

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

	Note	March 31, 2019 (Un-audited) ----- (Rupees in '000) -----	June 30, 2018 (Audited)
<b><u>ASSETS</u></b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	2,021,717	1,584,818
Intangible asset		9,780	14,657
Long-term deposits		13,038	6,234
		2,044,535	1,605,709
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		103,373	95,788
Stock-in-trade		1,309,828	1,456,346
Trade debts		938,414	574,251
Advances, deposits, prepayments and other receivables	7	379,832	51,238
Accrued profit		2,871	1,318
Short-term investments	8	356,454	743,488
Sales tax receivable		21,909	36,675
Taxation – net		180,612	324,202
Cash and bank balances		639,300	425,961
		3,932,593	3,709,267
<b>TOTAL ASSETS</b>		5,977,128	5,314,976
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised capital			
40,000,000 (June 30, 2018: 40,000,000) ordinary shares of Rs. 5/- each		200,000	200,000
Issued, subscribed and paid-up capital 28,800,000 (June 30, 2018: 28,800,000) ordinary shares of Rs. 5/- each		144,000	144,000
Reserves		5,019,090	4,556,676
		5,163,090	4,700,676
<b>NON-CURRENT LIABILITY</b>			
Deferred taxation		68,217	76,011
<b>CURRENT LIABILITIES</b>			
Trade and other payables		714,117	512,269
Unpaid dividend		8,310	2,516
Unclaimed dividend		23,394	23,504
Sales tax payable		-	-
		745,821	538,289
<b>COMMITMENTS</b>	9		
<b>TOTAL EQUITY AND LIABILITIES</b>		5,977,128	5,314,976

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 NINE MONTHS & QUARTER MARCH 31, 2019**  
**(UN-AUDITED)**

	Nine months ended		Quarter ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	(Rupees in '000)		(Rupees in '000)	
Turnover – net	7,651,565	6,150,929	2,714,856	2,159,016
Cost of sales	<u>(6,355,903)</u>	<u>(4,909,694)</u>	<u>(2,241,141)</u>	<u>(1,727,496)</u>
<b>Gross profit</b>	<b>1,295,662</b>	<b>1,241,235</b>	<b>473,715</b>	<b>431,520</b>
Distribution costs	<u>(104,046)</u>	<u>(90,909)</u>	<u>(35,827)</u>	<u>(32,565)</u>
Administrative expenses	<u>(178,774)</u>	<u>(170,563)</u>	<u>(61,740)</u>	<u>(55,213)</u>
	<u>(282,820)</u>	<u>(261,472)</u>	<u>(97,567)</u>	<u>(87,778)</u>
<b>Operating profit</b>	<b>1,012,842</b>	<b>979,763</b>	<b>376,148</b>	<b>343,742</b>
Other expenses	<u>(81,260)</u>	<u>(78,056)</u>	<u>(28,408)</u>	<u>(25,095)</u>
Other income	<u>48,954</u>	<u>50,041</u>	<u>18,551</u>	<u>19,401</u>
Finance costs	<u>(426)</u>	<u>(351)</u>	<u>(123)</u>	<u>(144)</u>
	<u>(32,732)</u>	<u>(28,366)</u>	<u>(9,980)</u>	<u>(5,838)</u>
<b>Profit before taxation</b>	<b>980,110</b>	<b>951,397</b>	<b>366,168</b>	<b>337,904</b>
Taxation	<u>(186,500)</u>	<u>(187,970)</u>	<u>(72,444)</u>	<u>(66,694)</u>
<b>Profit after taxation</b>	<b><u>793,610</u></b>	<b><u>763,427</u></b>	<b><u>293,724</u></b>	<b><u>271,210</u></b>
----- (Rupees) -----				
<b>Earnings per share - basic and diluted</b>	<b><u>27.56</u></b>	<b><u>26.51</u></b>	<b><u>10.20</u></b>	<b><u>9.42</u></b>

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

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

**AGRIAUTO INDUSTRIES LIMITED**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE NINE MONTHS & QUARTER MARCH 31, 2019**  
**(UN-AUDITED)**

	Nine months ended		Quarter ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	(Rupees in '000)		(Rupees in '000)	
Profit after taxation for the period	793,610	763,427	293,724	271,210
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	793,610	763,427	293,724	271,210

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**AGRIAUTO INDUSTRIES LIMITED**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED MARCH 31, 2019**  
**(UN-AUDITED)**

	Nine months ended	
	March 31,	March 31,
	2019	2018
	(Rs. in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before taxation</b>	980,110	951,397
<b>Adjustments for:</b>		
Depreciation and amortization	142,617	150,155
Finance costs	426	351
Reversal for impairment of trade debts	-	(39)
Gain on disposal of property, plant and equipment	(125)	(2,923)
Profit on term deposit receipts	(24,932)	(32,559)
Profit on bank balances	(16,641)	(8,454)
	1,081,455	1,057,928
Increase in current assets	(534,969)	(302,270)
Increase in current liabilities	199,675	150,988
<b>Cash generated from operations</b>	746,161	906,646
Finance costs paid	(426)	(351)
Income tax paid	(50,705)	(45,628)
	(10)	-
<b>Net cash generated from operating activities</b>	695,020	860,667
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(586,347)	(80,945)
Proceeds from disposal of property, plant and equipment	5,039	11,225
Short term investment	(22,000)	-
Profit received on term deposit receipts	25,325	29,560
Profit received on bank balances	14,451	9,851
<b>Net cash used in investing activities</b>	(563,532)	(30,309)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	(325,516)	(323,200)
<b>Net decrease in cash and cash equivalents</b>	(194,028)	507,158
Cash and cash equivalents at the beginning of the period	1,165,328	1,037,261
<b>Cash and cash equivalents at the end of the period</b>	971,300	1,544,419
<b>CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	639,300	458,143
Short-term investments	332,000	1,086,276
	971,300	1,544,419

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

	Issued, subscribed and paid-up capital	Reserves			Total	Total equity
		Capital reserve	Revenue reserves			
		Share premium	General	Unapp-ropriated profit		
----- (Rupees in'000) -----						
<b>Balance as at July 01, 2017</b>	144,000	12,598	3,075,000	840,565	3,928,163	4,072,163
Final dividend for the year ended June 30, 2017 @ Rs.7.5 /- per share	-	-	-	(216,000)	(216,000)	(216,000)
Interim dividend for the year ended June 30, 2018 @ Rs. 4.0 /- per share	-	-	-	(115,200)	(115,200)	(115,200)
Transfer to general reserve	-	-	580,000	(580,000)	-	-
Profit after taxation for the period	-	-	-	763,427	763,427	763,427
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	763,427	763,427	763,427
<b>Balance as at March 31, 2018</b>	144,000	12,598	3,655,000	692,792	4,360,390	4,504,390
<b>Balance as at July 01, 2018</b>	144,000	12,598	3,655,000	889,082	4,556,680	4,700,680
Final dividend for the year ended June 30, 2018 @ Rs.8.5 /- per share	-	-	-	(244,800)	(244,800)	(244,800)
Interim dividend for the year ended June 30, 2019 @ Rs.3.0 /- per share	-	-	-	(86,400)	(86,400)	(86,400)
Transfer to general reserve	-	-	590,000	(590,000)	-	-
Profit after taxation for the period	-	-	-	793,610	793,610	793,610
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	793,610	793,610	793,610
<b>Balance as at March 31, 2019</b>	144,000	12,598	4,245,000	761,492	5,019,090	5,163,090

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**AGRIAUTO INDUSTRIES LIMITED**  
**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED MARCH 31, 2019**  
**(UN-AUDITED)**

**1 THE COMPANY AND ITS OPERATIONS**

- 1.1 Agriauto Industries Limited (the Company) was incorporated in Pakistan on June 25, 1981 as a public limited company and is listed on Pakistan Stock Exchange. 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, 2018.

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

**5 NEW STANDARDS, AMMENDMENTS AND INTERPRETATIONS OF IFRSs**

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

**5.1 IFRS 15 Revenue from Contracts with Customers**

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

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

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

**5.2 IFRS 9 Financial Instruments**

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

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

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

## 5.2.2 Classification and measurement of financial assets and financial liabilities

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

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

### a) Initial recognition and measurement

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

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

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

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

### b) Subsequent measurement

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

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

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

## 5.2.3 Impairment of financial assets

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

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

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

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

	Note	March 31, 2019 ----- (Rupees in '000) ----- (Un-audited)	June 30, 2018 ----- (Rupees in '000) ----- (Audited)
<b>6 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	6.1 & 6.2	1,494,084	1,481,752
Capital work-in-progress		527,633	103,066
		<u>2,021,717</u>	<u>1,584,818</u>

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

	Additions at cost		Disposal at NBV	
	Nine months ended March 31,		Nine months ended March 31,	
	2019	2018	2019	2018
	(Un-audited)		(Un-audited)	
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
<b>Owned</b>				
Plant and machinery	127,751	21,488	675	3,722
Vehicles	25,020	20,626	3,509	4,496
Furniture and fixtures	1,928	2,147	560	-
Computers	1,770	1,640	151	84
Office equipment	1,536	161	22	-
	<u>158,005</u>	<u>46,062</u>	<u>4,917</u>	<u>8,302</u>

6.2 Depreciation charge for the period amounted to Rs. 140,758 (March 31, 2018: Rs. 149,038).

**AGRIAUTO INDUSTRIES LIMITED**  
**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED MARCH 31, 2019**  
**(UN-AUDITED)**

- 7 Includes an amount of Rs. 353.296 million (June 30, 2018: 40.594 million) deposited with commercial banks in respect of cash margin requirement on import.

		March 31, 2019 (Un-audited)	June 30, 2018 (Audited)
Note		----- (Rupees in '000) -----	----- (Rupees in '000) -----
<b>8 SHORT TERM INVESTMENTS</b>			
<b>Financial assets at amortised cost</b>			
Term deposit receipts	8.1	354,000	598,000
Treasury bills		-	98,692
Accrued profit thereon		<u>2,454</u>	<u>3,261</u>
		<u><u>356,454</u></u>	<u><u>699,953</u></u>

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

**9 COMMITMENTS**

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

- 9.1 Commitments in respect of outstanding letters of credit for raw material amounting to Rs. 676.631 million (June 30, 2018: Rs. 967.347 million).
- 9.2 Commitments in respect of capital expenditure amounting to Rs. 21.139 million (June 30, 2018: Rs. 287.965 million).

**10 TRANSACTIONS WITH RELATED PARTIES**

Related parties of the Company of comprises the subsidiary company, companies with common directorship, retirement funds, directors and key management personnel. Balance due from / to the related parties have been disclosed in respective notes to these 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	March 31, 2019 (Un-audited)	March 31, 2018 (Un-audited)
		----- (Rupees in '000) -----	----- (Rupees in '000) -----
<b>Retirement benefit funds</b>			
Provident fund	Contribution	8,887	7,286
<b>Key management personnel</b>			
	Remuneration and other benefits	26,275	19,240 *
	Fee for attending board meetings	1,275	825
<b>Common directorship</b>			
	Services received	5,899	4,874

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

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

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

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

**12 DATE OF AUTHORISATION FOR ISSUE**

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

**13 GENERAL**

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

  
**YUTAKA ARAE**  
**Chairman**

  
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**Chief Financial Officer**