

Agriauto Industries Limited

Condensed Interim Financial Statements
For the Quarter Ended September 30, 2019
(Un-audited)



BLANK

Company Information

BOARD OF DIRECTORS

Yutaka Arae
Fahim Kapadia
Hamza Habib
Salman Burney
Sohail P. Ahmed
Ayesha T. Haq
Muhammad Ali Jameel

Chairman
Chief Executive
Non Executive Director
Non Executive Director
Non Executive Director
Independent Director
Independent Director

AUDIT COMMITTEE

Muhammad Ali Jameel
Sohail P. Ahmed
Ayesha T. Haq

Chairman
Member
Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Muhammad Ali Jameel
Salman Burney
Sohail P. Ahmed
Yutaka Arae
Fahim Kapadia

Chairman
Member
Member
Member
Member

CHIEF FINANCIAL OFFICER

Saad Usman

COMPANY SECRETARY

Syed Jawwad ul Haq Haqqi

AUDITORS

EY Ford Rhodes
Chartered Accountants

SHARE REGISTRAR

FAMCO Associates (Pvt.) Limited
8-F, Next to Hotal Faran, Nursery,
Block-6, P.E.C.H.S.,
Shahrah-e-Faisal, Karachi.
Tel: 34380101-5, 34384621-3

BANKERS - CONVENTIONAL

Habib Metropolitan Bank Limited
Standard Chartered Bank (Pakistan) Ltd
National Bank of Pakistan
Habib Bank Limited
United Bank Limited
MCB Bank Limited

REGISTERED OFFICE

5th Floor, House of Habib
3 JCHS, Main Shahrah-e-Faisal,
Karachi.

[Website: www.agriauto.com.pk](http://www.agriauto.com.pk)

[Email: info@agriauto.com.pk](mailto: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' REVIEW REPORT

The Directors of your Company would like to report on the financial position and performance of your Company for the quarter ended September 30, 2019.

SUMMARY OF FINANCIAL RESULTS

Consolidated

	Rs. '000	
	Quarter ended	
	30-September-19	30-September-18
Turnover	1,449,227	2,304,514
Gross Profit	100,818	358,737
Profit before taxation	22,489	262,425
Taxation	(25,042)	(50,427)
(Loss) / Profit after taxation	(2,553)	211,998
Earnings per share (Rs.)	(0.09)	7.36

The consolidated turnover (net) for the quarter ended September 30, 2019 was Rs. 1,449 (2018: Rs. 2,304) million reflecting a decrease of 37% over corresponding period last year. Profit before tax also declined by 91% over same period last year. Earnings Per Share (EPS) for the period under consideration also significantly declined from Rs.7.36 to reach Loss per share of Rs. 0.09.

Standalone

	Rs. '000	
	Quarter ended	
	30-September-19	30-September-18
Turnover	1,071,054	1,675,194
Gross Profit	89,882	256,354
Profit before taxation	15,456	167,974
Taxation	(9,963)	(47,691)
Profit after taxation	5,493	120,283
Earnings per share (Rs.)	0.19	4.18

The turnover for the quarter ended September 30, 2019 amounted to Rs. 1,071 (2018: Rs. 1,675) million reflecting a decrease of 36% over corresponding period last year.

Profit before tax of Rs. 15.5 million was down by 91% which is mainly attributable to lower volumes of auto sector, resulting in Earnings Per Share (EPS) for the period decreased from Rs. 4.18 to Rs.0.19 (95%).

Due to the prevailing economic conditions, there was an overall decline in the auto market owing to significant devaluation in Pak Rupee parity with US Dollar, increase custom duty and other taxes. This sharp decline in the sales and profitability of the Company is also partly attributable to the measures being taken in respect of documentation of the economy. This resulted in decline of passenger car segment by 38%, motorcycle by 19% and tractor by 31% as compared to the corresponding period of last year.

We expect the same trend to continue in the next quarter. Due to the slowdown in the auto market, auto-assemblers are carrying excess stocks and are working on disposing of the excess stocks first instead of producing additional auto parts. Going forward, if the government did not take any corrective measures to address the prevailing condition, it will directly impact the growth of the Company resulting in adverse effect on the livelihood of thousands of workers employed by the Company and the auto sector.

AGRIAUTO STAMPING COMPANY (PVT) LIMITED (ASC)

During the quarter, the company successfully completed the production trial for the new presses and the extended welding line. However, after the extension of capacity, the production volumes dropped significantly which has severely affected the profitability of the subsidiary company.

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

On behalf of the Board of Directors.



Fahim Kapadia

Chief Executive

Dated: October 22, 2019

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

	Note	September 30, 2019 (Un-audited) ----- (Rupees in '000) -----	June 30, 2019 (Audited)
<u>ASSETS</u>			
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
<u>EQUITY AND LIABILITIES</u>			
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
Chairman



FAHIM KAPADIA
Chief Executive



SAAD USMAN
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	<u>5,493</u>	<u>120,283</u>

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 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)

	Issued, subscribed and paid-up capital	Reserves			Total	Total equity
		Capital reserve	Revenue reserves			
		Share premium	General	Un-appropriated profit		
----- (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 ----- (Rupees in '000) ----- (Un-audited)	June 30, 2019 ----- (Rupees in '000) ----- (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		Quarter ended	
	September 30,		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).

AGRIAUTO INDUSTRIES LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2019
(UN-AUDITED)

- 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.

		September 30, 2019 (Un-audited)	June 30, 2019 (Audited)
Note		----- (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)
			----- (Rupees in '000) -----	-----
Subsidiary (wholly owned)				
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

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

	Note	September 30, 2019 (Un-audited) ----- (Rupees in '000) -----	June 30, 2019 (Audited)
<u>ASSETS</u>			
NON-CURRENT ASSETS			
Property, plant and equipment	6	2,061,082	2,089,475
Intangible asset		11,602	6,651
Long-term deposits		13,438	13,438
		2,086,122	2,109,564
CURRENT ASSETS			
Stores, spares and loose tools		108,303	123,713
Stock-in-trade		2,067,878	1,601,264
Trade debts		315,144	985,768
Advances, deposits, prepayments and other receivables	7	270,245	340,052
Accrued profit		1,554	1,793
Short-term investments	8	40,714	187,513
Sales tax receivable		161,012	86,409
Taxation – net		534,093	530,309
Cash and bank balances		467,670	174,378
		3,966,613	4,031,199
TOTAL ASSETS		6,052,735	6,140,763
<u>EQUITY AND LIABILITIES</u>			
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		5,277,625	5,280,178
		5,421,625	5,424,178
NON-CURRENT LIABILITY			
Deferred taxation		71,657	64,780
CURRENT LIABILITIES			
Trade and other payables		530,088	621,539
Unpaid dividend		6,315	7,211
Unclaimed dividend		23,050	23,055
		559,453	651,805
COMMITMENTS	9		
TOTAL EQUITY AND LIABILITIES		6,052,735	6,140,763

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


YUTAKA ARAE
Chairman


FAHIM KAPADIA
Chief Executive


SAAD USMAN
Chief Financial Officer

AGRIAUTO INDUSTRIES LIMITED
CONSOLIDATED 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	1,449,227	2,304,514
Cost of sales	(1,348,409)	(1,945,777)
Gross profit	100,818	358,737
Distribution costs	(19,528)	(34,165)
Administrative expenses	(64,885)	(56,467)
	(84,413)	(90,632)
Operating profit	16,405	268,105
Other expenses	(2,085)	(20,974)
Other income	8,375	15,436
Finance costs	(206)	(142)
	6,084	(5,680)
Profit before taxation	22,489	262,425
Taxation	(25,042)	(50,427)
(Loss) / profit after taxation	(2,553)	211,998
	----- (Rupees) -----	
(Loss) / earnings per share - basic and diluted	(0.09)	7.36

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


YUTAKA ARAE
Chairman


FAHIM KAPADIA
Chief Executive


SAAD USMAN
Chief Financial Officer

AGRIAUTO INDUSTRIES LIMITED
CONSOLIDATED 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)	
(Loss) / profit for the period	(2,553)	211,998
Other comprehensive income for the period	-	-
Total comprehensive (loss) / income for the period	(2,553)	211,998

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


YUTAKA ARAE
Chairman


FAHIM KAPADIA
Chief Executive


SAAD USMAN
Chief Financial Officer

AGRIAUTO INDUSTRIES LIMITED
CONSOLIDATED 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	22,489	262,425
Adjustments for:		
Depreciation and amortization	59,996	45,296
Finance costs	206	142
Reversal for impairment of trade debts	(266)	62
Gain on disposal of property, plant and equipment	39	(5)
Capital work-in-progress charged off	1,425	-
Profit on term deposit receipts / bank balances	(5,192)	(13,231)
	78,697	294,689
Increase in current assets	215,651	(506,371)
Increase in current liabilities	(94,021)	83,843
Cash generated from operations	200,327	(127,839)
Finance costs paid	(206)	(142)
Income tax paid	(21,949)	(11,410)
Net cash generated from operating activities	178,172	(127,981)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(42,421)	(129,626)
Proceeds from disposal of property, plant and equipment	4,406	109
Short term investment	52,576	-
Profit received on term deposit receipts / bank balances	7,460	14,479
Net cash used in investing activities	22,021	(115,038)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(901)	(225)
Net decrease in cash and cash equivalents	199,292	(243,244)
Cash and cash equivalents at the beginning of the period	308,378	1,165,328
Cash and cash equivalents at the end of the period	507,670	922,084
CASH AND CASH EQUIVALENTS		
Cash and bank balances	467,670	365,406
Short-term investments	40,000	545,268
	507,670	910,674

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



YUTAKA ARAE
Chairman



FAHIM KAPADIA
Chief Executive



SAAD USMAN
Chief Financial Officer

AGRIAUTO INDUSTRIES LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED SEPTEMBER 30, 2019
(UN-AUDITED)

	Issued, subscribed and paid-up capital	Reserves			Total	Total equity
		Capital reserve	Revenue reserves			
		Share premium	General	Unappropriated profit		
----- (Rupees in'000) -----						
Balance as at July 01, 2018	144,000	12,598	3,655,000	889,082	4,556,680	4,700,680
Transfer to general reserve	-	-	590,000	(590,000)	-	-
Profit after taxation for the period	-	-	-	211,998	211,998	211,998
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	211,998	211,998	211,998
Balance as at September 30, 2018	144,000	12,598	4,245,000	511,080	4,768,678	4,912,678
Balance as at July 01, 2019	144,000	12,598	3,065,000	2,202,580	5,280,178	5,424,178
Transfer to general reserve	-	-	750,000	(750,000)	-	-
Loss after taxation for the period	-	-	-	(2,553)	(2,553)	(2,553)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(2,553)	(2,553)	(2,553)
Balance as at September 30, 2019	144,000	12,598	3,815,000	1,450,027	5,277,625	5,421,625

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


YUTAKA ARAE
Chairman


FAHIM KAPADIA
Chief Executive


SAAD USMAN
Chief Financial Officer

AGRIAUTO INDUSTRIES LIMITED
NOTES TO THE CONSOLIDATED 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. The Holding Company is engaged in the manufacture and sale of components for automotive vehicles, motor cycles and agricultural tractors. The registered office of the Holding 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. The Subsidiary Company is engaged in stamping of sheet metal parts, dies, fixtures primarily for the automotive industry and has commenced its commercial operations on 02 July, 2014. The registered office of the Subsidiary Company is situated at 5th Floor, House of Habib, Main Shahrah-e-Faisal, Karachi.

2 STATEMENT OF COMPLIANCE

These consolidated 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 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 audited consolidated 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 consolidated 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 ----- (Rupees in '000) ----- (Un-audited)	June 30, 2019 ----- (Rupees in '000) ----- (Audited)
5 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1 & 5.2	2,031,694	1,517,299
Capital work-in-progress		<u>29,388</u>	<u>572,176</u>
		<u><u>2,061,082</u></u>	<u><u>2,089,475</u></u>

- 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		Quarter ended	
	September 31,		September 31,	
	2019	2018	2019	2018
	(Un-audited)		(Un-audited)	
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
Owned				
Building	13,125	36,835	-	-
Plant and machinery	26,774	66,389	4,443	-
Vehicles	2,202	4,888	-	-
Furniture and fixtures	369	-	-	-
Computers	494	820	2	104
Dies & Checking Fixtures	17,150	-	-	-
	<u>60,114</u>	<u>108,932</u>	<u>4,445</u>	<u>104</u>

- 5.2 Depreciation charge for the period amounted to Rs. 59,259 (September 30, 2018: Rs. 44,760).

AGRIAUTO INDUSTRIES LIMITED
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FOR THE PERIOD ENDED SEPTEMBER 30, 2019
(UN-AUDITED)

- 6 Includes an amount of Rs. 225.894 million (June 30, 2019: 305.563 million) deposited with commercial banks in respect of cash margin requirement on import.

		September 30, 2019 (Un-audited)	June 30, 2019 (Audited)
	Note	----- (Rupees in '000) -----	
7 SHORT TERM INVESTMENTS			
Financial assets at amortised cost			
Term deposit receipts	7.1	40,000	134,000
Accrued profit thereon		714	937
		40,714	134,937

- 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, 2019: 4.75% to 7.00%) per annum having maturity date of 17 July 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. 409.285 million (June 30, 2019: Rs. 817.209 million).
- 8.2 Commitments in respect of capital expenditure amounting to Rs. 217.129 million (June 30, 2019: Rs. 132.202 million).

9 TAXATION

The tax credit under section 65D of the Income Tax Ordinance, 2001 of subsidiary company has expired on June 30, 2019. Accordingly, the company will be liable to pay income tax at prescribed rates.

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 consolidated condensed interim financial statements. Detail of transactions with related parties during the period, other than disclosed elsewhere in these consolidated condensed interim financial statements, are as follows:

Name of related party and relationship with the Company	Nature of transactions	September 30, 2019 (Un-audited)	September 30, 2018 (Un-audited)
		----- (Rupees in '000) -----	
Retirement benefit funds			
Provident fund	Contribution	3,215	2,638
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.

11 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 consolidated condensed interim financial statements do not include the effect of the said interim dividend.

12 DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements were authorized for issue on October 22, 2019 by the Board of Directors of the Holding 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