AGRIAUTO INDUSTRIES LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2019

	Note	March 31, 2019 (Un-audited)	June 30, 2018 (Audited)
		---------- (Rupees in '000) ----------	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	**771,846**	667,623
Intangible asset		**9,780**	7,863
Long-term investment		**1,144,006**	1,144,006
Long-term deposits		**6,234**	6,234
		1,931,866	1,825,726
CURRENT ASSETS			
Stores, spares and loose tools		**83,697**	83,178
Stock-in-trade		**931,135**	964,242
Trade debts		**684,201**	431,931
Advances, deposits, prepayments and other receivables	7	**304,631**	7,099
Accrued profit		**1,422**	681
Short-term investments	8	**143,454**	543,560
Sales tax receivable		**-**	9,086
Taxation – net		**91,053**	254,258
Cash and bank balances		**372,489**	230,264
		2,612,082	2,524,299
TOTAL ASSETS		**4,543,948**	4,350,025
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital			
40,000,000 (June 30, 2018: 40,000,000) ordinary shares of Rs. 5/- each		**200,000**	200,000
Issued, subscribed and paid-up capital 28,800,000 (June 30, 2018: 28,800,000) ordinary shares of Rs. 5/- each		**144,000**	144,000
Reserves		**3,785,862**	3,726,986
		3,929,862	3,870,986
NON-CURRENT LIABILITY			
Deferred taxation		**4,379**	16,792
CURRENT LIABILITIES			
Trade and other payables		**561,677**	436,227
Unpaid dividend		**8,310**	2,516
Unclaimed dividend		**23,394**	23,504
Sales tax payable		**16,326**	-
		609,707	462,247
COMMITMENTS	9		
TOTAL EQUITY AND LIABILITIES		**4,543,948**	4,350,025

The annexed notes from 1 to 13 form an integral part of these unconsolidated condensed interim financial statements.

YUTAKA ARAE
Chairman

FAHIM KAPADIA
Chief Executive

SAAD USMAN
Chief Financial Officer

AGRIAUTO INDUSTRIES LIMITED

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

FOR THE NINE MONTHS & QUARTER MARCH 31, 2019

(UN-AUDITED)

	Nine months ended		Quarter ended	
	March 31, 2019	March 31, 2018	**March 31, 2019**	March 31, 2018
	(Rupees in '000)		**(Rupees in '000)**	
Turnover – net	**5,412,768**	4,539,895	**1,902,045**	1,589,819
Cost of sales	**(4,553,903)**	(3,651,981)	**(1,586,364)**	(1,281,574)
Gross profit	**858,865**	887,914	**315,681**	308,245
Distribution costs	**(96,390)**	(84,610)	**(32,862)**	(29,616)
Administrative expenses	**(165,802)**	(156,302)	**(57,414)**	(51,141)
	(262,192)	(240,912)	**(90,276)**	(80,757)
Operating profit	**596,673**	647,002	**225,405**	227,488
Other expenses	**(50,153)**	(54,336)	**(18,395)**	(16,705)
Other income	**25,653**	38,902	**8,255**	13,982
Finance costs	**(215)**	(215)	**(60)**	(67)
	(24,715)	(15,649)	**(10,200)**	(2,790)
Profit before taxation	**571,958**	631,353	**215,205**	224,698
Taxation	**(181,882)**	(189,176)	**(73,963)**	(66,807)
Profit after taxation	**390,076**	442,177	**141,242**	157,891
	---------- (Rupees) ----------			
Earnings per share - basic and diluted	**13.54**	15.35	**4.90**	5.48

The annexed notes from 1 to 13 form an integral part of these unconsolidated condensed interim financial statements.

YUTAKA ARAE
Chairman

FAHIM KAPADIA
Chief Executive

SAAD USMAN
Chief Financial Officer

AGRIAUTO INDUSTRIES LIMITED

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE NINE MONTHS & QUARTER MARCH 31, 2019

(UN-AUDITED)

	Nine months ended		Quarter ended	
	March 31, 2019	March 31, 2018	**March 31, 2019**	March 31, 2018
	(Rupees in '000)		**(Rupees in '000)**	
Profit after taxation for the period	**390,076**	442,177	**141,242**	157,891
Other comprehensive income for the period	**-**	-	**-**	-
Total comprehensive income for the period	**390,076**	442,177	**141,242**	157,891

The annexed notes from 1 to 13 form an integral part of these unconsolidated condensed interim financial statements.

YUTAKA ARAE
Chairman

FAHIM KAPADIA
Chief Executive

SAAD USMAN
Chief Financial Officer

AGRIAUTO INDUSTRIES LIMITED

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED MARCH 31, 2019

(UN-AUDITED)

	Nine months ended	
	March 31, 2019	March 31, 2018
	(Rs. in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	**571,958**	631,353
Adjustments for:		
Depreciation and amortization	**65,763**	60,246
Finance costs	**215**	215
Reversal for impairment of trade debts	**-**	(39)
Gain on disposal of property, plant and equipment	**(998)**	(2,497)
Profit on term deposit receipts	**(13,146)**	(28,004)
Profit on bank balances	**(8,380)**	(5,320)
	615,412	655,954
Increase in current assets	**(508,128)**	(163,449)
Increase in current liabilities	**141,776**	118,754
Cash generated from operations	**249,060**	611,259
Finance costs paid	**(215)**	(215)
Income tax paid	**(31,090)**	(45,718)
Net cash generated from operating activities	**217,755**	565,326
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	**(175,281)**	(67,583)
Proceeds from disposal of property, plant and equipment	**4,376**	9,559
Short term investment	**(22,000)**	-
Profit received on term deposit receipts	**14,560**	27,008
Profit received on bank balances	**7,639**	6,926
Net cash used in investing activities	**(170,706)**	(24,090)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	**(325,516)**	(323,200)
Net decrease in cash and cash equivalents	**(278,467)**	218,036
Cash and cash equivalents at the beginning of the period	**770,956**	869,835
Cash and cash equivalents at the end of the period	**492,489**	1,087,871
CASH AND CASH EQUIVALENTS		
Cash and bank balances	**372,489**	249,718
Short-term investments	**120,000**	838,153
	492,489	1,087,871

The annexed notes from 1 to 13 form an integral part of these unconsolidated condensed interim financial statements.

YUTAKA ARAE
Chairman

FAHIM KAPADIA
Chief Executive

SAAD USMAN
Chief Financial Officer

AGRIAUTO INDUSTRIES LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED MARCH 31, 2019
(UN-AUDITED)

		Reserves				
		Capital reserve	Revenue reserves			
	Issued, subscribed and paid-up capital	Share premium	General	Unapp-ropriated profit	Total	Total equity
	---------- (Rupees in'000) ----------					
Balance as at July 01, 2017	144,000	12,598	2,975,000	550,181	3,537,779	3,681,779
Final dividend for the year ended June 30, 2017 @ Rs.7.5 /- per share	-	-	-	(216,000)	(216,000)	(216,000)
Interim dividend for the year ended June 30, 2018 @ Rs. 4.0 /- per share	-	-	-	(115,200)	(115,200)	(115,200)
Transfer to general reserve	-	-	300,000	(300,000)	-	-
Profit after taxation for the period	-	-	-	442,177	442,177	442,177
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	442,177	442,177	442,177
Balance as at March 31, 2018	144,000	12,598	3,275,000	361,158	3,648,756	3,792,756
Balance as at July 01, 2018	**144,000**	**12,598**	**3,275,000**	**439,388**	**3,726,986**	**3,870,986**
Final dividend for the year ended June 30, 2018 @ Rs.8.5 /- per share	**-**	**-**	**-**	**(244,800)**	**(244,800)**	**(244,800)**
Interim dividend for the year ended June 30, 2019 @ Rs.3.0 /- per share	**-**	**-**	**-**	**(86,400)**	**(86,400)**	**(86,400)**
Transfer to general reserve	**-**	**-**	**190,000**	**(190,000)**	**-**	**-**
Profit after taxation for the period	**-**	**-**	**-**	**390,076**	**390,076**	**390,076**
Other comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**
Total comprehensive income for the period	**-**	**-**	**-**	**390,076**	**390,076**	**390,076**
Balance as at March 31, 2019	**144,000**	**12,598**	**3,465,000**	**308,264**	**3,785,862**	**3,929,862**

The annexed notes from 1 to 13 form an integral part of these unconsolidated condensed interim financial statements.

YUTAKA ARAE
Chairman

FAHIM KAPADIA
Chief Executive

SAAD USMAN
Chief Financial Officer

AGRIAUTO INDUSTRIES LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2019
(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 on the basis of direct equity interest 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 annual financial statements and should be read in conjunction with the Company's audited unconsolidated financial statements for the year ended June 30, 2018.

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, 2018 except for the adoption of new standards, amendments and interpretation of International Financial Reporting Standards (IFRSs) as disclosed in note 5.

5 NEW STANDARDS, AMMENDMENTS AND INTERPRETATIONS OF IFRSs

Effective 1 July 2018, the Company has adopted IFRS 15 "Revenue from Contracts with Customers" (replacing IAS 18 "Revenue", IAS 11 "Construction Contracts" and related interpretations) and IFRS 9 "Financial Instruments (replacing IAS 39 "Financial Instruments: Recognition and Measurement". The effects of adoption of these standards are explained below;

5.1 IFRS 15 Revenue from Contracts with Customers

According to IFRS 15, revenue is recognized to depict the transfer of promised goods or services to a customer in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is recognized when, or as, the customer obtains control of the goods or services. IFRS 15 also includes guidance on the presentation of contract balances, that is, assets and liabilities arising from contracts with customers, depending on the relationship between the entity's performance and the customer's payment.

The Company has applied IFRS 15 with initial application date of 1 July 2018 as notified by the Securities and Exchange Commission of Pakistan (SECP). The first-time application of IFRS 15 by the Company has not had any significant effects with regard to the amount of revenue recognised and when it is recognised. Hence, no cumulative adjustment amounts have been recognised to adjust the opening equity as at 1 July 2018. Accordingly, the information presented for previous years has not been restated, as previously reported, under IAS 18 and related interpretations.

The management of the Company has assessed that the Company is in compliance with the requirements of IFRS 15.

5.2 IFRS 9 Financial Instruments

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. The details of new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below:

5.2.1 Effect of adopting IFRS 9 on the classification of financial assets

Financial asset	Original category under IAS 39	New category under IFRS 9
Trade debts	Loans and receivables	Amortised cost
Deposits and other receivables	Loans and receivables	Amortised cost
Short-term investments	Held to maturity	Amortised cost
Cash and bank balances	Loans and receivables	Amortised cost
Long-term deposits	Loans and receivables	Amortised cost

5.2.2 Classification and measurement of financial assets and financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale.

The adoption of IFRS 9 has not had a significant effect on the Company's accounting policies related to financial liabilities. The impact of IFRS 9 on the classification and measurement of financial assets is set out below:

a) Initial recognition and measurement

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortised cost; Fair Value through Other Comprehensive Income (FVOCI) – debt investment; FVOCI – equity investment; or Fair Value through Profit or Loss (FVTPL).

The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial assets.

Financial assets at amortised cost - These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any.

Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

5.2.3 Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments.

At each reporting date, the Company assesses whether financial assets are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the respective asset.

The Company uses the standard's simplified approach and calculates ECL based on life time ECL on its financial assets. For this purpose, the management conducts an exercise to assess the impairment of its financial assets using historical data and forward looking information.

Based on such exercise, the Company has concluded that it is in compliance with the requirements of the new accounting standard including the assessment of impairment on its financial assets using expected credit loss model.

	Note	March 31, 2019	June 30, 2018
		------ (Rupees in '000) ------	
		(Un-audited)	(Audited)
6 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	6.1 & 6.2	**688,192**	644,258
Capital work-in-progress		**83,654**	23,365
		771,846	667,623

6.1 The following additions and disposals were made in the operating fixed assets during the period:

	Additions at cost		Disposal at NBV	
	Nine months ended March 31,		Nine months ended March 31,	
	2019	2018	**2019**	2018
	(Un-audited)		(Un-audited)	
	-------- (Rupees in '000) --------		-------- (Rupees in '000) --------	
Owned				
Plant and machinery	**83,502**	21,026	**97**	3,722
Vehicles	**22,840**	16,232	**3,142**	3,273
Furniture and fixtures	**1,658**	1,649	**-**	-
Computers	**1,681**	1,164	**141**	67
Office equipment	**1,536**	113	**-**	-
	111,217	40,184	**3,380**	7,062

6.2 Depreciation charge for the period amounted to Rs. 63,904 (March 31, 2018: Rs. 59,129).

7 Includes an amount of Rs. 289.736 million (June 30, 2018: Nil) deposited with commercial banks in respect of cash margin requirement on import.

	Note	March 31, 2019 (Un-audited)	June 30, 2018 (Audited)
		-------- (Rupees in '000) --------	
8 SHORT TERM INVESTMENTS			
Financial assets at amortised cost			
Term deposit receipts	8.1	**142,000**	442,000
Treasury bills		**-**	98,692
Accrued profit thereon		**1,454**	2,868
		143,454	543,560

8.1 Represents one to three months term deposit receipts with a commercial bank under conventional banking relationship carrying profit rate ranging from of 4.75% to 9.75% (March 31, 2018: 4.05% to 6.00%) per annum having maturity date of 17July 2019.

9 COMMITMENTS

There is no material change in the status of commitments as reported in the annual financial statements for the year ended June 30, 2018 other than described below:

9.1 Commitments in respect of outstanding letters of credit for raw material amounting to Rs. 377.777 million (June 30, 2018: Rs. 634.494 million).

9.2 Commitments in respect of capital expenditure amounting to Rs. 21.139 million (June 30, 2018: Rs. 78.342 million).

10 TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company of comprises the subsidiary company, companies with common directorship, retirement funds, directors and key management personnel. Balance due from / to the related parties have been disclosed in respective notes to these unconsolidated condensed interim financial statements. Detail 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	March 31, 2019 (Un-audited)	March 31, 2018 (Un-audited)
Subsidiary (wholly owned)		-------- (Rupees in '000) --------	
Agriauto Stamping Company (Private) Limited.	Sale of goods	25,915	22,626
	Tax credit claimed on behalf of subsidiary	13,424	-
	Services received	2,932	-
Retirement benefit funds			
Provident fund	Contribution	8,061	6,552
Key management personnel	Remuneration and other benefits	26,275	19,240 *
	Fee for attending board meetings	1,275	825
Common directorship	Services received	5,899	4,874

* The amount has been restated to include the remuneration and other benefits of Chief Financial Officer and Company Secretary in compliance with S.R.O 1194(1)/2018, dated October 02, 2018.

11 NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors of the subsidiary Company has approved interim cash dividend of Rs. 1.0 /- per share for the year ended June 30, 2019 in its meeting held on April 24, 2019.

These consolidated condensed interim financial statements does not include the effect of the said interim dividend.

12 DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on April 24, 2019 by the Board of Directors of the Company.

13 GENERAL

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

YUTAKA ARAE
Chairman

FAHIM KAPADIA
Chief Executive

SAAD USMAN
Chief Financial Officer