Private) Limited.		

17 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.

18 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 %	September 30, 2023 (un-audited) ----- (Rupees in '000) -----	September 30, 2022 (un-audited) -----
Subsidiary (wholly owned)				
Agriauto Stamping Company (Private) Limited	Sale of goods		4,712	10,376
	Tax liability surrendered by the Subsidiary Company	Nil	28,362	-
	Dividend received		-	114,401
Associated Companies (Common directorship)				
Thal Boshoku Pakistan (Private) Limited	Sale of goods	Nil	-	3,743
Auvitronics Limited	Sale of goods	Nil	190	-
Shabbir Tiles and Ceramics Limited	Purchases	Nil	6,189	195
Habib Metropolitan Bank Limited	Mark-up expense	Nil	2,433	4,876
	Profit earned on deposit account		1,326	355
	Bank charges		342	524
	Guarantee given		6,000	18,000
Retirement benefit funds				
Employees' Provident Fund	Contribution		4,883	4,176
Key management personnel				
	Remuneration and other benefits	Nil	10,574	11,635
	Fee for attending board meetings		900	551

19 DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorised for issue on October 30, 2023 by the Board of Directors of the Company.

20 GENERAL

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


DIRECTOR


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER

AGRIAUTO INDUSTRIES LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2023

	September 30, 2023 (un-audited)	June 30, 2023 (audited)
Note	----- (Rupees in '000) -----	
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	5 4,313,989	4,277,485
Right-of-use assets	4,095	2,227
Intangible assets	49,253	54,459
Long-term deposits	18,675	17,475
Deferred taxation	6 10,646	10,522
	4,396,658	4,362,168
CURRENT ASSETS		
Stores, spares and loose tools	157,519	152,957
Stock-in-trade	2,934,914	2,691,663
Trade debts	7 787,959	731,621
Advances, deposits, prepayments and other receivables	8 349,256	521,856
Accrued profit	9 70	3,918
Short-term investments	10 75,914	75,953
Taxation – net	294,253	280,790
Sales tax receivable	177,084	146,010
Cash and bank balances	11 51,419	162,569
	4,828,388	4,767,337
TOTAL ASSETS	9,225,046	9,129,505
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorised capital		
40,000,000 (June 30, 2023: 40,000,000) ordinary shares of Rs. 5/- each	200,000	200,000
Issued, subscribed and paid-up capital		
36,000,000 (June 30, 2023: 36,000,000) ordinary shares of Rs. 5/- each	180,000	180,000
Reserves	5,987,765	5,981,745
	6,167,765	6,161,745
NON-CURRENT LIABILITIES		
Long-term financing - secured	12 562,533	628,675
Deferred income	12 27,436	29,546
	589,969	658,221
CURRENT LIABILITIES		
Trade and other payables	13 1,836,870	1,955,148
Lease liabilities	3,387	3,387
Current maturity of long-term financing	12 125,727	113,227
Current maturity of deferred income	8,439	8,439
Unpaid dividend	4,158	6,748
Unclaimed dividend	30,113	27,666
Short-term running finance	14 458,618	194,924
	2,467,312	2,309,539
CONTINGENCIES AND COMMITMENTS	15	
TOTAL EQUITY AND LIABILITIES	9,225,046	9,129,505

The annexed notes from 1 to 20 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 QUARTER ENDED SEPTEMBER 30, 2023
(un-audited)

	Note	Quarter ended	
		September 30, 2023	September 30, 2022
		----- (Rupees in '000) -----	
Turnover – net		1,753,483	2,187,049
Cost of sales		<u>(1,578,678)</u>	<u>(1,965,478)</u>
Gross profit		174,805	221,571
Distribution costs		<u>(31,986)</u>	<u>(30,499)</u>
Administrative expenses		<u>(92,910)</u>	<u>(99,726)</u>
		<u>(124,896)</u>	<u>(130,225)</u>
Operating profit		49,909	91,346
Other expenses	16	<u>(21,426)</u>	<u>(116,895)</u>
Other income		<u>20,207</u>	<u>26,849</u>
Finance costs		<u>(19,560)</u>	<u>(70,385)</u>
		<u>(20,779)</u>	<u>(160,431)</u>
Profit / (Loss) before taxation		29,130	(69,085)
Taxation			
- Current		<u>(23,311)</u>	<u>(27,383)</u>
- Prior		<u>77</u>	<u>(370)</u>
- Deferred		<u>124</u>	<u>11,378</u>
		<u>(23,110)</u>	<u>(16,375)</u>
Profit / (Loss) after taxation		6,020	(85,460)
		----- (Rupees) -----	
Earnings / (Loss) per share - basic and diluted		0.17	(2.37)

The annexed notes from 1 to 20 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 QUARTER ENDED SEPTEMBER 30, 2023
(un-audited)

	Quarter ended	
	September 30, 2023	September 30, 2022
	------(Rupees in '000)-----	
Profit / (loss) for the period	6,020	(85,460)
Other comprehensive income for the period	-	-
Total comprehensive income / (loss) for the period	6,020	(85,460)

The annexed notes from 1 to 20 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 QUARTER ENDED SEPTEMBER 30, 2023
(un-audited)

Issued, subscribed and paid-up capital	Reserves			Total reserves	Total equity	
	Capital reserve	Revenue reserves				
	Share premium	General	Unappropriated profit			
----- (Rupees in '000) -----						
Balance as at July 01, 2022 (audited)	144,000	12,598	2,665,000	3,513,427	6,191,025	6,335,025
Transfer to general reserve	-	-	500,000	(500,000)	-	-
Loss after taxation for the period	-	-	-	(85,460)	(85,460)	(85,460)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(85,460)	(85,460)	(85,460)
Balance as at September 30, 2022 (un-audited)	<u>144,000</u>	<u>12,598</u>	<u>3,165,000</u>	<u>2,927,967</u>	<u>6,105,565</u>	<u>6,249,565</u>
Balance as at July 01, 2023 (audited)	180,000	12,598	3,165,000	2,804,147	5,981,745	6,161,745
Profit after taxation for the period	-	-	-	6,020	6,020	6,020
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	6,020	6,020	6,020
Balance as at September 30, 2023 (un-audited)	<u>180,000</u>	<u>12,598</u>	<u>3,165,000</u>	<u>2,810,167</u>	<u>5,987,765</u>	<u>6,167,765</u>

The annexed notes from 1 to 20 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 QUARTER ENDED SEPTEMBER 30, 2023
(un-audited)

	Quarter ended	
	September 30, 2023	September 30, 2022
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	29,130	(69,085)
Adjustments for:		
Depreciation and amortisation	99,761	82,881
Finance costs	19,560	70,385
Amortisation of deferred income	(2,110)	-
Profit on term deposit receipts and deposit accounts	(5,431)	(3,622)
Capital work-in-progress charged off	-	32
Loss on disposal of operating fixed assets	435	1,851
	<u>141,345</u>	<u>82,442</u>
Increase in current assets	(132,638)	(383,356)
Decrease in current liabilities	(152,922)	(169,008)
Cash used in operations	<u>(144,215)</u>	<u>(469,922)</u>
Finance costs paid	(11,380)	(38,100)
Long-term deposits paid	(1,200)	(999)
Income tax paid / adjusted	(36,697)	(60,413)
Net cash used in operating activities	<u>(193,492)</u>	<u>(569,434)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(144,794)	(364,520)
Proceeds from disposal of property, plant and equipment	13,857	3,577
Profit received on term deposit receipts and deposit accounts	5,915	5,539
Net cash used in investing activities	<u>(125,022)</u>	<u>(355,404)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term financing obtained	-	707,769
Long-term financing repaid	(53,642)	(3,180)
Dividend paid	(143)	(229)
Lease payments	(2,545)	(2,453)
Net cash (used in) / generated from financing activities	<u>(56,330)</u>	<u>701,907</u>
Net decrease in cash and cash equivalents	<u>(374,844)</u>	<u>(222,931)</u>
Cash and cash equivalents at the beginning of the period	42,145	(859,041)
Cash and cash equivalents at the end of the period	<u>(332,699)</u>	<u>(1,081,972)</u>
CASH AND CASH EQUIVALENTS		
Cash and bank balances	51,419	48,551
Lien on short-term investments - term deposit receipts	74,500	77,000
Short-term running finance	(458,618)	(1,207,523)
	<u>(332,699)</u>	<u>(1,081,972)</u>

The annexed notes from 1 to 20 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 QUARTER ENDED SEPTEMBER 30, 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, 2023: 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 consolidated annual financial statements, and should be read in conjunction with the consolidated audited financial statements of the Group for the year ended June 30, 2023.

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 audited consolidated financial statements for the year ended June 30, 2023.

	Note	September 30, 2023 ----- (Rupees in '000) ----- (un-audited)	June 30, 2023 ----- (Rupees in '000) ----- (audited)
5 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1 & 5.2	2,950,312	2,464,505
Capital work-in-progress	5.3	1,363,677	1,812,980
		<u>4,313,989</u>	<u>4,277,485</u>

- 5.1 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	
	Quarter ended		Quarter ended	
	September 30,		September 30,	
	2023	2022	2023	2022
	(un-audited)		(un-audited)	
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
Owened				
Building	144,816	-	-	-
Plant and machinery	256,894	8,652	4,494	5,326
Vehicles	48,731	3,922	9,761	-
Office equipment	-	250	-	-
Computer equipment	1,210	4,760	37	102
Dies and tools	142,446	-	-	-
	<u>594,097</u>	<u>17,584</u>	<u>14,292</u>	<u>5,428</u>

- 5.2 Depreciation charge for the period amounted to Rs. 93.99 million (September 30, 2022: Rs. 74.78 million).

	Note	September 30, 2023 ----- (Rupees in '000) ----- (un-audited)	June 30, 2023 ----- (Rupees in '000) ----- (audited)
5.3 Capital work-in-progress			
Balance at the beginning of the period / year		1,812,980	621,332
Capital expenditure incurred / advances made during the period / year	5.3.1	85,127	1,589,435
Transfer to operating fixed assets during the period / year		(534,430)	(397,755)
Charged off during the period / year		-	(32)
Balance at the end of the period / year		<u>1,363,677</u>	<u>1,812,980</u>

- 5.3.1 During the period, borrowing costs have been capitalized amounting to Rs. 38.27 million (June 30, 2023: Rs. 101.38 million) using capitalisation rate of 3 months KIBOR + 0.3% per annum on account of long-term financing obtained specifically for this purpose as fully mentioned in notes 13.3 and 13.4 to these consolidated interim financial statements.

	September 30, 2023 ----- (Rupees in '000) ----- (un-audited)	June 30, 2023 ----- (Rupees in '000) ----- (audited)
6 DEFERRED TAXATION - NET		
Deductible / (taxable) temporary differences arising due to:		
- provisions	179,727	177,098
- lease liabilities and right-of-use-assets	(205)	336
- unused business losses	77,885	77,885
- accelerated tax depreciation	(246,761)	(244,797)
	<u>10,646</u>	<u>10,522</u>

- 7 Includes an amount of Rs. 2.40 million (June 30, 2023: Rs. 1.64 million) receivable from Thal Boshoku Pakistan (Private) Limited - associated company, against sales made by the Group.
- 8 Includes an amount of Rs. 8.45 million (June 30, 2023: Rs. 95.36 million) against LC margin deposits, out of which Rs. 8.45 million (June 30, 2023: Rs. 89.07 million) are held with Habib Metropolitan Bank Limited - associated company. Additionally includes Rs. 301.17 million (June 30, 2023: Rs. 301.17 million) with respect to claim against Additional custom duty from a customer.
- 9 Represents accrued profit on deposit accounts held with Habib Metropolitan Bank Limited - associated company.

	September 30, 2023 ----- (Rupees in '000) ----- (un-audited)	June 30, 2023 ----- (Rupees in '000) ----- (audited)
10 SHORT-TERM INVESTMENTS		
At amortised cost		
Term deposit receipts	74,500	74,500
Accrued profit thereon	1,414	1,453
	<u>75,914</u>	<u>75,953</u>

- 10.1 Represents three months term deposit receipts, marked as lien, with a commercial bank under conventional banking relationship carrying profit rate ranging from 18.75% to 19.25% (June 30, 2023: 12.75% to 19.25%) per annum and having maturity latest by December 29, 2023.
- 11 Includes an amount of Rs. Nil (June 30, 2023: Rs. 125.04 million) and Rs. 43.08 million (June 30, 2023: Rs. 40.32 million) held with Habib Metropolitan Bank Limited - associated company in bank accounts and dividend accounts respectively.

	September 30, 2023 ----- (Rupees in '000) ----- (un-audited)	June 30, 2023 ----- (Rupees in '000) ----- (audited)
12 LONG-TERM FINANCING - SECURED		
SBP refinance scheme for renewable energy	88,260	91,902
Current maturity of long-term financing	(8,227)	(8,227)
	80,033	83,675
Long-term financing	600,000	650,000
Current maturity of long-term financing	(117,500)	(105,000)
	482,500	545,000
	<u>562,533</u>	<u>628,675</u>

- 12.1 This represents long-term financing facility obtained, by the Holding Company, 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, 2023: 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 16.30% (June 30, 2023: 10.02% to 15.60%) per annum.
- 12.2 This represents long term financing facility obtained, by the Subsidiary Company, 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. 85 million and carries mark-up at the rate of 2% plus 0.75% (June 30, 2023: 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 8.72% to 16.30% (June 30, 2023: 8.72% to 11.42%) per annum.

- 12.3 This represents long-term financing facility obtained, by Holding Company, from a conventional bank to refinance capital expenditure incurred by the Holding Company, with a total limit of Rs. 500 million (June 30, 2023: Rs. 500 million) and at a markup rate of 3 months KIBOR + 0.3% per annum (June 30, 2023: 3 months KIBOR + 0.3% per annum) 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 Holding Company with 25% margin.
- 12.4 This represents long-term financing facility obtained, by the Subsidiary Company, from a conventional bank to refinance capital expenditure incurred by the Subsidiary Company, with a total limit of Rs. 900 million (June 30, 2023: Rs. 900 million) and at a markup rate of 3 months KIBOR + 0.3% per annum (June 30, 2023: 3 months KIBOR + 0.3% per annum) 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 Subsidiary Company with 25% margin.

Note	September 30,	June 30,
	2023	2023
	----- (Rupees in '000) -----	----- (Rupees in '000) -----
	(un-audited)	(audited)
12.5 Movement of long-term financing		
Balance at beginning of the period / year	741,902	90,927
Financing received during the period / year	-	917,691
Repayment made during the period / year	(53,642)	(264,094)
Recognised as deferred income for the period / year	12.6	(7,372)
Accretion of interest during the period / year	-	4,750
Balance at end of the period / year	<u>688,260</u>	<u>741,902</u>
Current maturity of long-term financing	<u>(125,727)</u>	<u>(113,227)</u>
	<u>562,533</u>	<u>628,675</u>

- 12.6 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.

- 13 Includes accrued markup amounting to Rs. 6.56 million (June 30, 2023: Rs. 2.07 million) on short-term running finance availed from Habib Metropolitan Bank Limited - associated company.

14 SHORT-TERM RUNNING FINANCE

Represents short-term running finance obtained from various banks amounting to Rs. 458.62 million (June 30, 2023: Rs. 194.92 million). The total facility limit amounts to Rs. 2,390 million (June 30, 2023: Rs. 2,390 million). The rate of mark-up on these finances ranges from 1 month to 3 months KIBOR plus rates varying from 0.10% to 1.00% (June 30, 2023: 1 month to 3 months KIBOR plus rates varying from 0.20% to 1.00%) per annum. The facilities are secured by way of pari passu hypothecation on the Group's stock-in-trade, stores, spares, loose tools and trade debts. Includes an amount of Rs. 218.44 million (June 30, 2023: Rs. Nil) from Habib Metropolitan Bank Limited - associated company, against short-term running finance availed as at the reporting date.

15 CONTINGENCIES AND COMMITMENTS

15.1 Contingencies

There is no material change in the status of contingencies as reported in the annual financial statements for the year ended June 30, 2023.

15.2 Commitments

There is no material change in the status of commitments as reported in the annual audited financial statements for the year ended June 30, 2023 other than described below:

- 15.2.1 Commitments in respect of outstanding letters of credit for raw material, stores, spares and loose tools amounting to Rs. 609.08 million (June 30, 2023: Rs. 747.77 million), out of which Rs. 7.21 million (June 30, 2023: Rs. 194.65 million) is outstanding with Habib Metropolitan Bank Limited - associated company as at the reporting date.
- 15.2.2 Commitments in respect of capital expenditure amounting to Rs. 28.37 million (June 30, 2023: Rs. 80.72 million), out of which Rs. 10.92 million (June 30, 2023: Rs. 6.57 million) is outstanding with Habib Metropolitan Bank Limited - associated company as at the reporting date.
- 15.2.3 Outstanding bank guarantees issued to Collector of Customs in respect of custom duty and non-deduction of withholding tax amounting to Rs. 258.48 million (June 30, 2023: Rs. 258.48 million) and Rs. 8.62 million (June 30, 2023: Rs. 8.62 million) respectively.

16 OTHER EXPENSES

	September 30, 2023 ----- (Rupees in '000) ----- (un-audited)	September 30, 2022 ----- (Rupees in '000) ----- (un-audited)
Exchange loss on foreign currency transactions - net	16,918	107,265
Workers' Profit Participation Fund	1,271	2,340
Workers' Welfare Fund	739	1,088
Donations	-	4,351
Loss on disposal of operating fixed assets	2,498	1,851
	<u>21,426</u>	<u>116,895</u>

17 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.

18 TRANSACTIONS WITH RELATED PARTIES

Related parties of the Group comprise the 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 Group. Detail of transactions with related parties during the period, other than disclosed elsewhere in these 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 %	September 30, 2023 (un-audited) ----- (Rupees in '000) -----	September 30, 2022 (un-audited) ----- (Rupees in '000) -----
Associated Companies (Common directorship)				
Thal Boshoku Pakistan (Private) Limited	Sale of goods	Nil	<u>2,039</u>	<u>12,581</u>
Auvitronics Limited	Sale of goods	Nil	<u>190</u>	<u>-</u>
Shabbir Tiles and Ceramics Limited	Purchases	Nil	<u>6,189</u>	<u>195</u>
Habib Metropolitan Bank Limited	Gain on foreign exchange forward cover	Nil	-	20,251
	Mark-up expense		6,566	5,646
	Profit earned on deposit accounts		2,084	1,855
	Bank charges		559	606
	Guarantee given		<u>12,000</u>	<u>51,202</u>
Retirement benefit funds				
Employees' Provident Fund	Contribution	Nil	<u>6,898</u>	<u>5,663</u>
Key management personnel				
	Remuneration and other benefits	Nil	<u>10,574</u>	<u>12,222</u>
	Fee for attending board meetings		<u>1,000</u>	<u>551</u>

19 DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements were authorised for issue on October 30, 2023 by the Board of Directors of the Group.

20 GENERAL

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



Director



Chief Executive



Chief Financial Officer