

Agriauto Industries Limited

Condensed Interim Financial Statements
For the Half Year and Quarter Ended December 31, 2014
(Un-audited)



Company Information

BOARD OF DIRECTORS

Yutaka Arae	Chairman
Fahim Kapadia	Chief Executive
Sohail P. Ahmed	Non Executive Director
Owaisul Mustafa	Non Executive Director
Asif Rizvi	Non Executive Director
Zafar Iqbal Sobani	Non Executive Director
Muhammad Ali Jameel	Independent Director

AUDIT COMMITTEE

Owaisul Mustafa	Chairman
Sohail P. Ahmed	Member
Asif Rizvi	Member
Muhammad Ali Jameel	Member (Independent)

HUMAN RESOURCE & REMUNERATION COMMITTEE

Sohail P. Ahmed	Chairman
Yutaka Arae	Member
Fahim Kapadia	Member
Asif Rizvi	Member
Zafar Iqbal Sobani	Member

CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Aqeel Loon

AUDITORS

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

SHARE REGISTRAR

Noble Computer Services (Pvt.) Ltd.
1st Floor, House of Habib (Siddiqsons Tower),
3-Jinnah Co-operative Housing Society,
Main Shahrah-e-Faisal, Karachi.
Tel: 34325482-87

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' Report

The Directors of your Company are pleased to issue this report on the financial position and the performance of your Company for the 2nd quarter and half year ended December 31, 2014.

Sales for the period under review grew to Rs. 2.06 billion compared to Rs. 1.44 billion of the same period last year, registering a growth of 43%. Profit before tax also grew from Rs. 113.39 million to Rs. 279.97 million, a substantial growth of 147% over the last year. The growth in sales and profitability is on account of launching of new passenger vehicle by a major OEM and reduction in the Sales Tax on Tractors.

We are confident that the balance part of the financial year would augur well in terms of sales and profitability as the volumes projected by the auto makers are encouraging. We would also like to highlight that the supply of parts of Van/Pickup for the Apna Rozgar Scheme, initiated by the Government of Punjab, has commenced. However due to the delay in start of the scheme the production of the vehicles for the scheme would also continue in the next financial year as well.

Tractor Industry after being sluggish during the last year, is showing gradual recovery after the reduction in the sales tax on tractors in the last Finance Bill. We expect that our parts supply to this industry would also grow. The motorcycle industry this year is slow paced, and the volumes projected for the remainder part of the year are less than last year.

We would like to point out that GOP has imposed 5% & 15% Regulatory Duty on the import of Cold Rolled steel sheets and steel bars respectively in order to protect the local industry. We have made several representations to the Government that the auto grade steel sheets and material is not produced in the country. This increase in our cost of raw material would have an adverse impact on our profitability for the remainder part of year unless reversed.

AGRIAUTO STAMPING COMPANY (PVT) LIMITED (ASC)

The commercial production, which started in July 2014, is progressing satisfactorily and there has been no disruption of production during the period under review. We are pleased to inform that since launch the Company had a perfect quality card. The credit for this achievement goes to the dedicated team working on this project and the assistance we got from our technical partner.

The second phase of supplies comprising of high tensile material will commence from March 2015 and the samples of new parts have been evaluated as good for supply by the customer. Experts from the technical partner have been called for guidance till we achieve the commercial production. With the commencement of the second phase the plant would run on double shift.

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 in the Company. We are also thankful to all our team members who have worked diligently for the progress of the Company.

On behalf of the Board of Directors.

Fahim Kapadia
Chief Executive

Dated : February 18, 2015

Auditors' Report



Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box 15541, Karachi 75530
Pakistan

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AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying unconsolidated condensed interim balance sheet of **Agriauto Industries Limited** (the Company) as at **31 December 2014**, the related unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim cash flow statement, and unconsolidated condensed interim statement of changes in equity and notes to the accounts for the six-month period then ended (here-in-after referred to as "interim financial information"). Management is responsible for the preparation and fair presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Ernst & Young Ford Rhodes Sidat Hyder

Chartered Accountants
Review Engagement Partner: Riaz A. Rehman Chamdia
Date: 18 February 2015
Place: Karachi

A member firm of Ernst & Young Global Limited

Unconsolidated Condensed Interim Balance Sheet

As at December 31, 2014

	Note	December 31, 2014 (Un-audited)	June 30, 2014 (Audited)
ASSETS			
(Rupees in '000)			
NON-CURRENT ASSETS			
Property, plant and equipment	4	551,358	573,393
Long term investment	5	1,028,320	1,028,320
Long term deposits and other receivables		6,234	6,234
		1,585,912	1,607,947
CURRENT ASSETS			
Stores, spares and loose tools		60,957	55,336
Stock-in-trade		748,675	442,487
Trade debts		422,544	246,250
Advances, deposits, prepayments and other receivables		20,456	67,361
Accrued profit		415	974
Sales tax receivable		18,734	7,619
Short term investments	6	201,147	510,410
Taxation – net		38,030	27,219
Cash and bank balances		157,742	135,344
		1,668,700	1,493,000
TOTAL ASSETS		3,254,612	3,100,947
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital 40,000,000 (June 30, 2014: 40,000,000) Ordinary shares of Rs. 5/- each		200,000	200,000
Issued, subscribed and paid-up share capital		144,000	144,000
Reserves		2,715,410	2,665,617
		2,859,410	2,809,617
NON-CURRENT LIABILITY			
Deferred taxation		50,363	61,055
CURRENT LIABILITY			
Short-term borrowings	7	15,656	-
Trade and other payables		329,183	230,275
		344,839	230,275
CONTINGENCIES AND COMMITMENTS			
	8		
TOTAL EQUITY AND LIABILITIES		3,254,612	3,100,947

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 Profit and Loss Account

For the half year ended December 31, 2014 (Un-audited)

	Half-year ended		Quarter ended	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
	(Rupees in '000)		(Rupees in '000)	
Turnover – net	2,063,168	1,441,553	1,174,865	690,283
Cost of sales	(1,666,430)	(1,238,371)	(934,651)	(595,884)
Gross profit	396,738	203,182	240,214	94,399
Distribution costs	(42,003)	(29,066)	(23,321)	(14,146)
Administrative expenses	(69,869)	(58,323)	(36,667)	(32,053)
Finance costs	(928)	(59)	(475)	(10)
	(112,800)	(87,448)	(60,463)	(46,209)
Operating profit	283,938	115,734	(179,751)	48,190
Other operating expenses	(23,816)	(13,787)	(15,363)	(8,437)
Other income	19,851	11,445	7,396	6,588
	(3,965)	(2,342)	(7,967)	(1,849)
Profit before taxation	279,973	113,392	171,784	46,341
Taxation	(86,180)	(39,725)	(52,328)	(20,106)
Profit after taxation	193,793	73,667	119,456	26,235
	Rupees	Rupees	Rupees	Rupees
Earnings per share - basic and diluted	6.73	2.56	4.15	0.91

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 Statement of Comprehensive Income

For the half year ended December 31, 2014 (Un-audited)

	Half-year ended		Quarter ended	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
	(Rupees in '000)		(Rupees in '000)	
Net profit for the period	193,793	73,667	119,456	26,235
Other comprehensive income for the period				
Unrealized gain on change in fair value of available-for-sale investments arising during the period	-	12,929	-	5,566
Reclassification adjustment for gains included in profit and loss account upon disposal of investments related deferred taxation	-	(274)	-	(274)
		12,655		5,292
Total comprehensive income the period	193,793	86,322	119,456	31,527

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, 2014 (Un-audited)

	Half year ended	
	December 31, 2014	December 31, 2013
	(Rs. in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	279,973	113,392
Adjustments for:		
Depreciation	35,704	31,719
Finance costs	928	58
Provision for impairment of trade debts	2,369	214
Gain on disposal of property, plant and equipment	(9)	(851)
Liabilities no longer payable – written back	(59)	(2,273)
Profit on short-term investments / bank balances	(17,942)	(7,610)
	300,964	134,649
(Increase) / decrease in current assets	(454,682)	257,839
Increase / (decrease) in current liabilities	104,819	(17,045)
Cash (used in) / generated from operations	(48,899)	375,443
Finance costs paid	(478)	(58)
Income tax paid	(115,995)	(68,506)
Long term deposits	-	(520)
Net cash (used in) / generated from operating activities	(165,372)	306,359
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(14,587)	(70,896)
Proceeds from disposal of property, plant and equipment	925	2,025
Acquisition of short term investments	-	(275,037)
Long term investment in a subsidiary	-	(175,781)
Profit received on investments / bank balances	17,766	7,736
Net cash generated from / (used in) investing activities	4,104	(511,953)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(141,990)	(155,562)
Net decrease in cash and cash equivalents	(303,258)	(361,156)
Cash and cash equivalents at the beginning of the period	645,344	600,812
Cash and cash equivalents at the end of the period	342,086	239,656
CASH AND CASH EQUIVALENTS		
Cash and bank balances	157,742	139,656
Short-term investments	200,000	100,000
Short-term borrowings	(15,656)	-
	342,086	239,656

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 Statement of Changes in Equity

For the half year ended December 31, 2014 (Un-audited)

Issued, subscribed and paid-up capital	Reserves					Total	Total equity
	Capital reserve	Revenue reserves		Gain on changes in fair value of available-for-sale investments	Total		
	Share premium	General	Unappropriated profit				
(Rs. in 000')							
Balance as at July 01, 2013	144,000	12,598	2,160,000	343,181	41	2,515,820	2,659,820
Final dividend for the year ended June 30, 2013 @ Rs.5.5 /- per share	-	-	-	(158,400)	-	(158,400)	(158,400)
Transfer to general reserve	-	-	175,000	(175,000)	-	-	-
Profit after taxation for the period	-	-	-	73,667	-	73,667	73,667
Other comprehensive income	-	-	-	-	12,655	12,655	12,655
Total comprehensive income for the period	-	-	-	73,667	12,655	86,322	86,322
Balance as at December 31, 2013	144,000	12,598	2,335,000	83,448	12,696	2,443,742	2,587,742
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

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, 2014 (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 Karachi and Lahore stock exchanges of Pakistan since June 1984. 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, 2014 and December 31, 2013. 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, 2014.

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, 2014.

During the period, the Company has adopted amended IFRSs as referred in note 2.2 to the annual financial statements for the year ended June 30, 2014. The adoption of such amended standards did not have any material effect on these unconsolidated condensed interim financial statements.

4. PROPERTY, PLANT AND EQUIPMENT

Note	December 31, 2014 (Un-audited)	June 30, 2014 (Audited)
	(Rupees in '000)	
4.1	548,127	570,428
	3,231	2,965
	<u>551,358</u>	<u>573,393</u>

Notes to the Unconsolidated Condensed Interim Financial Statements

For the half year ended December 31, 2014 (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, 2014	
	(Un-audited)	
	Additions	Deletions
	(Rs. in 000')	
Owned		
Plant and machinery	11,073	-
Furniture and fixtures	253	-
Vehicles	2,303	1,034
Computers	692	-
	14,321	1,034

	Note	December 31, 2014 (Un-audited)	June 30, 2014 (Audited)
		(Rs. in 000')	
5. LONG TERM INVESTMENT – investment in a subsidiary			
Agriauto Stamping Company (Private) Limited		1,028,320	1,028,320
6. SHORT TERM INVESTMENTS			
Held- to- maturity			
Term deposit receipts	6.1	200,000	510,000
Accrued profit thereon		1,147	410
		201,147	510,410

- 6.1 Represents three months term deposit receipts with a commercial bank carrying profit rate of 8.60% to 8.75% (June 30, 2014: 8.5%) per annum and will mature by March 2015.

	Note	December 31, 2014 (Un-audited)	June 30, 2014 (Audited)
		(Rs. in 000')	
7. SHORT-TERM BORROWINGS			
Running finances utilized under mark-up arrangements	7.1	15,656	-
7.1 As of the balance sheet date, the Company has unutilized facilities for short term running finance available from various banks amounting to Rs. 144 million (30 June, 2014: Rs. 160 million). The rate of mark-up on these finances ranges from 1 to 3 months KIBOR plus rates varying from 0.75% to 1.25% (30 June, 2014: 1 to 3 months KIBOR plus rates varying from 0.75% to 1.25%). The facilities are secured by way of pari passu hypothecation of Company's stock-in-trade, stores, spares, loose tools and trade debts.			

Notes to the Unconsolidated Condensed Interim Financial Statements

For the half year ended December 31, 2014 (Un-audited)

8. CONTINGENCIES AND COMMITMENTS

There is no material change in the status of contingencies and commitments as reported in the annual financial statements for the year ended June 30, 2014 other than described below:

Commitments

- 8.1 Commitments in respect of outstanding letters of credit for raw material amount to Rs. 197.762 million (June 30, 2014: Rs. 231.358 million).
- 8.2 Commitments in respect of capital expenditure amount to Rs. Nil million (June 30, 2014: Rs. 3.134 million).

9. 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, 2014 (Un-audited)	December 31, 2013 (Un-audited)
	(Rs. in 000')	
Purchase of goods	218	127
Contribution to provident fund	2,733	2,592
Key management personnel compensation	7,797	12,958
Sales of goods	5,324	-

10. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on February 18, 2015 by the Board of Directors of the Company.

11. GENERAL

Figures have been rounded off to the nearest thousands.



YUTAKA ARAE
Chairman



FAHIM KAPADIA
Chief Executive

Condensed Interim Consolidated Balance Sheet

As at December 31, 2014

	Note	December 31, 2014 (Un-audited)	June 30, 2014 (Audited)
(Rupees in '000)			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	1,278,487	1,306,026
Long term deposits and other receivables		13,018	12,805
		1,291,505	1,318,831
CURRENT ASSETS			
Stores, spares and loose tools		63,338	56,274
Stock-in-trade		845,149	483,939
Trade debts		463,340	245,968
Advances, deposits, prepayments and other receivables		21,988	67,478
Accrued profit		591	1,754
Sales tax receivable	5	74,317	510,410
Short-term investments		201,147	61,255
Taxation – net		71,333	50,353
Cash and bank balances		175,186	264,132
		1,916,389	1,741,563
TOTAL ASSETS		3,207,894	3,060,394
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital 40,000,000 (June 30,2014: 40,000,000) Ordinary shares of Rs. 5/- each		200,000	200,000
Issued, subscribed and paid-up share capital		144,000	144,000
Reserves		2,646,665	2,581,857
		2,790,665	2,725,857
NON CURRENT LIABILITY			
Deferred taxation		50,363	61,055
CURRENT LIABILITIES			
Short-term finances & borrowings		15,656	-
Trade and other payables		351,210	273,482
		366,866	273,482
CONTINGENCIES AND COMMITMENTS			
	6		
TOTAL EQUITY AND LIABILITIES		3,207,894	3,060,394

The annexed notes from 1 to 10 form an integral part of these condensed interim financial statements.



YUTAKA ARAE
Chairman



FAHIM KAPADIA
Chief Executive

Condensed Interim Consolidated Profit and Loss Account

For the half year ended December 31, 2014 (Un-audited)

	Half-year ended		Quarter ended	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
	(Rupees in '000)		(Rupees in '000)	
Turnover – net	2,287,942	1,441,553	1,305,611	690,283
Cost of sales	(1,869,346)	(1,238,371)	(1,049,953)	(595,884)
Gross profit	418,596	203,182	255,658	94,399
Distribution costs	(43,515)	(29,066)	(24,327)	(14,146)
Administrative expenses	(76,229)	(75,910)	(40,512)	(42,101)
Finance costs	(966)	(82)	(493)	(27)
	(120,710)	(105,058)	(65,332)	(56,274)
Operating profit	297,886	98,124	190,326	38,125
Other operating expenses	(24,929)	(13,787)	(16,148)	(8,437)
Other income	22,030	14,816	8,192	8,989
	(2,899)	1,029	(7,956)	552
Profit before taxation	294,987	99,153	182,370	38,677
Taxation	(86,179)	(39,725)	(52,328)	(20,106)
Profit after taxation	208,808	59,428	130,042	18,571
	Rupees	Rupees	Rupees	Rupees
Earnings per share - basic and diluted	7.25	2.06	4.52	0.64

The annexed notes from 1 to 10 form an integral part of these consolidated condensed interim financial statements.



YUTAKA ARAE
Chairman



FAHIM KAPADIA
Chief Executive

Condensed Interim Consolidated Statement of Comprehensive Income

For the half year ended December 31, 2014 (Un-audited)

	Half-year ended		Quarter ended	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
	(Rupees in '000)		(Rupees in '000)	
Net profit for the period	208,808	59,428	130,042	18,571
Other comprehensive income for the period				
Unrealized gain on change in fair value of available-for-sale investments arising during the period	-	12,929	-	5,566
Reclassification adjustment for gains included in profit and loss account upon disposal of investments related deferred taxation	-	(274)	-	(274)
		12,655		5,292
Total comprehensive income the period	208,808	72,083	130,042	23,863

The annexed notes from 1 to 10 form an integral part of these consolidated condensed interim financial statements.



YUTAKA ARAE
Chairman



FAHIM KAPADIA
Chief Executive

Condensed Interim Consolidated Cash Flow Statement

For the half year ended December 31, 2014 (Un-audited)

	Half year ended	
	December 31, 2014	December 31, 2013
	(Rs. in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	294,987	99,153
Adjustments for:		
Depreciation	73,401	31,982
Finance costs	966	81
Provision for impairment of trade debts	2,369	214
Gain on disposal of property, plant and equipment	(9)	(851)
Liabilities no longer payable – written back	(59)	(2,273)
Profit on short-term investments / bank balances	(20,121)	(10,981)
	351,534	117,325
(Increase) / decrease in current assets	(556,306)	245,290
Increase / (decrease) in current liabilities	84,359	(26,980)
Cash (used in) / generated from operations	(120,413)	335,635
Finance costs paid	(516)	(81)
Income tax paid	(126,164)	(71,151)
Long term deposits	(213)	(520)
Net cash (used in) / generated from operating activities	(247,306)	263,883
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(46,780)	(203,401)
Proceeds from disposal of property, plant and equipment	925	2,025
Acquisition of short term investments	-	(275,037)
Profit received on investments / bank balances	20,549	11,127
Net cash generated from / (used in) investing activities	(25,306)	(465,286)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(141,990)	(155,562)
Net decrease in cash and cash equivalents	(414,602)	(356,965)
Cash and cash equivalents at the beginning of the period	774,132	700,457
Cash and cash equivalents at the end of the period	359,530	343,492
CASH AND CASH EQUIVALENTS		
Cash and bank balances	175,186	243,492
Short-term investments	200,000	100,000
Short-term borrowings	(15,656)	-
	359,530	343,492

The annexed notes from 1 to 10 form an integral part of these consolidated condensed interim financial statements.



YUTAKA ARAE
Chairman



FAHIM KAPADIA
Chief Executive

Condensed Interim Consolidated Statement of Changes in Equity

For the half year ended December 31, 2014 (Un-audited)

Issued, subscribed and paid-up capital	Reserves					Total	Total equity
	Capital reserve	Revenue reserves		Gain on changes in fair value of available-for-sale investments	Total		
	Share premium	General	Unappropriated profit				
(Rs. in 000')							
Balance as at July 01, 2013	144,000	12,598	2,160,000	297,258	41	2,469,897	2,613,897
Final dividend for the year ended June 30, 2013 @ Rs.5.5 /- per share				(158,400)	-	(158,400)	(158,400)
Transfer to general reserve	-	-	175,000	(175,000)	-	-	-
Profit after taxation for the period	-	-	-	59,428	-	59,428	59,428
Other comprehensive income	-	-	-	-	12,655	12,655	12,655
Total comprehensive income for the period	-	-	-	59,428	12,655	72,083	72,083
Balance as at December 31, 2013	144,000	12,598	2,335,000	22,286	12,696	2,383,580	2,527,580
Balance as at July 01, 2014	144,000	12,598	2,335,000	234,259	-	2,581,857	2,725,857
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	-	-	-	208,808	-	208,808	208,808
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	208,808	-	208,808	208,808
Balance as at December 31, 2014	144,000	12,598	2,505,000	129,067	-	2,646,665	2,790,665

The annexed notes from 1 to 10 form an integral part of these condensed interim financial statements.


YUTAKA ARAE
 Chairman


FAHIM KAPADIA
 Chief Executive

Notes to the Condensed Interim Consolidated Financial Statements

For the half year ended December 31, 2014 (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, under the Companies Act, 1913 (now the Companies Ordinance, 1984), and is listed on the Karachi and Lahore stock exchanges of Pakistan since June 1984. 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 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, under the Companies Ordinance, 1984. The Subsidiary Company will be engaged in stamping of sheet metal parts, dies, fixtures primarily for the automotive industry and has commenced its commercial operations on July 2, 2014. The registered office of the Subsidiary Company is situated at 5th Floor, House of Habib, Main Shahrah-e-Faisal, Karachi.

2. BASIS OF PREPARATION

These consolidated condensed interim financial statements are unaudited but subject to limited scope review by auditors, except for the figures of the consolidated condensed interim profit and loss account and consolidated condensed interim statement of comprehensive income for the quarters ended December 31, 2014 and December 31, 2013. 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 consolidated 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, 2014..

3. ACCOUNTING POLICIES

The accounting policies and methods of computations adopted in the preparation of these condensed interim consolidated financial statements are the same as those applied in the preparation of financial statements for the year ended June 30, 2014.

During the period, the Company has adopted amended IFRSs as referred in note 2.2 to the annual financial statements for the year ended June 30, 2014. The adoption of such amended standards did not have any material effect on these condensed interim consolidated financial statements.

	Note	December 31, 2014 (Un-audited)	June 30, 2014 (Audited)
(Rupees in '000)			
4. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	1,275,256	597,796
Capital work-in-progress		3,231	707,230
		<u>1,278,487</u>	<u>1,306,026</u>

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

Notes to the Condensed Interim Consolidated Financial Statements

For the half year ended December 31, 2014 (Un-audited)

	Half year ended	
	December 31, 2014	
	(Un-audited)	
	Additions	Deletions
	(Rs. in 000')	
Owned		
Buildings	3,372	-
Plant and machinery	30,712	-
Furniture and fixtures	5,380	-
Vehicles	5,411	1,034
Office equipment	488	-
Computers	1,150	-
	46,513	1,034

Note	December 31, 2014 (Un-audited)	June 30, 2014 (Audited)
	(Rs. in 000')	

5. SHORT TERM INVESTMENTS

Held- to- maturity

Term deposit receipts	6.1	200,000	510,000
Accrued profit thereon		1,147	410
		201,147	510,410

- 5.1 Represents three months term deposit receipts with a commercial bank carrying profit rate of 8.60% to 8.75% (June 30, 2014: 8.5%) per annum and will mature by March 2015.

Note	December 31, 2014 (Un-audited)	June 30, 2014 (Audited)
	(Rs. in 000')	

6. SHORT-TERM BORROWINGS

Running finances utilized under mark-up arrangements	7.1	15,656	-
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- 6.1 As of the balance sheet date, the Company has unutilized facilities for short term running finance available from various banks amounting to Rs. 144 million (30 June, 2014: Rs. 160 million). The rate of mark-up on these finances ranges from 1 to 3 months KIBOR plus rates varying from 0.75% to 1.25% (30 June, 2014: 1 to 3 months KIBOR plus rates varying from 0.75% to 1.25%). The facilities are secured by way of pari passu hypothecation of Company's stock-in-trade, stores, spares, loose tools and trade debts.

7. CONTINGENCIES AND COMMITMENTS

There is no material change in the status of contingencies and commitments as reported in the annual financial statements for the year ended June 30, 2014 other than described below:

Commitments

- 7.1 Commitments in respect of outstanding letters of credit for raw material amount to Rs. 369.552 million (June 30, 2014: Rs. 341.645 million).
- 7.2 Commitments in respect of capital expenditure amount to Rs. Nil million (June 30, 2014: Rs. 15.230 million).

Notes to the Condensed Interim Consolidated Financial Statements

For the half year ended December 31, 2014 (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, 2014 (Un-audited)	December 31, 2013 (Un-audited)
	(Rs. in 000')	
Purchase of goods	218	127
Contribution to provident fund	2,974	2,592
Key management personnel compensation	7,797	12,958

9. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorized for issue on February 18, 2015 by the Board of Directors of the Company.

10. GENERAL

Figures have been rounded off to the nearest thousands.



YUTAKA ARAE
Chairman



FAHIM KAPADIA
Chief Executive