

Unconsolidated Condensed Interim Balance Sheet

As at December 31, 2015

| | Note | December 31, 2015 (Un-audited) | June 30, 2015 (Audited) |
|---|------|--------------------------------------|-------------------------------|
| (Rupees in '000) | | | |
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 4 | 667,140 | 616,118 |
| Long term investment | 5 | 1,144,006 | 1,028,320 |
| Long term deposits | | 6,234 | 6,234 |
| | | 1,817,380 | 1,650,672 |
| CURRENT ASSETS | | | |
| Stores, spares and loose tools | | 59,530 | 51,312 |
| Stock-in-trade | | 829,918 | 699,597 |
| Trade debts | | 389,473 | 511,947 |
| Advances, deposits, prepayments and other receivables | | 16,557 | 8,237 |
| Accrued profit | | 262 | 683 |
| Short term investments | 6 | 161,323 | 390,524 |
| Taxation – net | | 66,801 | - |
| Sales tax receivable | | 15,837 | - |
| Cash and bank balances | | 229,773 | 232,213 |
| | | 1,769,474 | 1,894,513 |
| TOTAL ASSETS | | 3,586,854 | 3,545,185 |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Authorised capital 40,000,000 (June 30, 2015: 40,000,000) Ordinary shares of Rs. 5/- each | | 200,000 | 200,000 |
| Issued, subscribed and paid-up capital | | 144,000 | 144,000 |
| Reserves | | 3,056,404 | 3,006,678 |
| | | 3,200,404 | 3,150,678 |
| NON-CURRENT LIABILITY | | | |
| Deferred taxation | | 46,434 | 54,777 |
| CURRENT LIABILITY | | | |
| Trade and other payables | | 340,016 | 319,203 |
| Taxation – net | | - | 16,299 |
| Sales tax payable | | - | 4,228 |
| | | 340,016 | 339,730 |
| COMMITMENTS | 7 | | |
| TOTAL EQUITY AND LIABILITIES | | 3,586,854 | 3,545,185 |

The annexed notes from 1 to 11 form an integral part of these unconsolidated condensed interim financial statements.


YUTAKA ARAI
 Chairman


FAHIM KAPADIA
 Chief Executive

Unconsolidated Condensed Interim Profit and Loss Account

For the half year ended December 31, 2015 (Un-audited)

| | Half-year ended | | Quarter ended | |
|---|----------------------|----------------------|----------------------|----------------------|
| | December 31, 2015 | December 31, 2014 | December 31, 2015 | December 31, 2014 |
| | (Rupees in '000) | | (Rupees in '000) | |
| Turnover – net | 2,831,304 | 2,063,168 | 1,448,389 | 1,174,865 |
| Cost of sales | (2,305,657) | (1,666,430) | (1,182,623) | (934,651) |
| Gross profit | 525,647 | 396,738 | 265,766 | 240,214 |
| Distribution costs | (49,428) | (42,003) | (25,737) | (23,321) |
| Administrative expenses | (79,105) | (69,869) | (41,717) | (36,667) |
| | (128,533) | (111,872) | (67,454) | (59,988) |
| Operating profit | 397,114 | 284,866 | 198,312 | 180,226 |
| Other operating expenses | (30,438) | (23,816) | (15,472) | (15,363) |
| Other income | 12,687 | 19,851 | 5,221 | 7,396 |
| Finance costs | (414) | (928) | (366) | (475) |
| | (18,165) | (4,893) | (10,617) | (8,442) |
| Profit before taxation | 378,949 | 279,973 | 187,695 | 171,784 |
| Taxation | (113,223) | (86,180) | (54,271) | (52,328) |
| Profit after taxation | 265,726 | 193,793 | 133,424 | 119,456 |
| | Rupees | Rupees | Rupees | Rupees |
| Earnings per share - basic and diluted | 9.23 | 6.73 | 4.63 | 4.15 |

The annexed notes from 1 to 11 form an integral part of these unconsolidated condensed interim financial statements.


YUTAKA ARAI
 Chairman


FAHIM KAPADIA
 Chief Executive

Unconsolidated Condensed Interim Statement of Comprehensive Income

For the half year ended December 31, 2015 (Un-audited)

| | Half-year ended | | Quarter ended | |
|--|----------------------|----------------------|----------------------|----------------------|
| | December 31, 2015 | December 31, 2014 | December 31, 2015 | December 31, 2014 |
| | (Rupees in '000) | | (Rupees in '000) | |
| Net profit for the period | 265,726 | 193,793 | 133,424 | 119,456 |
| Other comprehensive income for the period | - | - | - | - |
| Total comprehensive income the period | 265,726 | 193,793 | 133,424 | 119,456 |

The annexed notes from 1 to 11 form an integral part of these unconsolidated condensed interim financial statements.



YUTAKA ARAE
Chairman



FAHIM KAPADIA
Chief Executive

Unconsolidated Condensed Interim Cash Flow Statement

For the half year ended December 31, 2015 (Un-audited)

| | Half year ended | |
|---|----------------------|----------------------|
| | December 31, 2015 | December 31, 2014 |
| | (Rs. in '000) | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 378,949 | 279,973 |
| Adjustments for: | | |
| Depreciation | 38,437 | 35,704 |
| Finance costs | 414 | 928 |
| Provision for impairment of trade debts | 110 | 2,369 |
| Gain on disposal of property, plant and equipment | (647) | (9) |
| Liabilities no longer payable – written back | (636) | (59) |
| Profit on term deposits receipts / bank balances | (9,885) | (17,942) |
| | 406,742 | 300,964 |
| Increase in current assets | (44,559) | (454,682) |
| Increase in current liabilities | 16,873 | 104,819 |
| Cash generated from / (used in) operations | 379,056 | (48,899) |
| Finance costs paid | (184) | (478) |
| Income tax paid | (204,596) | (115,995) |
| Net cash generated from / (used in) operating activities | 174,276 | (165,372) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Fixed capital expenditure | (91,164) | (14,587) |
| Proceeds from disposal of property, plant and equipment | 2,349 | 925 |
| Long term investment in a subsidiary | (115,686) | - |
| Profit received on term deposits receipt / bank balances | 9,508 | 17,766 |
| Net cash (used in) / generated from investing activities | (194,993) | 4,104 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Dividends paid | (211,724) | (141,990) |
| Net decrease in cash and cash equivalents | (232,441) | (303,258) |
| Cash and cash equivalents at the beginning of the period | 622,214 | 645,344 |
| Cash and cash equivalents at the end of the period | 389,773 | 342,086 |
| CASH AND CASH EQUIVALENTS | | |
| Cash and bank balances | 229,773 | 157,742 |
| Short-term investments | 160,000 | 200,000 |
| Short-term borrowings | - | (15,656) |
| | 389,773 | 342,086 |

The annexed notes from 1 to 11 form an integral part of these unconsolidated condensed interim financial statements.


YUTAKA ARAI
 Chairman


FAHIM KAPADIA
 Chief Executive

Unconsolidated Condensed Interim Statement of Changes in Equity

For the half year ended December 31, 2015 (Un-audited)

| | Issued, subscribed and paid-up capital | Capital reserve | Revenue reserves | | Total | Total equity |
|---|--|-----------------|------------------|-----------------------|------------------|------------------|
| | | Share premium | General | Unappropriated profit | | |
| Balance as at July 01, 2014 | 144,000 | 12,598 | 2,335,000 | 318,019 | 2,665,617 | 2,809,617 |
| Final dividend for the year ended June 30, 2014 @ Rs.5 /- per share | - | - | - | (144,000) | (144,000) | (144,000) |
| Transfer to general reserve | - | - | 170,000 | (170,000) | - | - |
| Profit after taxation for the period | - | - | - | 193,793 | 193,793 | 193,793 |
| Other comprehensive income | - | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | 193,793 | 193,793 | 193,793 |
| Balance as at December 31, 2014 | 144,000 | 12,598 | 2,505,000 | 197,812 | 2,715,410 | 2,859,410 |
| Balance as at July 01, 2015 | 144,000 | 12,598 | 2,505,000 | 489,080 | 3,006,678 | 3,150,678 |
| Final dividend for the year ended June 30, 2015 @ Rs.7.5 /- per share | - | - | - | (216,000) | (216,000) | (216,000) |
| Transfer to general reserve | - | - | 170,000 | (170,000) | - | - |
| Profit after taxation for the period | - | - | - | 265,726 | 265,726 | 265,726 |
| Other comprehensive income | - | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | 265,726 | 265,726 | 265,726 |
| Balance as at December 31, 2015 | 144,000 | 12,598 | 2,675,000 | 368,806 | 3,056,404 | 3,200,404 |

The annexed notes from 1 to 11 form an integral part of these unconsolidated condensed interim financial statements.


YUTAKA ARAE
 Chairman


FAHIM KAPADIA
 Chief Executive

Notes to the Unconsolidated Condensed Interim Financial Statements

For the half year ended December 31, 2015 (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, under the Companies Act, 1913 (now the Companies Ordinance, 1984), and is listed on the Pakistan Stock Exchange. 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 separate financial statements of the Company in which investment in subsidiary is accounted for on the basis of direct equity interest and is not consolidated or accounted for using equity method.

2. BASIS OF PREPARATION

These unconsolidated condensed interim financial statements are unaudited but subject to limited scope review by auditors, except for the figures of the unconsolidated condensed interim profit and loss account and unconsolidated condensed interim statement of comprehensive income for the quarters ended December 31, 2015 and December 31, 2014. These are required to be presented to the shareholders under Section 245 of the Companies Ordinance, 1984 and have been prepared in accordance with the requirements of the International Accounting Standard (IAS) – 34, "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. 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 annual financial statements for the year ended June 30, 2015.

3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended June 30, 2015 except as follows:

New/revised standards, interpretations and amendments

The Company has adopted the following amendments to IFRS which became effective for the current period:

- IFRS 10 - Consolidated Financial Statements
- IFRS 11 - Joint Arrangements
- IFRS 12 - Disclosures of Interests in Other Entities
- IFRS 13 - Fair Value Measurement

The adoption of the above amendments to accounting standards did not have any effect on these Unconsolidated condensed interim financial statements.

| | Note | December 31, 2015 (Un-audited) | June 30, 2015 (Audited) |
|---|------|--------------------------------------|-------------------------------|
| (Rupees in '000) | | | |
| 4. PROPERTY, PLANT AND EQUIPMENT | | | |
| Operating fixed assets | 4.1 | 630,145 | 615,428 |
| Capital work-in-progress | | 36,995 | 690 |
| | | 667,140 | 616,118 |

Notes to the Unconsolidated Condensed Interim Financial Statements

For the half year ended December 31, 2015 (Un-audited)

- 4.1 The following additions and deletions (at cost) were made in operating fixed assets during the period:

| | Half year ended | |
|------------------------|--------------------------------------|-------------------------------|
| | December 31, 2015 (Un-audited) | |
| | Additions | Deletions |
| | (Rs. in 000') | |
| Owned | | |
| Plant and machinery | 48,009 | - |
| Building | 2,521 | - |
| Vehicles | 3,088 | 4,094 |
| Furniture and fixtures | 656 | - |
| Computers | 461 | - |
| Office equipment | 123 | - |
| | <u>54,858</u> | <u>4,094</u> |
| | December 31, 2015 (Un-audited) | June 30, 2015 (Audited) |
| | (Rs. in 000') | |

5. LONG TERM INVESTMENT – investment in a subsidiary

| | | |
|---|------------------|------------------|
| Agriauto Stamping Company (Private) Limited | <u>1,144,006</u> | <u>1,028,320</u> |
|---|------------------|------------------|

- 5.1 The subsidiary company was incorporated on January 20, 2012 and the Company has made an investment of Rs.1,144,006 million (June 30, 2015: Rs.1,028,320 million) as at 31 December 2015. The Company holds 100 percent shares in the subsidiary company.

| Note | December 31, 2015 (Un-audited) | June 30, 2015 (Audited) |
|------|--------------------------------------|-------------------------------|
|------|--------------------------------------|-------------------------------|

6. SHORT TERM INVESTMENTS

Held- to- maturity

| | | | |
|------------------------|-----|----------------|----------------|
| Term deposit receipts | 6.1 | 160,000 | 390,000 |
| Accrued profit thereon | | 1,323 | 524 |
| | | <u>161,323</u> | <u>390,524</u> |

- 6.1 Represents three months term deposit receipts with a commercial bank carrying profit rate ranging from of 5.35% to 5.50% (June 30, 2015: 6.6%) per annum and will mature by February 2016.

7. COMMITMENTS

There is no material change in the status of commitments as reported in the annual financial statements for the year ended June 30, 2015 other than described below:

Commitments

- 7.1 Commitments in respect of outstanding letters of credit for raw material amount to Rs. 315.973 million (June 30, 2015: Rs. 386.670 million).
- 7.2 Commitments in respect of capital expenditure amount to Rs.25.614 million (June 30, 2015: Rs. 5.625 million).

Notes to the Unconsolidated Condensed Interim Financial Statements

For the half year ended December 31, 2015 (Un-audited)

8. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise subsidiary company, companies with common directorship, retirement funds, directors and key management personnel. Detail of transactions with related parties during the period, are as follows:

| | December 31, 2015 (Un-audited) | December 31, 2014 (Un-audited) |
|---------------------------------------|--------------------------------------|--------------------------------------|
| | | (Rs. in 000') |
| Purchase of asset / goods | 702 | 218 |
| Contribution to provident fund | 3,399 | 2,733 |
| Key management personnel compensation | 4,905 | 7,797 |
| Sale of goods | 16,559 | 5,324 |

9. NON ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors has proposed and approved an interim cash dividend of Rs. 2.50 per share for the half year ended December 31, 2015 in its meeting held on February 26, 2016.

10. GENERAL

Figures have been rounded off to the nearest thousands.

11. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on February 26, 2016 by the Board of Directors of the Company.



YUTAKA ARAE
Chairman



FAHIM KAPADIA
Chief Executive