

# Agriauto Industries Limited

Condensed Interim Financial Statements  
For the Quarter Ended September 30, 2020  
(Un-audited)



# 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

Jawwad Haqqi

## COMPANY SECRETARY

Tariq Iqbal Bawani

## 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, 2020.

### SUMMARY OF FINANCIAL RESULTS

#### Consolidated

Rs. '000

	<b>Quarter ended</b>	
	<b>30-September-20</b>	30-September-19
Turnover	<b>2,028,506</b>	1,449,227
Gross Profit	<b>312,518</b>	100,818
Profit before taxation	<b>226,564</b>	22,489
Taxation	<b>(69,436)</b>	(25,042)
Profit / (Loss) after taxation	<b>157,128</b>	(2,553)
Earnings / (Loss) per share (Rs.)	<b>5.46</b>	(0.09)

The consolidated turnover (net) for the quarter ended September 30, 2020 was Rs. 2,029 (2019: Rs. 1,449) million reflecting an increase of 40% over corresponding period last year. Profit before tax also increased by Rs. 204 million over same period last year.

Earnings Per Share (EPS) for the period under consideration also increased to Rs. 5.46 from Rs. -0.09 over corresponding period last year.

#### Standalone

Rs. '000

	<b>Quarter ended</b>	
	<b>30-September-20</b>	30-September-19
Turnover	<b>1,409,923</b>	1,071,054
Gross Profit	<b>186,856</b>	89,882
Profit before taxation	<b>106,896</b>	15,456
Taxation	<b>(30,476)</b>	(9,963)
Profit after taxation	<b>76,420</b>	5,493
Earnings per share (Rs.)	<b>2.65</b>	0.19

The turnover for the quarter ended September 30, 2020 amounted to Rs. 1,410 (2019: Rs. 1,071) million reflecting an increase of 32% over corresponding period last year.

Overall economic activity seems to accelerate with the start of new financial year after result oriented lockdown. Accordingly, profit before tax of Rs. 107 million was up by Rs. 91 million vs. same period last year. This increase is mainly attributable to volumetric growth of four wheelers auto segment especially the 1300cc and above category that grew by 68% vs. SPLY. Additionally, two & three wheelers segment also witnessed a growth of 22%.

Earnings Per Share (EPS) for the period increased to Rs. 2.65 from Rs.0.19.

We expect vehicle demand to follow the same pattern in the next quarter if forex parity and interest rates remains steady. On the other hand; degree of uncertainty due to COVID-19 remains there. In fact, apprehensions grew stronger due to recent spikes in number of cases.

### **AGRIAUTO STAMPING COMPANY (PVT) LIMITED (ASC)**

During the quarter, the company operated on its full capacity owing to increase in demand. Efficiency & productivity of new presses that were installed last year monitored and found up-to the mark. Company is also in process of expanding its storage facility.

Company paid 10% interim dividend i.e. Re. 1.0 / share to its shareholders amounting Rs. 114.401 million.

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.



Salman Burney  
Director



Fahim Kapadia  
Chief Executive

Dated: October 26, 2020

## ڈائریکٹرز کی جائزہ رپورٹ

آپ کی کمپنی کے ڈائریکٹرز 30 ستمبر 2020 کو ختم ہونے والی سہ ماہی میں آپ کی کمپنی کی مالی حیثیت اور کارکردگی کے بارے میں رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

### مالی نتائج کا خلاصہ

#### Consolidated

Rs. '000

	Quarter ended	
	30-September-20	30-September-19
Turnover	<b>2,028,506</b>	1,449,227
Gross Profit	<b>312,518</b>	100,818
Profit before taxation	<b>226,564</b>	22,489
Taxation	<b>(69,436)</b>	(25,042)
Profit / (Loss) after taxation	<b>157,128</b>	(2,553)
Earnings / (Loss) per share (Rs.)	<b>5.46</b>	(0.09)

30 ستمبر 2020 کو ختم ہونے والی سہ ماہی میں مجموعی کاروباری حجم (نیٹ) 2,029 (2019: 1,449) ملین روپے رہا جو پچھلے سال کی اسی مدت کے مقابلے میں 40 فیصد کا اضافہ ظاہر کرتا ہے۔ ٹیکس سے پہلے منافع میں بھی گزشتہ سال اسی عرصے کے مقابلے میں 204 ملین روپے اضافہ ہوا۔

فی شیئر آمدنی (ای پی ایس) بھی پچھلے سال کی اسی مدت کے مقابلے میں منفی 0.09 روپے سے بڑھ کر 5.46 روپے ہو گئی۔

#### Standalone

Rs. '000

	Quarter ended	
	30-September-20	30-September-19
Turnover	<b>1,409,923</b>	1,071,054
Gross Profit	<b>186,856</b>	89,882
Profit before taxation	<b>106,896</b>	15,456
Taxation	<b>(30,476)</b>	(9,963)
Profit after taxation	<b>76,420</b>	5,493
Earnings per share (Rs.)	<b>2.65</b>	0.19

30 ستمبر، 2020 کو ختم ہونے والی سہ ماہی میں کاروبار کا کل حجم 1,410 (2019: 1,071) ملین روپے رہا جو گزشتہ سال کے اسی عرصے کے مقابلے 32 فیصد کا اضافہ ظاہر کرتا ہے۔

نتیجہ خیز لاک ڈاؤن کے بعد نئے مالی سال کے آغاز کے ساتھ ہی مجموعی طور پر معاشی سرگرمی میں تیزی آتی جارہی ہے۔ ٹیکس سے پہلے منافع میں 107 ملین روپے کا اضافہ ہوا جو اسی مدت میں پچھلے سال بمقابلہ میں 91 ملین روپے زیادہ ہے۔ یہ اضافہ گاڑیوں، خاص طور پر 1300 سی سی اور اس سے اوپر کی گاڑیوں میں پچھلے سال کی اسی مدت کے مقابلے میں 68 فیصد سے زیادہ کا اضافہ ہوا ہے۔ مزید برآں، موٹرسائیکل اور رکشہ کے کاروباری حجم میں بھی 22 فیصد کا اضافہ دیکھا گیا۔

فی شیئر آمدنی (ای پی ایس) بھی پچھلے سال کی اسی مدت کے مقابلہ میں 0.19 روپے سے بڑھ کر 2.65 روپے ہوگی۔

ہم توقع کرتے ہیں کہ اگر غیر ملکی کرنسی اور سود کی شرح مستحکم رہی تو اگلی سہ ماہی میں گاڑی کی طلب اسی طرز پر رہے گی۔ دوسری طرف کرونا-19 جو کہ ابھی تک موجود ہے کی وجہ سے غیر یقینی صورتحال ابھی باقی ہے۔ درحقیقت، کرونا کیسیس کی تعداد میں حالیہ اضافے کی وجہ سے خدشات میں اضافہ ہوا ہے۔

### ایگری انٹو اسٹیمپنگ کمپنی (پرائیوٹ) لمیٹڈ

سہ ماہی کے دوران، کمپنی نے طلب میں اضافہ کی وجہ سے اپنی پوری صلاحیت پر کام کیا۔ پچھلے سال نصب کردہ نئے پریس کی استعداد اور پیداواری صلاحیت کی نگرانی کی گئی اور اطمینان بخش پائی گئی۔ کمپنی اپنی خام مال کو ذخیرہ کرنے کی سہولت کو بڑھانے کے عمل میں بھی ہے۔

کمپنی نے اپنے حصص یافتگان کو 10 فیصد عبوری منافع یعنی 1 روپیہ فی حصص جو کہ 114,401 ملین روپے ادا کیا۔

آخر میں، ہم اپنے تمام صارفین، ڈیلروں، بینکروں اور غیر ملکی تکنیکی ساتھیوں کی طرف سے کمپنی میں ان کی غیر مستحکم حمایت اور اعتماد کے لئے خلوص کی تعریف کرنا چاہتے ہیں۔ ہم اپنے تمام ملازمین کے بھی شکر گزار ہیں جنہوں نے کمپنی کی ترقی کے لئے تندی سے کام کیا۔

بورڈ آف ڈائریکٹرز کی جانب سے۔

فہیم کپاڈیہ

چیف ایگزیکٹو

سلمان برنی

ڈائریکٹر

بتاریخ: 26 اکتوبر، 2020


**AGRIAUTO INDUSTRIES LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT SEPTEMBER 30, 2020**

	Note	September 30, 2020 (Un-audited)	June 30, 2020 (Audited)
----- (Rupees in '000) -----			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	933,129	923,248
Right-of-use assets		12,840	15,351
Intangible asset		64,007	59,586
Long-term investment		1,144,006	1,144,006
Long-term deposits		6,634	6,634
Deferred taxation		9,593	17,659
		<u>2,170,209</u>	<u>2,166,484</u>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		92,322	106,752
Stock-in-trade		958,445	1,385,313
Trade debts	6	599,748	321,641
Advances, deposits, prepayments and other receivables	7	291,661	110,428
Accrued profit		679	179
Short-term investments	8	122,464	73,329
Sales tax receivable		31,853	135,617
Taxation – net		312,330	312,017
Cash and bank balances		171,406	70,615
		<u>2,580,908</u>	<u>2,515,891</u>
<b>TOTAL ASSETS</b>		<u><u>4,751,117</u></u>	<u><u>4,682,375</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised capital			
40,000,000 (June 30, 2020: 40,000,000) ordinary shares of Rs. 5/- each		<u>200,000</u>	<u>200,000</u>
Issued, subscribed and paid-up capital			
28,800,000 (June 30, 2020: 28,800,000) ordinary shares of Rs. 5/- each		<u>144,000</u>	<u>144,000</u>
Reserves		<u>3,843,820</u>	<u>3,767,400</u>
		<u>3,987,820</u>	<u>3,911,400</u>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities		8,711	8,712
Deferred taxation		-	-
		<u>8,711</u>	<u>8,712</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		716,154	723,696
Current portion of lease liabilities		6,325	6,325
Unpaid dividend		9,250	11,971
Unclaimed dividend		22,857	20,271
		<u>754,586</u>	<u>762,263</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	9		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>4,751,117</u></u>	<u><u>4,682,375</u></u>

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

  
Director

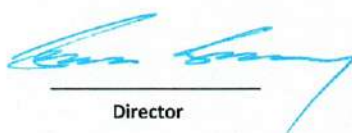
  
Chief Executive

  
Chief Financial Officer

**AGRIAUTO INDUSTRIES LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2020**  
**(UN-AUDITED)**

	Quarter ended	
	September 30, 2020	September 30, 2019
	(Rupees in '000)	
Turnover – net	1,409,923	1,071,054
Cost of sales	(1,223,067)	(981,172)
<b>Gross profit</b>	<b>186,856</b>	<b>89,882</b>
Distribution costs	(27,179)	(18,350)
Administrative expenses	(50,465)	(59,394)
	(77,644)	(77,744)
<b>Operating profit</b>	<b>109,212</b>	<b>12,138</b>
Other expenses	(8,709)	(1,563)
Other income	7,150	5,009
Finance costs	(757)	(128)
	(2,316)	3,318
<b>Profit before taxation</b>	<b>106,896</b>	<b>15,456</b>
Taxation	(30,476)	(9,963)
<b>Profit after taxation</b>	<b>76,420</b>	<b>5,493</b>
	(Rupees)	
<b>Earnings per share - basic and diluted</b>	<b>2.65</b>	<b>0.19</b>

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

  
 \_\_\_\_\_  
 Director

  
 \_\_\_\_\_  
 Chief Executive

  
 \_\_\_\_\_  
 Chief Financial Officer



**AGRIAUTO INDUSTRIES LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2020**  
**(UN-AUDITED)**

	Quarter ended	
	September 30, 2020	September 30, 2019
	(Rupees in '000)	
Profit after taxation for the period	76,420	5,493
Other comprehensive income for the period	-	-
Total comprehensive income for the period	<u>76,420</u>	<u>5,493</u>

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

  
 Director

  
 Chief Executive

  
 Chief Financial Officer

**AGRIAUTO INDUSTRIES LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2020**  
**(UN-AUDITED)**

	Quarter ended	
	September 30, 2020	September 30, 2019
	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	106,896	15,456
<b>Adjustments for:</b>		
Depreciation and amortisation	28,542	24,504
Finance costs	757	128
Allowance for expected credit losses (ECL)	74	(266)
Liabilities no longer payable - written back	(7)	-
Profit on term deposit receipts / bank balances	(3,104)	(2,639)
(Gain)/loss on disposal of property, plant and equipment	(1,352)	39
	<u>131,806</u>	<u>37,222</u>
Decrease in current assets	84,975	115,835
Increase in current liabilities	(7,540)	(47,701)
<b>Cash generated from operations</b>	<u>209,241</u>	<u>105,356</u>
Finance costs paid	(262)	(128)
Income tax paid	(22,721)	(3,034)
<b>Net cash generated from operating activities</b>	<u>186,258</u>	<u>102,194</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(32,959)	(23,289)
Proceeds from disposal of property, plant and equipment	1,636	4,406
Technical fee Paid	(8,152)	-
Proceeds from disposal of short-term investments	51,039	52,576
Profit received on term deposit receipts / bank balances	3,104	4,306
<b>Net cash used in investing activities</b>	<u>14,668</u>	<u>37,999</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	(135)	(901)
<b>Net cash used in investing activities</b>	<u>(135)</u>	<u>(901)</u>
<b>Net Increase in cash and cash equivalents</b>	<u>200,791</u>	<u>139,292</u>
Cash and cash equivalents at the beginning of the period	92,615	157,948
<b>Cash and cash equivalents at the end of the period</b>	<u><u>293,406</u></u>	<u><u>297,240</u></u>
<b>CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	171,406	275,240
Short-term investments	122,000	22,000
	<u><u>293,406</u></u>	<u><u>297,240</u></u>

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

  
Director

  
Chief Executive

  
Chief Financial Officer

**AGRIAUTO INDUSTRIES LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2020**  
**(UN-AUDITED)**

	Issued, subscribed and paid-up capital	Reserves				Total equity	
		Capital reserve	Revenue reserves		Total		
			Share premium	General			Unappropriated profit/(loss)
----- (Rupees in'000) -----							
Balance as at July 01, 2018	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	
Balance as at July 01, 2020	144,000	12,598	3,765,000	(10,198)	3,767,400	3,911,400	
Transfer to general reserve	-	-	-	-	-	-	
Profit after taxation for the period	-	-	-	76,420	76,420	76,420	
Other comprehensive income	-	-	-	-	-	-	
Total comprehensive profit for the period	-	-	-	76,420	76,420	76,420	
Balance as at September 30, 2020	144,000	12,598	3,765,000	66,222	3,843,820	3,987,820	

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

  
Director

  
Chief Executive

  
Chief Financial Officer



**AGRIAUTO INDUSTRIES LIMITED**  
**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2020**  
**(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 at cost less accumulated impairment losses, if any 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 unconsolidated annual financial statements, and should be read in conjunction with the unconsolidated financial statements of the Company for the year ended June 30, 2020.

**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, 2020.

	Note	September 30, 2020 ----- (Rupees in '000) ----- (Un-audited)	June 30, 2020 (Audited)
<b>5 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	5.1 & 5.2	746,450	752,965
Capital work-in-progress	5.3	186,679	170,283
		<u>933,129</u>	<u>923,248</u>

- 5.1** The following additions (including transfers from capital work-in-progress) and disposals were made in the operating fixed assets during the period:

	Additions at cost / Transfers		Disposal at NBV	
	Quarter ended September 30,		Quarter ended September 30,	
	2020	2019	2020	2019
	(Un-audited)		(Un-audited)	
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
<b>Owned</b>				
Building	-	7,820	-	-
Plant and machinery	10,865	15,740	-	4,443
Dies & tools	-	17,150	-	-
Vehicles	5,127	2,202	261	-
Furniture and fixtures	-	369	-	-
Computers	571	372	26	2
	<u>16,563</u>	<u>43,653</u>	<u>287</u>	<u>4,445</u>

- 5.2** Depreciation charge for the period amounted to Rs. 22.792 million (September 30, 2019: Rs. 23.767 million).

September 30, 2020	June 30, 2020
----- (Rupees in '000) -----	----- (Rupees in '000) -----
(Un-audited)	(Audited)

### 5.3 Capital work-in-progress

Balance at the beginning of period / year	170,283	52,768
Capital expenditure incurred / advances made during the period / year	23,561	170,284
Transfer to operating fixed assets during the period / year	(7,165)	(44,972)
Charged off during the period / year	-	(7,797)
Balance at the ending of period / year	<u>186,679</u>	<u>170,283</u>

6 This includes an amount of Rs. 10.94 million (2020: Rs. 3.32 million) and Rs. 6.59 million (2020: 1.91 million) receivable from Agriauto Stamping Company (Private) Limited, a wholly owned subsidiary and Thal Boshoku Pakistan (Private) Limited, an associated company, against sales made by the Company respectively.

7 This includes an amount of Rs. 199.13 million (June 30, 2020: Rs. 21.42 million) and Rs. 78.20 million (June 30, 2020: Rs. 73.64) receivable against LC margins and claim against Additional custom duty from a customer respectively.

	September 30, 2020	June 30, 2020
	(Un-audited)	(Audited)
	----- (Rupees in '000) -----	----- (Rupees in '000) -----

### 8 SHORT TERM INVESTMENTS

#### At amortised cost

Term deposit receipts	8.1	122,000	22,000
Accrued profit thereon		464	291
		<u>122,464</u>	<u>22,291</u>

#### At fair value through profit or loss

Mutual funds - open ended Nil (June 30, 2020: 4,847,847 units) at NAV of NIL each (June 30, 20: 10.5282 each)		-	51,038
		<u>122,464</u>	<u>73,329</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 5.50% to 6.50% (June 30, 2020: 6.70%) per annum having maturity date of 29 November 2020.

### 9 CONTINGENCIES AND COMMITMENTS

#### 9.1 Contingencies

As at the reporting date, total outstanding claims on the Company by certain vendors amounted to Rs. 2.25 million (June 30, 2020: 2.25 million). The management of the Company is confident that no loss is likely to occur from these claims and accordingly no provision in this respect has been made in these unconsolidated financial statements.

#### 9.2 COMMITMENTS

There is no material change in the status of commitments as reported in the annual financial statements for the year ended June 30, 2020 other than described below:

9.2.1 Commitments in respect of outstanding letters of credit for raw material amounting to Rs.572.662 million (June 30, 2020: Rs. 178.891 million).

9.2.2 Commitments in respect of capital expenditure amounting to Rs. 26.080 million (June 30, 2020: Rs. NIL million).



**AGRIAUTO INDUSTRIES LIMITED**  
**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2020**  
**(UN-AUDITED)**

**10 TRANSACTIONS WITH RELATED PARTIES**

Related parties of the Company comprise 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 wherever applicable. 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	Nature of transactions	September 30, 2020 (Un-audited)	September 30, 2019 (Un-audited)
----- (Rupees in '000) -----			
<b>Subsidiary (wholly owned)</b>			
Agriauto Stamping Company (Private) Limited.	Sale of goods	16,679	4,000
<b>Associated Companies (Common directorship)</b>			
Thal Boshoku Pakistan (Pvt.) Ltd.	Sale of goods	10,139	217
<b>Retirement benefit funds</b>			
Provident fund	Contribution	2,518	2,894
<b>Key management personnel</b>			
	Remuneration and other benefits	7,615	9,996
	Fee for attending board meetings	600	225

**11 NON-ADJUSTING EVENT AFTER THE STATEMENT OF FINANCIAL POSITION DATE**

The Board of Directors of the subsidiary company in its meeting held on October 26, 2020 approved interim cash dividend of Re. 1.0 per share amounting Rs. 114.4 million.

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

These condensed interim financial statements also do not include the effect of final dividend for the year ended June 30, 2020 approved in the Annual General Meeting of the Company held on October 22, 2020 at Rs. 1.0 per share amounting Rs. 28.8 million.

**12 DATE OF AUTHORISATION FOR ISSUE**

These unconsolidated condensed interim financial statements were authorized for issue on October 26, 2020 by the Board of Directors of the Company.

**13 GENERAL**

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

  
 Director

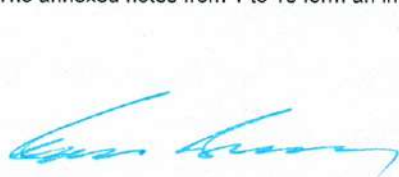
  
 Chief Executive

  
 Chief Financial Officer

**AGRIAUTO INDUSTRIES LIMITED**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT SEPTEMBER 30, 2020**

	Note	September 30, 2020 (Un-audited)	June 30, 2020 (Audited)
----- (Rupees in '000) -----			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	2,169,994	2,159,468
Right-of-use assets		12,840	15,351
Intangible asset		64,007	59,586
Long-term investment		-	-
Long-term deposits		13,438	13,438
Deferred taxation		-	-
		<u>2,260,279</u>	<u>2,247,843</u>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		105,477	120,816
Stock-in-trade		1,407,638	1,937,205
Trade debts	6	970,492	492,234
Advances, deposits, prepayments and other receivables	7	463,974	141,916
Accrued profit		875	360
Short-term investments	8	448,541	495,184
Sales tax receivable		47,820	168,275
Taxation – net		435,684	458,746
Cash and bank balances		194,449	131,195
		<u>4,074,950</u>	<u>3,945,931</u>
<b>TOTAL ASSETS</b>		<u><b>6,335,230</b></u>	<u><b>6,193,774</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised capital			
40,000,000 (June 30, 2019: 40,000,000) ordinary shares of Rs. 5/- each		<u>200,000</u>	<u>200,000</u>
Issued, subscribed and paid-up capital 28,800,000 (June 30, 2019: 28,800,000) ordinary shares of Rs. 5/- each		<u>144,000</u>	<u>144,000</u>
Reserves		<u>5,127,268</u>	<u>4,970,140</u>
		<u>5,271,268</u>	<u>5,114,140</u>
<b>NON-CURRENT LIABILITY</b>			
Lease liabilities		8,711	8,712
Deferred taxation		74,441	62,123
<b>CURRENT LIABILITIES</b>			
Trade and other payables		942,378	970,232
Current portion of lease liabilities		6,325	6,325
Unpaid dividend		9,250	11,971
Unclaimed dividend		22,857	20,271
		<u>980,810</u>	<u>1,008,799</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	9		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>6,335,230</b></u>	<u><b>6,193,774</b></u>

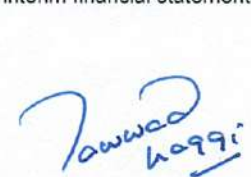
The annexed notes from 1 to 13 form an integral part of these consolidated condensed interim financial statements.



Director



Chief Executive





Chief Financial Officer

**AGRIAUTO INDUSTRIES LIMITED**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2020**  
**(UN-AUDITED)**

	Quarter ended	
	September 30, 2020	September 30, 2019
	(Rupees in '000)	
Turnover – net	2,028,506	1,449,227
Cost of sales	(1,715,988)	(1,348,409)
<b>Gross profit</b>	<b>312,518</b>	<b>100,818</b>
Distribution costs	(28,530)	(19,528)
Administrative expenses	(54,956)	(64,885)
	(83,486)	(84,413)
<b>Operating profit</b>	<b>229,032</b>	<b>16,405</b>
Other expenses	(18,032)	(2,085)
Other income	16,417	8,375
Finance costs	(853)	(206)
	(2,468)	6,084
<b>Profit before taxation</b>	<b>226,564</b>	<b>22,489</b>
Taxation	(69,436)	(25,042)
<b>Profit / (Loss) after taxation</b>	<b>157,128</b>	<b>(2,553)</b>
	----- (Rupees) -----	
<b>Earnings / (Loss) per share - basic and diluted</b>	<b>5.46</b>	<b>(0.09)</b>

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

  
 \_\_\_\_\_  
 Director

  
 \_\_\_\_\_  
 Chief Executive

  
 \_\_\_\_\_  
 Chief Financial Officer



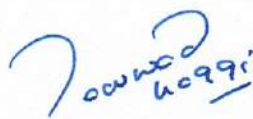
**AGRIAUTO INDUSTRIES LIMITED**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2020**  
**(UN-AUDITED)**

	Quarter ended	
	September 30, 2020	September 30, 2019
	(Rupees in '000)	
Profit / (Loss) for the period	157,128	(2,553)
Other comprehensive income for the period	-	-
Total comprehensive income / (loss) for the period	<u>157,128</u>	<u>(2,553)</u>

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

  
 Director

  
 Chief Executive

  
 Chief Financial Officer

**AGRIAUTO INDUSTRIES LIMITED**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2020**  
**(UN-AUDITED)**

	Quarter ended	
	September 30, 2020	September 30, 2019
	(Rs. in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	226,564	22,489
<b>Adjustments for:</b>		
Depreciation and amortisation	68,017	59,996
Finance costs	853	206
Allowance for expected credit losses (ECL)	74	(266)
Liabilities no longer payable - written back	(7)	-
Profit on term deposit receipts / bank balances	(11,489)	(5,192)
Gain on disposal of property, plant and equipment	(1,352)	39
Capital work-in-progress charged off	-	1,425
	<u>282,661</u>	<u>78,697</u>
(Increase) / decrease in current assets	(132,386)	215,651
Increase in current liabilities	<u>(31,168)</u>	<u>(94,021)</u>
<b>Cash generated from operations</b>	<b>119,107</b>	<b>200,327</b>
Finance costs paid	(358)	(206)
Income tax paid	<u>(34,054)</u>	<u>(21,949)</u>
<b>Net cash generated from operating activities</b>	<b>84,694</b>	<b>178,172</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(73,080)	(42,421)
Proceeds from disposal of property, plant and equipment	1,636	4,406
Technical fee Paid	(8,152)	-
Proceeds from disposal of short-term investments	51,039	-
Profit received on term deposit receipts / bank balances	10,251	7,460
Short term investment	-	52,576
<b>Net cash used in investing activities</b>	<b>(18,305)</b>	<b>22,021</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	(135)	(901)
	<u>(135)</u>	<u>(901)</u>
<b>Net decrease in cash and cash equivalents</b>	<b>66,253</b>	<b>199,292</b>
Cash and cash equivalents at the beginning of the period	<u>574,195</u>	<u>308,378</u>
<b>Cash and cash equivalents at the end of the period</b>	<b>640,449</b>	<b>507,670</b>
<b>CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	194,449	467,670
Short-term investments	<u>446,000</u>	<u>40,000</u>
	<u><b>640,449</b></u>	<u><b>507,670</b></u>

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

  
 Director

  
 Chief Executive

  
 Chief Financial Officer

**AGRIAUTO INDUSTRIES LIMITED**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2020**  
**(UN-AUDITED)**

	Issued, subscribed and paid-up capital	Reserves				Total equity	
		Capital reserve	Revenue reserves		Total		
			Share premium	General			Unappropriated profit
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)	-	-	
Profit after taxation for the period	-	-	-	(2,553)	(2,553)	(2,553)	
Other comprehensive income	-	-	-	-	-	-	
Total comprehensive income 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	
Balance as at July 01, 2020	144,000	12,598	2,315,000	2,642,542	4,970,140	5,114,140	
Final dividend for the year ended June 30, 2019 @ Rs.7.0 /- per share	-	-	-	-	-	-	
Transfer to general reserve	-	-	-	-	-	-	
Loss after taxation for the period	-	-	-	157,128	157,128	157,128	
Other comprehensive income	-	-	-	-	-	-	
Total comprehensive loss for the period	-	-	-	157,128	157,128	157,128	
Balance as at September 30, 2020	144,000	12,598	2,315,000	2,799,670	5,127,268	5,271,268	

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

  
 Director

  
 Chief Executive

  
 Chief Financial Officer



**AGRIAUTO INDUSTRIES LIMITED**  
**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2020**  
**(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 consolidated annual financial statements, and should be read in conjunction with the consolidated financial statements of the Company for the year ended June 30, 2020.

**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 consolidated financial statements for the year ended June 30, 2020 except for the adoption of new standards, amendments and interpretation of International Financial Reporting Standards (IFRSs) as disclosed in note 5.

**5 PROPERTY, PLANT AND EQUIPMENT**

	Note	September 30, 2020 ----- (Rupees in '000) ----- (Un-audited)	June 30, 2020 ----- (Rupees in '000) ----- (Audited)
Operating fixed assets	5.1 & 5.2	1,922,371	1,966,910
Capital work-in-progress	5.3	247,623	192,558
		<u>2,169,994</u>	<u>2,159,468</u>

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

	Additions at cost / Transfers		Disposal at NBV	
	Quarter ended September 30,		Quarter ended September 30,	
	2020	2019	2020	2019
	(Un-audited)		(Un-audited)	
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
<b>Owned</b>				
Building	-	13,125	-	-
Plant and machinery	12,317	26,774	-	4,443
Dies & tools	-	17,150	-	-
Vehicles	5,127	2,202	261	-
Furniture and fixtures	-	369	-	-
Computers	571	494	26	2
	<u>18,015</u>	<u>60,114</u>	<u>287</u>	<u>4,445</u>

- 5.2** Depreciation charge for the period amounted to Rs. 62,267 (September 30, 2019: Rs. 59,259).

September 30, 2020  
----- (Rupees in '000) -----  
(Un-audited)

June 30, 2020  
----- (Rupees in '000) -----  
(Audited)

### 5.3 Capital work-in-progress

Balance at the beginning of period / year	192,558	572,176
Capital expenditure incurred / advances made during the period / year	62,230	200,541
Transfer to operating fixed assets during the period / year	(7,165)	(572,362)
Charged off during the period / year	-	(7,797)
Balance at the ending of period / year	<u>247,623</u>	<u>192,558</u>

6 This includes an amount of Rs. 12.74 million (2020: Rs. 3.99 million) receivable from Thal Boshoku Pakistan (Private) Limited, an associated company, against sales made by the Company.

7 This includes an amount of Rs. 342.54 million (June 30, 2020: Rs. 28.67 million) and Rs. 105.27 million (June 30, 2020: Rs. 95.09) receivable against LC margins and claim against Additional custom duty from a customer respectively.

September 30, 2020  
----- (Rupees in '000) -----  
(Un-audited)

June 30, 2020  
----- (Rupees in '000) -----  
(Audited)

Note

### 8 SHORT TERM INVESTMENTS

#### At amortised cost

Term deposit receipts	8.1	446,000	443,000
Treasury bills		-	-
Accrued profit thereon		2,541	1,146
		<u>448,541</u>	<u>444,146</u>

#### At fair value through profit or loss

Mutual funds - open ended Nil (June 30, 2020: 4,847,847 units) at NAV of NIL each (June 30, 20: 10.5282 each)		-	51,038
		<u>448,541</u>	<u>495,184</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 5.50% to 6.50% (June 30, 2020: 6.70%) per annum having maturity date of 29 November 2020.

### 9 CONTINGENCIES AND COMMITMENTS

#### 9.1 Contingencies

As at the reporting date, total outstanding claims on the Group by certain vendors amounted to Rs. 7.34 million (June 30,

#### 9.2 COMMITMENTS

There is no material change in the status of commitments as reported in the annual financial statements for the year ended June 30, 2020 other than described below:

9.2.1 Commitments in respect of outstanding letters of credit for raw material amounting to Rs. 1209.742 million (June 30, 2020: Rs. 303.629 million).

9.2.2 Commitments in respect of capital expenditure amounting to Rs. 35.082 million (June 30, 2020: Rs. 37.314 million).



**AGRIAUTO INDUSTRIES LIMITED**  
**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2020**  
**(UN-AUDITED)**

**10 TRANSACTIONS WITH RELATED PARTIES**

Related parties of the Company comprise the Holding 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 wherever applicable. Detail of transactions with related parties during the period, other than disclosed elsewhere in these condensed interim financial statements, are as follows:

Name of related party and relationship with the Company	Nature of transactions	September 30, 2020 (Un-audited)	September 30, 2019 (Un-audited)
		----- (Rupees in '000) -----	
<b>Retirement benefit funds</b>			
Provident fund	Contribution	2,875	3,215
<b>Key management personnel</b>			
	Remuneration and other benefits	8,042	9,996
	Fee for attending board meetings	600	225
<b>Associated Companies (Common directorship)</b>			
Thal Boshoku Pakistan (Pvt.) Ltd.	Sale of goods	20,678	410

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

These consolidated condensed interim financial statements do not include the effect of final dividend for the year ended June 30, 2020 approved in the Annual General Meeting of the Company held on October 22, 2020 at Rs. 1.0 per share amounting Rs. 28.8 million.

**12 DATE OF AUTHORISATION FOR ISSUE**

These consolidated condensed interim financial statements were authorized for issue on October 25, 2020 by the Board of Directors of the Holding Company.

**13 GENERAL**

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

  
 Director

  
 Chief Executive

  
 Chief Financial Officer