CHAIRMAN'S REVIEW

I am pleased to present you the review on Annual Report of the Company for the year ended June 30, 2019. The Financial Year 2018-19 has been another year of successful performance and growth for Agriauto Industries Limited. On a consolidated basis, the Agriauto Group achieved its highest net sales and profit after tax of Rs.10.128 billion and Rs.1.054 billion respectively.

Based on the financial performance, the Board has recommended a final cash dividend of 140% i.e. Rs.7.0/- per share for approval from members at the Annual General Meeting. This is in addition to the Interim Dividends of 60% i.e. Rs.3.0/- per share already paid. The total dividend for the year 2018-19 will thus amount to 200% i.e., Rs.10.0/- per share.

On a national level, the economic indicators of the Country are currently showing a mixed picture. Although the Current Account Deficit (CAD) which ballooned to $18B at the end of 2017-18 has reduced to $12B at the end of 2018-19, this reduction has been accompanied with a deceleration in economic activity led by increase in import duties, interest rates and above all a sharp devaluation of the Pak Rupee. The increase in cost of vehicles due to higher import costs and increased duties/taxes, has impacted auto industry volumes which in turn will impact the auto-parts makers, industry demand & profitability as well as discourage fresh investments. We believe that the Government should take cognizance of the ground realities and endeavor to create a conducive environment for the auto industry which is a significant sector of the national economy in order to foster growth and economic momentum.

The Company's Management is closely monitoring the challenges faced by the Company and will take all steps necessary to safeguard the interests of its shareholders as well as to capitalize on growth opportunities through its diversification and expansion in its product line.

Your Company is committed to good Corporate Governance. I am pleased to report that the performance of the Board has been par excellence which has helped in effective steering of the Company during the year. The Board acknowledges its responsibility in respect of Corporate & Financial Reporting Framework. The Board is also cognizant of its strategic role in achieving the Company's key objectives and is focused on enriching the returns for its shareholders & other stakeholders and shall continue contributing through sustained supply of premium quality products to its valued Customers.

Yutaka Arae
Chairman

August 29, 2019