

Agriauto Industries Limited

Condensed Interim Financial Statements
For the Period & Quarter Ended March 31, 2021
(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

Hassan Ali Ghazi

COMPANY SECRETARY

Syed Jawwad ul Haq Haqqi

AUDITORS

EY Ford Rhodes
Chartered Accountants

SHARE REGISTRAR

FAMCO Associates (Pvt.) Limited
8-F, Next to Hotel 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
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' REVIEW REPORT

On behalf of the Board of Directors of the Company, we are pleased to present the financial performance of your Company for the nine months and quarter ended March 31, 2021.

THE BOARD OF DIRECTORS

The Board of Directors of the Company as at the reporting date is as follows:

- | | |
|----------------------------------------|------------------------|
| 1. Mr. Yutuka Arae – Chairman | Non-executive Director |
| 2. Mr. Fahim Kapadia – Chief Executive | Executive Director |
| 3. Mr. Hamza Habib | Non-executive Director |
| 4. Mr. Sohail P. Ahmed | Non-executive Director |
| 5. Mr. Salman Burney | Non-executive Director |
| 6. Ms. Ayesha T. Haq | Independent Director |
| 7. Mr. Muhammad Ali Jameel | Independent Director |

AUDIT COMMITTEE

- | | |
|----------------------------|----------|
| 1. Mr. Muhammad Ali Jameel | Chairman |
| 2. Mr. Sohail P. Ahmed | Member |
| 3. Ms. Ayesha T. Haq | Member |

HUMAN RESOURCE & REMUNERATION COMMITTEE

- | | |
|----------------------------|----------|
| 1. Mr. Muhammad Ali Jameel | Chairman |
| 2. Mr. Salman Burney | Member |
| 3. Mr. Sohail P. Ahmed | Member |
| 4. Mr. Yutuka Arae | Member |
| 5. Mr. Fahim Kapadia | Member |

Financial Highlights

Consolidated

	For Nine Months July to March		Rs. in million For Three Months Jan to March	
	2021	2020	2021	2020
Turnover	7,654	4,725	3,075	1,940
Profit before tax	899	183	418	133
Taxation*	(198)	(87)	(124)	(35)
Profit after tax	701	96	294	98
Earnings Per Share (Rs.)	24.33	3.35	10.21	3.42

*Company has charged minimum tax of Rs. 78 million last year due to taxable loss u/s 113 of ITO 2001 and same is adjustable from future profits. In current year, Company has profits therefore the current tax charge has been adjusted and resulted in reduced tax liability.

Net Consolidated turnover for the nine months ended March 31, 2021 increased from Rs. 4.72 billion to Rs. 7.65 billion compared to corresponding period last year, reflecting an increase of 62%. Profit after tax is Rs. 701 million compared to profit of Rs. 96 million corresponding period last year.

Standalone

	For Nine Months July to March		Rs. in million For Three Months Jan to March	
	2021	2020	2021	2020
Turnover	5,109	3,406	1,956	1,341
Profit before tax	*549	*195	195	54
Taxation	(53)	(50)	(55)	(21)
Profit after tax	496	145	140	33
Earnings Per Share (Rs.)	17.25	5.04	4.89	1.15

*Includes interim dividend of Rs. 114.4 Million from the subsidiary company.

Net Turnover for the nine months under review was Rs. 5.11 billion compared to Rs. 3.41 billion reflecting an increase of 50% over corresponding period last year mainly due to increase in passenger car segment. Profit after tax also increased by 242% to Rs. 496 million compared to Rs. 145 million in corresponding period last year.

Business overview

Auto sector continued to revive strongly post COVID-19 lockdown supported by lower interest rates for vehicle financing and favorable foreign exchange parity. In the nine months of FY 2020-21, passenger car volumes grew by 20% while light commercial vehicle segment surged by 30%, compared to the nine months of FY 2019-20. Motorcycle and Tractors volumes grew by 21% and 58% respectively over same period. During the quarter, Auto Makers and Auto Parts Manufacturer were facing shortages of material because of containers and congestions at major transit ports around the world. Company maintained the supplies to the customers through efficient supply chain management. The situation has considerably improved.

Consumer demand is expected to remain buoyant and we envisage promising last quarter of the fiscal year. However, this momentum could be disrupted due to underlying uncertainty owing to third wave of COVID.

Agriauto Stamping Company (Pvt.) Limited (ASC)

ASC has recently initiated its expansion plan which will result in process efficiencies and facilitate installation of additional presses in future. Board has approved a capital expenditure of Rs. 195 million. The Company is also pursuing on new product developments, secured last year which will bring sustainability and improve profitability going forward.

ASC has declared second interim dividend @ 10% i.e. Rs 1.0 per share. The amount of dividend will be booked in the next quarter.

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
Non-Executive Director



Fahim Kapadia
Chief Executive

Dated: April 22, 2021

ڈائریکٹرز رپورٹ

کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے، ہم 31 مارچ 2021 کو ختم ہونے والی نو ماہی اور تیسری سہ ماہی کی کارکردگی پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

بورڈ آف ڈائریکٹرز

کمپنی کے بورڈ آف ڈائریکٹرز کی فہرست رپورٹ کی تاریخ کے تحت درج ذیل ہیں۔

- | | |
|-----------------------------------|-----------------------|
| 1. جناب یونا کا آرائے، چیئر مین | نان ایگزیکٹو ڈائریکٹر |
| 2. جناب فہیم کپاڈیا، چیف ایگزیکٹو | ایگزیکٹو ڈائریکٹر |
| 3. جناب حمزہ حبیب | نان ایگزیکٹو ڈائریکٹر |
| 4. جناب سہیل پی۔ احمد | نان ایگزیکٹو ڈائریکٹر |
| 5. جناب سلمان برنی | نان ایگزیکٹو ڈائریکٹر |
| 6. مس عائشہ ثبیٰ حق | آزاد ڈائریکٹر |
| 7. جناب محمد علی جمیل | آزاد ڈائریکٹر |

بورڈ آف ڈائریکٹرز کمیٹی

- | | |
|-----------------------|----------|
| 1. جناب محمد علی جمیل | چیئر مین |
| 2. جناب سہیل پی۔ احمد | رکن |
| 3. مس عائشہ ثبیٰ حق | رکن |

بورڈ ہونورریس اور ریویژن کمیٹی

- | | |
|-----------------------|----------|
| 1. جناب محمد علی جمیل | چیئر مین |
| 2. جناب سلمان برنی | رکن |
| 3. جناب سہیل پی۔ احمد | رکن |
| 4. جناب یونا کا آرائے | رکن |
| 5. جناب فہیم کپاڈیا | رکن |

مالیاتی جھلکیاں

مجموعی اکاؤنٹس

Rs. in million

سہ ماہی (جنوری سے مارچ تک)		نو ماہی (جولائی سے مارچ تک)	
2020	2021	2020	2021
1,940	3,075	4,725	7,654
133	418	183	899
(35)	(124)	(87)	(198)
98	294	96	701
3.42	10.21	3.35	24.33

سیلز
منافع قبل از ٹیکس
* ٹیکس
منافع بعد از ٹیکس
آمدنی فی شیئر (روپے)

* انکم ٹیکس آرڈیننس 2001 شق 113 کے تحت 30 جون 2020 کو ختم ہونے والے مالی سال میں ٹیکس خسارے کی وجہ سے کمپنی نے کم از کم 78 ملین روپے ٹیکس ادا کیا۔ اور یہ مستقبل میں ہونے والے منافع سے منہا ہوگا۔ چونکہ اس سال کمپنی کو منافع ہوا ہے اس لئے اس سال کے واجب الادا ٹیکس میں سے منہا کرنے کی وجہ سے ٹیکس کے واجبات میں کمی آئی ہے۔

31 مارچ 2021 کو ختم ہونے والے نو ماہ کا مجموعی کاروبار (نیٹ) پچھلے سال کے 4.72 بلین روپے سے بڑھ کر 7.65 بلین روپے ہوا، جو کہ 62 فیصد اضافے کی عکاسی کرتا ہے۔ منافع بعد از ٹیکس پچھلے سال کے 96 ملین کے منافع کے مقابلے میں 701 ملین روپے رہا۔




سہ ماہی (جنوری سے مارچ تک)		نومای (جولائی سے مارچ تک)		سیلز
2020	2021	2020	2021	
1,341	1,956	3,406	5,109	منافع قبل از ٹیکس
54	195	* 195	* 549	ٹیکس
(21)	(55)	(50)	(53)	منافع بعد از ٹیکس
33	140	145	496	آمدنی فی شیئر (روپے)
1.15	4.89	5.04	17.25	

* ذیلی کمپنی کی طرف سے 114.4 ملین روپے کا عبوری ڈیویڈنڈ بھی شامل ہے۔

زیر نظر نومای کاروبار (نیٹ) گزشتہ سال کی اسی مدت کے 3.41 بلین روپے کے مقابلے میں 5.11 بلین روپے ہوا جو کہ 50 فیصد اضافی ہے اور جس کی بنیادی وجہ مسافر کاروں کے حصے میں اضافہ ہے۔ منافع بعد از ٹیکس میں بھی 242 فیصد کا اضافہ ہوا جو کہ گزشتہ سال کی اسی مدت یعنی 145 ملین روپے سے بڑھ کر 496 ملین روپے رہا۔

کاروباری جائزہ

بعد از COVID-19 لاک ڈاؤن گاڑیوں کی مالی اعانت کے لئے شرح سود میں کمی اور نسبتاً مستحکم ذر مبادلہ کی وجہ سے آٹو سیکٹر کی کارکردگی اچھی جارہی ہے۔ مالی سال 2020-21 کے نوماہ میں گزشتہ سال کی اسی مدت یعنی مالی سال 2019-20 کے نوماہ کے مقابلے میں مسافر بردار گاڑیوں کے حجم میں 20 فیصد اضافہ ہوا جبکہ ہلکی کمرشل گاڑی کے طے میں 30 فیصد کی ریکارڈ کی گئی۔ موٹر سائیکل اور ٹریکٹر کے شعبوں کے حجم میں بھی بالترتیب 21 فیصد اور 58 فیصد اضافہ ہوا۔ تاہم، آٹو ساز اور آٹو پارٹس تیار کرنے والی کمپنیوں کو دنیا بھر کی بڑی ٹرانزٹ بندرگاہوں پر کنٹینر زاور بندرگاہوں پر رش کی وجہ سے پارٹس کی قلت کا سامنا کرنا پڑ رہا ہے۔ کمپنی نے موٹر سائیکل چین مینجمنٹ کے ذریعے صارفین کو سپلائی برقرار رکھی ہے جس کے نتیجے میں موجودہ صورتحال میں کافی حد تک بہتری آئی ہے۔

توقع ہے کہ صارفین کی طلب میں استحکام رہے گا اور ہم مالی سال کی آخری سہ ماہی میں نمایاں کارکردگی کی امید رکھتے ہیں۔ تاہم، COVID کی تیسری اہر سے پیدا ہونے والی بے یقینی کی وجہ سے مستقبل میں یہ رفتار متاثر ہو سکتی ہے۔

ایگری آٹو اسٹیمپنگ کمپنی (پرائیویٹ) لمیٹڈ

ایگری آٹو اسٹیمپنگ کمپنی نے حال ہی میں اپنے پلانٹ کی توسیع کا منصوبہ شروع کیا ہے جس کے نتیجے میں پیداواری عمل میں بہتری ہوگی اور مستقبل میں اضافی پریس کی تنصیب میں آسانی ہوگی۔ بورڈ نے 195 ملین روپے کے سرمایہ کاری کی منظوری دے دی ہے۔ کمپنی گزشتہ سال حاصل کردہ نئی مصنوعات کی ڈیولپمنٹ پر بھی عمل پیرا ہے جو کاروبار میں استحکام لائے گی اور منافع کو آگے بڑھائے گی۔

ذیلی کمپنی نے دو سراسر عبوری منافع 10 فیصد یعنی 1.0 روپے فی شیئر ڈیویڈنڈ ادا کرنے کا اعلان کیا ہے جو کہ اگلی سہ ماہی کے مالیاتی گوشوارے میں شامل کیا جائے گا۔

آخر میں، ہم اپنے تمام صارفین، ڈیلرز، بنکرز اور غیر ملکی تکنیکی شراکت داروں کی قدر دانی کے شکر گزار ہیں جنہوں نے کمپنی کے ساتھ تعاون کیا اور کمپنی پر اعتماد کیا۔ ہم اپنی ٹیم کے ارکان کے بھی مشکور ہیں جنہوں نے تبدیلی کے ساتھ کمپنی کی ترقی کے لئے کام کیا۔

منجانب بورڈ آف ڈائریکٹرز۔



سلمان برنی
نان ایگزیکٹو ڈائریکٹر



فہیم کھاٹیہ
چیف ایگزیکٹو

بتاریخ: April 22, 2021

AGRIAUTO INDUSTRIES LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2021

	Note	March 31, 2021 (un-audited)	June 30, 2020 (audited)
		----- (Rupees in '000) -----	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	968,257	923,248
Right-of-use asset		14,800	15,351
Intangible asset		48,410	59,586
Long term investment		1,144,006	1,144,006
Long term deposits		6,801	6,634
Deferred taxation - net	7	41,734	17,659
		2,224,008	2,166,484
CURRENT ASSETS			
Stores, spares and loose tools		88,754	106,752
Stock-in-trade		1,111,082	1,385,313
Trade debts	8	618,053	321,641
Advances, deposits, prepayments and other receivables	9	367,500	110,428
Accrued profit		279	179
Short term investments	10	122,327	73,329
Sales tax receivable		8,347	135,617
Taxation – net		489,827	312,017
Cash and bank balances		89,133	70,615
		2,895,302	2,515,891
TOTAL ASSETS		5,119,310	4,682,375
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital			
40,000,000 (June 30, 2020: 40,000,000) ordinary shares of Rs. 5/- each		200,000	200,000
Issued, subscribed and paid-up capital			
28,800,000 (June 30, 2020: 28,800,000) ordinary shares of Rs. 5/- each		144,000	144,000
Reserves		4,091,377	3,767,400
		4,235,377	3,911,400
NON-CURRENT LIABILITIES			
Lease liabilities		8,467	8,712
CURRENT LIABILITIES			
Trade and other payables	11	834,246	723,696
Current portion of lease liabilities		6,691	6,325
Unpaid dividend		9,408	11,971
Unclaimed dividend		25,121	20,271
		875,466	762,263
CONTINGENCIES AND COMMITMENTS	12		
TOTAL EQUITY AND LIABILITIES		5,119,310	4,682,375

The annexed notes from 1 to 18 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 NINE MONTHS AND QUARTER ENDED MARCH 31, 2021
(un-audited)

	Note	Nine months ended		Quarter ended	
		March 31, 2021 -----'(Rupees in '000)-----	March 31, 2020 -----'(Rupees in '000)-----	March 31, 2021 -----'(Rupees in '000)-----	March 31, 2020 -----'(Rupees in '000)-----
Turnover – net		5,108,670	3,406,117	1,956,128	1,340,793
Cost of sales		(4,403,805)	(3,096,166)	(1,694,836)	(1,211,328)
Gross profit		704,865	309,951	261,292	129,465
Distribution costs		(93,344)	(60,341)	(34,538)	(22,301)
Administrative expenses		(148,499)	(175,128)	(41,888)	(58,752)
		(241,843)	(235,469)	(76,426)	(81,053)
Operating profit		463,022	74,482	184,866	48,412
Other expenses		(42,841)	(15,565)	(12,792)	(6,554)
Other income	13	131,324	137,623	211	13,069
Finance cost		(2,172)	(1,759)	(1,124)	(659)
		86,311	120,299	(13,705)	5,856
Profit before taxation		549,333	194,781	171,161	54,268
Taxation	14				
- Current		(76,630)	(51,092)	(29,342)	(20,112)
- Deferred		24,074	2,209	(25,246)	(188)
- Prior		-	(868)	-	(868)
		(52,556)	(49,751)	(54,588)	(21,168)
Profit after taxation		496,777	145,030	116,573	33,100
----- (Rupees) -----					
Earnings per share - basic and diluted		17.25	5.04	4.05	1.15

The annexed notes from 1 to 18 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 NINE MONTHS AND QUARTER ENDED MARCH 31, 2021
(un-audited)

	Nine months ended		Quarter ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	-----'(Rupees in '000)-----		-----'(Rupees in '000)-----	
Profit after taxation for the period	496,777	145,030	116,573	33,100
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	496,777	145,030	116,573	33,100

The annexed notes from 1 to 18 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 NINE MONTHS ENDED MARCH 31, 2021
(un-audited)

	<u>Nine months ended</u>	
	March 31, 2021	March 31, 2020
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	549,333	194,781
Adjustments for:		
Depreciation and amortisation	95,882	79,920
Finance cost	2,172	1,759
(Reversal) / allowance for expected credit losses	(283)	149
Liabilities no longer payable - written back	(1,085)	(395)
Profit on short term investments – term deposit receipts	(5,750)	(6,829)
Profit on term deposit accounts	(5,378)	(8,184)
Dividend income	(114,401)	(115,554)
Capital work-in-progress charged off	-	7,796
Gain on disposal of operating fixed assets	(1,276)	(2,751)
	<u>519,214</u>	<u>150,692</u>
(Increase) / decrease in current assets	(133,704)	407,613
Increase in current liabilities	111,391	142,124
Cash generated from operations	<u>496,901</u>	<u>700,429</u>
Finance cost paid	(1,071)	(636)
Long term deposits	(167)	-
Income tax paid	(254,440)	(43,781)
Net cash generated from operating activities	<u>241,223</u>	<u>656,012</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditures and capital work-in-progress	(139,135)	(275,736)
Investments redeemed / (made) in mutual funds - net	51,039	(200,000)
Proceeds from disposal of property, plant and equipment	16,755	17,908
Proceeds from disposal of short term investments	-	52,576
Dividend received	114,401	114,401
Profit received on short term investments - term deposit receipts	5,716	7,775
Profit on term deposit accounts	5,277	7,466
Net cash generated from / (used in) investing activities	<u>54,053</u>	<u>(275,610)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(170,513)	(200,334)
Lease rental paid	(6,245)	(1,861)
Net cash used in financing activities	<u>(176,758)</u>	<u>(202,195)</u>
Net increase in cash and cash equivalents	<u>118,518</u>	<u>178,207</u>
Cash and cash equivalents at the beginning of the period	92,615	157,949
Cash and cash equivalents at the end of the period	<u>211,133</u>	<u>336,156</u>
CASH AND CASH EQUIVALENTS		
Cash and bank balances	89,133	134,156
Short term investments	122,000	202,000
	<u>211,133</u>	<u>336,156</u>

The annexed notes from 1 to 18 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 PERIOD ENDED MARCH 31, 2021
(un-audited)

Issued, subscribed and paid-up capital	Reserves			Total reserves	Total equity	
	Capital reserve	Revenue reserves				
	Share premium	General	Unappropriated profit			
----- (Rupees in'000) -----						
Balance as at July 01, 2019 (audited)	144,000	12,598	3,465,000	521,200	3,998,798	4,142,798
Final dividend for the year ended June 30, 2019 @ Rs.7.0/- per share	-	-	-	(201,600)	(201,600)	(201,600)
Transfer to general reserve	-	-	300,000	(300,000)	-	-
Profit after taxation for the period	-	-	-	145,030	145,030	145,030
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	145,030	145,030	145,030
Balance as at March 31, 2020 (un-audited)	<u>144,000</u>	<u>12,598</u>	<u>3,765,000</u>	<u>164,630</u>	<u>3,942,228</u>	<u>4,086,228</u>
Balance as at July 01, 2020 (audited)	144,000	12,598	3,765,000	(10,198)	3,767,400	3,911,400
Final dividend for the year ended June 30, 2020 @ Rs.1.0/- per share	-	-	-	(28,800)	(28,800)	(28,800)
Interim dividend for the year ending June 30, 2021 @ Rs.5.0/- per share	-	-	-	(144,000)	(144,000)	(144,000)
Profit after taxation for the period	-	-	-	496,777	496,777	496,777
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive profit for the period	-	-	-	496,777	496,777	496,777
Balance as at March 31, 2021 (un-audited)	<u>144,000</u>	<u>12,598</u>	<u>3,765,000</u>	<u>313,779</u>	<u>4,091,377</u>	<u>4,235,377</u>

The annexed notes from 1 to 18 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 NINE MONTHS AND QUARTER ENDED MARCH 31, 2021
(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 are un-audited and 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 except for the adoption of new standards, amendments and improvements to International Financial Reporting Standards (IFRSs) as disclosed in note 5.

5 NEW STANDARDS, AMMENDMENTS AND IMPROVEMENTS TO IFRSs

The Company has adopted the following amendments to International Financial Reporting Standards (IFRSs) and framework for financial reporting which became effective for the current period:

Standard or amendment:

- IFRS 3 - Definition of a Business (Amendments);
- IFRS 9 / IAS 39 / IFRS 7 - Interest Rate Benchmark Reform (Amendments); and
- IAS 1 / IAS 8 - Definition of Material (Amendments).

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after January 1, 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

	Note	March 31, 2021 ----- (Rupees in '000) ----- (un-audited)	June 30, 2020 ----- (audited)
6 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	6.1 & 6.2	884,381	752,965
Capital work-in-progress	6.3	83,876	170,283
		<u>968,257</u>	<u>923,248</u>

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

	<u>Additions at cost / Transfers</u>		<u>Disposal at NBV</u>	
	<u>Nine months ended</u>		<u>Nine months ended</u>	
	<u>March 31,</u>		<u>March 31,</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	<u>(un-audited)</u>		<u>(un-audited)</u>	
	<u>----- (Rupees in '000) -----</u>		<u>----- (Rupees in '000) -----</u>	
Owned				
Building	88,524	7,820	-	-
Plant and machinery	127,481	92,881	7,337	8,804
Dies & tools	-	17,150	-	-
Vehicles	7,097	6,572	8,045	6,174
Furniture and fixtures	500	7,874	-	131
Computers	1,939	707	97	48
	<u>225,541</u>	<u>133,004</u>	<u>15,479</u>	<u>15,157</u>

- 6.2 Depreciation charge for the period amounted to Rs. 78.65 million (March 31, 2020: Rs. 74.60 million).

	<u>March 31,</u>	<u>June 30,</u>
	<u>2021</u>	<u>2020</u>
	<u>----- (Rupees in '000) -----</u>	<u>----- (Rupees in '000) -----</u>
	<u>(un-audited)</u>	<u>(audited)</u>

6.3 **Capital work-in-progress**

Balance at the beginning of the period / year	170,283	52,768
Capital expenditure incurred / advances made during the period / year	122,033	170,284
Transfer to operating fixed assets during the period / year	(208,365)	(44,972)
Charged off during the period / year	(75)	(7,797)
Balance at the end of the period / year	<u>83,876</u>	<u>170,283</u>

7 **DEFERRED TAXATION - NET**

Deductible temporary differences arising due to:		
- provisions and lease liabilities	108,558	95,120
- unused tax losses and minimum tax carried forward	18,931	14,948
Taxable temporary differences arising due to:		
- accelerated tax depreciation	(85,755)	(92,409)
	<u>41,734</u>	<u>17,659</u>

- 8 Includes an amount of Rs. 8.55 million (June 30, 2020: Rs. 3.32 million) and Rs. 4.06 million (June 30, 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.

- 9 Includes an amount of Rs. 163.24 million (June 30, 2020: Rs. 21.42 million) and Rs. 183.76 million (June 30, 2020: Rs. 73.64 million) receivable against LC margins and claim against Additional Custom Duty from a customer respectively.

	Note	<u>March 31,</u>	<u>June 30,</u>
		<u>2021</u>	<u>2020</u>
		<u>(un-audited)</u>	<u>(audited)</u>
		<u>----- (Rupees in '000) -----</u>	<u>----- (Rupees in '000) -----</u>
10 SHORT TERM INVESTMENTS			
At amortised cost			
Term deposit receipts	10.1	122,000	22,000
Accrued profit thereon		327	291
		<u>122,327</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 (June 30, 2020: Rs. 10.53) each.		-	51,038
		<u>122,327</u>	<u>73,329</u>

- 10.1 Represents one to three months term deposit receipts with a commercial bank under conventional banking relationship carrying profit rate ranging from of 4.85% to 6.70% (June 30, 2020: 6.70%) per annum and having latest maturity date of June 4, 2021.

- 11 Includes an amount of Rs. Nil (June 30, 2020: Rs. 0.07 million) payable to Shabbir Tiles and Ceramics Limited, an associated company, against purchases made by the Company.

12 CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

12.1.1 As at the reporting date, total outstanding claims on the Company by certain vendors amounted to Rs. 3.63 million (June 30, 2020: Rs. 4.53 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 condensed interim financial statements.

12.1.2 During the period, the Company has received an assessment order from Inland Revenue Board for Tax Year 2018 whereby additional tax of Rs. 25.7 million is claimed for inadmissible input. The Company is in process of filing an appeal. The management expects a favorable outcome, hence no provision in this respect has been made in these unconsolidated condensed interim financial statements.

12.2 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:

12.2.1 Commitments in respect of outstanding letters of credit for raw material amounting to Rs. 522.17 million (June 30, 2020: Rs. 178.89 million).

12.2.2 Commitments in respect of capital expenditure amounting to Rs. 45.87 million (June 30, 2020: Rs. 1.69 million).

13 Includes Rs. 114.4 million (December 31, 2019: Rs. 114.4 million) on account of dividend income from the wholly owned subsidiary Agriauto Stamping Company (Private) Limited.

14 Due to taxable loss in the last financial year, the Company booked its tax charge on minimum tax at the rate of 1.5% under section 113 of the Income Tax Ordinance, 2001 amounting to Rs. 78 million. As the same is adjustable, therefore, current tax charge for the period has been adjusted to the extent of minimum tax. Further, deferred tax has been booked on the remaining unadjusted portion.

15 TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise the subsidiary company, companies with common directorship, retirement funds, directors and key management personnel. All the transactions with related parties are entered into at agreed terms in normal course of business as approved by the Board of Directors of the Company. Balance due from / to the related parties have been disclosed in respective notes to these unconsolidated condensed interim financial statements wherever applicable. Details 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	Percentage of share holding in the Company %	March 31, 2021 (un-audited) ----- (Rupees in '000) -----	March 31, 2020 (un-audited)
Subsidiary (wholly owned)				
Agriauto Stamping Company (Private) Limited	Sale of goods	Nil	61,574	13,400
	Tax refund paid under group taxation		128,879	49,280
	Dividend income		114,401	114,401
Associated Companies (Common directorship)				
Thal Boshoku Pakistan (Private) Limited	Sale of goods	Nil	34,935	3,003
Thal Limited	Dividend paid	7.35	12,694	14,809
Shabbir Tiles & Ceramics Limited	Purchases	Nil	3,066	75
Retirement benefit funds				
Employees' Provident fund	Contribution		7,837	8,575
Key management personnel				
	Remuneration and other benefits	Nil	26,933	29,140
	Fee for attending board meetings		1,500	950
	Sale of vehicle having net book value of Rs. 0.705 million as per the Company's policy		806	-

16 NON-ADJUSTING EVENT AFTER THE STATEMENT OF FINANCIAL POSITION DATE

The Board of Directors of the subsidiary company in its meeting held on April 20, 2021 approved second interim cash dividend of Re. 1.0 per share amounting Rs. 114.4 million.

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

17 DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorised for issue on April 22, 2021 by the Board of Directors of the Company.

18 GENERAL

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



DIRECTOR



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

AGRIAUTO INDUSTRIES LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2021

	Note	March 31, 2021 (un-audited)	June 30, 2020 (audited)
----- (Rupees in '000) -----			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	2,257,041	2,159,468
Right-of-use assets		14,800	15,351
Intangible asset		48,410	59,586
Long-term deposits		13,605	13,438
		2,333,856	2,247,843
CURRENT ASSETS			
Stores, spares and loose tools		111,547	120,816
Stock-in-trade		1,693,667	1,937,205
Trade debts	7	953,032	492,234
Advances, deposits, prepayments and other receivables	8	577,200	141,916
Accrued profit		609	1,215
Short-term investments	9	447,989	494,329
Sales tax receivable		29,964	168,275
Taxation – net		394,941	458,746
Cash and bank balances		205,063	131,195
		4,414,012	3,945,931
TOTAL ASSETS		6,747,868	6,193,774
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital			
40,000,000 (June 30, 2020: 40,000,000) ordinary shares of Rs. 5/- each		200,000	200,000
Issued, subscribed and paid-up capital			
28,800,000 (June 30, 2020: 28,800,000) ordinary shares of Rs. 5/- each		144,000	144,000
Reserves		5,497,990	4,970,140
		5,641,990	5,114,140
NON-CURRENT LIABILITIES			
Lease liabilities		8,467	8,712
Deferred taxation	10	24,804	62,123
		33,271	70,835
CURRENT LIABILITIES			
Trade and other payables		1,031,387	970,232
Current portion of lease liabilities		6,691	6,325
Unpaid dividend		9,408	11,971
Unclaimed dividend		25,121	20,271
		1,072,607	1,008,799
CONTINGENCIES AND COMMITMENTS			
	11		
TOTAL EQUITY AND LIABILITIES		6,747,868	6,193,774

The annexed notes from 1 to 15 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 NINE MONTHS AND QUARTER ENDED MARCH 31, 2021
(un-audited)

	Note	Nine months ended		Quarter ended	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
		----- (Rupees in '000) -----		----- (Rupees in '000) -----	
Turnover – net		7,653,623	4,724,685	3,075,246	1,939,863
Cost of sales		<u>(6,433,326)</u>	<u>(4,303,507)</u>	<u>(2,565,825)</u>	<u>(1,727,765)</u>
Gross profit		1,220,297	421,178	509,421	212,098
Distribution costs		<u>(99,490)</u>	<u>(64,329)</u>	<u>(37,490)</u>	<u>(23,793)</u>
Administrative expenses		<u>(181,489)</u>	<u>(192,138)</u>	<u>(63,932)</u>	<u>(65,669)</u>
Operating profit		939,318	164,711	407,999	122,636
Other expenses		<u>(81,714)</u>	<u>(21,741)</u>	<u>(29,864)</u>	<u>(11,470)</u>
Other income		<u>44,031</u>	<u>42,159</u>	<u>9,666</u>	<u>22,654</u>
Finance costs		<u>(2,760)</u>	<u>(1,955)</u>	<u>(1,325)</u>	<u>(696)</u>
Profit before taxation		898,875	183,174	386,476	133,124
Taxation	12				
- Current		<u>(235,543)</u>	<u>(71,072)</u>	<u>(112,080)</u>	<u>(29,196)</u>
- Deferred		<u>37,318</u>	<u>(14,680)</u>	<u>(11,741)</u>	<u>(4,685)</u>
- Prior		<u>-</u>	<u>(868)</u>	<u>-</u>	<u>(868)</u>
Profit after taxation		700,650	96,554	262,655	98,375
----- (Rupees) -----					
Earnings per share - basic and diluted		24.33	3.35	9.12	3.42

The annexed notes from 1 to 15 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 NINE MONTHS AND QUARTER ENDED MARCH 31, 2021
(un-audited)

	Nine months ended		Quarter ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	------(Rupees in '000)-----		------(Rupees in '000)-----	
Profit for the period	700,650	96,554	262,655	98,375
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	700,650	96,554	262,655	98,375

The annexed notes from 1 to 15 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 NINE MONTHS ENDED MARCH 31, 2021
(un-audited)

	Nine months ended	
	March 31, 2021	March 31, 2020
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	898,875	183,174
Adjustments for:		
Depreciation and amortisation	215,229	203,304
Finance costs	2,172	1,955
(Reversal) / allowance for expected credit losses	(432)	149
Liabilities no longer payable - written back	(1,085)	(395)
Profit on short term investments – term deposit receipts	(22,670)	(14,989)
Profit on term deposit accounts	(11,393)	(16,175)
Dividend income	-	(1,153)
Capital work-in-progress charged off	-	9,221
Gain on disposal of operating fixed assets	(1,630)	(2,786)
	<u>1,079,066</u>	<u>362,305</u>
(Increase) / decrease in current assets	(501,367)	593,880
Increase in current liabilities	58,682	175,909
Cash generated from operations	<u>636,381</u>	<u>1,132,094</u>
Finance costs paid	(1,071)	(832)
Long term security deposit paid	(167)	-
Income tax paid	(170,077)	(19,851)
Net cash generated from operating activities	<u>465,066</u>	<u>1,111,411</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditures and capital work-in-progress	(313,120)	(370,932)
Proceeds from disposal of property, plant and equipment	19,330	18,177
Investments redeemed / (made) in mutual funds - net	51,039	(200,000)
Proceeds from disposal of short-term investments	-	52,576
Profit received on short term investments - term deposit receipts	25,721	15,957
Profit on term deposit accounts	7,252	14,294
Net cash used in investing activities	<u>(209,778)</u>	<u>(469,928)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(170,513)	(200,334)
Lease rental paid	(6,245)	(1,861)
	<u>(176,758)</u>	<u>(202,195)</u>
Net increase in cash and cash equivalents	<u>78,530</u>	<u>439,288</u>
Cash and cash equivalents at the beginning of the period	574,195	308,379
Cash and cash equivalents at the end of the period	<u>652,725</u>	<u>747,667</u>
CASH AND CASH EQUIVALENTS		
Cash and bank balances	205,063	224,667
Short-term investments	447,662	523,000
	<u>652,725</u>	<u>747,667</u>

The annexed notes from 1 to 15 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 PERIOD ENDED MARCH 31, 2021
(un-audited)

	Reserves				Total reserves	Total equity
	Capital reserve	Revenue reserves				
	Share premium	General	Unappropriated profit			
	(Rupees in'000)					
Balance as at July 01, 2019 (audited)	144,000	12,598	3,065,000	2,202,580	5,280,178	5,424,178
Final dividend for the year ended June 30, 2019 @ Rs. 7.0/- per share	-	-	-	(201,600)	(201,600)	(201,600)
Transfer to general reserve	-	-	750,000	(750,000)	-	-
Profit after taxation for the period	-	-	-	96,554	96,554	96,554
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	96,554	96,554	96,554
Balance as at March 31, 2020 (un-audited)	<u>144,000</u>	<u>12,598</u>	<u>3,815,000</u>	<u>1,347,534</u>	<u>5,175,132</u>	<u>5,319,132</u>
Balance as at July 01, 2020 (audited)	144,000	12,598	2,315,000	2,642,542	4,970,140	5,114,140
Final dividend for the year ended June 30, 2020 @ Rs.1.0/- per share	-	-	-	(28,800)	(28,800)	(28,800)
Interim dividend for the year ending June 30, 2021 @ Rs.5.0/- per share	-	-	-	(144,000)	(144,000)	(144,000)
Profit after taxation for the period	-	-	-	700,650	700,650	700,650
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	700,650	700,650	700,650
Balance as at March 31, 2021 (un-audited)	<u>144,000</u>	<u>12,598</u>	<u>2,315,000</u>	<u>3,170,392</u>	<u>5,497,990</u>	<u>5,641,990</u>

The annexed notes from 1 to 15 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 PERIOD ENDED MARCH 31, 2021
(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 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 July 02, 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 are un-audited and 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 NEW STANDARDS, AMMENDMENTS AND INTERPRETATIONS OF IFRSs

The Company has adopted the following accounting standards and amendments of IFRSs and the improvements to accounting standards which became effective during the current period:

Standard or ammendment:

IFRS 3 - Definition of a Business (Amendments);
IFRS 9 / IAS 39 / IFRS 7 - Interest Rate Benchmark Reform (Amendments); and
IAS 1 / IAS 8 - Definition of Material (Amendments).

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after January 1, 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

	Note	March 31, 2021 ----- (Rupees in '000) ----- (Un-audited)	June 30, 2020 ----- (Rupees in '000) ----- (Audited)
6 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	6.1 & 6.2	2,007,770	1,966,910
Capital work-in-progress	6.3	249,271	192,558
		2,257,041	2,159,468

- 6.1 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	
	Nine months ended		Nine months ended	
	March 31,		March 31,	
	2021	2020	2021	2020
	(un-audited)		(un-audited)	
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
Owned				
Building	88,524	50,458	-	-
Plant and machinery	137,426	498,429	7,337	8,804
Dies & tools	6,026	155,124	-	-
Vehicles	19,637	6,572	10,233	6,401
Furniture and fixtures	1,040	7,874	-	131
Computers	2,989	830	129	55
Office equipment	912	377	-	-
	<u>256,554</u>	<u>719,664</u>	<u>17,699</u>	<u>15,391</u>

- 6.2 Depreciation charge for the period amounted to Rs. 198 million (March 31, 2020: Rs. 197.98 million).

	March 31,	June 30,
	2021	2020
	----- (Rupees in '000) -----	
	(un-audited)	(audited)
6.3 Capital work-in-progress		
Balance at the beginning of the period / year	192,558	572,176
Capital expenditure incurred / advances made during the period / year	267,211	200,541
Transfer to operating fixed assets during the period / year	(210,423)	(572,362)
Charged off during the period / year	(75)	(7,797)
Balance at the end of the period / year	<u>249,271</u>	<u>192,558</u>

- 7 Includes an amount of Rs. 7.67 million (June 30, 2020: Rs. 3.99 million) receivable from Thal Boshoku Pakistan (Private) Limited, an associated company, against sales made by the Company.
- 8 Includes an amount of Rs. 309.62 million (June 30, 2020: Rs. 28.67 million) and Rs. 240.36 million (June 30, 2020: Rs. 95.09 million) receivable against LC margins and claim against Additional custom duty from a customer respectively.

	March 31,	June 30,
	2021	2020
	----- (Rupees in '000) -----	
	(un-audited)	(audited)
9 SHORT TERM INVESTMENTS		
At amortised cost		
Term deposit receipts	446,000	443,000
Accrued profit thereon	1,989	291
	<u>447,989</u>	<u>443,291</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, 2020: Rs. 10.53 each)	-	51,038
	<u>447,989</u>	<u>494,329</u>

- 9.1 Represents one to three months term deposit receipts with a commercial bank under conventional banking relationship carrying profit rate ranging from of 4.85% to 6.85% (June 30, 2020: 5.75% to 7%) per annum having latest maturity date till June 4, 2021.

	March 31,	June 30,
	2021	2020
	----- (Rupees in '000) -----	
	(un-audited)	(audited)
10 DEFERRED TAXATION - NET		
Taxable temporary differences arising due to:		
- accelerated tax depreciation	173,682	195,551
Deductible temporary differences arising due to:		
- provisions and lease liabilities	(129,947)	(111,613)
- unused tax losses and minimum tax carried forward	(18,931)	(21,815)
	<u>24,804</u>	<u>62,123</u>

AGRIAUTO INDUSTRIES LIMITED
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2021
(un-audited)

11 CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

- 11.1.1** As at the reporting date, total outstanding claims on the Group by certain vendors amounted to Rs. 5.94 million (June 30, 2020: Rs. 7.34 million). The management of the Group is confident that no loss is likely to occur from these claims and accordingly no provision in this respect has been made in these consolidated condensed interim financial statements.
- 11.1.2** During the period, the Holding Company has received an assessment order from Inland Revenue Board for Tax Year 2018 whereby additional tax of Rs. 25.7 million is claimed for inadmissible input. The Holding Company is in process of filing an appeal. The management expects a favorable outcome, hence no provision in this respect has been made in these consolidated condensed interim financial statements.

11.2 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:

- 11.2.1** Commitments in respect of outstanding letters of credit for raw material amounting to Rs. 914.55 million (June 30, 2020: Rs. 303.63 million).
- 11.2.2** Commitments in respect of capital expenditure amounting to Rs. 131.29 million (June 30, 2020: Rs. 37.32 million).
- 12** Due to taxable loss in the last financial year, the Group booked its tax charge on minimum tax at rate of 1.5% under section 113 of the Income Tax Ordinance, 2001 amounting to Rs. 78 million. As the said tax is adjustable, therefore, current tax charge for the period has been adjusted to the extent of minimum tax. Further, deferred tax has been booked on the remaining unadjusted portion.

13 TRANSACTIONS WITH RELATED PARTIES

Related parties of the Group comprise 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 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 Group	Nature of transactions	Percentage of share holding in the Company %	March 31, 2021 (un-audited) ----- (Rupees in '000) -----	March 31, 2020 (un-audited) ----- (Rupees in '000) -----
Retirement benefit funds				
Provident fund	Contribution		8,976	9,570
Key management personnel				
	Remuneration and other benefits	Nil	27,812	19,596
	Fee for attending board meetings		1,500	950
	Sale of vehicle having net book value of Rs. 0.705 million as per the Company's policy		806	-
Associated Companies (Common directorship)				
Thal Boshoku Pakistan (Pvt.) Ltd.	Sale of goods / services rendered	Nil	79,392	3,276
Thal Limited	Dividend paid	7.35	12,694	14,809
Shabbir Tiles & Ceramics Limited	Purchases	Nil	3,066	75

14 DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements were authorised for issue on April 22, 2021 by the Board of Directors of the Holding Company.

15 GENERAL

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



Director



Chief Executive



Chief Financial Officer