**AGRIAUTO INDUSTRIES LIMITED**
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**
**AS AT SEPTEMBER 30, 2019**

| | Note | September 30, 2019 (Un-audited) | June 30, 2019 (Audited) |
|---|---|---|---|
| | | ---------- (Rupees in '000) ---------- | |
| **ASSETS** | | | |
| **NON-CURRENT ASSETS** | | | |
| Property, plant and equipment | 5 | **775,994** | 786,604 |
| Intangible asset | | **11,602** | 6,651 |
| Long-term investment | | **1,144,006** | 1,144,006 |
| Long-term deposits | | **6,634** | 6,634 |
| | | **1,938,236** | 1,943,895 |
| **CURRENT ASSETS** | | | |
| Stores, spares and loose tools | | **94,287** | 108,143 |
| Stock-in-trade | | **1,468,906** | 1,085,156 |
| Trade debts | | **229,264** | 669,222 |
| Advances, deposits, prepayments and other receivables | 6 | **154,890** | 264,958 |
| Accrued profit | | **655** | 981 |
| Short-term investments | 7 | **22,518** | 74,629 |
| Sales tax receivable | | **110,731** | 47,976 |
| Taxation – net | | **327,716** | 338,070 |
| Cash and bank balances | | **275,240** | 135,948 |
| | | **2,684,207** | 2,725,083 |
| **TOTAL ASSETS** | | **4,622,443** | 4,668,978 |
| **EQUITY AND LIABILITIES** | | | |
| **SHARE CAPITAL AND RESERVES** | | | |
| Authorised capital | | | |
| 40,000,000 (June 30, 2019: 40,000,000) ordinary shares of Rs. 5/- each | | **200,000** | 200,000 |
| Issued, subscribed and paid-up capital 28,800,000 (June 30, 2019: 28,800,000) ordinary shares of Rs. 5/- each | | **144,000** | 144,000 |
| Reserves | | **4,004,291** | 3,998,798 |
| | | **4,148,291** | 4,142,798 |
| **NON-CURRENT LIABILITY** | | | |
| Deferred taxation | | **2,461** | 5,886 |
| **CURRENT LIABILITIES** | | | |
| Trade and other payables | | **442,326** | 490,028 |
| Unpaid dividend | | **6,315** | 7,211 |
| Unclaimed dividend | | **23,050** | 23,055 |
| | | **471,691** | 520,294 |
| **COMMITMENTS** | 8 | | |
| **TOTAL EQUITY AND LIABILITIES** | | **4,622,443** | 4,668,978 |

The annexed notes from 1 to 12 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 QUARTER ENDED SEPTEMBER 30, 2019
## (UN-AUDITED)

| | Quarter ended | |
|---|---|---|
| | **September 30, 2019** | September 30, 2018 |
| | **(Rupees in '000)** | |
| Turnover – net | **1,071,054** | 1,675,194 |
| Cost of sales | **(981,172)** | (1,418,840) |
| **Gross profit** | **89,882** | 256,354 |
| Distribution costs | **(18,350)** | (31,567) |
| Administrative expenses | **(59,394)** | (52,402) |
| | **(77,744)** | (83,969) |
| **Operating profit** | **12,138** | 172,385 |
| Other expenses | **(1,563)** | (13,974) |
| Other income | **5,009** | 9,666 |
| Finance costs | **(128)** | (103) |
| | **3,318** | (4,411) |
| **Profit before taxation** | **15,456** | 167,974 |
| Taxation | **(9,963)** | (47,691) |
| **Profit after taxation** | **5,493** | 120,283 |
| | **---------- (Rupees) ----------** | |
| **Earnings per share - basic and diluted** | **0.19** | 4.18 |

The annexed notes from 1 to 12 form an integral part of these unconsolidated condensed interim financial statements.

| | | |
|---|---|---|
| YUTAKA ARAE | FAHIM KAPADIA | SAAD USMAN |
| **Chairman** | **Chief Executive** | **Chief Financial Officer** |

## AGRIAUTO INDUSTRIES LIMITED
## UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
## FOR THE QUARTER ENDED SEPTEMBER 30, 2019
## (UN-AUDITED)

| | Quarter ended | |
|---|---|---|
| | **September 30, 2019** | September 30, 2018 |
| | **(Rupees in '000)** | |
| **Net profit for the period** | **5,493** | 120,283 |
| **Other comprehensive income for the period** | **-** | - |
| **Total comprehensive income for the period** | **5,493** | 120,283 |

The annexed notes from 1 to 12 form an integral part of these unconsolidated condensed interim financial statements.

YUTAKA ARAE
**Chairman**

FAHIM KAPADIA
**Chief Executive**

SAAD USMAN
**Chief Financial Offi**

**AGRIAUTO INDUSTRIES LIMITED**

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS**

**FOR THE PERIOD ENDED SEPTEMBER 30, 2019**

**(UN-AUDITED)**

| | Quarter ended | |
|---|---|---|
| | **September 30, 2019** | September 30, 2018 |
| | **(Rs. in '000)** | |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| **Profit before taxation** | **15,456** | 167,974 |
| **Adjustments for:** | | |
| Depreciation and amortization | **24,504** | 20,458 |
| Finance costs | **128** | 103 |
| (Reversal) / provision for impairment of trade debts | **(266)** | 62 |
| Loss / (gain) on disposal of property, plant and equipment | **39** | (5) |
| Profit on term deposit receipts / bank balances | **(2,639)** | (8,393) |
| | **37,222** | 180,199 |
| Increase in current assets | **115,835** | (398,749) |
| Increase in current liabilities | **(47,701)** | 69,279 |
| **Cash generated from operations** | **105,356** | (149,271) |
| Finance costs paid | **(128)** | (103) |
| Income tax paid | **(3,034)** | (6,857) |
| **Net cash generated from operating activities** | **102,194** | (156,231) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| Fixed capital expenditure | **(23,289)** | (94,809) |
| Proceeds from disposal of property, plant and equipment | **4,406** | 109 |
| Proceeds from short-term investments made in mutual fund | **52,576** | - |
| Profit received on term deposits receipt / bank balances | **4,306** | 9,342 |
| **Net cash used in investing activities** | **37,999** | (85,358) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Dividends paid | **(901)** | (225) |
| **Net decrease in cash and cash equivalents** | **139,292** | (241,814) |
| Cash and cash equivalents at the beginning of the period | **157,948** | 770,956 |
| **Cash and cash equivalents at the end of the period** | **297,240** | 529,142 |
| **CASH AND CASH EQUIVALENTS** | | |
| Cash and bank balances | **275,240** | 186,874 |
| Short-term investments | **22,000** | 342,268 |
| | **297,240** | 529,142 |

The annexed notes from 1 to 12 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 SEPTEMBER 30, 2019**
**(UN-AUDITED)**

| | | Reserves | | | | |
|---|---|---|---|---|---|---|
| | | Capital reserve | Revenue reserves | | | |
| | Issued, subscribed and paid-up capital | Share premium | General | Un-appropriated profit | Total | Total equity |
| | ---------- (Rupees in'000) ---------- | | | | | |
| **Balance as at July 01, 2018** | 144,000 | 12,598 | 3,275,000 | 439,388 | 3,726,986 | 3,870,986 |
| Transfer to general reserve | - | - | 190,000 | (190,000) | - | - |
| Profit after taxation for the period | - | - | - | 120,283 | 120,283 | 120,283 |
| Other comprehensive income | - | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | 120,283 | 120,283 | 120,283 |
| **Balance as at September 30, 2018** | 144,000 | 12,598 | 3,465,000 | 369,671 | 3,847,269 | 3,991,269 |
| **Balance as at July 01, 2019** | **144,000** | **12,598** | **3,465,000** | **521,200** | **3,998,798** | **4,142,798** |
| Transfer to general reserve | **-** | **-** | **300,000** | **(300,000)** | **-** | **-** |
| Profit after taxation for the period | **-** | **-** | **-** | **5,493** | **5,493** | **5,493** |
| Other comprehensive income | **-** | **-** | **-** | **-** | **-** | **-** |
| Total comprehensive income for the period | **-** | **-** | **-** | **5,493** | **5,493** | **5,493** |
| **Balance as at September 30, 2019** | **144,000** | **12,598** | **3,765,000** | **226,693** | **4,004,291** | **4,148,291** |

The annexed notes from 1 to 12 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 SEPTEMBER 30, 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, 2019.

## 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, 2019 as disclosed in note 5.

| | Note | September 30, 2019 | June 30, 2019 |
|---|---|---|---|
| | | ------ (Rupees in '000) ------ | |
| | | (Un-audited) | (Audited) |
| **5 PROPERTY, PLANT AND EQUIPMENT** | | | |
| Operating fixed assets | 5.1 & 5.2 | **749,277** | 733,836 |
| Capital work-in-progress | | **26,717** | 52,768 |
| | | **775,994** | 786,604 |

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

| | Additions at cost | | Disposal at NBV | |
|---|---|---|---|---|
| | Quarter ended September 30, | | Quarter ended September 30, | |
| | **2019** | 2018 | **2019** | 2018 |
| | (Un-audited) | | (Un-audited) | |
| | -------- (Rupees in '000) -------- | | -------- (Rupees in '000) -------- | |
| **Owned** | | | | |
| Building | **7,820** | - | **-** | - |
| Plant and machinery | **15,740** | 66,389 | **4,443** | - |
| Vehicles | **2,202** | 4,758 | **-** | - |
| Furniture and fixtures | **369** | - | **-** | - |
| Computers | **372** | 820 | **2** | 104 |
| Dies & Checking Fixtures | **17,150** | - | **-** | - |
| | **43,653** | 71,967 | **4,445** | 104 |

**5.2** Depreciation charge for the period amounted to Rs. 23.767 million (September 30, 2018: Rs. 19.922 million).

**6** Includes an amount of Rs. 114.713 million (June 30, 2019: 231.46 million) deposited with commercial banks in respect of cash margin requirement on import.

| | Note | September 30, 2019 (Un-audited) | June 30, 2019 (Audited) |
|---|---|---|---|
| | | -------- (Rupees in '000) -------- | |
| **7 SHORT TERM INVESTMENTS** | | | |
| **Financial assets at amortised cost** | | | |
| Term deposit receipts | 7.1 | **22,000** | 22,000 |
| Accrued profit thereon | | **518** | 53 |
| | | **22,518** | 22,053 |

**7.1** Represents one to three months term deposit receipts with a commercial bank under conventional banking relationship carrying profit rate ranging from of 5.75% to 12.10% (September 30, 2018: 4.75% to 7.00%) per annum having maturity date of November 30, 2019.

**8 COMMITMENTS**

There is no material change in the status of commitments as reported in the annual financial statements for the year ended June 30, 2019 other than described below:

**8.1** Commitments in respect of outstanding letters of credit for raw material amounting to Rs. 206.459 million (June 30, 2019: Rs. 405.049 million).

**8.2** Commitments in respect of capital expenditure amounting to Rs. 164.559 million (June 30, 2019: Rs. 81.982 million).

**9 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 | Note | Nature of transactions | September 30, 2019 (Un-audited) | September 30, 2018 (Un-audited) |
|---|---|---|---|---|
| **Subsidiary (wholly owned)** | | | -------- (Rupees in '000) -------- | |
| Agriauto Stamping Company (Private) Limited. | | Sale of goods | 4,000 | 7,896 |
| **Retirement benefit funds** | | | | |
| Provident fund | | Contribution | 2,894 | 2,375 |
| **Key management personnel** | 9.1 | Remuneration and other benefits | 9,996 | 9,250 |
| | | Fee for attending board meetings | 225 | 600 |
| **Common directorship** | | Services received | 2,038 | 1,522 |

**9.1** Key management personnel remuneration corresponding figure has been revised in line with the new definition of key management personnel under directives issued by the Securities and Exchange Commission of Pakistan.

**10 NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE**

The Board of Directors of the subsidiary company in its meeting held on October 22, 2019 approved interim cash dividend of Re. 1.0 per share.

These unconsolidated condensed interim financial statements do not include the effect of the said interim dividend.

**11 DATE OF AUTHORISATION FOR ISSUE**

These unconsolidated condensed interim financial statements were authorized for issue on October 22, 2019 by the Board of Directors of the Company.

**12 GENERAL**

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

**YUTAKA ARAE**
**Chairman**

**FAHIM KAPADIA**
**Chief Executive**

**SAAD USMAN**
**Chief Financial Officer**