

Agriauto Industries Limited

Condensed Interim Financial Statements
For the Period and Quarter Ended December 31, 2023
(Un-audited)



Company Information

BOARD OF DIRECTORS

Yutaka Arae	Chairman
Fahim Kapadia	Chief Executive
Hamza Habib	Non Executive Director
Salman Burney	Non Executive Director
Sohail P. Ahmed	Non Executive Director
Ayesha T. Haq	Independent Director
Aqueel E. Merchant	Independent Director

BOARD AUDIT AND RISK MANAGEMENT COMMITTEE

Aqueel E. Merchant	Chairman
Sohail P. Ahmed	Member
Ayesha T. Haq	Member

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Aqueel E. Merchant	Chairman
Salman Burney	Member
Sohail P. Ahmed	Member
Yutaka Arae	Member
Fahim Kapadia	Member

CHIEF FINANCIAL OFFICER

Tariq Iqbal Bawani

COMPANY SECRETARY

Shaharyar Ashraf Khan

AUDITORS

A.F. Ferguson and Co. Chartered Accountants

SHARE REGISTRAR

FAMCO Share Registration Services (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

Bank Al-Habib Limited
Dubai Islamic Bank Pakistan Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Standard Chartered Bank (Pakistan) Limited
The Bank of Punjab
United 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 half year ended December 31, 2023.

THE BOARD OF DIRECTORS

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

1. Mr. Yutaka 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. Aqueel E. Merchant	Independent Director

Financial Highlights

Consolidated

	Rs. in million	
	Six months period ended	
	2023	2022
Revenue – net	3,380	4,478
Loss before tax	(180)	(118)
Taxation	3	(42)
Loss after tax	(177)	(160)
Loss per share (Rs.)	(4.92)	(4.45)

Consolidated turnover for the half year ended December 31, 2023 decreased from Rs. 4.47 billion to Rs. 3.38 billion compared to corresponding period last year, reflecting a reduction of 24.5%. This decline is mainly attributed to a substantial drop in demand of passenger cars due to prevailing challenging economic conditions. Passenger car segment witnessed a drop of 57% (CY 30,786 vs LY 71,378) in production as compared to same period last year and the Two Wheeler segment dropped by 13.6% (CY 543,773 vs LY 629,510) whereas Tractor segment increased by 67% (CY 23,610 vs LY 14,094).

Standalone

	Rs. in million	
	Six months period ended	
	2023	2022
Revenue - net	2,412	2,839
(Loss) / profit before tax	(82)	62
Taxation	(11)	(20)
(Loss) / profit after tax	(93)	42
(Loss) / earnings per share (Rs.)	(2.58)	1.16

Turnover for the six months ended December 31, 2023 remained Rs. 2.4 billion, a decrease of 15%, compared to Rs. 2.8 billion last year. Resultantly, the Company made a loss after tax of Rs. 93 million as compared to a profit after tax of Rs. 42 million in the corresponding period last year.

Business Overview

The automotive sector in Pakistan continues to face challenges, with the State Bank of Pakistan (SBP) having removed the majority of restrictions on the import of Completely Knocked Down (CKD) vehicle parts. Despite this, commercial banks are diligently monitoring CKD imports. The past fiscal measures, especially those related to CKD imports, along with factors like inflation, fuel costs, and increased financing rates, have led to a significant decrease in overall demand within the automotive industry.

However, recent actions by the interim government to combat smuggling and stockpiling, aimed at stabilizing the national currency, have proven effective. The crackdown on smuggling has played a crucial role in stabilizing the Pakistani Rupee (PKR), which is now hovering around 280 PKR to 1 USD. The Government of Pakistan's measures to discourage the hoarding of foreign currency have strengthened the currency, instilling confidence in the country's economic prospects.

In the midst of these developments, it's noteworthy that the State Bank has opted to maintain the key interest rate due to inflation stemming from increased natural gas prices. Additionally, the recent launch of hybrid cars by Japanese OEMs is expected to contribute positively to the business environment of the automotive sector, providing further opportunities for growth and development.

Agriauto Stamping Company (Pvt.) Limited (ASC)

ASC continued to concentrate and excel in its core capability of stamping of high-tensile sheet metal parts. As part of its diversification strategy, Agriauto Stamping Company is actively pursuing and securing new product developments to enhance sustainability and improve profitability in the future. In a recent development, Agriauto Stamping Company has successfully secured an order for Press Dies destined for export to the African Region, further expanding its global reach. This strategic move aligns with the company's commitment to diversification and growth.

Simultaneously, the company has completed the installation of a new Press line 1000-800-500-500, enhancing its production capabilities. The welding assembly line for an upcoming new model has been effectively expanded, accompanied by the addition of necessary utilities to meet specific requirements. The total investment amount was 1.03 billion for these projects. The recently finished installation of tandem lines, now totaling two full tandem lines with four press machines each, significantly boosts the plant capacity for press parts. This expansion project positions Agriauto Stamping Company for continued success and increased market competitiveness.

In the end, we would like to express our sincerest appreciation to all our Customers, Dealers, Bankers, and foreign technical collaborators for their unabated support and confidence reposed in the Company. We are also thankful to all our employees who have worked diligently for the progress of the Company.

On behalf of the Board of Directors.



Fahim Kapadia
Chief Executive



Salman Burney
Non-Executive Director

Dated: February 7, 2024

ڈائریکٹرز کی جائزہ رپورٹ

31 دسمبر 2023ء کو اختتام پذیر نصف سال کے لئے کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے ہم آپ کی کمپنی کی مالیاتی کارکردگی ازراہ مسرت پیش کرتے ہیں۔

بورڈ آف ڈائریکٹرز

تاریخ رپورٹنگ تک کمپنی کے بورڈ آف ڈائریکٹرز کی تفصیل حسب ذیل ہے:

1. جناب یوٹا کا آرائے - چیئرمین
2. جناب فہیم کپاڈیا - چیف ایگزیکٹو
3. جناب حمزہ حبیب
4. جناب سہیل پی۔ احمد
5. جناب سلمان برنی
6. مس عائشہ ٹی۔ حق
7. جناب عقیل ای۔ مرچنٹ

مالیاتی خلاصہ

مجموعی

ملین روپوں میں

اختتام پذیر ششماہی

2022	2023	
4,478	3,380	فروخت - خالص
(118)	(180)	نقصان قبل از ٹیکس
(42)	3	ٹیکسیشن
(160)	(177)	نقصان بعد از ٹیکس
(4.45)	(4.92)	فی حصص خسارہ (روپے)

31 دسمبر 2023ء کو اختتام پذیر نصف سال کے لئے مجموعی فروخت میں گذشتہ برس کی اسی مدت کے دوران 4.47 بلین روپے کے مقابلے میں 3.38 بلین روپے یعنی 24.5 فیصد کمی واقع ہوئی۔ اس کمی کو حالیہ مشکل ترین مالیاتی حالات کے باعث مسافر گاڑیوں کی طلب میں نمایاں کمی سے منسوب کیا جاتا ہے۔ مسافر گاڑیوں کے شعبہ کی پیداوار میں گذشتہ برس کی اسی مدت کے مقابلے میں 57 فیصد کمی واقع ہوئی (CY 30,786 بنام LY 71,378) اور ٹو وہیلر اور ٹریکٹر کے شعبہ کی پیداوار میں بالترتیب 13.6 فیصد (CY 543,773 بنام LY 629,510) اور 67 فیصد (CY 23,610 بنام LY 14,094) کمی واقع ہوئی۔

انفرادی

ملین روپوں میں

اختتام پذیر ششماہی

	2022	2023	
	2,839	2,412	فروخت - خالص
	62	(82)	(نقصان) / نفع قبل از ٹیکس
	(20)	(11)	ٹیکسیشن
	42	(93)	(نقصان) / نفع بعد از ٹیکس
	(1.16)	(2.58)	فی حصص خسارہ (روپے)

31 دسمبر 2023ء کو اختتام پذیر نصف سال کے لئے فروخت 2.4 بلین روپے رہی جو گذشتہ برس میں 2.8 بلین روپے کے مقابلے میں 15 فیصد کم ہے۔ نتیجتاً، کمپنی نے گذشتہ برس کی اسی مدت میں 42 ملین روپے نفع علاوہ ٹیکس کے مقابلے میں 93 ملین روپے خسارہ علاوہ ٹیکس درج کیا۔

کاروباری جائزہ

پاکستان کا آٹوموٹیو شعبہ مشکلات کا مسلسل سامنا کر رہا ہے جب کہ اسٹیٹ بینک آف پاکستان (SBP) نے مکمل ناکڈ آؤٹ (CKD) وہیکل پارٹس کی درآمد پر پابندیوں کو کافی حد تک ختم کر دیا ہے۔ اس کے باوجود، کمرشل بینک CKD درآمدات پر کڑی نگرانی رکھے ہوئے ہیں۔ خصوصاً CKD درآمدات کی بابت سابقہ مالیاتی اقدامات اور منہگائی، ایندھن کی لاگت اور قرض کی شرح میں اضافہ نے آٹوموٹیو انڈسٹری میں مجموعی طلب میں نمایاں کمی پیدا کی ہے۔

البتہ، ملکی کرنسی کو مستحکم کرنے کے لئے سمنگنگ اور ذخیرہ اندوزی سے نپٹنے کے لئے نگران حکومت کے حالیہ اقدامات انتہائی مؤثر ثابت ہوئے ہیں۔ سمنگنگ پر کریک ڈاؤن نے پاکستانی روپے (PKR) کو مستحکم کرنے میں اہم کردار ادا کیا جو اس وقت 280 روپے فی ڈالر کے آس پاس ہے۔ غیر ملکی کرنسی کی ذخیرہ اندوزی کو جڑ سے مٹانے کے لئے حکومت پاکستان کے اقدامات نے کرنسی کو مستحکم کیا ہے جس سے ملک کی معیشت میں اعتماد کی فضا پیدا ہوئی ہے۔

اس پیش رفت میں، یہاں یہ بات قابل ذکر ہے کہ اسٹیٹ بینک نے قدرتی گیس کی قیمتوں میں اضافے کے باعث منہگائی کی وجہ سے بنیادی انٹرسٹ ریٹ کو برقرار رکھنے کا فیصلہ کیا ہے۔ علاوہ ازیں، جاپانی OEM کی جانب سے حالیہ متعارف کرائی گئی ہائبرڈ گاڑیوں کی وجہ سے آٹوموٹیو انڈسٹری کے کاروباری ماحول پر مثبت اثرات مرتب ہونے کی توقع ہے جس سے نمو اور ترقی کے مزید مواقع پیدا ہوں گے۔

ایگری آٹو اسٹیپنگ کمپنی (پرائیویٹ) لمیٹڈ (ASC)

ASC ہائی ٹیکنالوجی شیفٹ میٹل پارٹس کی سٹامپنگ کی اپنی بنیادی استعداد کے ساتھ اپنے قدم جمار ہی ہے۔ تنوع کے لئے اپنی حکمت عملی کے طور پر، ایگری آٹو اسٹیپنگ کمپنی نئی مصنوعات کی تیاری میں تیز رفتاری سے کام کر رہی ہے تاکہ مستقبل میں پائیداری کو بڑھایا جاسکے اور منافع میں بہتری لائی جاسکے۔ ایک حالیہ پیش رفت میں، ایگری آٹو اسٹیپنگ کمپنی افریقی خطے میں استعمال کے لئے پریس ڈائیز کا ایک آرڈر حاصل کرنے میں کامیاب ہوئی ہے جس سے یہ عالمی سطح پر بھی اپنے قدم جمار ہی ہے۔ یہ اسٹریٹجک اقدام تنوع اور نمو کے لئے کمپنی کے عزم کی عکاسی کرتا ہے۔

اسی طرح سے کمپنی نے اپنی پیداواری استعداد میں اضافہ کرتے ہوئے 1000-800-500-500 کی نئی پریس لائن کامیابی سے نصب کی ہے۔ اگلے نئے ماڈل کے لئے ویلڈنگ اسمبلی لائن کو موثر انداز میں پھیلا دیا گیا ہے جو درکار اضافی سہولیات سے لیس ہے تاکہ مخصوص ضروریات کو پورا کیا جاسکے۔ ان منصوبوں کے لئے سرمایہ کاری کی کل مالیت 1.03 بلین روپے تھی۔ ٹینڈم لائنز کی حالیہ تنصیب سے چار پریس مشینوں کے ساتھ دو مکمل ٹینڈم لائنز ہو گئی ہیں جس سے پریس پارٹس کے لئے پلانٹ کی استعداد میں نمایاں اضافہ ہوا ہے۔ یہ توسیعی منصوبہ ایگری آٹو اسٹیپنگ کمپنی کو مسلسل کامیابی اور مارکیٹ میں مقابلہ سازی کے لئے تیار کرتا ہے۔

آخر میں، ہم اپنے تمام صارفین، ڈیلرز، بینکرز اور غیر ملکی تکنیکی معاونین کی لاثانی سپورٹ اور کمپنی پر اپنے اعتماد کے لئے خلوص نیت سے خراج تحسین پیش کرنا چاہتے ہیں۔ ہم اپنے تمام ملازمین کا بھی شکریہ ادا کرتے ہیں جنہوں نے کمپنی کی ترقی کے لئے انتھک محنت کی۔

منجانب بورڈ آف ڈائریکٹرز



سلمان برنی
نان ایگزیکٹو ڈائریکٹر



فہیم کھاڈیا
چیف ایگزیکٹو

تاریخ: 7 فروری، 2024ء

AGRIAUTO INDUSTRIES LIMITED
UNCONSOLIDATED CONDENSED INTERIM
FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD
ENDED DECEMBER 31, 2023



INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Agriauto Industries Limited
Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of **Agriauto Industries Limited (the Company)** as at December 31, 2023 and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity, and unconsolidated condensed interim statement of cash flows, and notes to the unconsolidated condensed interim financial statements for the six-months period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review. The figures for the three months period ended December 31, 2023 and December 31, 2022 in the unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income and relevant notes have not been reviewed and we do not express a conclusion on them.

Scope of Review

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

Conclusion

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

Other matter

The unconsolidated condensed interim financial statements of the Company for the six-months period ended December 31, 2022 and the unconsolidated financial statements for the year ended June 30, 2023 were reviewed and audited respectively by another firm of Chartered Accountants who had expressed an unqualified conclusion and opinion thereon vide their reports dated February 24, 2023 and September 7, 2023 respectively.

The engagement partner on the review resulting in this independent auditor's review report is **Khattab Muhammad Akhi Baig**.


A. F. Ferguson & Co.
Chartered Accountants
Karachi
Dated: February 16, 2024
UDIN: RR202310081Z8wrMGu2C

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

AGRIAUTO INDUSTRIES LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
Note	(Rupees in '000)	
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	5 1,904,507	1,859,965
Right-of-use assets	873	2,227
Intangible assets	43,421	54,459
Long-term investment	1,144,006	1,144,006
Long-term deposits	10,022	9,022
Deferred taxation - net	6 103,657	83,908
	<u>3,206,486</u>	<u>3,153,587</u>
CURRENT ASSETS		
Stores, spares and loose tools	134,571	129,303
Stock-in-trade	1,828,132	1,788,694
Trade debts	7 672,450	505,492
Advances, deposits, prepayments and other receivables	8 268,767	339,918
Accrued profit	9 4,453	3,489
Short-term investments	10 38,976	38,928
Taxation – net	304,380	317,497
Cash and bank balances	11 48,987	89,528
	<u>3,300,716</u>	<u>3,212,849</u>
TOTAL ASSETS	<u><u>6,507,202</u></u>	<u><u>6,366,436</u></u>
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorised capital 40,000,000 (June 30, 2023: 40,000,000) ordinary shares of Rs. 5/- each	<u>200,000</u>	<u>200,000</u>
Issued, subscribed and paid-up capital 36,000,000 (June 30, 2023: 36,000,000) ordinary shares of Rs. 5/- each	180,000	180,000
Reserves	<u>4,204,046</u>	<u>4,296,924</u>
	<u>4,384,046</u>	<u>4,476,924</u>
NON-CURRENT LIABILITIES		
Long-term financing - secured	12 338,277	367,198
Deferred income	12.4 13,591	15,856
	<u>351,868</u>	<u>383,054</u>
CURRENT LIABILITIES		
Trade and other payables	1,343,778	1,334,566
Lease liabilities	668	3,387
Current maturity of long-term financing - secured	12 76,897	101,936
Current maturity of deferred income	4,528	4,528
Sales tax payable	4,297	25,476
Unpaid dividend	4,137	6,748
Unclaimed dividend	30,051	27,666
Short-term running finance	13 306,931	2,151
	<u>1,771,288</u>	<u>1,506,458</u>
CONTINGENCIES AND COMMITMENTS	14	
TOTAL EQUITY AND LIABILITIES	<u><u>6,507,202</u></u>	<u><u>6,366,436</u></u>

The annexed notes from 1 to 25 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 (UN-AUDITED)
FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED DECEMBER 31, 2023

	Note	Six months period ended		Three months period ended	
		December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
		(Rupees in '000)		(Rupees in '000)	
Revenue - net	15	2,412,408	2,839,996	1,185,328	1,473,642
Cost of sales		(2,292,935)	(2,651,873)	(1,169,708)	(1,409,399)
Gross profit		<u>119,473</u>	<u>188,123</u>	<u>15,620</u>	<u>64,243</u>
Distribution costs		(59,221)	(61,710)	(30,910)	(33,424)
Administrative expenses		(126,269)	(129,172)	(62,776)	(63,718)
		(185,490)	(190,882)	(93,686)	(97,142)
Operating loss		<u>(66,017)</u>	<u>(2,759)</u>	<u>(78,066)</u>	<u>(32,899)</u>
Other expenses	16	(5,295)	(72,552)	4,299	632
Other income	17	15,815	236,968	5,805	120,358
Finance costs		(26,715)	(99,444)	(23,543)	(52,727)
		(16,195)	64,972	(13,439)	68,263
(Loss) / profit before taxation		<u>(82,212)</u>	<u>62,213</u>	<u>(91,505)</u>	<u>35,364</u>
Taxation	18	(10,666)	(20,462)	6,929	(29,439)
(Loss) / profit after taxation		<u>(92,878)</u>	<u>41,751</u>	<u>(84,576)</u>	<u>5,925</u>
----- (Rupees) -----					
(Loss) / earnings per share - basic and diluted	19	<u>(2.58)</u>	<u>1.16</u>	<u>(2.35)</u>	<u>0.16</u>

The annexed notes from 1 to 25 form an integral part of these unconsolidated condensed interim financial statements.

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Director


Chief Executive


Chief Financial Officer

AGRIAUTO INDUSTRIES LIMITED
 UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
 FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED DECEMBER 31, 2023

	Six months period ended		Three months period ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
(Loss) / profit after taxation for the period	(92,878)	41,751	(84,576)	5,925
Other comprehensive income for the period	-	-	-	-
Total comprehensive (loss) / income for the period	<u>(92,878)</u>	<u>41,751</u>	<u>(84,576)</u>	<u>5,925</u>

The annexed notes from 1 to 25 form an integral part of these unconsolidated condensed interim financial statements.

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 Director


 Chief Executive


 Chief Financial Officer


AGRIAUTO INDUSTRIES LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023


	Issued, subscribed and paid- up capital	Reserves		Total reserves	Total equity	
		Capital reserves	Revenue reserves			
			Share premium			General
----- (Rupees in '000) -----						
Balance as at July 01, 2022 (audited)	144,000	12,598	3,965,000	399,609	4,377,207	4,521,207
Transfer to general reserve	-	-	300,000	(300,000)	-	-
Issue of bonus shares	36,000	-	-	(36,000)	(36,000)	-
Profit after taxation for the period	-	-	-	41,751	41,751	41,751
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	41,751	41,751	41,751
Balance as at December 31, 2022 (un-audited)	<u>180,000</u>	<u>12,598</u>	<u>4,265,000</u>	<u>105,360</u>	<u>4,382,958</u>	<u>4,562,958</u>
Balance as at July 01, 2023 (audited)	180,000	12,598	4,265,000	19,326	4,296,924	4,476,924
Loss after taxation for the period	-	-	-	(92,878)	(92,878)	(92,878)
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(92,878)	(92,878)	(92,878)
Balance as at December 31, 2023 (un-audited)	<u>180,000</u>	<u>12,598</u>	<u>4,265,000</u>	<u>(73,552)</u>	<u>4,204,046</u>	<u>4,384,046</u>

The annexed notes from 1 to 25 form an integral part of these unconsolidated condensed interim financial statements.

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Director


Chief Executive


Chief Financial Officer

AGRIAUTO INDUSTRIES LIMITED
 UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
 FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023

Six months period ended
 December 31, 2023 December 31, 2022
 Note ----- (Rupees in '000) -----

CASH FLOWS FROM OPERATING ACTIVITIES

Cash (used in) / generated from operations	20	(134,951)	249,947
Finance costs paid		(16,663)	(73,060)
Long-term deposit paid		(1,000)	(924)
Income tax paid		(17,298)	(51,266)
Net cash (used in) / generated from operating activities		(169,912)	124,697

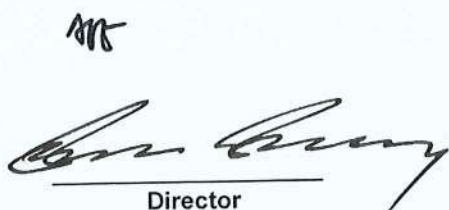
CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property, plant and equipment		(150,394)	(330,812)
Proceeds from disposal of property, plant and equipment		10,526	9,771
Dividend received from subsidiary company		-	228,802
Purchase of term deposit receipts		-	(38,000)
Profit received on term deposit receipts and deposit accounts		3,961	4,811
Net cash used in investing activities		(135,907)	(125,428)

CASH FLOWS FROM FINANCING ACTIVITIES

Long-term financing received		-	507,769
Long-term financing repaid		(76,660)	(3,293)
Dividends paid		(226)	(396)
Lease rentals paid		(2,767)	(2,453)
Net cash (used in) / generated from financing activities		(79,653)	501,627
Net (decrease) / increase in cash and cash equivalents		(385,472)	500,896
Cash and cash equivalents at the beginning of the period		127,528	(637,354)
Cash and cash equivalents at the end of the period	21	(257,944)	(136,458)

The annexed notes from 1 to 25 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 (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023

1 THE COMPANY AND ITS OPERATIONS

1.1 Agriauto Industries Limited (the Company) was incorporated in Pakistan on June 25, 1981 as a public limited company under the repealed Companies Act, 1913 (now the Companies Act, 2017) and started its commercial production on February 16, 1982. The Company 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 condensed interim financial statements of the Company in which investments in subsidiary is accounted for at cost less accumulated impairment losses, if any.

2 STATEMENT OF COMPLIANCE AND SIGNIFICANT ACCOUNTING POLICIES

2.1 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. The accounting and reporting standards as applicable in Pakistan for interim financial reporting 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 (the Act); and
- provisions of and directives issued under the Act.

Where the provisions of and directives issued under the Act differ with the requirement of IAS 34, the provisions of and directives issued under the Act have been followed.

2.2 The accounting policies and the methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the Company's annual unconsolidated financial statements for the year ended June 30, 2023.

2.3 New standards, amendments and interpretations to accounting and reporting standards which became effective during the period ended December 31, 2023:

There were certain amendments to the accounting and reporting standards which became effective for the Company during the current period. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been detailed in these unconsolidated condensed interim financial statements.

2.4 New standards and amendments to published accounting and reporting standards that are not yet effective:

There are certain amendments to the accounting and reporting standards as applicable in Pakistan which will be effective for the Company for its accounting periods beginning on or after January 1, 2024. However, these will not have any significant impact on the financial reporting of the Company and, therefore, have not been detailed in these unconsolidated condensed interim financial statements.

3 BASIS OF PREPARATION

3.1 These unconsolidated condensed interim financial statements include the unconsolidated condensed interim statement of financial position as at December 31, 2023, the unconsolidated condensed interim statement of profit or loss, the unconsolidated condensed interim statement of comprehensive income, the unconsolidated condensed interim statement of changes in equity, the unconsolidated condensed interim statement of cash flows and notes thereto for the six months period then ended which have been subjected to review but not audited. These unconsolidated condensed interim financial statements also include the unconsolidated condensed interim statement of profit or loss, the unconsolidated condensed interim statement of comprehensive income and notes thereto for the three months period ended December 31, 2023 which are not subjected to auditor's review.

3.2 The comparative statement of financial position presented in these unconsolidated condensed interim financial statements as at June 30, 2023 has been extracted from the Company's annual unconsolidated financial statements for the year ended June 30, 2023. The comparative statement of profit or loss, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the six months period then ended December 31, 2023 have been extracted from the unconsolidated condensed interim financial statements of the Company for the six months period then ended, which were subjected to review but were not audited.

3.3 These unconsolidated condensed interim financial statements do not include all the information and disclosures as required in the Company's annual financial statements and should be read in conjunction with the Company's annual unconsolidated financial statements for the year ended June 30, 2023 as these provide an update of previously reported information.

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- 3.4 These unconsolidated condensed interim financial statements are presented in Pakistan rupees which is also the Company's functional currency.

4 SIGNIFICANT ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

- 4.1 The preparation of these unconsolidated condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan, requires management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. In preparing these condensed interim financial statements, the significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty are the same as those that applied in the Company's annual unconsolidated financial statements for the year ended June 30, 2023.
- 4.2 The Company's financial risk management objectives and policies are consistent with those disclosed in the Company's annual unconsolidated financial statements for the year ended June 30, 2023.

	Note	December 31, 2023 (Un-audited) ----- (Rupees in '000) -----	June 30, 2023 (Audited)
5 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	1,894,055	1,090,860
Capital work-in-progress (CWIP)	5.3	10,452	769,105
		<u>1,904,507</u>	<u>1,859,965</u>

5.1 Operating fixed assets

Book value at the beginning of the period / year	1,090,860	919,292
Additions during the period / year	40,391	173,669
Transfers from CWIP during the period / year	868,657	147,479
Disposals during the period / year - net book value	(11,012)	(7,002)
Depreciation charge during the period / year	(94,840)	(142,578)
	(105,852)	(149,580)
Book value at the end of the period / year	<u>1,894,056</u>	<u>1,090,860</u>

- 5.2 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 Six months period ended December 31,		Disposals at net book value Six months period ended December 31,	
	2023	2022	2023	2022
	(Un-audited)		(Un-audited)	
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
Owned				
Building	409,973	-	-	-
Plant and machinery	385,691	49,449	4,494	6,247
Vehicles	30,930	14,717	6,481	80
Office equipment	4,199	-	-	-
Computer equipment	952	4,905	37	224
Dies and tools	77,303	-	-	-
	<u>909,048</u>	<u>69,071</u>	<u>11,012</u>	<u>6,551</u>

- 5.2.1 Depreciation charge for the period amounted to Rs. 94.84 million (December 31, 2022: Rs. 60.61 million).

- 5.2.2 During the period, borrowing costs have been capitalised amounting to Rs. 35.31 million (December 31, 2022: Rs. 33.7 million) using capitalisation rate of 3 months KIBOR + 0.3% (December 31, 2022: 3 months KIBOR + 0.3%) per annum on account of long-term financing obtained specifically for this purpose as fully mentioned in note 12.2 to these unconsolidated condensed interim financial statements.

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December 31, June 30,
2023 2023
(Un-audited) (Audited)
----- (Rupees in '000) -----

5.3 Capital work-in-progress

Building on free hold land	-	217,485
Plant and machinery	5,812	494,157
Vehicles	632	-
Dies and tools	4,008	57,463
	10,452	769,105

6 DEFERRED TAXATION - NET

Deductible / (taxable) temporary differences arising due to:

- provisions	127,336	125,620
- lease liabilities and right-of-use-assets	(179)	336
- unused business losses	113,391	77,885
- accelerated tax depreciation	(136,891)	(119,933)
	103,657	83,908

6.1 As of the date of unconsolidated condensed interim statement of financial position, deferred tax asset amounting to Rs. 96.76 million (June 30, 2023: Rs. 66.70 million) and Rs. 12.99 million (June 30, 2023: Rs. 12.99 million) in respect of minimum tax credits and unused business losses respectively have not been recognised in these unconsolidated condensed interim financial statements.

7 TRADE DEBTS

This includes an amount of Rs. 5.38 million (June 30, 2023: Rs. Nil) and Rs. 1.16 million (June 30, 2023: Rs. Nil) receivable from Agriauto Stamping Company (Private) Limited, a wholly owned subsidiary, and Thal Boshoku Pakistan (Private) Limited - associated company, respectively, against sales made by the Company.

8 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

This includes an amount of Rs. 8.59 million (June 30, 2023: Rs. 95.36 million) against LC margin deposits, out of which Rs. 8.59 million (June 30, 2023: Rs. 89.07 million) are held with Habib Metropolitan Bank Limited - associated company. Additionally includes Rs. 226.77 million (June 30, 2023: Rs. 226.77 million) in respect of claim against Additional Custom Duty from a customer.

9 ACCRUED PROFIT

This represents accrued profit on savings account maintained with the Habib Metropolitan Bank Limited - associated company.

10 SHORT-TERM INVESTMENTS

At amortised cost

Term deposit receipts

Accrued profit thereon

	Note	December 31, 2023 (Un-audited) ----- (Rupees in '000) -----	June 30, 2023 (Audited)
		38,000	38,000
		976	928
		38,976	38,928

10.1 This represents three months term deposit receipts with a commercial bank on roll over basis carrying profit rates ranging from 18.75% to 19.25% (June 30, 2023: 12.5% to 19.5%) per annum and having latest maturity by March 11, 2024. These deposits are marked as lien against long-term financing and bank guarantees as mentioned in note 12.1 and 14.2.3.

11 CASH AND BANK BALANCES

This includes an amount of Rs. Nil (June 30, 2023: Rs. 45.31 million) and Rs. 42.99 million (June 30, 2023: Rs. 40.32 million) held with Habib Metropolitan Bank Limited - associated company in savings accounts and dividend accounts respectively. These carry profit at the rate of 20.5% (June 30, 2023: 12.25% to 19.5%) per annum.

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12	LONG-TERM FINANCING - secured	Note	December 31,	June 30,
			2023	2023
			(Un-audited)	(Audited)
			----- (Rupees in '000) -----	
	SBP refinance scheme for renewable energy	12.1	44,937	46,915
	Current maturity of long-term financing		(6,660)	(4,717)
			38,277	42,198
	Long-term financing	12.2	370,238	422,219
	Current maturity of long-term financing		(70,238)	(97,219)
			300,000	325,000
		12.3	338,277	367,198

12.1 This represents long-term financing facility obtained from a conventional bank under State Bank of Pakistan (SBP) refinance scheme for renewable energy, recognised initially at fair value. The total facility amounts to Rs. 90 million and carries contractual mark-up at the rate of 2% plus 0.75% (June 30, 2023: 2% plus 0.75%) per annum payable quarterly. The effective mark-up rate as calculated with reference to fair value of the loan ranges from 8.72% to 16.30% (June 30, 2023: 8.72% to 16.30%) per annum. The facility is repayable in ten years from the date of disbursement (i.e. October 18, 2021). The facility is secured against first specific hypothecation charge over plant and machinery related to the solar power project for the disbursed amount in addition to margin of 15% to be secured against liquid collateral (Term Deposit Receipts as fully mentioned in note 10.1) held under lien. As at December 31, 2023, the unutilised portion of the facility amounts to Rs 16.75 million (June 30, 2023: Rs 16.75 million).

12.2 This represents long-term financing facility obtained from a conventional bank to refinance capital expenditure incurred by the Company, with a total limit of Rs. 500 million (June 30, 2023: Rs 500 million) at a markup rate of 3 months KIBOR + 0.3% (June 30, 2023: 3 months KIBOR + 0.3%) payable on quarterly basis. The tenure of this facility is six years, including grace period of one year and is due to mature by July 3, 2028. This facility is secured by first pari passu hypothecation / first charge over present and future fixed assets (excluding land and building) of the Company with 25% margin.

12.3	Movement of long-term financing	Note	December 31,	June 30,
			2023	2023
			(Un-audited)	(Audited)
			----- (Rupees in '000) -----	
	Balance at beginning of the period / year		469,134	45,790
	Financing received during the period / year		-	507,769
	Repayment made during the period / year		(76,660)	(107,131)
	Recognised as deferred income for the period / year	12.4	-	(3,208)
	Accretion of interest during the period / year		22,700	25,914
	Balance at end of the period / year		415,174	469,134
	Current maturity of long-term financing		(76,897)	(101,936)
			338,277	367,198

12.4 This represents deferred income recognised in respect of the benefit of below-market interest rate on long term financing. The benefit has been measured as the difference between the fair value of the loan and the proceeds received. Upon initial recognition, the Company has used the prevailing market interest rate for similar instruments to calculate fair value of respective loan.

13 SHORT-TERM RUNNING FINANCE

This represents short-term running finance obtained from various banks amounting to Rs. 306.93 million (June 30, 2023: Rs. 2.15 million) which includes an amount of Rs 107.39 million (June 30, 2023: Rs Nil) obtained from Habib Metropolitan Bank Limited - associated company as at December 31, 2023. The total facility limit amounts to Rs. 1,240 million (June 30, 2023: Rs. 1,240 million) and the rate of mark-up on these finances ranges from 1 month to 3 months KIBOR plus rates varying from 0.10% to 0.75% (June 30, 2023: 1 month to 3 months KIBOR plus rates varying from 0.20% to 0.75%) per annum. The facilities are secured by way of pari passu hypothecation plus second charge on the Company's stock-in-trade, stores, spares, loose tools and trade debts.

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14 CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

There is no material change in the status of contingencies as reported in the annual financial statements for the year ended June 30, 2023.

14.2 Commitments

14.2.1 Commitments in respect of outstanding letters of credit for raw material amounting to Rs. 432.26 million (June 30, 2023: Rs. 474.28 million), out of which Rs. 6.35 million (June 30, 2023: Rs. 186.43 million) is outstanding with Habib Metropolitan Bank Limited - associated company as at the reporting date.

14.2.2 Commitments in respect of capital expenditure amounting to Rs. 5.26 million (June 30, 2023: Rs. 80.72 million), out of which Rs. Nil (June 30, 2023: Rs. 6.57 million) is outstanding with Habib Metropolitan Bank Limited - associated company as at the reporting date.

14.2.3 Commitments in respect of outstanding bank guarantees amounting to Rs 268.0 million (June 30, 2023: Rs 255.42 million). This includes an amount of Rs 108.0 million (June 30, 2023: Rs 96.0 million) in respect of bank guarantees from Habib Metropolitan Bank Limited - associated company.

	Six months period ended		Three months period ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	(Un-audited)		(Un-audited)	
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
15 REVENUE - net				
Revenue gross - local	2,832,659	3,351,195	1,384,704	1,738,898
Revenue gross - exports	11,850	-	11,850	-
Less: Sales tax	(432,101)	(511,199)	(211,226)	(265,256)
	<u>2,412,408</u>	<u>2,839,996</u>	<u>1,185,328</u>	<u>1,473,642</u>

	Six months period ended		Three months period ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	(Un-audited)		(Un-audited)	
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
16 OTHER EXPENSES				
Exchange loss on foreign currency transactions - net	2,281	72,050	(4,342)	2,281
Workers' Profit Participation Fund	-	-	(297)	(1,413)
Workers' Welfare Fund	-	-	(176)	-
Donations	2,528	502	2,528	351
Loss on disposal of operating fixed assets	486	-	(2,012)	(1,851)
	<u>5,295</u>	<u>72,552</u>	<u>(4,299)</u>	<u>(632)</u>

17 OTHER INCOME

Includes Rs. Nil (December 31, 2022: Rs. 228.80 million) on account of dividend income from the wholly owned subsidiary Agriauto Stamping Company (Private) Limited.

	Six months period ended		Three months period ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	(Un-audited)		(Un-audited)	
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
18 TAXATION				
Current tax:				
for the period	(30,315)	(35,500)	(14,942)	(18,376)
prior period	(100)	(483)	-	(113)
Deferred tax	19,749	15,521	21,871	(10,950)
	<u>(10,666)</u>	<u>(20,462)</u>	<u>6,929</u>	<u>(29,439)</u>

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19 (LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED

	Six months period ended		Three months period ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	(Un-audited)		(Un-audited)	
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
(Loss) / profit for the period	<u>(92,878)</u>	<u>41,751</u>	<u>(84,577)</u>	<u>5,925</u>
	----- (Number of shares) -----		----- (Number of shares) -----	
Weighted average number of ordinary shares	<u>36,000,000</u>	<u>36,000,000</u>	<u>36,000,000</u>	<u>36,000,000</u>
	----- (Rupees) -----		----- (Rupees) -----	
(Loss) / earnings per share - basic and diluted	<u>(2.58)</u>	<u>1.16</u>	<u>(2.35)</u>	<u>0.16</u>

19.1 A diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at December 31, 2023 (December 31, 2022: Nil).

	Note	Six month period ended	
		December 31, 2023	December 31, 2022
		(Un-audited) (Un-audited)	
		----- (Rupees in '000) -----	
20 CASH (USED IN) / GENERATED FROM OPERATIONS		(82,212)	62,213
(Loss) / profit before taxation			
Adjustments for:			
Depreciation and amortisation		106,992	75,457
Finance costs		26,715	99,444
Reversal for expected credit losses		-	(56)
Profit on term deposit receipts and deposit accounts		(4,974)	(3,144)
Dividend income		-	(228,802)
Amortisation of deferred income		(2,265)	(2,259)
Capital work-in-progress charged off		-	32
Loss / (gain) on disposal of operating fixed assets		486	(3,220)
		126,954	(62,548)
Working capital changes	20.1	<u>(179,693)</u>	<u>250,282</u>
		<u>(134,951)</u>	<u>249,947</u>
20.1 Working capital changes			
(Increase) / decrease in current assets			
Stores, spares and loose tools		(5,268)	2,510
Stock-in-trade		(39,438)	(214,347)
Trade debts		(166,958)	297,096
Advances, deposits, prepayments and other receivables		70,139	253,468
Sales tax receivable		-	(58,021)
		(141,525)	280,706
Decrease in current liabilities			
Trade and other payables		(16,989)	(30,424)
Sales tax payable		(21,179)	-
		(38,168)	(30,424)
		<u>(179,693)</u>	<u>250,282</u>
21 CASH AND CASH EQUIVALENTS			
Cash and bank balances		48,987	43,112
Short-term running finance		<u>(306,931)</u>	<u>(179,570)</u>
		<u>(257,944)</u>	<u>(136,458)</u>

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22 TRANSACTIONS AND BALANCES WITH ASSOCIATED UNDERTAKINGS / RELATED PARTIES

The associated undertakings / related parties of the Company comprise of the subsidiary company, companies with common directorship, staff retirement funds, directors and key management personnel. All the transactions with associated undertakings / related parties are entered into at agreed terms in the normal course of business as approved by the Board of Directors of the Company. Details of the transactions with associated undertakings / related parties during the period, other than disclosed elsewhere in these unconsolidated condensed interim financial statements, are as follows:

Name of associated undertakings / related party and relationship with the Company	Nature of transactions	Percentage of share holding in the Company %	December 31, 2023 (Un-audited) ----- (Rupees in '000) -----	December 31, 2022 (Un-audited) ----- (Rupees in '000) -----
Subsidiary (wholly owned)				
Agriauto Stamping Company (Private) Limited	Sale of goods		<u>12,375</u>	<u>19,256</u>
	Purchase of dies	Nil	<u>4,008</u>	<u>-</u>
	Dividend received		<u>-</u>	<u>228,802</u>
	Tax liability surrendered by the Subsidiary Company		<u>28,362</u>	<u>4,651</u>
Associated undertakings (Common directorship)				
Shabbir Tiles and Ceramics Limited	Purchases	Nil	<u>6,189</u>	<u>195</u>
Thal Boshoku Pakistan (Private) Limited	Sale of goods	Nil	<u>987</u>	<u>13,976</u>
AuVitronics Limited	Sale of goods	Nil	<u>225</u>	<u>-</u>
Habib Metropolitan Bank Limited	Mark-up expense	Nil	<u>9,206</u>	<u>6,626</u>
	Profit earned on term deposit receipt and deposit account		<u>1,326</u>	<u>1,255</u>
	Bank charges		<u>743</u>	<u>203</u>
	Guarantee given		<u>12,000</u>	<u>24,000</u>
Retirement benefit funds				
Employees' Provident Fund	Contribution	Nil	<u>9,457</u>	<u>8,323</u>
Key management personnel	Remuneration and other benefits	Nil	<u>21,148</u>	<u>23,270</u>
	Fee for attending board meetings		<u>1,300</u>	<u>1,000</u>

22.1 The outstanding balances with related parties as at reporting date have been disclosed in the respective notes to the unconsolidated condensed interim financial statements.

23 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences may arise between the carrying value and the fair value estimates.

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

AKS

Fair value hierarchy

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
- inputs for the asset or liability that are not based on observable market data (level 3).

As at the reporting date, the Company does not have any financial assets carried at fair value that required categorisation in level 1, level 2 and level 3.

24 GENERAL

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

24.2 Certain prior year's figures have been reclassified for better presentation, wherever necessary.

Description of item	Nature	Rupees in '000	From	To
Accrued interest on long-term financing - secured	Liability	22,996	Trade and other payables	Current maturity of long-term financing - secured
Accrued interest on short-term running finance	Liability	2,151	Trade and other payables	Short-term running finance
Term deposit receipts	Asset	38,000	Cash and cash equivalents	Cash flow from investing activities

25 DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorised for issue on February 7, 2024 by the Board of Directors of the Company.

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Director



Chief Executive



Chief Financial Officer

AGRIAUTO INDUSTRIES LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

		December 31, 2023 (un-audited)	June 30, 2023 (audited)
	Note	----- (Rupees in '000) -----	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	4,311,352	4,277,485
Right-of-use assets		873	2,227
Intangible assets		43,421	54,459
Long-term deposits		18,675	17,475
Deferred taxation	6	55,826	10,522
		<u>4,430,146</u>	<u>4,362,168</u>
CURRENT ASSETS			
Stores, spares and loose tools		168,884	152,957
Stock-in-trade		3,014,446	2,691,663
Trade debts	7	908,738	731,621
Advances, deposits, prepayments and other receivables	8	358,744	521,856
Accrued profit	9	4,454	3,918
Short term investments	10	76,090	75,953
Sales tax receivable		180,264	146,010
Taxation – net		304,990	280,790
Cash and bank balances	11	52,225	162,569
		<u>5,068,835</u>	<u>4,767,337</u>
TOTAL ASSETS		<u><u>9,498,982</u></u>	<u><u>9,129,505</u></u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital			
40,000,000 (June 30, 2023: 40,000,000) ordinary shares of Rs. 5/- each		<u>200,000</u>	<u>200,000</u>
Issued, subscribed and paid-up capital			
36,000,000 (June 30, 2023: 36,000,000) ordinary shares of Rs. 5/- each		180,000	180,000
Reserves		<u>5,804,755</u>	<u>5,981,745</u>
		5,984,755	6,161,745
NON-CURRENT LIABILITIES			
Long-term financing - secured	12	576,811	628,675
Deferred income	12.6	25,204	29,546
		602,015	658,221
CURRENT LIABILITIES			
Trade and other payables		2,006,055	1,921,279
Lease liabilities		668	3,387
Current maturity of long-term financing	12	134,298	140,466
Current maturity of deferred Income		8,399	8,439
Unpaid dividend		4,137	6,748
Unclaimed dividend		30,051	27,666
Short-term running finance	13	728,604	201,554
		2,912,212	2,309,539
CONTINGENCIES AND COMMITMENTS			
	14		
TOTAL EQUITY AND LIABILITIES		<u><u>9,498,982</u></u>	<u><u>9,129,505</u></u>

The annexed notes from 1 to 23 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 (UN-AUDITED)
FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED DECEMBER 31, 2023

	Note	Six months period ended		Three months period ended	
		December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
		(Rupees in '000)		(Rupees in '000)	
Revenue - net	15	3,380,267	4,477,850	1,626,784	2,290,801
Cost of sales		<u>(3,244,355)</u>	<u>(4,101,330)</u>	<u>(1,665,677)</u>	<u>(2,135,852)</u>
Gross profit / (loss)		135,912	376,520	(38,893)	154,949
Distribution costs		<u>(64,901)</u>	<u>(66,462)</u>	<u>(32,915)</u>	<u>(35,963)</u>
Administrative expenses		<u>(192,225)</u>	<u>(189,616)</u>	<u>(99,315)</u>	<u>(89,890)</u>
		<u>(257,126)</u>	<u>(256,078)</u>	<u>(132,231)</u>	<u>(125,853)</u>
Operating (loss) / profit		<u>(121,214)</u>	<u>120,442</u>	<u>(171,124)</u>	<u>29,096</u>
Other expenses	16	<u>(17,411)</u>	<u>(125,739)</u>	<u>4,015</u>	<u>(8,844)</u>
Other income		<u>28,484</u>	<u>35,783</u>	<u>8,277</u>	<u>8,934</u>
Finance costs		<u>(69,456)</u>	<u>(148,013)</u>	<u>(49,896)</u>	<u>(77,628)</u>
		<u>(58,383)</u>	<u>(237,969)</u>	<u>(37,603)</u>	<u>(77,538)</u>
Loss before taxation		<u>(179,597)</u>	<u>(117,527)</u>	<u>(208,727)</u>	<u>(48,442)</u>
Taxation	17	<u>2,607</u>	<u>(42,575)</u>	<u>25,717</u>	<u>(26,200)</u>
Loss after taxation		<u><u>(176,990)</u></u>	<u><u>(160,102)</u></u>	<u><u>(183,010)</u></u>	<u><u>(74,642)</u></u>
----- (Rupees) -----					
Loss per share - basic and diluted	18	<u><u>(4.92)</u></u>	<u><u>(4.45)</u></u>	<u><u>(5.08)</u></u>	<u><u>(2.07)</u></u>

The annexed notes from 1 to 23 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 (UN-AUDITED)
 FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED DECEMBER 31, 2023

	Six months period ended		Three months period ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
Loss after taxation for the period	(176,990)	(160,102)	(183,010)	(74,642)
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period	<u>(176,990)</u>	<u>(160,102)</u>	<u>(183,010)</u>	<u>(74,642)</u>

The annexed notes from 1 to 23 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 SIX MONTHS PERIOD ENDED DECEMBER 31, 2023

	Issued, subscribed and paid- up capital	Reserves		Total reserves	Total equity	
		Share premium	Revenue reserves			
			General			Unappro- priated profit
----- (Rupees in'000) -----						
Balance as at July 01, 2022 (audited)	144,000	12,598	2,665,000	3,513,427	6,191,025	6,335,025
Transfer to general reserve	-	-	500,000	(500,000)	-	-
Issue of bonus shares	36,000	-	-	(36,000)	(36,000)	-
Loss after taxation for the period	-	-	-	(160,102)	(160,102)	(160,102)
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(160,102)	(160,102)	(160,102)
Balance as at December 31, 2022 (un-audited)	<u>180,000</u>	<u>12,598</u>	<u>3,165,000</u>	<u>2,817,325</u>	<u>5,994,923</u>	<u>6,174,923</u>
Balance as at July 01, 2023 (audited)	180,000	12,598	3,165,000	2,804,147	5,981,745	6,161,745
Loss after taxation for the period	-	-	-	(176,990)	(176,990)	(176,990)
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(176,990)	(176,990)	(176,990)
Balance as at December 31, 2023 (un-audited)	<u>180,000</u>	<u>12,598</u>	<u>3,165,000</u>	<u>2,627,157</u>	<u>5,804,755</u>	<u>5,984,755</u>

The annexed notes from 1 to 23 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 (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023

	Six months period ended	
	December 31, 2023	December 31, 2022
	Note	(Rupees in '000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(179,597)	(117,527)
Adjustments for:		
Depreciation and amortisation	248,436	170,207
Finance costs	69,456	148,013
Reversal for expected credit losses	-	(56)
Profit on term deposit receipts and deposit accounts	(9,212)	(7,469)
Amortisation of deferred income	(4,200)	-
Gain on disposal of operating fixed assets	(1,528)	(3,220)
	<u>123,354</u>	<u>189,980</u>
(Increase) / decrease in current assets	(362,777)	493,702
Increase / (decrease) in current liabilities	33,264	(129,041)
Cash (used in) / generated from operations	<u>(206,159)</u>	<u>554,641</u>
Finance cost paid	(57,548)	(116,442)
Long term security deposit paid	(1,200)	(1,923)
Income tax adjusted / paid	(66,897)	(86,208)
Net cash (used in) / generated from operating activities	<u>(331,803)</u>	<u>350,068</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(280,386)	(487,432)
Proceeds from disposal of property, plant and equipment	17,259	9,771
Profit received on term deposit receipts and deposit accounts	8,642	9,202
Net cash used in investing activities	<u>(254,485)</u>	<u>(468,459)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term financing received	-	717,691
Long-term financing repaid	(92,743)	(6,628)
Dividends paid	(226)	(396)
Lease rentals paid	(2,767)	(2,453)
Net cash (used in) / generated from financing activities	<u>(95,736)</u>	<u>708,214</u>
Net (decrease) / increase in cash and cash equivalents	<u>(682,024)</u>	<u>589,823</u>
Cash and cash equivalents at the beginning of the period	5,645	(859,041)
Cash and cash equivalents at the end of the period	<u>19 (676,379)</u>	<u>(269,218)</u>

The annexed notes from 1 to 23 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 (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023

1 THE COMPANY AND ITS OPERATIONS

- 1.1 Agriauto Industries Limited (the Holding Company) was incorporated in Pakistan on June 25, 1981 as a public limited company under the repealed Companies Act, 1913 (now the Companies Act, 2017) and started its commercial production on February 16, 1982. The Holding Company is listed on Pakistan Stock Exchange Limited. 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,
- 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.
- 1.3 As of the reporting date, the Group's shareholding in its subsidiary is 100% (June 30, 2023: 100%).

2 STATEMENT OF COMPLIANCE

- 2.1 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. The accounting and reporting standards as applicable in Pakistan for interim financial reporting 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 (the Act); and

- provisions of and directives issued under the Act.

Where the provisions of and directives issued under the Act differ with the requirement of IAS 34, the provisions of and directives issued under the Act have been followed.

- 2.2 The accounting policies and the methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the Group's annual consolidated financial statements for the year ended June 30, 2023.
- 2.3 New standards, amendments and interpretations to accounting and reporting standards which became effective during the period ended December 31, 2023:

There were certain amendments to the accounting and reporting standards which became effective for the Group during the current period. However, these do not have any significant impact on the Group's financial reporting and, therefore, have not been detailed in these consolidated condensed interim financial statements.

- 2.4 New standards and amendments to published accounting and reporting standards that are not yet effective:

There is a new standard and certain amendments to the accounting and reporting standards as applicable in Pakistan which will be effective for the Group for its accounting periods beginning on or after January 1, 2024. However, these will not have any significant impact on the financial reporting of the Group and, therefore, have not been detailed in these consolidated condensed interim financial statements.

3 BASIS OF PREPARATION

- 3.1 These consolidated condensed interim financial statements include the consolidated condensed interim statement of financial position as at December 31, 2023, the consolidated condensed interim statement of profit or loss, the consolidated condensed interim statement of comprehensive income, the consolidated condensed interim statement of changes in equity, the consolidated condensed interim statement of cash flows and notes thereto for the six months period then ended which have been subjected to review but not audited. These consolidated condensed interim financial statements also include the consolidated condensed interim statement of profit or loss, the consolidated condensed interim statement of comprehensive income and notes thereto for the three months period ended December 31, 2023 which were not subjected to auditor's review.
- 3.2 The comparative statement of financial position presented in these consolidated condensed interim financial statements as at June 30, 2023 has been extracted from the Group's annual consolidated financial statements for the year ended June 30, 2023. The comparative statement of profit or loss, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the six months period then ended December 31, 2023 have been extracted from the consolidated condensed interim financial statements of the Group for the six months period then ended, which were subjected to review but were not audited.
- 3.3 These consolidated condensed interim financial statements do not include all the information and disclosures as required in the Group's annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended June 30, 2023 as these provide an update of previously reported information.

3.4 These consolidated condensed interim financial statements are presented in Pakistan rupees which is also the Group's functional currency.

4 SIGNIFICANT ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

4.1 The preparation of these consolidated condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan, requires management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. In preparing these condensed interim financial statements, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty are the same as those that applied in the Group's annual consolidated financial statements for the year ended June 30, 2023.

4.2 The Group's financial risk management objectives and policies are consistent with those disclosed in the Group's annual consolidated financial statements for the year ended June 30, 2023.

	Note	December 31, 2023 ----- (Rupees in '000) ----- (un-audited)	June 30, 2023 ----- (Rupees in '000) ----- (audited)
5 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	4,151,688	2,464,505
Capital work-in-progress (CWIP)	5.3	159,664	1,812,980
		<u>4,311,352</u>	<u>4,277,485</u>

5.1 Operating fixed assets

Book value at the beginning of the period / year	2,464,505	2,214,120
Additions during the period / year	63,099	212,063
Transfers from CWIP during the period / year	1,876,099	397,755
Disposals during the period / year - net book value	(15,730)	(7,089)
Depreciation charge during the period / year	(236,284)	(352,344)
	(252,014)	(359,433)
Book value at the end of the period / year	<u>4,151,688</u>	<u>2,464,505</u>

5.2 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 net book value	
	Six months period ended December 31,		Six months period ended December 31,	
	2023	2022	2023	2022
	(un-audited)		(un-audited)	
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
Owned				
Building	409,973	-	-	-
Plant and machinery	1,250,688	132,043	4,494	6,247
Furniture and fittings	172	140	183	-
Vehicles	53,097	17,951	11,016	80
Office equipment	4,199	800	-	-
Computer equipment	1,320	5,335	37	224
Dies and tools	219,749	30,591	-	-
	<u>1,939,198</u>	<u>186,860</u>	<u>15,730</u>	<u>6,551</u>

5.2.1 Depreciation charge for the period amounted to Rs. 236.28 million (December 31, 2022: Rs. 155.36 million).

5.2.2 During the period, borrowing costs have been capitalised amounting to Rs. 58.36 million (December 31, 2022: Rs. 59.49 million) using capitalisation rate of 3 months KIBOR + 0.3% (December 31, 2022: 3 months KIBOR + 0.3%) per annum on account of long-term financing obtained specifically for this purpose as fully mentioned in note 12.1 and 12.2 to these consolidated condensed interim financial statements.

	December 31, 2023 ----- (Rupees in '000) ----- (un-audited)	June 30, 2023 ----- (Rupees in '000) ----- (audited)
5.3 Capital work-in-progress		
Building on free hold land	-	217,485
Plant and machinery	155,024	1,423,475
Vehicles	632	-
Dies and tools	4,008	172,020
	<u>159,664</u>	<u>1,812,980</u>
6 DEFERRED TAXATION - NET		
Deductible / (taxable) temporary differences arising due to:		
- provisions	180,391	177,098
- lease liabilities and right-of-use-assets	(179)	336
- unused business losses	169,130	77,885
- accelerated tax depreciation	(293,516)	(244,797)
	<u>55,826</u>	<u>10,522</u>
6.1	As of the date of consolidated condensed interim statement of financial position, deferred tax asset amounting to Rs. 111.71 million (June 30, 2023: Rs. 69.26 million) and Rs. 12.99 million (June 30, 2023: Rs. 12.99 million) in respect of minimum tax credits and unused business losses respectively have not been recognised in these consolidated condensed interim financial statements.	
7 TRADE DEBTS		
	This includes an amount of Rs. 3.44 million (June 30, 2023: Rs. 1.64 million) receivable from Thal Boshoku Pakistan (Private) Limited - associated company, against sales made by the Group.	
8 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
	This includes an amount of Rs. 8.59 million (June 30, 2023: Rs. 188.91 million) against LC margin deposits, out of which Rs. 8.59 million (June 30, 2023: Rs. 161.80 million) are held with Habib Metropolitan Bank Limited - associated company. Additionally includes Rs. 301.19 million (June 30, 2023: Rs. 301.19 million) in respect of claim against Additional Custom Duty from a customer. Also includes Rs. 0.94 million (June 30, 2023: Rs. Nil) receivable from AuVitronics Limited - associated company in respect of reimbursement of salary expense paid by the Subsidiary Company on behalf of the associated company.	
9 ACCRUED PROFIT		
	This represents accrued profit on savings accounts maintained with Habib Metropolitan Bank Limited - associated company.	
	Note	
	December 31, 2023 ----- (Rupees in '000) ----- (un-audited)	June 30, 2023 ----- (Rupees in '000) ----- (audited)
10 SHORT TERM INVESTMENTS		
At amortised cost		
Term deposit receipts	10.1 74,605	74,500
Accrued profit thereon	1,485	1,453
	<u>76,090</u>	<u>75,953</u>
10.1	This represents three months term deposit receipts with a commercial bank on roll over basis carrying profit rates ranging from 18.75% to 19.25% (June 30, 2023: 12.5% to 19.5%) per annum and having latest maturity by March 11, 2024. These deposits are marked as lien against long-term financing and bank guarantees as mentioned in note 12.1, 12.2 and 14.2.3.	
11 CASH AND BANK BALANCES		
	This includes an amount of Rs. Nil (June 30, 2023: Rs. 125.04 million) and Rs. 42.99 million (June 30, 2023: Rs. 40.32 million) held with Habib Metropolitan Bank Limited - associated company in savings accounts and dividend accounts respectively. These carry profit at the rate of 20.5% (June 30, 2023: 12.25% to 19.5%) per annum.	

		December 31, 2023	June 30, 2023
	Note	----- (Rupees in '000) ----- (un-audited)	(audited)
12	LONG-TERM FINANCING - SECURED		
SBP refinance scheme for renewable energy	12.1 & 12.2	89,906	92,679
Current maturity of long-term financing		(11,083)	(9,004)
		78,823	83,675
Long-term financing	12.3 & 12.4	621,203	676,462
Current maturity of long-term financing		(123,215)	(131,462)
		497,988	545,000
	12.5	576,811	628,675

- 12.1** This represents long-term financing facility obtained, by the Holding Company, from a conventional bank under State Bank of Pakistan (SBP) refinance scheme for renewable energy, recognised initially at fair value. The total facility amounts to Rs. 90 million and carries contractual mark-up at the rate of 2% plus 0.75% (June 30, 2023: 2% plus 0.75%) per annum payable quarterly. The effective mark-up rate as calculated with reference to fair value of the loan ranges from 8.01% to 15.81%. The facility is repayable in ten years from the date of disbursement (i.e. October 18, 2021). The facility is secured against first specific hypothecation charge over plant and machinery related to the solar power project for the disbursed amount in addition to margin of 15% to be secured against liquid collateral (Term Deposit Receipts as fully mentioned in note 10.1) held under lien. The incremental borrowing rate for the purposes of discounting adjustment for recognition at fair value is ranging from 10.02% to 16.30% (June 30, 2023: 10.02% to 16.30%) per annum. As at December 31, 2023, the unutilised portion of the facility amounts to Rs 16.75 million (June 30, 2023: Rs 16.75 million).
- 12.2** This represents long-term financing facility obtained, by the Subsidiary Company, from a conventional bank under State Bank of Pakistan (SBP) refinance scheme for renewable energy, recognised initially at fair value. The total facility amounts to Rs. 85 million and carries contractual mark-up at the rate of 2% plus 0.75% (June 30, 2023: 2% plus 0.75%) per annum payable quarterly. The effective mark-up rate as calculated with reference to fair value of the loan ranges from 8.72% to 16.30% (June 30, 2023: 8.72% to 16.30%) per annum. The facility is repayable in ten years from the date of disbursement i.e. October 20, 2021. The facility is secured against first specific hypothecation charge over plant and machinery related to the solar power project for the disbursed amount in addition to margin of 15% to be secured against liquid collateral (Term Deposit Receipts as fully mentioned in note 10.1) held under lien. As at December 31, 2023, the unutilised portion of the facility is Rs. 13.34 million (June 30, 2023: Rs. 13.34 million).
- 12.3** This represents long-term financing facility obtained, by the Holding Company, from a conventional bank to refinance capital expenditure incurred by the Holding Company, with a total limit of Rs. 500 million (June 30, 2023: Rs 500 million) and at a markup rate of 3 months KIBOR + 0.3% (June 30, 2023: 3 months KIBOR + 0.3%) payable on quarterly basis. The tenure of this facility is six years, including grace period of one year and is due to mature by July 3, 2028. This facility is secured by first pari passu hypothecation / first charge over present and future fixed assets (excluding land and building) of the Holding Company with 25% margin.
- 12.4** This represents long-term financing facility obtained, by the Subsidiary Company, from a conventional bank to refinance capital expenditure incurred by the Subsidiary Company, with a total limit of Rs. 900 million (June 30, 2023: Rs. 900 million) and at a markup rate of 3 months KIBOR + 0.3% (June 30, 2023: 3 months KIBOR + 0.3%) per annum payable on quarterly basis. The tenure of this facility is six years, including grace period of one year and is due to mature by August 3, 2028. This facility is secured by first pari passu hypothecation / first charge over present and future fixed assets (excluding land and building) of the Subsidiary Company with 25% margin.

	December 31, 2022	June 30, 2023
Note	----- (Rupees in '000) ----- (un-audited)	(audited)
12.5 Movement of long-term financing		
Balance at beginning of the period / year	769,141	90,927
Financing received during the period / year	-	917,691
Repayments made during the period / year	(112,457)	(285,637)
Recognised as deferred income for the period / year	-	(7,372)
Accretion of interest during the period / year	54,425	53,532
Balance at end of the period / year	<u>711,109</u>	<u>769,141</u>
Current maturity of long-term financing	<u>(134,298)</u>	<u>(140,466)</u>
	<u>576,811</u>	<u>628,675</u>

12.6 This represents deferred income recognised in respect of the benefit of below-market interest rate on long term finances. The benefit has been measured as the difference between the fair value of the loan and the proceeds received. The Group has used the prevailing market rate of mark-up for similar instruments to calculate fair values of respective loan.

13 SHORT-TERM RUNNING FINANCE

This represents short-term running finance obtained from various banks amounting to Rs. 728.60 million (June 30, 2023: Rs. 201.55 million) which includes an amount of Rs 303.23 million (June 30, 2023: Rs Nil) obtained from Habib Metropolitan Bank Limited - associated company as at December 31, 2023. The total facility limit amounts to Rs. 2,390 million (June 30, 2023: Rs. 2.390 million) and the rate of mark-up on these finances ranges from 1 month to 3 months KIBOR plus rates varying from 0.10% to 1.00% (June 30, 2023: 1 month to 3 months KIBOR plus rates varying from 0.20% to 1.00%) per annum. The facilities are secured by way of pari passu hypothecation plus second charge on the Group's stock-in-trade, stores, spares, loose tools and trade debts.

14 CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

There is no material change in the status of contingencies as reported in the annual consolidated financial statements for the year ended June 30, 2023.

14.2 Commitments

There is no material change in the status of commitments as reported in the annual consolidated financial statements for the year ended June 30, 2023 other than described below:

14.2.1 Commitments in respect of outstanding letters of credit for raw material, stores, spares and loose tools amounting to Rs. 589.04 million (June 30, 2023: Rs.747.77 million), out of which Rs. 6.35 million (June 30, 2023: Rs. 194.65 million) is outstanding with Habib Metropolitan Bank Limited - associated company as at the reporting date.

14.2.2 Commitments in respect of capital expenditure amounting to Rs. 5.26 million (June 30, 2023: Rs. 80.72 million), out of which Rs. Nil (June 30, 2023: Rs. 6.57 million) is outstanding with Habib Metropolitan Bank Limited - associated company as at the reporting date.

14.2.3 Commitments in respect of outstanding bank guarantees amounting to Rs 685.80 million (June 30, 2023: Rs 604.32 million). This includes an amount of Rs 305.8 million (June 30, 2023: Rs 188.0 million) in respect of bank guarantees from Habib Metropolitan Bank Limited - associated company.

14.2.4 Outstanding bank guarantees issued to Collector of Customs in respect of custom duty and non-deduction of withholding tax amounting to Rs. 258.48 million (June 30, 2023: Rs. 258.48 million) and Rs. 8.62 million (June 30, 2023: Rs. 8.62 million) respectively.

TRANSACTIONS AND BALANCES WITH ASSOCIATED UNDERTAKINGS / RELATED PARTIES

The associated undertakings / related parties of the Group comprise of companies with common directorship, staff retirement funds, directors and key management personnel. All the transactions with associated undertakings / related parties are entered into at agreed terms in the normal course of business as approved by the Board of Directors of the Group. Details of the transactions with associated undertakings / related parties during the period, other than disclosed elsewhere in these consolidated condensed interim financial statements, are as follows:

Name of associated undertakings / related party and relationship with the Company	Nature of transactions	Percentage of share holding in the Company %	December 31, 2023 (Un-audited) ----- (Rupees in '000) -----	December 31, 2022 (Un-audited) ----- (Rupees in '000) -----
Associated undertakings (Common directorship)				
Shabbir Tiles and Ceramics Limited	Purchases	Nil	<u>6,189</u>	<u>195</u>
Thal Boshoku Pakistan (Private) Limited	Sale of goods	Nil	<u>12,533</u>	<u>31,653</u>
AuVitronics Limited	Sale of goods	Nil	<u>225</u>	<u>-</u>
Habib Metropolitan Bank Limited	Mark-up expense	Nil	<u>20,142</u>	<u>9,534</u>
	Profit earned on term deposit receipt and deposit account		<u>1,326</u>	<u>2,965</u>
	Bank charges		<u>1,647</u>	<u>304</u>
	Gain on foreign exchange cover		<u>-</u>	<u>20,251</u>
	Guarantee given		<u>12,000</u>	<u>97,087</u>
Retirement benefit funds				
Employees' Provident Fund	Contribution	Nil	<u>11,435</u>	<u>11,849</u>
Key management personnel	Remuneration and other benefits	Nil	<u>21,148</u>	<u>24,354</u>
	Fee for attending board meetings		<u>1,500</u>	<u>1,000</u>

20.1 The outstanding balances with related parties as at reporting date have been disclosed in the respective notes to the consolidated condensed interim financial statements.

21 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences may arise between the carrying value and the fair value estimates.

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Fair value hierarchy

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
- inputs for the asset or liability that are not based on observable market data (level 3).

As at the reporting date, the Group does not have any financial assets carried at fair value that required categorisation in level 1, level 2 and level 3.

22 GENERAL


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

22.2 Certain prior year's figures have been reclassified for better presentation, wherever necessary.

Description of item	Nature	Rupees in '000	From	To
Accrued interest on long-term financing - secured	Liability	27,239	Trade and other payables	Current maturity of long-term financing - secured
Accrued interest on short-term running finance	Liability	6,630	Trade and other payables	Short-term running finance
Term deposit receipts	Asset	77,000	Cash and cash equivalents	Cash flow from investing activities

23 DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements were authorised for issue on February 7, 2024 by the Board of Directors of the Group.



Director



Chief Executive



Chief Financial Officer