

# Agriauto Industries Limited

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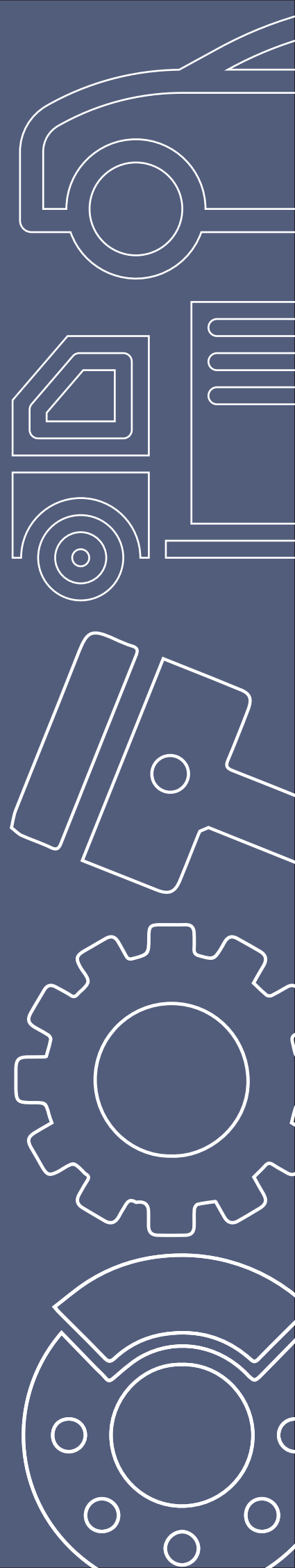
## 2021 annual report







We are fully committed to carry our business in a sustainable and socially responsible manner. We give special attention to the health and safety of our employees, the environment and the communities in which we operate.



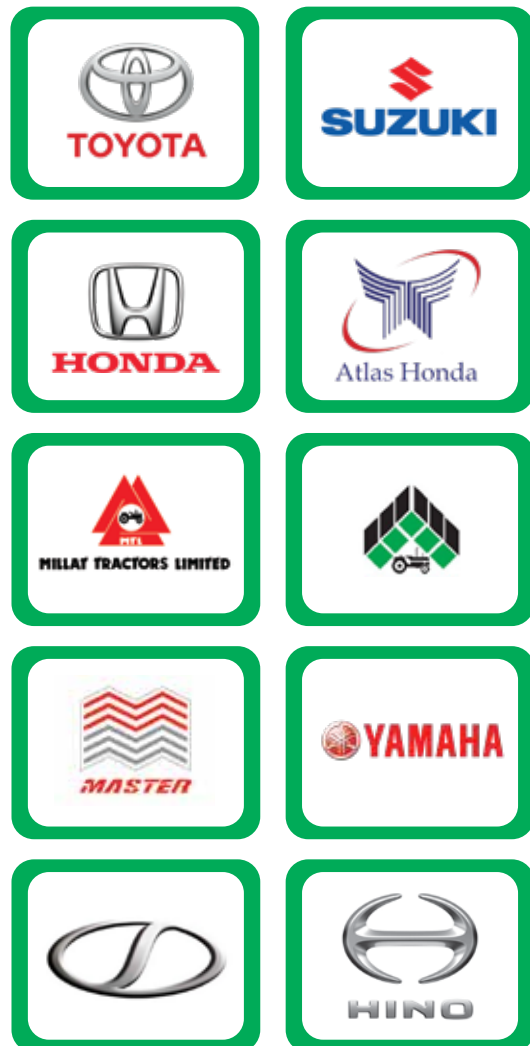
# THE COMPANY

Agriauto Industries Limited is a public limited company incorporated in 1981 and quoted on the Pakistan Stock Exchange.

The company is one of the leading automotive components manufacturers in the private sector and the first company in Pakistan to acquire TS-16949 Certification.

Technical Collaborations with leading international companies have added to the company's technical versatility. The product range covers both Original Equipment Manufacturers (OEM's) and the after market.

# OUR CUSTOMERS



# OUR GLOBAL PARTNERS





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# VISION

A world class manufacturer and supplier of high entry barrier automotive components providing competitive returns to all stakeholders.

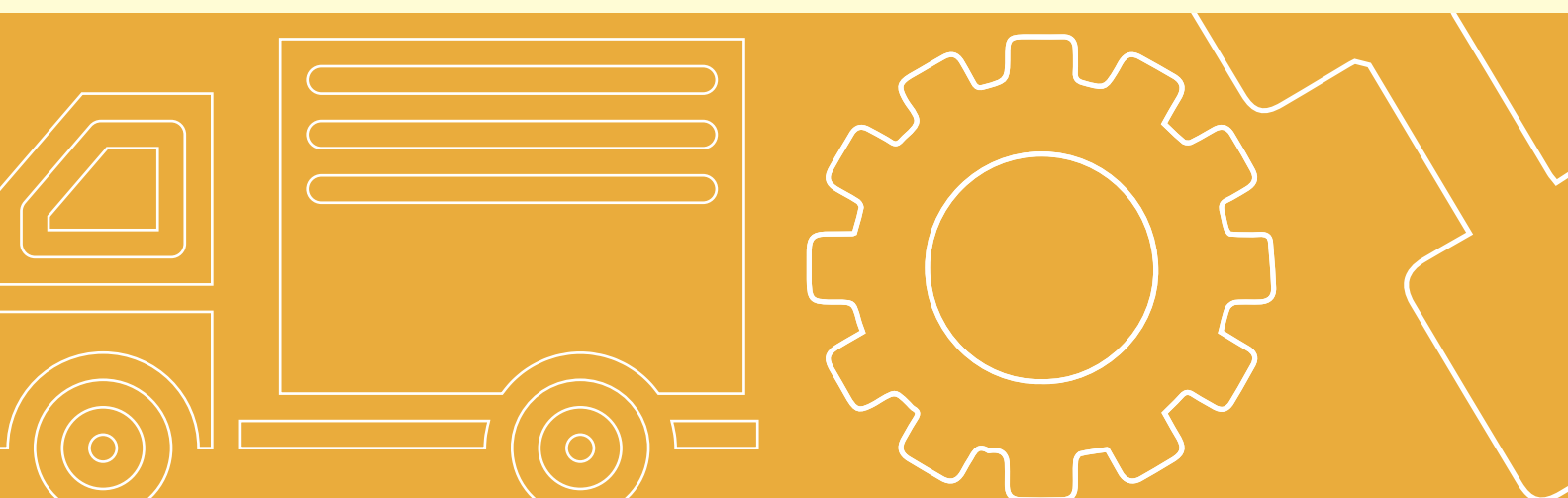




A large industrial welding machine is shown in operation, with a bright, intense light and a massive spray of golden sparks erupting from the point of contact. The machine is dark and complex, with various cables and components visible. The background is slightly blurred, showing an industrial setting.

# COMPANY INFORMATION





## BOARD OF DIRECTORS

Yutaka Arae	Chairman
Fahim Kapadia	Chief Executive
Hamza Habib	Non Executive Director
Sohail P. Ahmed	Non Executive Director
Salman Burney	Non Executive Director
Ayesha T. Haq	Independent Director
Muhammad Ali Jameel	Independent Director

## AUDIT COMMITTEE

Muhammad Ali Jameel	Chairman
Sohail P. Ahmed	Member
Ayesha T. Haq	Member

## HUMAN RESOURCE & REMUNERATION COMMITTEE

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

## CHIEF FINANCIAL OFFICER

Hassan Ali Ghazi

## COMPANY SECRETARY

Tariq Iqbal Bawani

## AUDITORS

EY Ford Rhodes  
Chartered Accountants

## SHARE REGISTRAR

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

## BANKERS - CONVENTIONAL

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

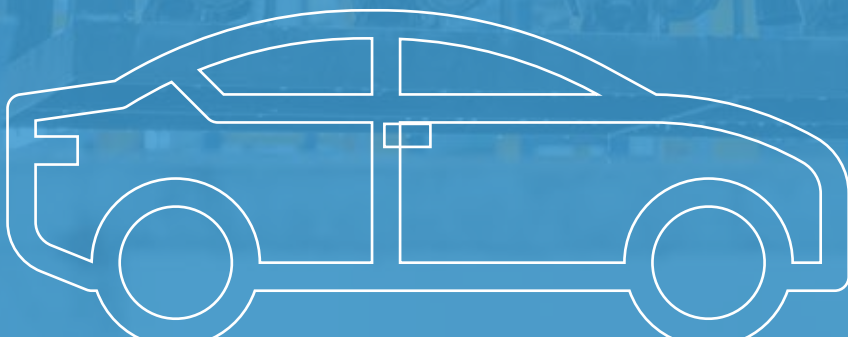
## FACTORY

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.

## REGISTERED OFFICE

5<sup>th</sup> Floor, House of Habib  
3 JCHS, Main Shahrah-e-Faisal, Karachi.  
Website: [www.agriauto.com.pk](http://www.agriauto.com.pk)  
Email: [info@agriauto.com.pk](mailto:info@agriauto.com.pk)  
Phone: 92-021-34541540-43





A photograph of an industrial facility, likely a refinery or chemical plant. The image shows a complex network of yellow overhead cranes and metal structures. In the foreground, there are several large, cylindrical metal vessels or tanks, some with flanges and bolts. The background shows more industrial equipment and a clear sky. The overall scene is one of a large-scale industrial operation.

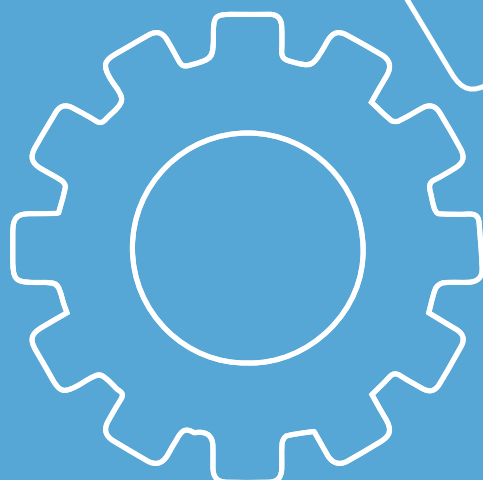
# UNLOCKING POTENTIAL

“We derive success through team inclusiveness, being synergetic and above all perseverance”.

# OUR PRODUCTS







**MCPHERSON  
ASSEMBLY**



**POWER  
WINDOW  
REGULATOR**



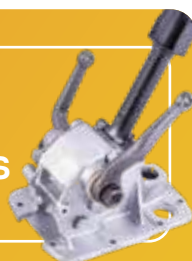
**FUEL TANK  
PASSENGER  
CAR**



**CATALYTIC  
CONVERTERS**



**STEERING  
BOX -  
TRACTORS**



**INSTRUMENT  
PANEL & DOOR  
IMPACT BEAM**



**MOTORCYCLE  
SHOCK  
ABSORBERS  
COMPONENTS**



**DOOR  
HINGES**



**SHOCK  
ABSORBERS**



**FRONT  
SUSPENSION  
FOR  
MOTORCYCLE**



**CAMSHAFT -  
TRACTORS**

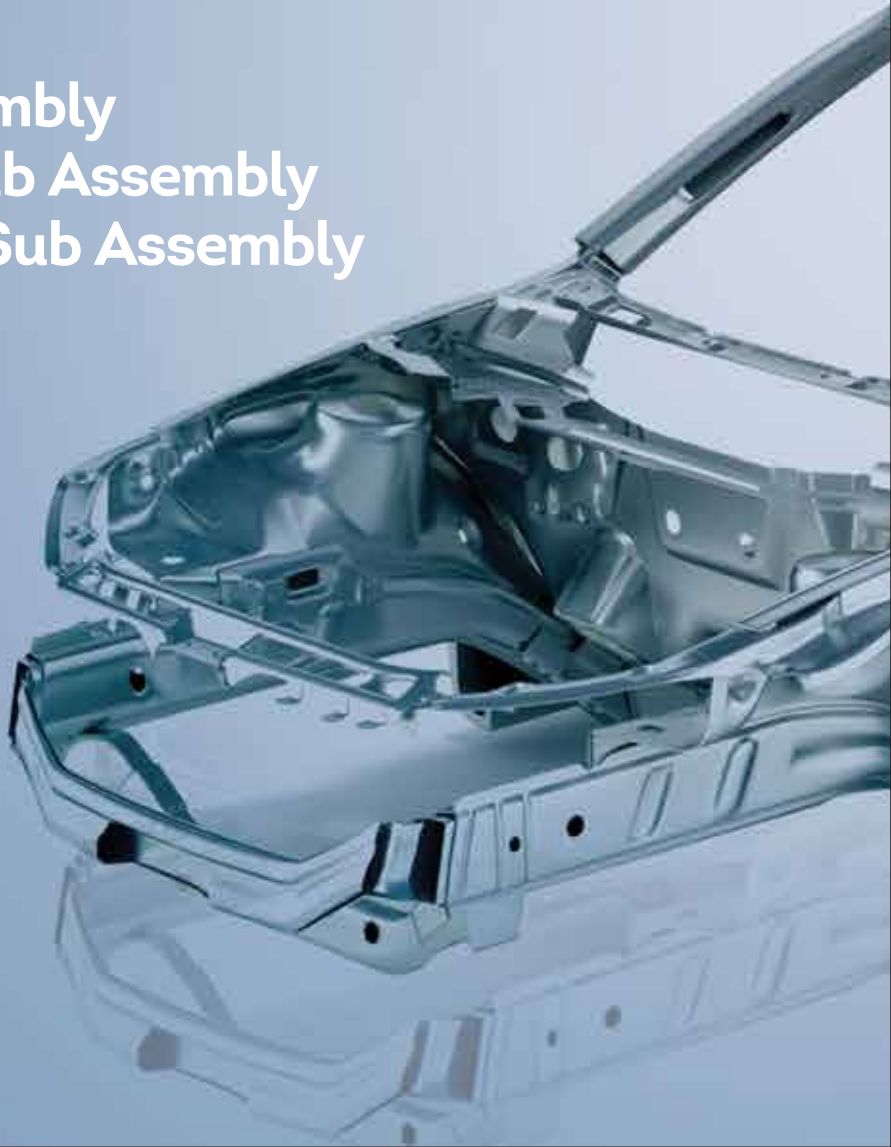


**SUSPENSION  
STRUT  
ASSEMBLY**



# SHEET METAL PARTS

- Member Front Panel
- Instrument Panel Sub Assembly
- Cowl Assembly
- Member Sub Assembly
- Member Floor Side
- Panel Sub Assembly Body Lower
- Reinforcement Centre Body Sub Assembly
- Front Pillar Sub Assembly
- Cowl Side Panel
- Front Body Pillar
- Side Rail Roof
- Rocker Sub Assembly
- Recliner Panel Sub Assembly
- Back Seat Panel Sub Assembly
- Fuel Tank Panel







# NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the 40<sup>th</sup> Annual General Meeting of the Members of the Company will be held on Thursday, October 21, 2021 at 11:00 AM through video link to transact the following business:

## ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended June 30, 2021, together with the Chairman's Review Report, Directors' and Auditors' Report thereon.
2. To approve final cash dividend of 120% i.e. Rs 6 /- per share for the year 2020-21 as recommended by the Board of Directors.
3. To appoint Auditors for the year 2021-22 and to fix their remuneration. The present auditors – M/s EY Ford Rhodes, Chartered Accountants, being eligible, have offered themselves for reappointment.
4. To transact any other business with the permission of the Chair.

Karachi  
Dated: August 26, 2021

**By Order of the Board**  
**Tariq Iqbal Bawani**  
**Company Secretary**

## NOTES:

### 1. Closure of Share Transfer Books

The Share Transfer Books of the Company will remain closed from October 15, 2021 to October 21, 2021 (both days inclusive) and the final dividend will be paid to the Members whose names will appear in the Register of Members on October 15, 2021. Members (Non-CDC) are requested to promptly notify the Company's Registrar of any change in their addresses and submit, if applicable to them, the Non-deduction of Zakat Form CZ-50 with the Registrar of the Company M/s. FAMCO Associates (Private) Ltd., 8-F, Next to Hotel Faran, Nursery, Block-6, PECHS, Sharae Faisal Karachi. Tel: +92-21-34380101-5, +92-21-34384621-3 (Ext-103) Fax: +92-21-34380106. All the Members holding the shares through the CDC are requested to update their addresses and Zakat statuses with their Participants.

### 2. Online Participation in AGM:

In view of the prevailing pandemic COVID-19 situation and in line with the directions issued to listed companies by the Securities & Exchange Commission of Pakistan vide its Circular No. 4 dated February 15, 2021 and subsequent Circular No. 6 of 2021 dated March 03, 2021, the company has decided to conduct the Shareholders' Meeting online in order to protect their wellbeing.

The shareholders will be able to login and participate in the AGM proceedings through their smartphones or computer devices after completing all the formalities required for the verification and identification of the shareholders.

The shareholders can participate in the AGM through video-link software, which can be downloaded from <https://zoom.us/download>.

For this purpose, shareholders are requested to get their following particulars registered with the Company by sending email to [agm@agriauto.com.pk](mailto:agm@agriauto.com.pk). Video-link and login credentials will be shared with only those shareholders/proxies whose emails, containing all the information required below, received via email no later than 48 hours before the meeting.



Shareholder Name	CNIC #	Folio/ CDC No.	Cell No	Registered Email ID

The shareholders can also provide their comments / suggestions for the proposed agenda items of the AGM by using the above given email address.

The login facility will be opened at 10:00 a.m. on October 21, 2021 enabling the participants to join the proceedings which will start at 11:00 a.m. sharp.

### 3. Participation in the Meeting

Members whose names appearing in the Register of Members as of October 15, 2021, are entitled to attend and vote at the Meeting. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend, speak and vote for him/her. A proxy must be a Member of the Company.

An instrument of proxy applicable for the Meeting is being provided with the Notice sent to Members. Further copies of the instrument of proxy may be obtained from the Registered Office of the Company during normal office hours. Proxy form may also be downloaded from the Company's website: <http://www.agriauto.com.pk>.

An instrument of proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must, to be valid, be deposited at the Registered Office of the Company not less than 48 hours before the time of the Meeting.

Members are requested to submit a copy of their Computerized National Identity Card/Smart National Identity Card (CNIC/SNIC), if not already provided and notify immediately changes, if any, in their registered address to our Share Registrar, FAMCO Associates (Pvt.) Ltd.

### 4. Guidelines for Central Depository Company of Pakistan Limited ('CDC') Account Holders

CDC Account Holders will further have to follow the under mentioned guidelines as laid down in Circular 1 dated January 26, 2000, issued by the Securities and Exchange Commission of Pakistan (SECP).

#### A. For Attending the Meeting:

- I. In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his/her identity by showing his/her original CNIC/SNIC or original passport at the time of attending the Meeting.
- II. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

#### B. For Appointing Proxies

- I. In case of individuals, the account holder or sub-account holder is and / or the person whose securities are in group account and their registration detail is uploaded as per the CDC Regulations, shall submit the proxy form as per the requirement.
- II. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- III. Attested copies of the CNIC or passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- IV. The proxy shall produce his/her original CNIC or original passport at the time of the meeting.
- V. In case of corporate entities, Board of directors' resolution/power of attorney with specimen signature of the nominee shall be submitted (unless provided earlier) along with the proxy form to Company.
- VI. Form of proxy is enclosed.

## **5. Requirement of Companies (Postal Ballot) Regulations 2018**

Pursuant to Companies (Postal Ballot) Regulation 2018, for any other agenda item subject to the requirements of Section 143 and 144 of the Companies Act, 2017 members will be allowed to exercise their right of vote through postal ballot, that is voting by post or through any electronic mode, in accordance with the requirements and procedure contained in the aforesaid Regulations.

## **6. Distribution of Annual Report**

Pursuant to the provision of section 223(6) of the Companies Act, 2017 and SRO 470(I) / 2016, the Companies are permitted to circulate their annual financial statements, along with the Auditors' report, directors' report etc. ("Annual Report") and the notice of Annual General Meeting ("Notice") to its shareholders by email. Shareholders of the Company who wish to receive the hardcopy of Company's Annual Report and Notice of Annual General Meeting are requested to provide the complete Standard Request Form (available at the Company's Website) to the Company's Share Registrar, FAMCO Associates (Private) Limited.

## **7. Submission of CNIC/SNIC/NTN (Mandatory)**

Pursuant to the directives of the SECP, the dividend of shareholders whose CNIC/SNIC or NTN (in case of corporate entities), are not available with the Share Registrar could be withheld. Shareholders are therefore, requested to submit a copy of their valid CNIC/SNIC (if not already provided) to the Company's Share Registrar, FAMCO Associates (Pvt.) Ltd. 8-F, Block-6, P.E.C.H.S., Shakra-e-Faisal, Karachi.

## **8. Dividend Mandate (Mandatory)**

In accordance with the provisions of Section 242 of the Companies Act 2017, and Regulation 4 of the Companies (Distribution of Dividends) Regulations 2017, a listed company is required to pay cash dividend to the shareholders ONLY through electronic mode directly into the bank account designated by the entitled shareholders instead of issuing physical dividend warrants.

In compliance with the above law, in order to receive dividends directly in your bank account, you are requested to provide the information mentioned in the Form placed at the Company's website <http://www.agriauto.com.pk> otherwise the Company would be constrained to withhold payment dividend (if any) in terms of Regulation 6 of the Companies (Distribution of Dividends) Regulations 2017. Shareholders shall submit the information directly to their brokers / Central Depository Company Ltd. If the shares are held in the electronic form or to the Company's Share Registrar if the shares are held in physical form.

## **9. Deposit of Physical Shares in CDC account**

As per section 72 of the Companies Act, 2017 every listed company is required to replace its physical shares with book-entry form. Therefore, the shareholders having physical shares requested to convert the shares into book entry.

## **10. Withholding Tax on Dividend**

The rates of deduction of income tax from dividend payments under Section 150 of the Income Tax Ordinance, 2001 shall be as follows:

1. Persons appearing in Active Tax Payers List (ATL) 15%
2. Persons not appearing in Active Tax Payers List (ATL) 30%

To enable the Company to make tax deduction on the amount of cash dividend @ 15% instead of 30%, shareholders whose names are not entered into the Active Taxpayers List (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to make sure that their names are entered in ATL before the first day of book closure, otherwise tax on their cash dividend will be deducted @ 30% instead of 15%.



Withholding Tax exemption from the dividend income, shall only be allowed if copy of valid tax exemption certificate or stay order from a competent court of law is made available to FAMCO Associates (Private) Limited, by the first day of Book Closure.

Further, according to clarification received from Federal Board of Revenue (FBR), withholding tax will be determined separately on 'Filer/Non-Filer' status of Principal shareholder as well as joint-holder(s) based on their shareholding proportions, in case of joint accounts.

In this regard all shareholders who hold shares jointly are requested to provide shareholding Proportions of Principal shareholders and Joint-holder(s) in respect of shares held by them (only if not already provided) to our Share Registrar, in writing as follows:

Company Name	Folio / CDS Account #	Total Shares	Principal Shareholder		Joint Shareholder	
			Name and CNIC #	Shareholding Proportion (No. of Shares)	Name and CNIC #	Shareholding Proportion (No. of Shares)

The required information must reach our Share Registrar within 10 days of this notice; otherwise it will be assumed that the shares are equally held by Principal shareholder and Joint-holder(s).

Corporate shareholders having CDC accounts are required to have their National Tax Number (NTN) updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificate to the Company or FAMCO Associates (Private) Limited. Shareholders while sending NTN or NTN certificates, as the case may be, must quote Company name and their respective folio numbers. Without the NTN company would not be in a position to check filer status on the ATL and hence higher tax of 30% may be applied in such cases.

#### 11. Availability of Annual Audited Financial Statements on the Company's website

In accordance with the provisions of Section 223(7) of the Companies Act 2017, the audited financial statements of the Company for the year ended June 30, 2021, are available on the Company's website ([www.agriauto.com.pk](http://www.agriauto.com.pk)).

# SIX YEARS AT A GLANCE

	2021	2020	2019	2018	2017	2016
<b>Operating Results</b>						
Net Sales (Rs. in '000')	<b>6,969,981</b>	3,768,756	7,122,487	6,112,980	5,657,541	5,758,380
Gross Profit (Rs. in '000')	<b>936,548</b>	169,946	1,078,665	1,115,918	1,045,884	1,034,475
Profit Before Tax (Rs. in '000')	<b>834,049</b>	10,416	805,391	773,238	810,364	713,332
Profit / (Loss) After Tax (Rs. in '000')	<b>651,398</b>	(29,798)	603,012	520,407	586,637	484,464
Earnings / (Loss) per share (Rs.)	<b>22.62</b>	(1.03)	20.94	18.07	20.37	16.82
Cash Dividend (%)	<b>220%</b>	20%	200%	250%	200%	175%
<b>Financial Position</b>						
Current Ratio	<b>3.22: 1</b>	3.30: 1	5.24: 1	5.46: 1	5.21: 1	5.09: 1
Paid-up Share Capital (Rs. in '000')	<b>144,000</b>	144,000	144,000	144,000	144,000	144,000
Res. & Unappropriated Profit (Rs. in '000')	<b>4,245,998</b>	3,767,400	3,998,798	3,726,986	3,537,779	3,203,142
Shareholders' Equity (Rs. in '000')	<b>4,389,998</b>	3,911,400	4,142,798	3,870,986	3,681,779	3,347,142
Breakup Value Per Share (Rs.)	<b>152.43</b>	135.81	143.85	134.41	127.84	116.22
Return on Equity (Rs.)	<b>14.84%</b>	-0.76%	14.56%	13.44%	15.93%	14.47%



# FINANCIAL HIGHLIGHTS

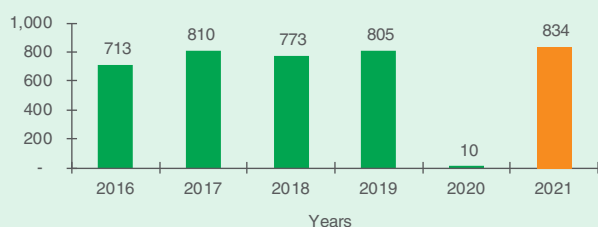
**Contribution to National Exchequer**  
Rupees in million



**Revenue**  
Rupees in million



**Profit before tax**  
Rupees in million



**Shareholders' Equity**  
Rupees in million



**Breakup value per share**  
Amount in Rupees



**Earnings per share**  
Amount in Rupees



# BOARD OF DIRECTORS

**YUTAKA ARAE**  
CHAIRMAN



**FAHIM KAPADIA**  
CHIEF EXECUTIVE



**HAMZA HABIB**  
DIRECTOR





**SOHAIL P. AHMED**  
DIRECTOR



**SALMAN BURNNEY**  
DIRECTOR



**AYESHA T. HAQ**  
DIRECTOR



**M. ALI JAMEEL**  
DIRECTOR







# CHAIRMAN'S REVIEW

I am pleased to present the review on Annual Report of the Company for the year ended June 30, 2021.

Pakistan's economy has shown remarkable resilience in overcoming the odds and noted an impressive growth rate of 3.94% despite being in the midst of COVID-19 pandemic. During FY 2020-21, the Automobile industry rebounded and demand for passenger cars and other vehicles soared due to availability of low cost borrowing, overall growth momentum, introduction of new models and new entrants.

In FY 2020-21, on a consolidated basis, your Company has achieved highest ever sales and Board has recommended a final cash dividend of 120%, i.e. Rs. 6 per share, which is in addition to interim dividend of 100 %. i.e. Rs. 5 per share.

Going forward, the recently announced Auto Industry Development & Export Plan (AIDEP) 2021-26 is expected to give a favorable road map to the Automotive industry for the next 5 years. The Financial Budget 2021-22 has also offered a number of tax reliefs. Overall, it is exciting times for the auto industry and your Company is well poised to capitalize on any future opportunities.

In the end, I assure that your Company is committed to good Corporate Governance. I am pleased to report that the performance of the Board has been par excellence which has helped in effective steering of the Company during the year. The Board acknowledges its responsibility in respect of Corporate & Financial Reporting Framework. The Board is also cognizant of its strategic role in achieving the Company's key objectives and is focused on enriching the returns for its shareholders and other stakeholders and shall continue contributing through sustained supply of premium quality products to its valued Customers.



**Yutaka Arae**  
Chairman

August 26, 2021

# چیرمین کا جائزہ

میں کمپنی کی سالانہ رپورٹ برائے مختتمہ مدت 30 جون 2021 پر جائزہ پیش کرتے ہوئے اظہار مسرت کرتا ہوں۔

پاکستان کی معیشت نے مشکلات پر قابو پانے میں نمایاں چمک پذیری دکھائی اور COVID-19 وباء کے باوجود 3.94 فیصد کی متاثر کن نمودیکھی گئیں۔ FY 2020-21 کے دوران آٹوموبائل کی صنعت میں بحالی آئی اور کم لاگتی قرضوں کی دستیابی، نمو کے مجموعی معیار حرکت، نئے ماڈلز کو متعارف کروانے اور صنعت میں نئے داخل ہونے والوں کی وجہ سے مسافر کاروں اور دیگر گاڑیوں کی طلب میں اضافہ ہوا۔

FY 2020-21 میں آپ کی کمپنی کی مجموعی فروخت بلند ترین رہی اور بورڈ نے 120 فیصد یعنی 6 روپے فی حصص کے حساب سے منافع منقسمہ کی سفارش کی ہے جو کہ 100 فیصد یعنی 5 روپے فی حصص کے عبوری منافع منقسمہ کے علاوہ ہے۔

مستقبل میں حالیہ اعلان کردہ آٹوانڈسٹری ڈولپمنٹ اینڈ ایکسپورٹ پلان (AIDEP) 2021-26 سے توقع ہے کہ اس سے آٹو صنعت کو اگلے پانچ سالوں کے لئے ایک سازگار سمت بندی میسر ہوگی۔ مالیاتی بجٹ 2021-22 میں کئی ایک ٹیکس ریلیف فراہم کئے گئے ہیں۔ مجموعی طور پر یہ آٹو صنعت کے لئے ولولہ انگیز وقت ہے اور آپ کی کمپنی مستقبل کے مواقعوں سے بہترین طریقے سے مستفید ہونے کے لئے پرعزم ہے۔

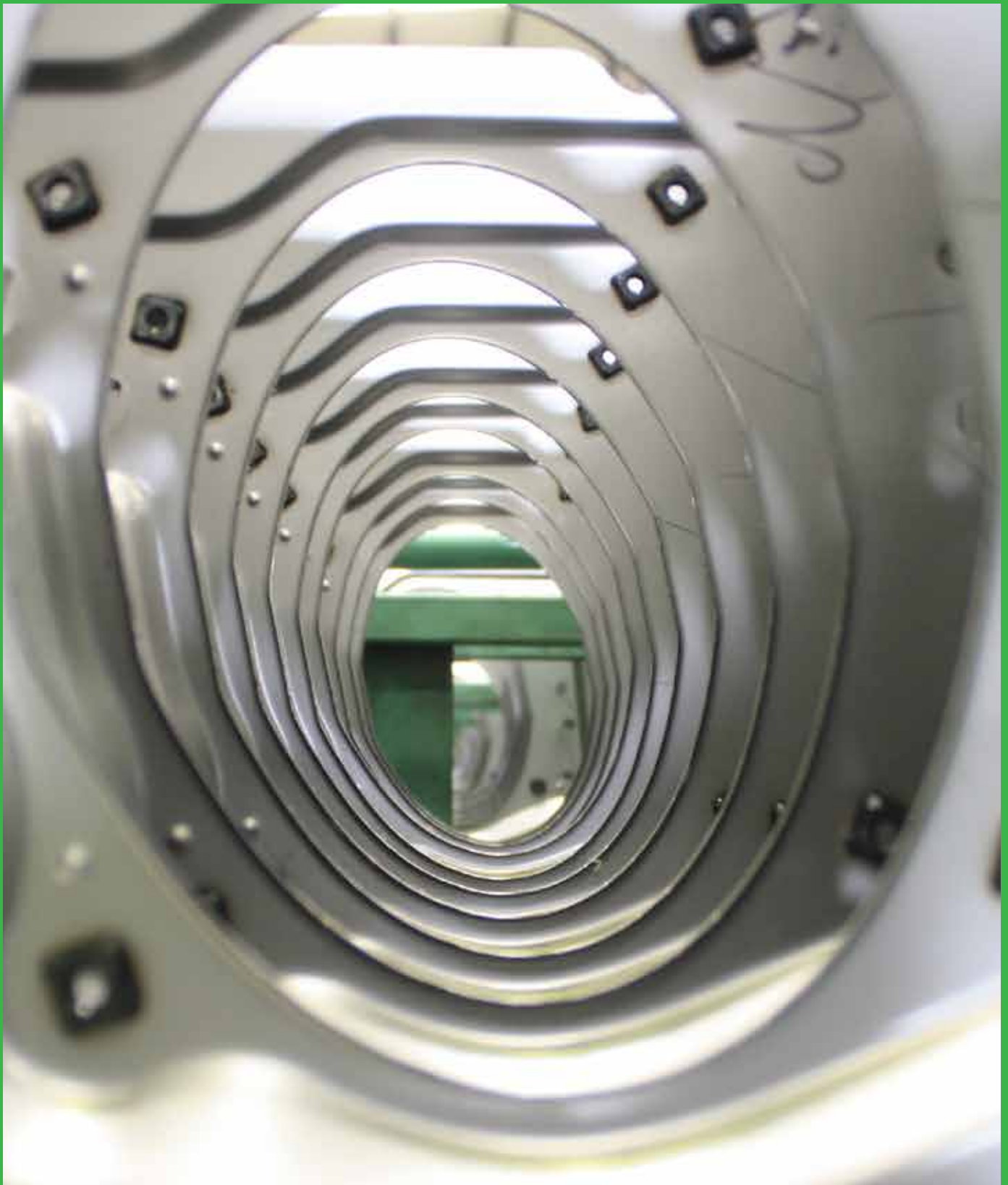
آخر میں، میں آپ کو یقین دلاتا ہوں کہ کمپنی اچھے ادارتی نظم و ضبط کے لئے کوشاں ہے۔ میں مسرت کے ساتھ مطلع کرتا ہوں کہ سال کے دوران بورڈ کی کارکردگی شاندار رہی جس نے کمپنی کو موثر طور پر آگے بڑھانے میں مدد کی۔ بورڈ ادارتی اور مالیاتی رپورٹنگ کے نظام کے سلسلے میں اپنی ذمہ داری کو تسلیم کرتا ہے۔ بورڈ کمپنی کے بنیادی مقاصد کے حصول میں اپنے کلیدی کردار سے آگاہ ہے اور اس کی توجہ حصص یافتگان اور متعلقین کو منفعت فراہم کرنے پر مرکوز ہے اور اپنے قابل قدر گاہکوں کو اعلیٰ معیاری مصنوعات کی مسلسل فراہمی میں معاونت جاری رکھے گی۔



یوٹا کا آرائے

چیرمین

26 اگست 2021



## **DIRECTORS' REPORT TO THE SHAREHOLDERS**





# DIRECTORS' REPORT TO THE SHAREHOLDERS

FOR THE YEAR ENDED JUNE 30, 2021

**Dear Shareholders,**

The Directors of your Company are pleased to present their Report along with the Audited Financial Statements for the year ended June 30, 2021.

## THE BOARD OF DIRECTORS

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

Mr. Yutaka Arae – Chairman	Non-executive Director
Mr. Fahim Kapadia – Chief Executive	Executive Director
Mr. Hamza Habib	Non-executive Director
Mr. Sohail P. Ahmed	Non-executive Director
Mr. Salman Burney	Non-executive Director
Ms. Ayesha Tammy Haq	Independent Director
Mr. Muhammad Ali Jameel	Independent Director

## COMPOSITION OF THE BOARD

Total number of directors

a) Male:	6
b) Female:	1

### Composition

a) Independent Director	1
b) Other Non-Executive Directors	4
c) Executive Director	1
d) Female Independent Director	1

## PRINCIPAL ACTIVITIES OF THE COMPANY

Agriauto Industries Limited is engaged in the manufacture and sale of components for automotive vehicles, motorcycles and agricultural tractors.

## PAKISTAN'S ECONOMY

Pakistan's economy has recovered during the FY 2020-21 and rebounded from the severe COVID-shock, with an expected GDP growth of 3.94%. Major macroeconomic indicators noted positive trends, with decent growth in agriculture and industrial sectors. Large Scale Manufacturing production clocked a fifteen-year high growth rate of 12.8% (July-April 2020-21) as compared to 8.7% last year mainly due to growth in Textile, Automobile, Food and Cement sector.

During the year, the Pak Rupee strengthened for a significant period due to the shrinkage of current account deficit, supported by flexible market based exchange rate system, resilience in remittances and improving exports. However, the Rupee started losing grounds again in Q4 2020-21 mainly due to rising import bill owing to economic recovery and rising oil prices. The policy rate remained at 7% which has revitalized the business sentiments and stimulated economic activities.

Going forward, in FY 2021-22, the economic momentum is expected to continue to strengthen further with GDP growth projected to rise to 4.8%.

The ongoing emphasis on the rollout of vaccines, coupled with the continuation of economic activities during the COVID virus' second and third wave, offers grounds for optimism. Further impetus to economic growth is likely to come from expected investments under Temporary Economic Refinance Facility (TERF) and the policy-driven boost in construction activities. The government has also indicated its intention to increase Public Sector Development Program (PSDP) spending, which would also be a major contributing factor to the higher growth outcome. These favorable trends would also spill over to the services sector.

However, a major risk to the overall growth outlook for FY 2021-22 is any significant deterioration in COVID situation domestically and globally, which might upset the ongoing economic momentum. In addition, supply chain disruptions, rising commodity prices i.e. oil, food and metals, utility tariffs and increase in the minimum wages, may also have an adverse impact.

## FINANCIAL & BUSINESS PERFORMANCE

### SEPARATE

Your company has performed well and achieved Sales of Rs. 6.97 billion in FY 2020-21 (FY 2019-20: Rs. 3.77 billion), which is a growth of 85% over last year. Profit after tax also increased to Rs. 651.39 million compared to Rs. (29.80) million loss last year, due to an increase in passenger car demand as well as better economic situation during the current year.

	2020 -21 (Rupees in thousand)	2019-20
Turnover	6,969,981	3,768,756
Gross Profit	936,548	169,946
Profit before Taxation*	834,049	10,416
Taxation	(182,651)	(40,214)
Profit / (loss) after Taxation	651,398	(29,798)
Earnings / (loss) Per Share (Rs.)	22.62	(1.03)

\* Includes dividend from subsidiary company of Rs. 228 million in 2020-21 (2019-20: Rs. 114 million)

### CONSOLIDATED RESULTS

On a consolidated basis, Company has achieved its highest ever annual sales of Rs. 10.49 billion in FY 2020-21, a growth of 99.9% compared to last year. In the current year, profit after tax is Rs. 829.66 million compared to loss of Rs. (108.44) million last year.

	2020 -21 (Rupees in thousand)	2019-20
Turnover	10,485,027	5,244,651
Gross Profit	1,612,129	251,466
Profit / (loss) before Taxation	1,203,265	(24,969)
Taxation	(373,601)	(83,469)
Profit / (loss) after Taxation	829,664	(108,438)
Earnings / (loss) Per Share (Rs.)	28.81	(3.77)

### Dividend & Appropriation of Profit

The Board of Directors is pleased to recommend a final cash dividend of Rs. 6 per share (120%) for the approval of the shareholders at the Annual General Meeting of the Company to be held on October 21, 2021. The final dividend is in addition to the interim dividend of Rs. 5.0 per share (100%) already paid. Total dividend for the year therefore will be Rs. 11 per share (220%). The Board has also recommended to transfer Rs. 200 million to General Reserve from un-appropriated profits.

### PERFORMANCE OF AUTOMOTIVE SECTOR

The Auto sector revived strongly during the year supported by lower prevailing interest rates for vehicle financing and favorable foreign exchange parity. This is reflected in the surge of Rs. 86.5 billion or 41% in Auto Financing during the period of July-May of FY 2020-21 to Rs. 297.5 billion compared to Rs. 211.1 billion in 2019-20.



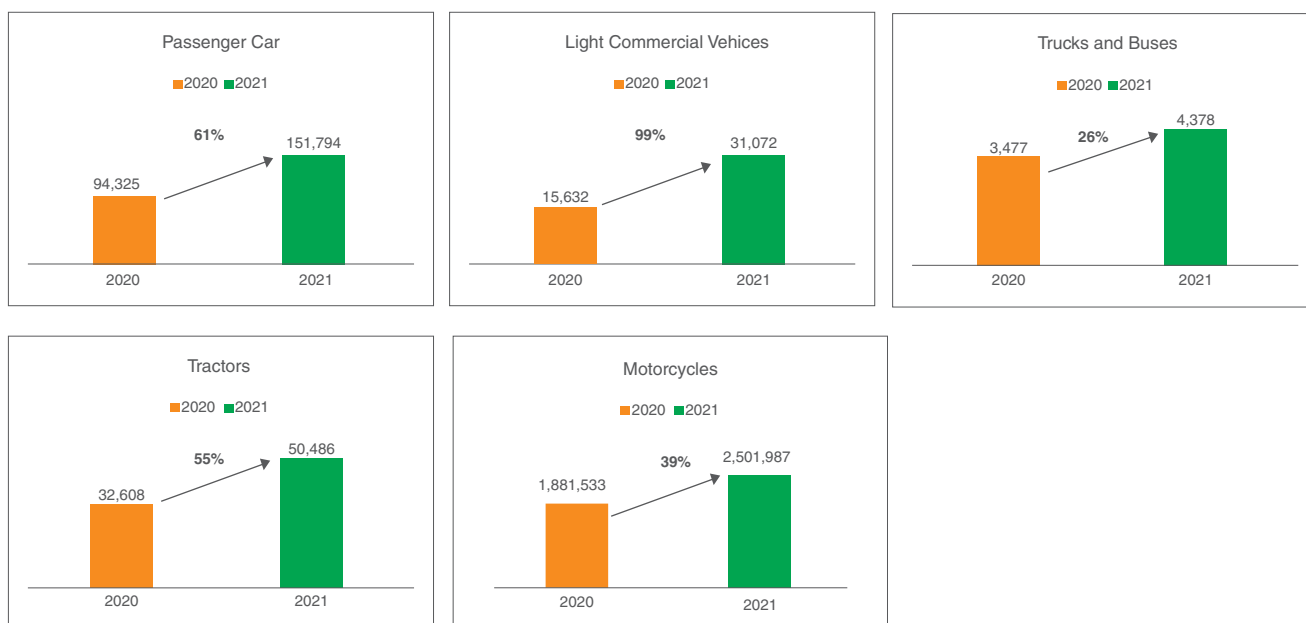




The dynamics of the automotive industry are changing with number of new entrants in the market, particularly in SUV segment. The availability of varied and wider vehicle options for customers has provided a boost to the market.

In Budget 2021-22, the Government has extended certain tax reliefs specially to support lower income segment's ability to own a Car to make it available at lower cost. Sales tax on cars with engine capacity of 1000 cc is reduced from 17% to 12.5%. Federal Excise Duty is reduced by 2.5% on all cars segments. This will give further impetus to Automotive Industry going forward.

The growth in volumes for the FY 2021 compared to last year in different Auto Segments is given below:



## NEW INITIATIVES

The Board is pleased to share the new initiatives taken by the Company during the FY 2020-21;

### ED Paint Facility

An Electrophoretic deposition (ED) paint facility was commissioned during the year at Hub Plant, Balochistan with a total investment of Rs. 194 million. In addition to meeting in-house ED paint requirements for existing customers for Struts and Sub Assembly Parts, company is extending services to other vendors as well.

### Solar Power Energy Project

Agriauto Industries Ltd and Agriauto Stamping Company (Private) Limited are planning to have Solar Power generation of 1 MW each with an estimated investment of Rs. 175 million. The project is expected to be commissioned by Q3 of 2021-22 and will help reducing the energy cost of the Company, making its products more competitive in the market.

## NEW DEVELOPMENT

Company is in the process of developing shock absorbers, struts, and press parts for new models planned by existing as well as new entrants. Your Company is confident that all development will be completed within the agreed Master Plan between the Company and OEMs.

## PROCESS IMPROVEMENT ACTIVITIES

Continuous process improvement activities are part of the culture at Agriauto, following the KAIZEN philosophy. In order to manage the manufacturing operations, daily ASAKAI (morning meetings) are conducted where all departmental heads join to discuss current operational issues & progress related to safety, quality, production, maintenance, supply chain, projects, etc. and take immediate countermeasures.

Agriauto is focused on innovation and business transformation. The company is planning to upgrade its current technology platform from Oracle Database to SAP Hana DB, along with hardware infrastructure. The project is expected to complete by June 2022.

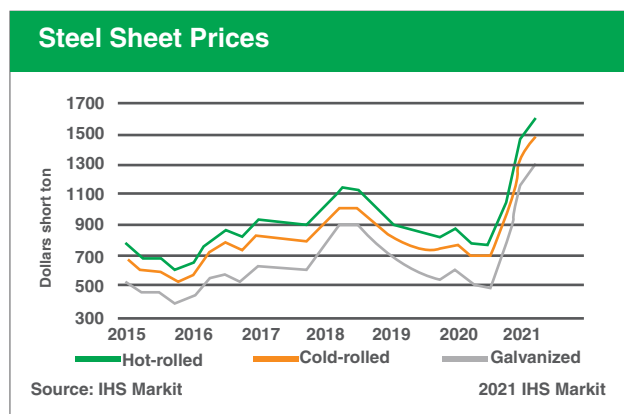
## PRINCIPAL RISKS AND UNCERTAINTIES

Risk management process includes identification of strategic, financial, operational and legal risks affecting the performance of the Company and appropriate measures are undertaken to mitigate these risks. At Agriauto, an effective risk management mechanism is in place to detect these risks at an early stage and to devise action plans to address and mitigate the same.

The Board feels that current pressure on the exchange rate carries a high risk. Moreover, demand-led pressures on inflation and vulnerabilities in the current account may reduce the degree of accommodation and resulting increase in the policy rate shall have an adverse impact on the automotive industry in Pakistan.

Global supply chain disruptions continued owing to shortage of containers and congestions at major transit ports around the World. Certain shipments have been made by air to meet customers' requirements which result in higher freight cost being incurred. Company is maintaining the supplies to the customers through efficient supply chain management, measure undertaken also includes maintaining additional safety stock and closely monitoring logistics of raw materials.

Benchmark prices for hot-rolled steel (HRC) / cold-rolled steel (CRC) hit all-time high. The rising trend continues caused by supply chain disruptions and capacity remained idle too long after global demand started to recover rapidly from COVID-19 lockdowns. Moreover, China has withdrawn 13% VAT rebate on exports of various steel products from May 2021 which has also impacted the steel prices globally. Management is taking measures to mitigate the impact.



Board is cautious about the underlying uncertainty owing to adverse impact of any future deterioration of COVID-19 situation. Suitable measures are being adopted and protocols are implemented by the company's management, to manage within controllable level.





## AGRIAUTO STAMPING COMPANY (PRIVATE) LIMITED (ASC)

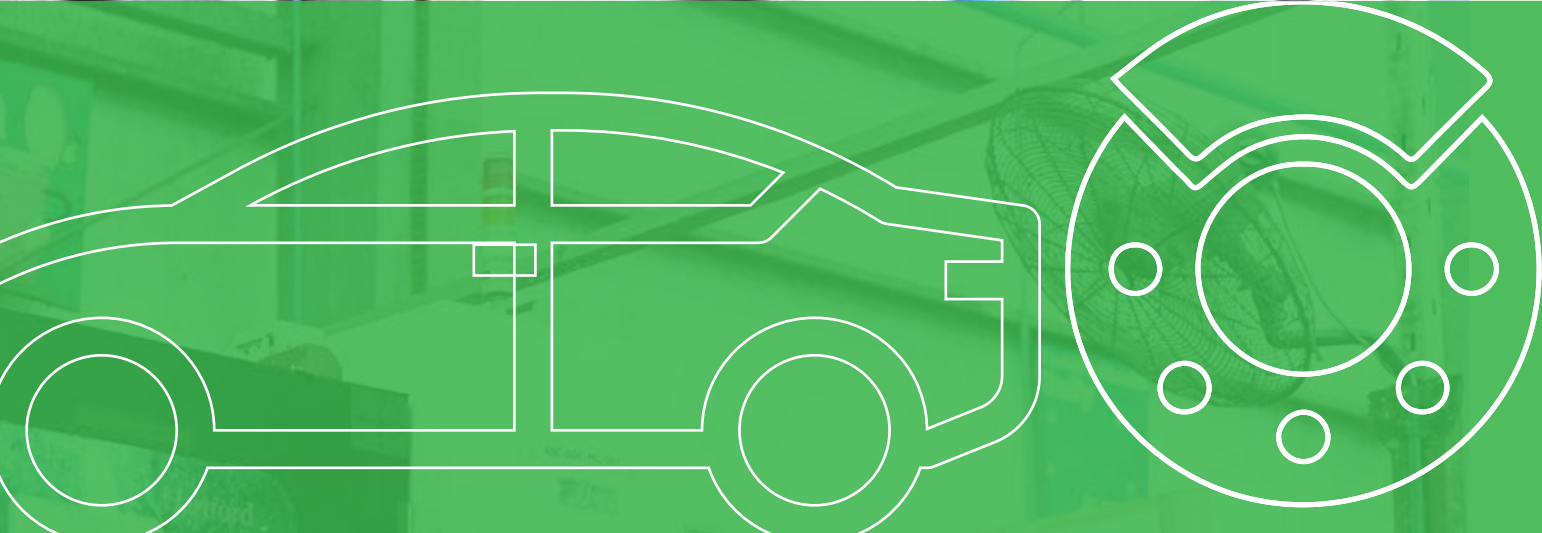
Agriauto Stamping (Private) Limited is wholly owned subsidiary of Agriauto Industries Limited and involved in stamping of sheet metal parts, jigs and accessories, primarily for the automotive sectors.

ASC continued to concentrate and excel in its core capability of stamping of high tensile sheet metal parts and operations are growing with increase in number of parts being produced. The Company is continuously pursuing and securing new products development, as part of its diversification strategy, which will bring sustainability and improve profitability going forward.

Owing to growth in operations, ASC has recently initiated its expansion plan with an investment of Rs. 195 million which will result in process efficiencies and facilitate installation of additional press line in future.

In addition, a welding gantry is also being installed to cater to new business.







# HEALTH, SAFETY AND ENVIRONMENT (HSE)

Agriauto is committed to carrying out business in a way which is sustainable and socially responsible with regard to the health and safety of our employees, the environment and others who may be affected by our activities, including the communities in which we operate.

Company promotes a culture of quality, healthy and safe environment by providing the appropriate resources and information, training and coaching to employees, contractors, visitors and other stakeholders. The management encourages effective consultation and participation with workers on all health, safety and environment related matters and ensure compliance with all related requirements and laws and regulations.

The Company maintains certifications and compliant with international best practices. Recently, Company undertook a transition from OHSAS18001:2007 to ISO45001:2018, new standard to strengthen our HSE policies and capability.

Following are the highlights of the key activities.

## Health, Safety & Environment (HSE) Week

The HSE Week was organized from 19th – 24th October 2020 to create safety awareness among all work force and it was based on the theme of “Find and Fix Hazards” focusing on “5S Methodology”, “Say ‘NO’ to Gutka” and “Plant Trees-Save Environment” respectively. Staff participated proactively and all critical identified hazards were rectified or mitigated.



## COVID-19

To prevent the spread of COVID-19, Agriauto is strictly complying with standard guidelines and protocols advised by NCOC. Company has laid special emphasis on vaccination of employees and encouraging them to also inoculate family members. Vaccination was arranged within the factory premises in collaboration with Jam Ghulam Qadir Govt. Hospital (Hub). With consistent efforts 100% employees are vaccinated.



## Inspection of Lifting Equipment

All equipment including forklift trucks, overhead bridge cranes, scissors lifts, etc. were inspected by a third party and leading practices are implemented.

## Training – Key to HSE

Work at Height, Rigging & Slings, Scaffolding, Fire Warden related training were held.



## Environmental Consideration

All environmental monitoring, e.g. effluents, gaseous emissions, drinking water, etc. were carried out in accordance with government regulations and requirements.



# CORPORATE SOCIAL RESPONSIBILITY (CSR)

Agriauto believes in giving back to society and committed to improve the quality of life of our stakeholders, communities and the underprivileged of the society. We allocated Rs. 12.04 million in 2020-21 which is in line with our commitment to set aside 1% of profit before tax as part of our CSR every year. These programs, which span all our business segments are primarily focused in the broad areas of healthcare, education, environment, employee's welfare and community development.

## Activities undertaken during the year include following: Healthcare

- a) The Company endeavors to improve the medical facilities at the Jam Ghulam Qadir Civil Hospital, Hub and every year contribute based on consultation with the hospital authorities. To better equip the Laboratory CBC Machine Hematology Analyzer was donated. In addition, company has provided 25 bracket fans and providing meal to 25 patients on a daily basis.



- b) Donations were also made to Murshid Hospital and Health Care Centre, Kidney Centre, Burhani Blood Bank, Burhani Medical Welfare Association, Marie Adelaide Leprosy Centre etc.

## Education

Agriauto understands the need of uplifting educational facilities of community and distributed following as part of its commitment;

- a) School bags and copies to students of primary sections of Government Girls High School (Akram Colony - Hub). Further, bracket fans and laboratory equipment were also provided.
- b) School bags /Copies, bracket fans and floor rug to Girls Primary School (Doda Goth) Sakran road Hub. In addition, bathroom has been constructed to facilitate the students of the school.

- c) School bags /Copies, bracket fans to Government Girls Primary School (Haji Ameen Goth) Sakran road Hub.



- d) Donations were also made to Professional Education foundation, Little Gems Academy etc.

## Distribution of Ration to team members

The Company distribute ration hampers to all its team members each year, on 1st day of Ramadan, to support the well-being of staff and their families.



## CONTRIBUTION TO NATIONAL EXCHEQUER

During the year under review, the Company contributed Rs. 1.87 billion (2020: Rs. 1.04 billion) to the National Exchequer.

## REMUNERATION POLICY OF NON-EXECUTIVE DIRECTORS

The fee of the Non-Executive and Independent Directors for attending the Board and Committee meetings of the Company is determined by the Board from time to time.

## HUMAN RESOURCE (HR)

Agriauto values its team and committed to provide a culture of inclusiveness and excellence, mutual respect and encourage professionalism, so that the Agriauto Family derives success and enables sustainability in our competitive edge.

The Company also ensure fulfilling its obligations towards the team and complies with all the laws and regulations leading to excellent industrial harmony and amicable team relations.

Online Performance Management System:

In order to create growth opportunities for delivery of excellence in alignment with organizational objectives, Performance Management System was revamped in FY 2020-21 and also automated to streamline the process with an aim to:

- Define, cascade and align individual objectives that are aligned with organizational objectives.
- Guide employees to identify what to achieve (objectives) and how to achieve those targets / objectives through outlining desired behaviors (competencies).
- Help employees to identify challenges and facilitate, develop and empower employees to overcome performance challenges.
- Attain overall organizational and personal excellence.

Training & Development:

To accelerate the performance of employees, special emphasis is laid on coaching. A number of training programs were arranged of a total of 35 difference courses were carried out translating into 2,693 training hours, which includes in-house as well as external programs. In addition, multiple online trainings were conducted during the Covid-19 pandemic to ensure continuous development of employees. Following are the some of the training conducted during the year:

- Management Development Program
- Leadership Competency Framework and Leadership Grid
- Creative Thinking and Problem Solving
- HSE training - 5S, working at Heights, Hazard Awareness Session, Occupational Health & Safety FPAP Certified Fire Warden, Scaffolding Training (Theory & Practical), Rigging & Slings Safety
- Kaizen / QCC
- ISO 45001 Standard Migration
- 7 QC Tools: Quality Models & CP, CPK Analysis
- Finance for Non-Finance
- Emotional Intelligence and Communication Skills
- Effective Supply Chain Decision Making using Simulation

Awards & Recognitions

**PAKISTAN STOCK EXCHANGE LIMITED**

Stock Exchange Building, Stock Exchange Road, Karachi-74000,  
Phones: 111-001-122

**PSX/N-1407**

**NOTICE**

**December 21, 2020**

**TOP COMPANIES FOR THE YEAR 2019**

Pakistan Stock Exchange Limited is very pleased to announce the list of 'Top 25 Companies for the Year 2019' that have been chosen based on the Selection Criteria earlier notified vide PSX Notice No. PSX/N-1494 dated November 21, 2019.

Sr. No.	Name of Company
1	Fauji Fertilizer Company Limited
2	Nestle Pakistan Limited
3	Lucky Cement Limited
4	Habib Bank Limited
5	Ardchroma Pakistan Limited
6	Engro Fertilizers Limited
7	Security Papers Limited
8	Bank Al Habib Limited
9	United Bank Limited
10	Colgate-Palmolive (Pakistan) Limited
11	Marl Petroleum Company Limited
12	Attock Petroleum Limited
13	Dawood Hercules Corporation Limited
14	Pakistan Oilfields Limited
15	Bata Pakistan Limited
16	International Industries Limited
17	MCB Bank Limited
18	International Steels Limited
19	Miltat Tractors Limited
20	Agriauto Industries Limited
21	Engro Corporation Limited
22	EFU General Insurance Limited
23	ZIL Limited
24	AGP Limited
25	Gadon Textile Mills Limited

Agriauto has been named among the top 25 Companies on Pakistan Stock Exchange for the year 2019.



Best Practices award at the 13<sup>th</sup> International CSR Awards 2021 by National Forum for Environment & Health.



Bronze Award at the 8<sup>th</sup> "Employer of the Year" Awards by Employers Federation of Pakistan.



Appreciation Shield - 15<sup>th</sup> Best Practices Award on OSH Ceremony in The Employers' Federation of Pakistan.



Third Prize Award at the "Living the Global Compact Best Practices Sustainability Awards" by Employers' Federation of Pakistan.

## PATTERN OF SHAREHOLDING

The pattern of shareholding as on June 30, 2021 is annexed.

## RELATED PARTY TRANSACTIONS

All transactions with related parties have been carried out in normal course of business at agreed terms and have been disclosed in the financial statements under relevant notes.

## COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE STATEMENT ON CORPORATE AND FINANCIAL REPORTING FRAMEWORK

- The financial statements prepared by management of the Company present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- Proper books of account have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates based on reasonable and prudent judgment.
- International Financial Reporting Standards (IFRS) issued by the International Accounting

Standards Board (IASB) as notified under the Companies Act, 2017 (the Act), and provisions of and directives under the Act, have been followed in the preparation of financial statements.

- The Board has outsourced the internal audit function to M/s. Noble Computer Services (Private) Ltd., who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedure of the Company.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- All members of the Audit Committee are independent/ non-executive Directors.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- The key operating & finance data for the last 6 years are annexed to the report.

During the year, Board of Directors held 5 meetings and attendance of the Directors was as follows:

SL #	Name of Director	Meetings Attended
1	Mr. Yutaka Arae	5
2	Mr. Fahim Kapadia	5
3	Mr. Hamza Habib	5
4	Mr. Sohail P. Ahmed	4
5	Mr. Salman Burney	5
6	Ms. Ayesha Tammy Haq	5
7	Mr. Muhammad Ali Jameel	3

During the year the Audit Committee held 4 meetings and attendance of the Directors was as follows:

SL #	Name of Audit Committee Member	Meetings Attended
1	Mr. Muhammad Ali Jameel (Chairman)	3
2	Mr. Sohail P. Ahmed	3
3	Ms. Ayesha Tammy Haq	4



During the year the Human Resource and Remuneration Committee (HRRC) held 3 meetings and attendance of the Directors was as follows:

SL #	Name of Director	Meetings Attended
1	Mr. Muhammad Ali Jameel (Chairman)	3
2	Mr. Sohail P. Ahmed	3
3	Mr. Yutaka Arae	3
4	Mr. Salman Burney	3
5	Mr. Fahim Kapadia	3

## AUDITORS

The existing Auditors; M/s. EY Ford Rhodes, Chartered Accountants retired and have offered themselves for re-appointment. The reappointment has also been recommended by the Audit Committee of the Board.

## STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

The statement of compliance with the Code of Corporate Governance is annexed herewith.

## FUTURE OUTLOOK

With positive economic momentum developed in FY 2020-21 which is expected to continue next year, policy rate maintained at lower levels and encouraging projected volumes for FY 2021-22 from Auto makers, we foresee growth in automotive sector.

Moreover, with tax reliefs in the Budget 2021-22, substantial growth is expected in the production and sales of entry level passenger cars, thereby giving impetus in this segment of Automotive sector including Vendors.

The Government is expected to issue the Auto Industry Development & Export Plan (AIDEP) 2021-26 shortly with an aim on further growth of automobile industry and increase in the production,

On behalf of the Board of Directors.



Fahim Kapadia  
Chief Executive



Salman Burney  
Director

KARACHI  
DATED: 26 August 2021

موجودہ آڈیٹرز میسرز EY فورڈ روڈز (چارٹرڈ اکاؤنٹنٹس) سبکدوش ہو چکے ہیں اور انہوں نے اپنی دوبارہ تقرری کی پیشکش کی ہے۔ بورڈ کی آڈٹ کمیٹی نے دوبارہ تقرری کی سفارش کی ہے۔

### ادارتی نظم و ضبط کے ضابطہ کی پاسداری سے متعلق بیان

ادارتی نظم و ضبط کے ضابطہ کی پاسداری سے متعلق بیان منسلک ہے۔

### مستقبل کی پیش بینی

مثبت معاشی رفتار جو کہ 2020-21 میں ترقی پزیر ہوئی، توقع ہے کہ اگلے سال بھی جاری رہے گی، پالیسی کی شرح زیریں سطح پر برقرار رہنے اور FY2021-22 میں آٹومیکرز کے امکانی حوصلہ افزا حجم فروخت کے نتیجے میں آٹوموٹو سیکٹر میں نمو متوقع ہے۔

مزید برآں، بجٹ 2021-22 میں دیئے گئے ٹیکس ریلیف سے زیریں سطح کی مسافر کاروں کی پیداوار اور فروخت میں توقع ہے کہ قابل ذکر نمو ہوگی، جس سے آٹوموٹو سیکٹر کے اس شعبہ بشمول وینڈرز کو مزید ترقی ملے گی۔

توقع ہے کہ حکومت آٹو انڈسٹری اینڈ ایکسپورٹ پلان (AIDEP) 2021-26 کا جلد اجراء کرے گی جس کا مقصد آٹوموبائل کی صنعت میں مزید نمو اور پیداوار میں اضافہ اور زیریں سطح پر عوام الناس کو سستی کاروں کی فراہمی ممکن ہو اور برآمدات میں افزائش، مقامی صنعت کی حوصلہ افزائی اور بجلی کی کاروں کے استعمال کو فروغ ملے۔

### اعتراف

سال کے دوران اپنے ملازمین کی انتھک محنت اور ان کے مہذبانہ اور مثبت تعلقات پر ہم انہیں اپنی مخلصانہ تہنیت پیش کرتے ہیں جس سے چیلنجز کو پورا کرنے اور قابو کرنے میں مدد ملی جس کی وجہ سے سال بہ سال تسلسل کے ساتھ کمپنی میں نمو جاری رہی اور ہمیں توقع ہے کہ ہمارے ملازمین کی طرف سے اسی طرح کا تعاون مستقبل میں بھی جاری رہے گا۔

بورڈ آف ڈائریکٹرز کی جانب سے اپنے تمام سرپرستوں، ڈیلروں اور ملازمین کے قابل قدر تعاون، مسلسل تائید اور مدد پر انہیں ستائش پیش کرتے ہیں۔ ہم بیرون ملک اپنے تمام تکنیکی مددگاروں میسرز رائڈ کنٹرول، ایل ایل سی، یو ایس اے، میسرز کے وائی بی کارپوریشن، جاپان، میسرز ایسن سکی کولمبیڈ، جاپان، میسرز شری اوکی کارپوریشن جاپان، میسرز سانورا کن کولمبیڈ جاپان، میسرز کے ایم ایس (KYB) موٹور سائیکل سپینشن اور میسرز اوگھیرا (تھائی لینڈ) کولمبیڈ کو کی تکنیکی مدد اور مشوروں پر ان کے مشکور ہیں۔

ہم جناب آر ڈی من والا کی مئی 2021 میں افسوسناک رحلت پر گہرے دکھ کا اظہار کرتے ہیں جو کہ کمپنی بورڈ آف ڈائریکٹرز کے سابقہ چیئرمین اور بانی تھے۔ وہ کمپنی کے ساتھ 29 سال وابستہ رہے اور کمپنی کے ہر دائرہ عمل میں ان کی مجموعی معاونت کو ہمیشہ یاد رکھا جائے گا۔

برائے و مخانب



سلمان برنی

ڈائریکٹر



نہیم کپاڈیا

چیف ایگزیکٹو

کراچی

مورخہ: 26 اگست 2021

- ☆ کمپنی میں حسابات کی کتابیں مناسب انداز میں رکھی گئی ہیں۔
- ☆ درست حساباتی پالیسیوں کو تسلسل کے ساتھ مالیاتی گوشواروں کی تیاری کے دوران ملحوظ خاطر رکھا گیا ہے اور حساباتی تخمینوں کی بنیاد معقول اور مضبوط فیصلوں پر ہے۔
- ☆ مالیاتی گوشواری کی تیاری کے دوران عالمی مالیاتی رپورٹنگ معیارات، جو پاکستان میں لاگو ہیں، کو ملحوظ خاطر رکھا گیا ہے۔
- ☆ بورڈ نے انٹرنل آڈٹ کافنکشن ایک بیرونی فریق نوہل کمپیوٹر سروسز (پرائیویٹ) لمیٹڈ کو سونپا گیا ہے جنہیں اس مقصد کے لئے موزوں تعلیم یافتہ اور تجربہ کار خیال کیا گیا ہے اور وہ کمپنی کی پالیسیوں اور طریقہ کار سے آگاہ ہیں۔
- ☆ اندرونی کنٹرول کے نظام کی شکل مضبوط ہے اور موثر انداز میں نافذ العمل ہے اور اس کی نگرانی کی جاتی ہے۔
- ☆ کمپنی کی چلتے ہوئے ادارے کی صلاحیت میں کوئی قابل ذکر شک و شبہ نہیں ہے۔
- ☆ لسٹنگ ریگولیشنز میں دیئے گئے ادارتی نظم و ضبط کے بہترین طور طریقوں سے کوئی بھی بڑا انحراف نہیں کیا گیا ہے۔
- ☆ گزشتہ 6 سالوں کے کاروباری اور مالیاتی اعداد و شمار رپورٹ کے ساتھ منسلک ہیں۔

سال کے دوران بورڈ آف ڈائریکٹرز کے 15 اجلاس ہوئے اور جن میں ڈائریکٹران کی حاضری درج ذیل رہی:

نمبر شمار	نام	حاضر اجلاس کی تعداد
1	جناب یونا کا آرائے	5
2	جناب فہیم کپاڈیا	5
3	جناب حمزہ حبیب	5
4	جناب سہیل پی. احمد	4
5	جناب سلمان برنی	5
6	مس عائشہ ٹی. حق	5
7	جناب محمد علی جمیل	3

سال کے دوران آڈٹ کمیٹی کے 4 اجلاس ہوئے اور جن میں ڈائریکٹران کی حاضری درج ذیل رہی:

نمبر شمار	نام	حاضر اجلاس کی تعداد
1	جناب محمد علی جمیل (چیئر مین)	3
2	جناب سہیل پی. احمد	3
3	مس عائشہ ٹی. حق	4

سال کے دوران انسانی وسائل و معاوضہ کمیٹی کے تین اجلاس ہوئے اور جن میں ڈائریکٹران کی حاضری درج ذیل رہی:

نمبر شمار	نام	حاضر اجلاس کی تعداد
1	جناب محمد علی جمیل (چیئر مین)	3
2	جناب سہیل پی. احمد	3
3	جناب یونا کا آرائے	3
4	جناب سلمان برنی	3
5	جناب فہیم کپاڈیا	3



## آن لائن انتظامی کارکردگی کا نظام:

- ☆ انفرادی مقاصد کی تعریف، تعین اور مطابقت جو کہ ادارتی مقاصد سے مطابقت رکھتے ہوں۔
- ☆ ملازمین کی ان کے مقاصد کی نشاندہی اور رہنمائی کہ کس طرح ان مقاصد/ اہداف کو طے شدہ ایجنس رویوں (کارکردگی) سے حاصل کیا جاسکتا ہے۔
- ☆ ملازمین کی دشواریوں کی نشاندہی اور کارکردگی کی دشواریوں پر قابو پانے کے لئے ملازمین کو اختیارات کی منتقلی اور ترویج و سہولت کی فراہمی۔
- ☆ مجموعی طور پر بہترین ادارتی اور انفرادی کارکردگی کا حصول۔

## تعلیم و تربیت

ملازمین کی کارکردگی میں سرعت پیدا کرنے کے لئے کوچنگ پر خصوصی توجہ دی جاتی ہے۔ 35 مختلف کورسز پر مشتمل کئی تربیتی پروگرام منعقد کئے گئے ہیں جس کے کل تربیتی گھنٹے 2693 بنتے ہیں، ان میں فیکٹری کے اندرونی اور بیرونی تربیتی پروگرام شامل ہیں۔ اس کے علاوہ متعدد آن لائن تربیتی مشقیں Covid-19 کی وباء کے دوران منعقد کی گئیں جس میں ملازمین کی مسلسل ترقی کو یقینی بنایا گیا۔

- ☆ مینجمنٹ ڈویلپمنٹ پروگرام
- ☆ قیادت کی اہلیت کا نظام اور قیادت کی گرفت
- ☆ تخلیقی سوچ اور مسائل کا حل
- ☆ HSE تربیت-5S، اونچائی، خطرات سے آگاہی کی نشست، پیشہ ورانہ صحت و تحفظ FPAP سرٹیفائیڈ فائر وارڈن، مچان پر تربیت (نظریہ اور عملی کام)، رسی و زنجیر سے سامان چڑھانے میں تحفظ
- ☆ کائزن/ QCC
- ☆ ISO45001 معیاری ہجرت
- ☆ QC 7 ٹولز: کوالٹی ماڈلز اینڈ CPK، CPK تجزیہ
- ☆ مالیات برائے غیر مالیات
- ☆ جذباتی ذہانت اور مراسلتی مہارتیں
- ☆ موثر رسد کی زنجیر سے متعلق فیصلہ سازی بذریعہ بناوٹ

## حصص داری کی ساخت

30 جون 2021 کی حصص داری کی ساخت منسلک کی گئی ہے۔

## متعلقہ فریقین کے لین دین

تمام متعلقہ فریقین کے ساتھ معمول کے مطابق لین دین کیا گیا اور تفصیلات مالیاتی گوشواروں میں متعلقہ نوٹس میں منکشف کیا گیا ہے۔

## ادارتی اور مالیاتی رپورٹنگ نظام پر ادارتی نظم و ضبط کی پاسداری کا بیان

☆ کمپنی کی انتظامیہ کے تیار کردہ مالیاتی گوشوارے کمپنی کے معاملات، اس کے کاروباری نتائج، نقدی کے بہاؤ اور ایکویٹی میں تبدیلیوں کو شفافیت کے ساتھ پیش کرتے ہیں۔

## ادارتی سماجی ذمہ داری (CSR)

اگری آٹو معاشرے کی بہبود پر یقین رکھتی ہے اور اپنے متعلقین، معاشروں اور معاشرے کے پسماندہ طبقوں کے معیار زندگی میں بہتری کے لئے کوشاں ہے۔ ہم ہر سال اپنی CSR سرگرمیوں کے لئے منافع قبل از ٹیکس کا 1 فیصد علیحدہ کر دیتے ہیں جس کے تحت 2020-21 میں 12.04 ملین روپے مختص کئے گئے۔ یہ پروگرام جو کہ ہمارے ہر کاروباری میدان میں پھیلے ہوئے ہیں ان کا بنیادی مرکز صحت، تعلیم، ماحول، ملازمین کی بہبود اور معاشرتی ترقی کے وسیع شعبے ہیں۔

سال کے دوران مندرجہ ذیل سرگرمیاں انجام دی گئیں:

### صحت

- کمپنی جام غلام قادر سول ہسپتال حب کی طبی سہولیات میں بہتری کے لئے کوشاں ہے اور ہر سال ہسپتال کی انتظامیہ کی مشاورت سے عطیات دیتی ہے۔ لیبارٹری کو بہتر آلات سے لیس کرنے کے لئے CBC مشین ہیماٹولوجی/انالائزر کا عطیہ کیا گیا۔ اس کے علاوہ کمپنی نے 25 بریکٹ فین فراہم کئے اور روزانہ کی بنیاد پر 25 مریضوں کو کھانا فراہم کیا جاتا ہے۔
- مرشد ہسپتال اور ہیلتھ کیئر سینٹر، کڈنی سینٹر، برہانی بلڈ بینک، برہانی میڈیکل ویلفیئر ایسوسی ایشن، میرین ایڈیٹیڈ لیسر وی سینٹر وغیرہ کو بھی عطیات دیئے گئے۔

### تعلیم

- اگری آٹو معاشرے میں تعلیمی سہولیات کو بہتر بنانے کی ضرورت کو سمجھتا ہے اور اس نے اپنے اس عزم کے تحت درج ذیل تقسیم کئے:
- گورنمنٹ گرلز ہائی اسکول (اکرم کالونی حب) کے پرائمری سیکشن کی طالبات کو کاپیاں اور اسکول بیگ فراہم کئے گئے۔ مزید برآں بریکٹ فین اور لیبارٹری کے آلات بھی فراہم کئے گئے۔
- گرلز پرائمری اسکول (دودا گوٹھ) ساکران روڈ حب کی پرائمری سیکشن کو اسکول بیگ/کاپیاں، بریکٹ فین اور فرشی قالین فراہم کئے گئے۔ اس کے علاوہ اسکول کی طالبات کی سہولت کے لئے باتھ روم تعمیر کرایا گیا۔
- گورنمنٹ گرلز پرائمری اسکول (حاجی امین گوٹھ) ساکران روڈ حب کو بریکٹ فین، اسکول بیگ/کاپیاں فراہم کی گئیں۔
- پروفیشنل ایجوکیشن فاؤنڈیشن، لعل جیمز اکیڈمی وغیرہ کو عطیات دیئے گئے۔

### ملازمین میں راشن کی تقسیم

ملازمین اور ان کے خاندانوں کی فلاح و بہبود کے لئے کمپنی ہر سال یکم رمضان کو اپنے تمام ملازمین کو راشن کے تھیلے تقسیم کرتی ہے۔

### قومی خزانے کو معاونت

جائزہ سال کے دوران آپ کی کمپنی نے 1.87 ملین روپے (2020 میں 1.04 ملین روپے) کی قومی خزانے میں معاونت فراہم کی۔

### نان ایگزیکٹو ڈائریکٹران کے معاوضہ کی پالیسی

نان ایگزیکٹو اور آڈیٹرز ڈائریکٹران کے لئے کمپنی کے بورڈ اور کمیٹیوں کے اجلاس میں حاضری کی فیس کا تعین بورڈ وقتاً فوقتاً کرتا ہے۔

### انسانی وسائل (HR)

اگری آٹو اپنی ٹیم کی قدر کرتی ہے اور ایسی ثقافت کو فراہم کرنے کے لئے پرعزم ہے جس میں اجتماعیت و انفرادیت، باہمی تکریم اور پیشہ ورانہ طرز عمل کی حوصلہ افزائی ہوتا کہ اگری آٹو کی فیملی کا مہمانی اور پائیدار مسابقتی فوجیت حاصل کر سکے۔

ٹیم سے متعلق کمپنی اپنی ذمہ داریوں کی انجام دہی کو یقینی بناتی ہے اور بہترین صنعتی ہم آہنگی اور خوشگوار تعلقات کے لئے تمام قوانین و ضوابط کی پاسداری کرتی ہے۔

## ایگری آٹو اسٹیمپنگ کمپنی (پرائیویٹ) لمیٹڈ (ASC)

ایگری آٹو اسٹیمپنگ (پرائیویٹ) لمیٹڈ ایگری آٹو انڈسٹریز لمیٹڈ کی مکمل ملکیت میں ایک ذیلی کمپنی ہے اور بنیادی طور پر آٹو موٹو صنعت کے لئے شیٹ میٹل پرزوں کی اسٹیمپنگ، اوزاروں اور لوازمات میں مصروف عمل ہے۔

ASC تسلسل کے ساتھ اپنی توجہ بنیادی سرگرمی یعنی اعلیٰ تناؤ کے حامل شیٹ میٹل پرزوں کی اسٹیمپنگ پر مرکوز رکھے ہوئی ہے اور اس میں اضافہ کے لئے کوشاں ہے اور پرزوں کی تعداد میں اضافہ سے کاروباری افعال میں اضافہ ہو رہا ہے۔ کمپنی تسلسل کے ساتھ نئی مصنوعات کی ترویج کے حصول کے لئے جدوجہد کر رہی ہے جو کہ اس کی متنوع حکمت عملی کا حصہ ہے جس سے مستقبل میں پائیداری اور منافع میں بہتری آئے گی۔

کاروباری افعال میں اضافے کے لئے ASC نے 195 ملین روپے کی سرمایہ کاری سے توسیعی کا آغاز کر دیا ہے جس کے نتیجے میں پیداواری استعداد میں بہتری آئے گی اور مستقبل میں اضافی پریس کی تنصیب میں سہولت ملے گی۔

اس کے علاوہ نئی کاروباری ضروریات کو پورا کرنے کے لئے ویلڈنگ گینٹری (welding gantry) بھی تعمیر کی جارہی ہے۔

### تحفظ، صحت اور ماحول (SHE)

ایگری آٹو کاروبار اس انداز سے انجام دینے کے لئے پرعزم ہے جو کہ نہ صرف پائیدار ہو بلکہ سماجی طور پر ذمہ دار ہونے کی عکاسی کرتا ہو جس میں اپنے ملازمین کی صحت اور تحفظ، ماحولیات اور دیگر افراد بشمول کمیونٹیز جو ہماری سرگرمیوں سے متاثر ہو سکتے ہوں شامل ہیں۔

ملازمین، ٹھیکیداروں، ملاقاتیوں اور دیگر متعلقین کو مناسب وسائل اور معلومات، تربیت و تعلیم فراہم کرتے ہوئے کمپنی ایک معیاری، صحت مند اور حفاظتی ماحول کی ثقافت کو پروان چڑھانے کے لئے پرعزم ہے۔ انتظامیہ صحت، تحفظ اور ماحولیات سے متعلق تمام معاملات پر ملازمین سے موثر مشاورت اور شرکت کی حوصلہ افزائی کرتی ہے اور تمام متعلقہ تقاضوں اور قوانین و ضوابط کی پاسداری کرتی ہے۔

کمپنی نے متعلقہ تصدیقات حاصل کی ہوئی ہیں اور بہترین عالمی طور طریقوں کی پاسداری کر رہی ہے۔ حال میں کمپنی OHSAS18001:2007 سے ISO45001:2018 پر منتقل ہو گئی ہے، جو کہ ہماری HSE پالیسیوں اور صلاحیت کو مضبوط کرنے کے لئے ایک نیا اعلیٰ معیار ہے۔

ہماری اہم سرگرمیوں کی جھلکیاں درج ذیل ہیں:

### صحت، تحفظ اور ماحولیات (HSE) ہفتہ

HSE ہفتہ 19 تا 24 اکتوبر 2020 افراد کی قوت میں حفاظتی آگاہی پیدا کرنے کے لئے منعقد کیا گیا اور اس کا موضوع ”خطرات کی نشاندہی اور ان کا ازالہ“ تھا جو کہ ”5S طریقہ کار“ پر مرکوز تھا جس میں بالترتیب ”گٹھ کی ممانعت“ اور ”درختوں کے لئے محفوظ ماحول کی افزائش“ جیسے موضوعات شامل تھے۔

### COVID-19

COVID-19 کے پھیلاؤ سے بچنے کے لئے ایگری آٹو نے NCOC کے طے کردہ معیاری رہنما اصولوں اور ضابطہ کار کی سختی سے پاسداری کی ہے۔ کمپنی نے ملازمین کو ویکسین لگوانے کی خصوصی تاکید کی اور انہیں اپنے خاندان کے افراد کو بھی ویکسین لگوانے کی حوصلہ افزائی کی ہے۔ ویکسین لگوانے کا اہتمام فیڈرل کی حدود میں جام غلام قادر گورنمنٹ ہسپتال (حب) کے تعاون سے کیا گیا۔ مسلسل کوششوں کے نتیجے میں 100 فیصد ملازمین کو ویکسین لگ چکی ہے۔

### سامان اٹھانے کے آلات کا معائنہ

تمام آلات بشمول فورک لفٹ ٹرک، اوور ہیڈ برج کریں، میزرفٹ وغیرہ کا تیسرے فریق کے ذریعے معائنہ کروایا گیا اور بہترین طور طریقوں کو نافذ کیا گیا۔

### تربیت - HSE کی بنیاد

اوپنچائی، زنجیروں اور رسیوں سے سامان اٹھانے، چپان پر کام کرنے، آگ بجھانے والے عملہ سے متعلق تربیت فراہم کی گئی۔

### ماحولیاتی تصور

تمام ماحولیاتی نگرانی یعنی فضلہ، فضائی اخراج، پینے کا پانی وغیرہ سرکاری ضابطوں اور تقاضوں کے تحت کی گئی۔



## پیداواری عمل میں بہتری کی سرگرمیاں

پیداواری عمل میں بہتری کی سرگرمیاں ایگری آٹو کی ثقافت کا حصہ ہیں جس میں KAIZEN کے فلسفہ کو ملحوظ خاطر رکھا جاتا ہے۔ پیداواری آپریشنز کے انتظام کے لئے روزانہ ASAKI (صبح کے اجلاس) منعقد کئے جاتے ہیں جن میں تمام شعبوں کے سربراہ مل کر تحفظ، معیار، پیداوار، دیکھ بھال و مرمت، رسد، پروڈیکٹس وغیرہ سے متعلق مسائل اور ترقیاتی کاموں پر گفت و شنید کرتے ہیں اور فوری اصلاحی اقدامات کرتے ہیں۔

ایگری آٹو کی توجہ اختراع اور کاروباری جدت پر مرکوز ہے۔ کمپنی اپنی موجودہ ٹیکنالوجی پلیٹ فارم کو اوریکل ڈیٹا بیس سے SAP Hana DB پر منتقل کرنے کے ساتھ ساتھ ہارڈ ویئر کی ساخت کو بہتر بنانے کی منصوبہ بندی کر رہی ہے۔ توقع ہے کہ یہ پروجیکٹ جون 2022 تک مکمل ہو جائے گا۔

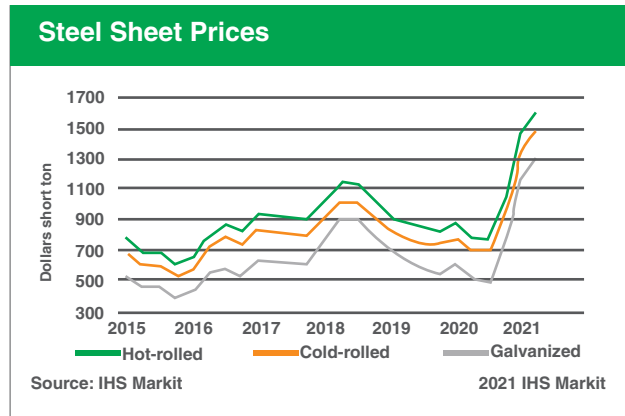
## بنیادی خطرات اور غیر یقینی حالات

خطرات کا مقابلہ کرنے کے طریقہ کار میں کمپنی کی کارکردگی کو لاحق کلیدی، مالیاتی، کاروباری اور قانونی خطرات کی شناخت اور ان خطرات کو کم کرنے کے لئے ضروری اقدامات کو یقینی بنانا شامل ہے۔ ایگری آٹو میں خطرات سے مقابلہ کرنے کی ایک موثر حکمت عملی موجود ہے جس سے ان خطرات کا ابتدائی مرحلے ہی میں پتہ چل جاتا ہے اور ان کا ازالہ اور ان میں کمی کے لئے تدبیریں منصوبہ تیار دیئے جاتے ہیں۔

بورڈ محسوس کرتا ہے کہ شرح مبادلہ پر موجودہ دباؤ ایک بڑا خطرہ ہے۔ مزید برآں زیادہ مانگ کی وجہ سے افراط زر پر دباؤ اور رواں کھاتے کی حساسیت سے کسی حد تک طلب کو پورا کرنے کی صلاحیت میں کمی آئے گی اور جس کے نتیجے میں پالیسی نرخ میں اضافہ سے پاکستان میں آٹو صنعت پر ناموافق اثرات مرتب ہوں گے۔

عالمی سطح پر خام مال کی ترسیل میں دنیا بھر میں گزرگاہی بندرگاہوں پر کنڈیئر ز کی کمی اور رش کے باعث سپلائی چین میں رکاوٹیں آئیں۔ گاہکوں کی ضروریات کو پورا کرنے کے لئے کچھ شیمٹس فضائی ذرائع سے کی گئی جس کے نتیجے میں زیادہ کرایہ جاتی لاگت برداشت کرنی پڑی۔ صارفین کو سامان کی فراہمی کو برقرار رکھنے کے لئے کمپنی فوری اقدامات کر رہی ہے۔ جن میں اضافی سیفٹی اسٹاک اور خام مال کی لاجسٹکس کی کٹری مگرانی شامل ہے۔

ہاٹ رولڈ اسٹیل / کولڈ رولڈ اسٹیل کی پینچ مارک قیمتیں بلند ترین سطح تک پہنچ گئی ہیں۔ بڑھتی ہوئی قیمتوں کے رجحان کے سبب خام مال کی ترسیل میں رکاوٹ کا سبب بن رہی ہیں اور COVID-19 لاک ڈاؤن کے نتیجے میں پیداواری گنجائش طویل عرصہ تک بالکل ساکت رہی جس کے بعد عالمی طلب میں بحالی آنا شروع ہوئی۔ مزید برآں، چائینہ نے مئی 2021 سے اسٹیل کی مختلف مصنوعات پر برآمدات پر VAT چھوٹ کو واپس لے لیا ہے جس سے عالمی سطح پر اسٹیل کی مصنوعات کی قیمتوں پر منفی اثرات مرتب ہوئے۔ انتظامیہ ان اثرات میں کمی کے لئے مناسب اقدامات کر رہی ہے۔



بورڈ مستقبل میں COVID-19 کی کسی بگڑتی ہوئی صورتحال کے ناموافق اثرات کے نتیجے میں غیر یقینی صورتحال سے آگاہ ہے۔ کمپنی کی انتظامیہ موزوں اقدامات کر رہی ہے اور ضوابط نافذ کئے جا رہے ہیں تاکہ صورتحال قابو میں رہے۔

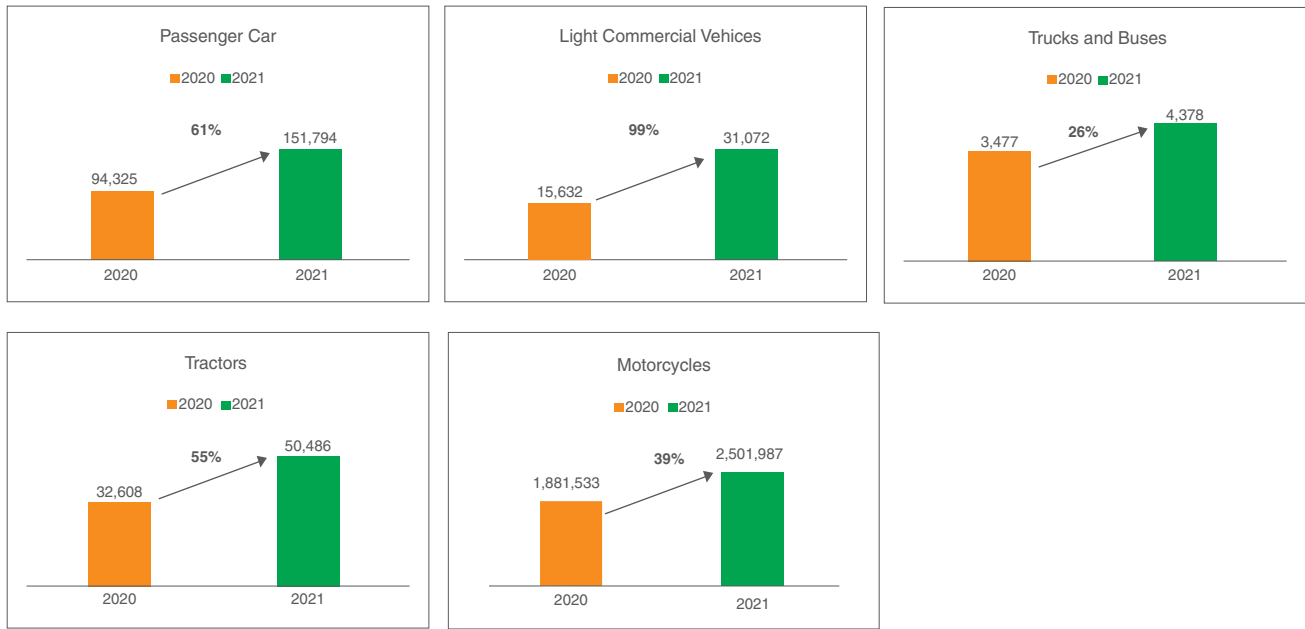
## آٹوموبائل کی کارکردگی

گاڑیوں کے قرضوں کے لئے موجودہ زیریں شرح سود اور زر مبادلہ کی سازگار قدر کی معاونت کی وجہ سے آٹوموبائل میں استحکام آیا۔ اس کی عکاسی FY 2020-21 میں جولائی تا مئی کی مدت میں آٹوموبائل قرضوں میں 41 فیصد یعنی 86.5 بلین روپے اضافہ سے ہوتی ہے جو کہ 2019-20 کی اس مدت کے 211.11 بلین روپے سے بڑھ کر 297.5 بلین روپے ہو گئے۔

مارکیٹ خاص طور پر SUV کے شعبے میں نئے ماڈلز کے آنے سے آٹوموبائل صنعت کے خدوخال میں تبدیلی آئی ہے۔ گاڑیوں کے لئے مختلف انواع و اقسام کی گاڑیوں کی دستیابی سے مارکیٹ کو خصوصی فروغ ملا ہے۔

بجٹ 2021-22 میں حکومت نے کم آمدنی کے حامل طبقے کو کم قیمت پر کار کا مالک بننے کے لئے مخصوص ٹیکس ریٹیف فرام کئے ہیں۔ 1000 cc گنجائش کے حامل انجن کی کاروں پر سیلز ٹیکس 17 فیصد سے کم کر کے 12.5 فیصد کر دیا گیا ہے۔ ہر قسم کی کاروں پر فیڈرل ایکسائز ڈیوٹی 2.5 فیصد تک کم کر دی گئی ہے۔ اس سے مستقبل میں آٹوموبائل کو مزید تقویت ملے گی۔

گزشتہ سال کے مقابلے میں سال 2021 کے دوران آٹو کے شعبوں کے حجم فروخت کی نمود درج ذیل رہی:



## نئے اقدامات

سال 2020-21 کے دوران کمپنی کی جانب سے لئے گئے اقدامات کو بورڈ بتاتے ہوئے اظہار مسرت محسوس کر رہا ہے۔

## ED پینٹ کی سہولت

سال کے دوران جب پلائنٹ بلوچستان میں 194 بلین روپے کی سرمایہ کاری سے ایک الیکٹروفورٹیک ڈیپوزیشن (Electrophoretic deposition) کی سہولت نصب کی گئی ہے۔ یہ پلائنٹ نہ صرف کمپنی کے موجودہ گاڑیوں کی ED Paint کی ضرورت کو پورا کرے گا بلکہ اس کے ذریعے کمپنی اور نئے گاڑیوں کو بھی خدمات فراہم کرنے کے قابل ہوگی ہے۔

## سٹیشی توانائی کا پروجیکٹ

ایگری آٹو انڈسٹریز اور ایگری آٹو اسٹیمپنگ کمپنی (پرائیویٹ) لمیٹڈ نے 175 بلین روپے کی تخمینی لاگت سے دونوں کے لئے 1 میگا واٹ سٹیشی توانائی پیدا کرنے کی منصوبہ بندی کی ہے۔ یہ پروجیکٹ توقع ہے کہ 2021-22 میں مکمل ہو جائے گا اور یہ کمپنی کی توانائی کے خرچے میں کمی میں مددگار ہوگا، جس سے مارکیٹ میں اس کی مصنوعات کی مسابقت مزید بڑھ جائے گی۔

## نئے منصوبے

موجودہ اور نئے آٹوموبائلز کے لئے کمپنی شاک ایزوربرز، اسٹریٹس، پریس کے پرزے تروتج کر رہی ہے۔ انتظامیہ پر اعتماد ہے کہ تمام تروتج کمپنی اور OEMs کے درمیان طے شدہ ماسٹر پلان کے اندر مکمل ہو جائے گی۔

امید ہے کہ سال 2021-22 میں معاشی سرگرمیاں مستحکم رہیں گی جس کی وجہ سے قومی امکان ہے کہ GDP میں شرح نمو 4.8 فیصد رہے گی۔

ویکسین لگوانے کی جاری تاکید کے ساتھ ساتھ کورونا وائرس کی دوسری اور تیسری لہر میں معاشی سرگرمیوں کے تسلسل سے جاری رکھنے سے امید افزا نتائج آئے۔ توقع ہے کہ معاشی نمو کو عارضی معاشی سرمایہ کاری سہولت (TERF) اور تعمیراتی سرگرمیوں میں اضافے کے لئے تشکیل کردہ پالیسیوں کے نتیجے میں مزید تقویت ملے گی۔ حکومت نے پبلک سیکٹر ڈولپمنٹ پروگرام (PSDP) کے اخراجات میں اضافہ کا عندیہ دیا ہے، یہ بھی بلند نمو کے نتائج کو حاصل کرنے میں بڑی معاونت کار ہوگی۔ ان سازگار رجحانات سے خدمات کے شعبہ میں بھی استحکام آئے گا۔

تاہم مالیاتی سال 2021-22 کے مجموعی نمو کے منظر نامہ میں ایک بڑا خطرہ مقامی اور عالمی سطح پر COVID کی ممکنہ بگڑتی ہوئی صورتحال ہو سکتی ہے، جس سے موجودہ معاشی استحکام متزلزل ہو سکتا ہے۔ اس کے علاوہ خام مال کی رسد میں رکاوٹ، اشیائے صرف کی بڑھتی ہوئی قیمتیں مثلاً تیل، غذائی اشیاء، دھاتوں، بجلی گیس کے نرخ اور کم از کم اجرتوں میں اضافے کے ناموافق اثرات رونما ہو سکتے ہیں۔

## مالیاتی اور کاروباری کارکردگی

### انفرادی نتائج

ختم شدہ سال 2020-21 میں آپ کی کمپنی کی کارکردگی اچھی رہی اور فروخت 6.97 بلین روپے (سال 2019-20 میں 3.77 بلین روپے) رہی، جس میں گزشتہ سال کی بہ نسبت 85 فیصد نمو ہوئی۔ بعد از ٹیکس منافع بھی بڑھ کر 651.39 ملین ہو گیا جبکہ گزشتہ سال (29.80) ملین روپے خسارہ تھا، جس کی بنیادی وجہ موجودہ سال کے دوران مسافر کاروں کی طلب میں اضافے کے ساتھ ساتھ بہتر معاشی صورتحال بنی۔

2019-20	2020-21	
(روپے '000 میں)		
3,768,756	6,969,981	فروخت
169,946	936,548	خام منافع
10,416	834,049	قبل از ٹیکس منافع *
(40,214)	(182,651)	ٹیکس
(29,798)	651,398	بعد از ٹیکس منافع / (خسارہ)
(1.03)	22.62	فی حصص آمدن / (خسارہ) (روپے)

\* اس میں ذیلی کمپنی سے حاصل ہونے والی 228 ملین روپے کی منافع منقسمہ کی آمدن شامل ہے۔ (2019-20 میں 114 ملین روپے)

### مجموعی نتائج

ختم شدہ سال 2020-21 کے دوران کمپنی کی مجموعی فروخت بلند ترین سطح یعنی 10.49 بلین روپے رہی جس میں گزشتہ سال کی بہ نسبت 99.9 فیصد نمو ہوئی۔ موجودہ سال میں بعد از ٹیکس منافع 829.66 ملین روپے رہا جبکہ گزشتہ سال (108.44) روپے ملین کا خسارہ تھا۔

2019-20	2020-21	
(روپے '000 میں)		
5,244,651	10,485,027	فروخت
251,466	1,612,129	خام منافع
(24,969)	1,203,265	بعد از ٹیکس منافع / (خسارہ)
(83,469)	(373,601)	ٹیکس
(108,438)	829,664	قبل از ٹیکس منافع / (خسارہ)
(3.77)	28.81	فی حصص آمدن / (خسارہ) (روپے)

### منافع منقسمہ اور مصارف منافع

بورڈ آف ڈائریکٹرز 6.0 روپے فی حصص (120 فیصد) کے حساب سے حتمی نقد منافع منقسمہ کی سفارش کرتے ہوئے خوشی محسوس کر رہا ہے جس کی منظوری 21 اکتوبر 2021 کے سالانہ اجلاس عام میں شیئر ہولڈرز سے لی جائے گی۔ یہ حتمی منافع منقسمہ پہلے سے ادا شدہ عبوری منافع منقسمہ بحساب 5.0 روپے فی حصص (100 فیصد) کے علاوہ ہے۔ اس طرح سال کا کل منافع منقسمہ 11 روپے فی حصص (220 فیصد) ہو جائے گا۔ بورڈ نے غیر مصرف شدہ منافع سے 200 ملین روپے عمومی ذخائر میں منتقل کرنے کی بھی سفارش کی ہے۔



# ڈائریکٹرز رپورٹ - شیئر ہولڈرز کے لئے

برائے ختم شدہ سال 30 جون 2021

## محترم شیئر ہولڈرز!

آپ کی کمپنی کے ڈائریکٹران اپنی رپورٹ کے ساتھ آڈٹ شدہ مالیاتی گوشوارے برائے ختم شدہ سال 30 جون 2021 پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

## بورڈ آف ڈائریکٹرز

ختم شدہ سال پر کمپنی کا بورڈ آف ڈائریکٹرز درج ذیل ہے:

1-	جناب یونا کا آرائے - چیئرمین	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 بی. حق	آزاد ڈائریکٹر
7-	جناب محمد علی جمیل	آزاد ڈائریکٹر

## بورڈ کی تفصیل

ڈائریکٹران کی کل تعداد

(a)	مرد	6
(b)	خاتون	1

## تفصیل

(a)	آزاد ڈائریکٹر	1
(b)	دیگرنان ایگزیکٹو ڈائریکٹران	4
(c)	ایگزیکٹو ڈائریکٹر	1
(d)	خاتون آزاد ڈائریکٹر	1

## کمپنی کی بنیادی سرگرمیاں

کمپنی آڈو گاڑیوں، موٹر سائیکلوں اور زرعی ٹریکٹروں کے پرزوں کی تیاری اور فروخت میں مصروف عمل ہے۔

## پاکستان کی معیشت

پاکستان کی معیشت میں ختم شدہ سال 2020-21 کے دوران بحالی آئی اور COVID کے اقتصادی دھچکے سے باہر نکل آئی جس میں متوقع نمو 3.94 فیصد ہے۔ بڑے اقتصادی اشاروں میں مثبت رجحان دیکھا گیا جن میں زراعت اور صنعتی شعبوں میں معقول نمو ہوئی۔ وسیع پیداواری شعبے میں نمونہ سال کی بلند ترین سطح 12.8 فیصد (جولائی اپریل 2020-21) تک پہنچ گئی جو کہ گزشتہ سال 8.7 فیصد تھی، اس کی بنیادی وجہ ٹیکسٹائل، آٹو موٹو، زراعت اور سینٹ کے شعبوں میں نمو تھی۔

سال کے دوران پاکستانی روپے میں قابل ذکر مدت تک مستحکم رہا جس کی وجہ کرنٹ اکاؤنٹ کے خسارے میں کمی تھی، جسے تقیر پر یزرمبادلہ کی شرح کا نظام، بیرونی ترسیلات اور درآمدات میں بہتری سے سہارا ملا۔ تاہم 2020-21 کی چوتھی سہ ماہی میں روپے میں دوبارہ تنزلی شروع ہوئی جس کی وجہ معاشی بحالی کے نتیجے میں بڑھتی ہوئی درآمدات اور تیل کی بڑھتی ہوئی قیمتیں تھیں۔ پالیسی نرخ 7 فیصد پر برقرار رہا جس نے کاروباری رجحان کو تقویت دی اور معاشی سرگرمیوں کو ابھارا۔







# STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

## AGRIAUTO INDUSTRIES LIMITED FOR THE YEAR ENDED JUNE 30, 2021

The company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are 7 as per the following:

a. Male:	-	06
b. Female:	-	01

2. The composition of Board is as follows:

a) Independent Directors (including a female director)	-	02*
b) Other Non-Executive Directors	-	04
c) Executive Director	-	01

\*In a Board comprising 7 members, one-third works out to be 2.33, which is below half (i.e. 0.5). The fraction contained in such one-third is not rounded up to one. Further, the Company has experienced and well-rounded independent directors on the Board who perform and carry out their responsibilities diligently.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;
4. The company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of significant policies along with their date of approval or updating is maintained by the company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations;
7. The meetings of the Board were presided over by the Chairman. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. More than 66% Directors have either completed Directors' Training program or are exempt from doing so under these regulations. However, no Directors' Training Program was arranged during the year.
10. The Board has approved the appointment of chief financial officer and company secretary including their remuneration and terms and conditions of their employment. No new appointment or change in remuneration and terms and conditions of head of internal audit took place during the year. The Board has complied with relevant requirements of the Regulations.

11. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board;

12. The Board has formed committees comprising of members given below:

a) Audit Committee

-	Mr. Muhammad Ali Jameel	Chairman
-	Mr. Sohail P. Ahmad	Member
-	Ms. Ayesha T. Haq	Member

b) HR and Remuneration Committee

-	Mr. Muhammad Ali Jameel	Chairman
-	Mr. Yutaka Arae	Member
-	Mr. Fahim Kapadia	Member
-	Mr. Salman Burney	Member
-	Mr. Sohail P. Ahmed	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;

14. The frequency of meetings of the committee were as per following:

a) Audit Committee	-	Four quarterly meetings
b) HR and Remuneration Committee	-	Three meetings

15. The Board has outsourced the internal audit function to M/s. Noble Computer Services (Private) Limited who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company;

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard; and

18. We confirm that all requirements of the regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.



FAHIM KAPADIA  
Chief Executive



SALMAN BURNEY  
Non-Executive Director

Dated: August 26, 2021

## INDEPENDENT AUDITOR'S REVIEW REPORT

**To the members of Agriauto Industries Limited (the Company)**

### **Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **Agriauto Industries Limited** for the year ended **30 June 2021** in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended **30 June 2021**.



**Chartered Accountants**

**Place:** Karachi

**Date:** 03 September 2021



## INDEPENDENT AUDITOR'S REPORT

To the members of Agriauto Industries Limited

### Report on the Audit of the Unconsolidated Financial Statements

#### Opinion

We have audited the annexed unconsolidated financial statements of **Agriauto Industries Limited** (the Company), which comprise the unconsolidated statement of financial position as at 30 June 2021, and the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2021 and of the profit, other comprehensive income, the changes in equity and its cash flows for the year then ended.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matter

Key audit matters are the matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is a key audit matter:



Key audit matter	How our audit addressed the key audit matter
<b>1. Existence and valuation of stock-in-trade</b>	
<p>As disclosed in note 14 to the accompanying unconsolidated financial statements, the stock-in-trade balance constitutes approximately 19% of total assets of the Company. The cost of finished goods is determined on moving average basis including a proportion of production overheads.</p> <p>The Net Realisable Value (NRV) of stock-in-trade is determined mainly keeping in view the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale along with stock-in-trade usage and forecasted sales volume.</p> <p>We have considered this area to be a key audit matter due to its materiality and judgments involved in determining an appropriate costing basis and assessing its valuation as well as the management's judgment involved in estimating the NRV of underlying stock-in-trade.</p>	<p>Our audit procedures included, amongst others, reviewing management's procedures for evaluating the NRV of stock-in-trade, observing stock counts to ascertain the condition and existence of stock-in-trade, performing testing on a sample of items to assess the NRV of the stock-in-trade held and evaluating the adequacy of write down of stock-in-trade to NRV as at the year end.</p> <p>Obtained confirmations from third parties in respect of stock held with them on behalf of the Company as at the reporting date.</p> <p>Further, we evaluated the appropriateness of the basis of identification of the obsolete stock-in-trade and the accuracy of write down of stock-in-trade to NRV assessed by the management, on a test basis.</p> <p>We tested the accuracy of the ageing analysis of stock-in-trade, on a sample basis.</p> <p>We also tested the calculations of per unit cost of finished goods and assessed the appropriateness of management's basis for the allocation of cost and production overheads.</p> <p>We reviewed the relevant documents, including but not limited to suppliers' invoices, letter of credits and shipping documentation to verify the valuation of goods-in-transit as at the reporting date as well as inspected subsequent goods receipt notes in this regard.</p> <p>We further tested the NRV of stock-in-trade by performing a review of sales close to and subsequent to the year-end and comparing with the cost for a sample of products.</p> <p>We further assessed the adequacy of unconsolidated financial statement disclosures in accordance with the applicable financial reporting framework.</p>

#### Information Other than the Unconsolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the unconsolidated and consolidated financial statements and our auditor's report thereon.

Our opinion on the unconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

*gwr*



In connection with our audit of the unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Board of Directors for the Unconsolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.


From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is **Tariq Feroz Khan**.



**Chartered Accountants**  
Place: Karachi  
Date: 03 September 2021





## FINANCIAL STATEMENTS (UNCONSOLIDATED)



# UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2021

	Note	2021 ----- (Rupees in '000) -----	2020
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	7	964,476	923,248
Right-of-use assets	8	18,740	15,351
Intangible asset	9	36,225	59,586
Long-term investment	10	1,144,006	1,144,006
Long-term deposits	11	6,801	6,634
Deferred taxation - net	12	2,547	17,659
		<b>2,172,795</b>	<b>2,166,484</b>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools	13	107,240	106,752
Stock-in-trade	14	1,056,905	1,385,313
Trade debts	15	792,502	321,641
Advances, deposits, prepayments and other receivables	16	552,299	110,428
Accrued profit		1,039	179
Short-term investments	17	122,323	73,329
Sales tax receivable		-	135,617
Taxation – net		438,325	312,017
Cash and bank balances	18	165,517	70,615
		<b>3,236,150</b>	<b>2,515,891</b>
<b>TOTAL ASSETS</b>		<b>5,408,945</b>	<b>4,682,375</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised capital 40,000,000 (2020: 40,000,000) ordinary shares of Rs. 5/- each		200,000	200,000
Issued, subscribed and paid-up capital	19	144,000	144,000
Reserves		4,245,998	3,767,400
		<b>4,389,998</b>	<b>3,911,400</b>
<b>NON CURRENT LIABILITIES</b>			
Lease liabilities	20	13,305	8,712
<b>CURRENT LIABILITIES</b>			
Trade and other payables	21	890,610	723,696
Current maturity of lease liabilities	20	7,425	6,325
Sales tax payable		36,449	-
Unpaid dividend	22	11,655	11,971
Unclaimed dividend	22	22,857	20,271
Short-term running finance	23	36,646	-
		<b>1,005,642</b>	<b>762,263</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	24		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,408,945</b>	<b>4,682,375</b>

The annexed notes from 1 to 48 form an integral part of these unconsolidated financial statements.



DIRECTOR



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

FOR THE YEAR ENDED JUNE 30, 2021

The annexed notes from 1 to 48 form an integral part of these unconsolidated financial statements.



CHIEF FINANCIAL OFFICER

# UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2021

	2021 ----- (Rupees in '000) -----	2020 ----- (Rupees in '000) -----
Net profit / (loss) for the year	651,398	(29,798)
Other comprehensive income	-	-
<b>Total comprehensive income / (loss) for the year</b>	<b>651,398</b>	<b>(29,798)</b>

The annexed notes from 1 to 48 form an integral part of these unconsolidated financial statements.



DIRECTOR



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



## UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2021

	Issued, subscribed and paid-up capital	Capital reserve  Share premium	Reserves		Total reserves	Total equity
			Revenue reserves			
			General	Unappropri- ated profit		
			(Rupees in '000)			
Balance as at June 30, 2019	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)	-	-
Net loss for the year	-	-	-	(29,798)	(29,798)	(29,798)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(29,798)	(29,798)	(29,798)
Balance as at June 30, 2020	144,000	12,598	3,765,000	(10,198)	3,767,400	3,911,400
Final dividend for the year ended June 30, 2020 @ Re. 1.0/- per share	-	-	-	(28,800)	(28,800)	(28,800)
Interim dividend for the year ended June 30, 2021 @ Rs. 5.0/- per share	-	-	-	(144,000)	(144,000)	(144,000)
Net profit for the year	-	-	-	651,398	651,398	651,398
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	651,398	651,398	651,398
Balance as at June 30, 2021	144,000	12,598	3,765,000	468,400	4,245,998	4,389,998

The annexed notes from 1 to 48 form an integral part of these unconsolidated financial statements.



DIRECTOR



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

# UNCONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 ----- (Rupees in '000) -----	2020 ----- (Rupees in '000) -----
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash generated from operations</b>	33	473,466	348,507
Long-term deposits paid		(167)	-
Finance cost paid		(1,903)	(850)
Income tax paid		(293,847)	(37,706)
<b>Net cash generated from operating activities</b>		177,549	309,951
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditure		(186,363)	(327,719)
Proceeds from disposal of intangible asset		14,054	-
Proceeds from disposal of operating fixed assets		35,185	20,958
Short-term investments in mutual fund redeemed		52,972	1,491
Profit received on short-term investments - term deposit receipts		7,576	7,794
Profit received on deposit accounts		6,011	10,202
Dividend received		228,802	120,283
<b>Net cash generated from / (used in) investing activities</b>		158,237	(166,991)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid		(170,530)	(199,624)
Lease payments		(7,000)	(8,669)
<b>Net cash used in financing activities</b>		(177,530)	(208,293)
<b>Net increase / (decrease) in cash and cash equivalents</b>		158,256	(65,333)
<b>Cash and cash equivalents at the beginning of the year</b>	34	92,615	157,948
<b>Cash and cash equivalents at the end of the year</b>	34	250,871	92,615

The annexed notes from 1 to 48 form an integral part of these unconsolidated financial statements.



DIRECTOR



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED JUNE 30, 2021

**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** Geographical location and addresses of all the business units are as under:

Location	Business unit
<b>Karachi</b> 5th Floor, House of Habib, Main Shahrah-e-Faisal.	Registered office
<b>Hub</b> Mouza Baroot, Hub Chowki Distt. Lasbella, Balochistan.	Manufacturing facility

**1.3** These unconsolidated financial statements are separate 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 financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRSs) 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 provisions of and directives issued under the Act differ from the IFRSs, the provisions of and directives issued under the Act have been followed.

## 3 BASIS OF MEASUREMENT

**3.1** These unconsolidated financial statements have been prepared under the historical cost convention except for short-term investments in mutual fund classified at fair value through profit or loss and lease liabilities under present value as disclosed in respective notes to the unconsolidated financial statements.

**3.2** These unconsolidated financial statements are presented in Pak Rupees which is the Company's functional and presentation currency.

## 4 NEW STANDARDS, AMENDMENTS, IMPROVEMENTS TO APPROVED ACCOUNTING STANDARDS AND THE FRAMEWORK FOR FINANCIAL REPORTING

**4.1** Amendments to approved accounting standards and the framework for financial reporting that became effective during the current year

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

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED JUNE 30, 2021

### Amendment and Conceptual Framework

IFRS 3 - Business Combinations - Definition of a Business (Amendments)  
 IFRS 9 / IAS 39 / IFRS 7 - Interest Rate Benchmark Reform (Amendments)  
 IAS 1 / IAS 8 - Definition of Material (Amendments)  
 Conceptual Framework for Financial Reporting

The adoption of above amendments to the approved accounting standards and the conceptual framework for financial reporting did not have any material impact on the Company's unconsolidated financial statements.

### 4.2 Standards, amendments and improvements to the approved accounting standards that are not yet effective

The following amendments and improvements to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective amendment or improvements:

Amendment or Improvement	Effective date (annual periods beginning on or after)
IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform - Phase 2 (Amendment)	01 January 2021
IFRS 16 Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendments)	01 April 2021
IFRS 3 Reference to the Conceptual Framework (Amendments)	01 January 2022
IAS 16 Property, Plant and Equipment: Proceeds before Intended Use (Amendments)	01 January 2022
IAS 37 Onerous Contracts – Costs of Fulfilling a Contract (Amendments)	01 January 2022
IAS 1 Classification of Liabilities as Current or Non-current (Amendments)	01 January 2023
IAS 1 Disclosure of Accounting Policies (Amendments)	01 January 2023
IAS 8 Definition of Accounting Estimates (Amendments)	01 January 2023
IAS 12 Deferred tax related to Assets and Liabilities arising from a single transaction (Amendments)	01 January 2023
IFRS 10 / IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalised

### Improvements to Accounting Standards Issued by the IASB (2018-2020 cycle)

IFRS 9	Financial Instruments – Fees in the '10 percent' test for derecognition of financial liabilities	01 January 2022
IAS 41	Agriculture – Taxation in fair value measurements	01 January 2022
IFRS 16	Leases: Lease incentives	01 January 2022

The above amendments and improvements are not expected to have any material impact on the Company's unconsolidated financial statements in the period of initial application.

Further, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan and are not expected to have any material impact on the Company's unconsolidated financial statements in the period of initial application.

Standard	IASB effective date (annual periods beginning on or after)	
IFRS 1	First-time Adoption of International Financial Reporting Standards	01 January 2004
IFRS 17	Insurance Contracts	01 January 2023



# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED JUNE 30, 2021

### 5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 5.1 Property, plant and equipment

##### 5.1.1 Operating fixed assets

These are stated at cost less accumulated depreciation and impairment loss, if any, except for freehold land which is stated at cost.

Depreciation on operating fixed assets is charged to the unconsolidated statement of profit or loss applying the reducing balance method at the rates specified in note 7.1 to these unconsolidated financial statements. Depreciation on additions is charged from the month of addition and in case of disposal, prior to the month of disposal. Maintenance and normal repairs are charged to unconsolidated statement of profit or loss as and when incurred, while major renewals and improvements are capitalised. Gains or losses on disposals of operating fixed assets, if any, are included in unconsolidated statement of profit or loss.

The carrying values of assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or related cash-generating units are written down to their recoverable amount.

##### 5.1.2 Capital work in progress

These are stated at cost less impairment in value, if any. Capital work in progress consist of expenditure incurred and advance made in respect of operating fixed assets in the course of their construction and installation.

#### 5.2 Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received as applicable. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated using straight line method over the lease term. Right-of-use assets are subject to impairment.

#### 5.3 Development costs or Intangible assets

Development costs are expensed as incurred, except for development costs that relate to the design of new or improved products which are recognised as an asset to the extent that it is expected that such asset will meet the recognition criteria mentioned in IAS – 38 “Intangible Assets”. These amounts are amortised at the rate disclosed in note 9 to these unconsolidated financial statements.

#### 5.4 Stores, spares and loose tools

Stores, spares and loose tools are stated at cost less provision for slow moving and obsolete items. The cost is determined by the weighted moving average cost method except for those in transit which are valued at actual cost.

#### 5.5 Stock-in-trade

Stock-in-trade, except goods-in-transit, is stated at the lower of net realisable value (NRV) and cost determined as follows:

Raw and packing materials	Moving average basis.
Work-in-process	Cost of direct materials plus conversion cost valued on the basis of equivalent production units.
Finished goods	Cost of direct materials plus conversion cost valued on time proportion basis.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED JUNE 30, 2021

Goods-in-transit are valued at purchase price, freight value and other charges incurred thereon upto the reporting date.

Stock-in-trade is regularly reviewed by the management and obsolete items, if any, are brought down to their NRV. NRV signifies the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

### 5.6 Trade debts and other receivables

Trade debts and other receivables are stated initially at fair value and subsequently measured at amortised cost using the effective interest rate method less an allowance for expected credit losses (ECL), if any. Allowance for expected credit losses is based on lifetime ECLs that result from all possible default events over the expected life of the trade debts and other receivables. Bad debts, if any, are written off when considered irrecoverable.

### 5.7 Investment in a subsidiary company

Investment in subsidiary is stated at cost less accumulated impairment, if any.

### 5.8 Cash and cash equivalents

For the purpose of unconsolidated statement of cash flows, cash and cash equivalents comprise of cash in hand, bank balances, short-term running finance and short-term investments with a maturity of three months or less from the date of acquisition. The cash and cash equivalents are readily convertible to known amount of cash and are therefore subject to insignificant risk of changes in value.

### 5.9 Financial instruments

#### 5.9.1 Financial assets

The financial assets of the Company mainly include trade debts, loans, deposits, short-term investments, other receivables and cash and bank balances.

On initial recognition, a financial asset is classified as measured at: amortised cost; Fair Value through Other Comprehensive Income (FVOCI) – debt investment; FVOCI – equity investment; or Fair Value through Profit or Loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Based on the business model of the Company, the financial assets of the Company are measured and classified under IFRS 9 as follows;

Trade debts and other financial assets are measured at amortised cost using the effective interest rate method less an allowance for expected credit losses, if any.

Short-term investments in mutual fund are designated at FVTPL at initial recognition. These are carried in the unconsolidated statement of financial position at fair value with net changes in fair value recognised in the unconsolidated statement of profit or loss.

#### 5.9.2 Financial liabilities

All financial liabilities are recognised initially at fair value and, in the case of payables, net of directly attributable transaction costs. For the purpose of subsequent measurement financial liabilities are either classified at amortised cost or fair value through profit or loss. The Company does not have any financial liability at fair value through profit or loss.

#### 5.9.3 Impairment of financial assets - allowance for expected credit losses

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED JUNE 30, 2021

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

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

The Company uses the standard's simplified approach and calculates ECL based on life time ECL on its financial assets. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the financial assets and the economic environment.

### 5.9.4 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the unconsolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### 5.9.5 Impairment of non-financial assets

The carrying amounts of non-financial assets other than inventories and deferred tax assets are assessed at date of statement of financial position to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognised, as an expense in the unconsolidated statement of profit or loss. The recoverable amount is the higher of an asset's fair value less cost to disposal and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets.

### 5.10 Lease liabilities

The Company assesses at contract inception whether a contract is, or contains, a lease, i.e. if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the commencement date of the lease if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED JUNE 30, 2021

### 5.10.1 Short-term leases

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on such leases are recognised as expense on a straight-line basis over the lease term.

### 5.11 Employees' benefits

#### Provident fund

The Company operates a recognised provident fund scheme (defined contribution plan) for all its employees who are eligible for the scheme in accordance with the Company's policy. Contributions in respect thereto are made in accordance with the terms of the scheme.

### 5.12 Taxation

#### Current

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and rebates available, if any, or minimum tax on turnover or Alternate Corporate Tax whichever is higher in accordance with the provisions of Income Tax Ordinance 2001. The Company has opted for Group Taxation under section 59AA of the Income Tax Ordinance, 2001. The Group consists of Agriauto Industries Limited (the Holding Company) and Agriauto Stamping Company (Private) Limited - wholly owned subsidiary.

#### Deferred

Deferred tax is recognised, using the liability method, on all temporary differences at the date of statement of financial position between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that the temporary differences will reverse in future and taxable income will be available against which the temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each date of statement of financial position and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part for the deferred tax asset to be utilised. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at date of statement of financial position.

### 5.13 Provisions

Provision is recognised in the unconsolidated statement of financial position when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are reviewed at each year end and adjusted to reflect the current best estimate.

### 5.14 Warranty obligations

The Company recognises the estimated liability to repair or replace products under warranty at the year end on the basis of historical experience. The warranty provided by the company to the customer is assurance warranty and accordingly is accounted for under IAS 37 "Provision, contingent liabilities and contingent assets".

### 5.15 Foreign currency transactions

Transactions in foreign currencies are accounted for in Pakistani Rupees at the foreign exchange rates prevailing on the date of the transaction. Monetary assets and liabilities in foreign currencies are re-translated into rupees at the foreign exchange rates approximating those prevailing at the statement of financial position date. Exchange differences if any are taken to the unconsolidated statement of profit or loss.



# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED JUNE 30, 2021

### 5.16 Revenue recognition

Revenue from contracts with customers is recognised when the control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods according to the negotiated contractual terms. The Company has generally concluded that it acts as a principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Performance obligations held by the Company are not separable, and are not partially satisfied, since they are satisfied at a point in time, when the customer accepts the products. Moreover, the payment terms identified in most sources of revenue are short term usually 30 to 60 days upon delivery, without any variable considerations, financing components and guarantees.

The Company recognises an account receivable when the performance obligations have been met, recognising the corresponding revenue. Moreover, the considerations received before satisfying the performance obligations are recognised as advances from customer.

Return on bank deposits / saving accounts is recognised on accrual basis.

Return on short-term investments is recognised on accrual basis.

Dividend income is recognised when the Company's right to receive the dividend is established.

Other income, if any, is recognised on accrual basis.

### 5.17 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

### 5.18 Dividends and appropriation to reserve

Dividend and appropriation to reserve are recognised in the unconsolidated financial statements in the period in which these are approved.

### 5.19 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

## 6 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of unconsolidated financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In the process of applying the accounting policies, management has made the following judgments and estimates which are significant to these unconsolidated financial statements:

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED JUNE 30, 2021

### Notes

- residual values, method of depreciation useful lives and impairment of assets	5.1, 5.2, 5.3, 7.1.8 & 9
- valuation of stock-in-trade	5.5
- allowance for expected credit losses	5.6, 5.9.3 & 14.3
- provision for tax and deferred tax	5.12, 12 & 31
- warranty obligations	5.14 & 21.5
- leases	5.10 & 20

	Note	2021 ----- (Rupees in '000) -----	2020
<b>7 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	7.1	925,960	752,965
Capital work-in-progress	7.5	38,516	170,283
		<b>964,476</b>	<b>923,248</b>

### 7.1 Operating fixed assets

	COST				ACCUMULATED DEPRECIATION			WRITTEN DOWN VALUE	
	As at July 1, 2020	Additions/transfer*/(disposals)	As at June 30, 2021	Depreciation rate	As at July 1, 2020	Charge for the year (Note 7.2)	(On disposals)	As at June 30, 2021	As at June 30, 2021
	----- (Rupees in '000) -----			%	----- (Rupees in '000) -----				
<b>Owned</b>									
Freehold land	1,652	-	1,652	-	-	-	-	-	1,652
Building on freehold land	200,240	-	288,764	10	116,535	14,272	-	130,807	157,957
		88,524 *							
Plant and machinery	1,201,219	15,298	1,325,129	10 – 20	619,143	72,436	(15,299)	676,280	648,849
		131,248 *							
		(22,636)							
Furniture and fittings	28,761	500	29,261	15	10,267	2,812	-	13,079	16,182
Vehicles	87,083	71,611	116,375	20	45,500	10,192	(23,279)	32,413	83,962
		3,905 *							
		(46,224)							
Office equipment	6,179	42	6,221	20	3,911	457	-	4,368	1,853
Computer equipment	29,750	1,940	29,378	33	26,492	1,512	(2,174)	25,830	3,548
		(2,312)							
Dies and tools	70,209	-	70,209	40	50,280	7,972	-	58,252	11,957
<b>2021</b>	<b>1,625,093</b>	<b>89,391</b>	<b>1,866,989</b>		<b>872,128</b>	<b>109,653</b>	<b>(40,752)</b>	<b>941,029</b>	<b>925,960</b>
		223,677 *							
		(71,172)							

\* represents transfer from capital work-in-progress to operating fixed assets.

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2021

	COST				ACCUMULATED DEPRECIATION				WRITTEN DOWN VALUE
	As at July 1, 2019	Additions / transfer* / (disposals)	As at June 30, 2020	Depreciation rate %	As at July 1, 2019	Charge for the year (Note 7.2)	(On disposals)	As at June 30, 2020	As at June 30, 2020
	(Rupees in '000)				(Rupees in '000)				
<b>Owned</b>									
Freehold land	1,652	-	1,652	-	-	-	-	-	1,652
Building on freehold land	192,420	1,212 6,608 *	200,240	10	107,307	9,228	-	116,535	83,705
Plant and machinery	1,117,642	77,538 16,953 * (10,914)	1,201,219	10 – 20	556,994	64,258	(2,109)	619,143	582,076
Furniture and fittings	18,898	6,522 4,261 * (920)	28,761	15	8,923	2,135	(791)	10,267	18,494
Vehicles	96,483	6,572 (15,972)	87,083	20	41,953	10,991	(7,444)	45,500	41,583
Office equipment	6,179	-	6,179	20	3,344	567	-	3,911	2,268
Computer equipment	29,318	825 (393)	29,750	33	25,348	1,487	(343)	26,492	3,258
Dies and tools	53,059	- 17,150 *	70,209	40	37,946	12,334	-	50,280	19,929
<b>2020</b>	<b>1,515,651</b>	<b>92,669 44,972 * (28,199)</b>	<b>1,625,093</b>		<b>781,815</b>	<b>101,000</b>	<b>(10,687)</b>	<b>872,128</b>	<b>752,965</b>

\* represents transfer from capital work-in-progress to operating fixed assets.

	Note	2021 ----- (Rupees in '000) -----	2020
<b>7.2</b> Depreciation charge for the year has been allocated as follows :			
Cost of sales	26	100,496	90,952
Distribution cost	27	1,583	1,971
Administrative expenses	28	7,574	8,077
		<b>109,653</b>	<b>101,000</b>

**7.3** Particulars of immovable property (i.e. freehold land and building on freehold land) in the name of Company are as follows:

Location	Use of immovable property	Total area
Mouza Baroot, Hub Chowki, Distt. Lasbella, Balochistan	Manufacturing Facility	18.4 acres

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2021

7.4 Particulars of disposal of each operating fixed asset having book value of five hundred thousand rupees or more, where aggregate book value exceeds five million rupees are as follows:

Particulars	Cost	Book value	Sales proceeds	Gain / (loss)	Mode of disposal	Particulars of buyer	Relationship
(Rupees in '000)							
<b>Plant and machinery</b>							
Piston Rod							
Longitudinal Buffing Machine	6,907	1,776	1,675	(101)	Auction	M/s. New ABC Neelam Ghar	Independent Purchasers
Spin Closing for IMV-640	8,424	4,900	1,400	(3,500)	Auction	M/s. New ABC Neelam Ghar	Independent Purchasers
<b>Vehicles</b>							
Toyota Corolla	2,303	705	806	101	Company policy	Mr. Fahim Kapadia	Chief Executive Officer
Toyota Corolla	1,753	570	695	125	Company policy	Mr. Hassan M. Khan	Employee
Toyota Corolla	1,753	603	1,950	1,347	Insurance claim	Habib Insurance Company Limited	Independent Purchasers
Suzuki Swift	1,375	559	756	197	Company policy	Mr. Mian Muhammad Saeed	Employee
Suzuki Cultus	1,391	585	768	183	Company policy	Mr. Amjad Elahi	Employee
Suzuki Cultus	1,250	544	627	83	Company policy	Mr. Shezan Ali Fareed	Employee
Suzuki Cultus	1,250	555	721	166	Company policy	Mr. Muhammad Sumair	Employee
Toyota Corolla	1,864	812	812	-	Negotiation	Mr. Taimoor Minwala	Independent Purchaser
Suzuki Cultus	1,250	601	695	94	Company policy	Mr. Shahid Sattar	Employee
Suzuki Cultus	1,250	601	708	107	Company policy	Mr. Minhajuddin Niazi	Employee
Suzuki Cultus	1,391	761	1,209	448	Negotiation	Mr. Farhan Siddiqui	Ex-Employee
Toyota Corolla	2,379	1,269	1,529	260	Company policy	Mr. Omar Razzaq	Employee
Corolla Altis	2,379	1,321	1,586	265	Company policy	Mr. Saeed Ahmed	Employee
Suzuki Cultus	1,340	790	890	100	Company policy	Mr. Nadeemul Haque	Employee
Suzuki Cultus	1,340	790	919	129	Company policy	Mr. Mushtaq Ahmed	Employee
Suzuki Cultus	1,340	805	919	114	Company policy	Mr. Aqueel Ahmed	Employee
Suzuki Cultus	1,461	878	1,040	162	Company policy	Mr. Muhammad Akhtar Jami	Employee
Suzuki Cultus	1,528	971	1,625	654	Insurance claim	Habib Insurance Company Limited	Independent Purchasers
Suzuki Cultus	1,568	942	1,133	191	Company policy	Mr. Azeem Saadat	Employee
Corolla Altis	1,949	1,217	1,379	162	Company policy	Mr. Syed Nasruddin	Employee
Suzuki WagonR	1,264	847	949	102	Company policy	Mr. Hassan	Employee
Suzuki Alto	1,101	826	886	60	Company policy	Mr. Shaikh Adnan Sarwar	Employee
Suzuki Alto	1,101	765	827	62	Company policy	Mr. Syed Mohib Azam	Employee
Suzuki Cultus	1,745	1,387	1,443	56	Company policy	Mr. Syed Waqas Talib	Employee
	52,656	26,380	27,947	1,567			
Operating fixed assets having WDV less than Rs. 0.5 million	18,516	4,040	7,238	3,198	Various	Various	
2021	71,172	30,420	35,185	4,765			
2020	28,199	17,512	20,958	3,446			



# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 ---- (Rupees in '000) ----	2020
<b>7.5 Capital work in progress</b>			
Plant and machinery		38,516	121,488
Building on freehold land		-	48,795
	7.5.1	38,516	170,283
<b>7.5.1 Movement in capital work-in-progress is as follows:</b>			
As at July 01		170,283	52,768
Capital expenditure incurred / advances made during the year		96,972	170,284
Transfer to operating fixed assets during the year	7.1	(223,677)	(44,972)
Charged off during the year		(5,062)	(7,797)
As at June 30		38,516	170,283
<b>8 RIGHT-OF-USE ASSETS</b>			
As at July 01		15,351	-
Impact of initial application of IFRS 16		-	23,428
Additions during the year		11,466	-
Depreciation charge for the year	8.1	(8,077)	(8,077)
As at June 30		18,740	15,351
<b>8.1 Depreciation charge for the year has been allocated as follows :</b>			
Cost of sales	26	5,632	5,632
Distribution cost	27	781	781
Administrative expenses	28	1,664	1,664
		8,077	8,077
<b>9 INTANGIBLE ASSET</b>			
<b>Cost</b>			
As at July 01		75,502	10,736
(Disposal) / additions during the year		(14,071)	64,766
As at June 30		61,431	75,502
<b>Accumulated amortisation</b>			
As at July 01		(15,916)	(4,085)
Charge for the year	26	(14,684)	(11,831)
Disposal during the year		5,394	-
As at June 30		(25,206)	(15,916)
<b>Net book value as at June 30</b>		36,225	59,586
<b>Annual rate of amortisation</b>		20%	20%
<b>10 LONG-TERM INVESTMENT</b>			
<b>Investment in a subsidiary company - at cost</b>			
Agriauto Stamping Company (Private) Limited	10.1	1,144,006	1,144,006
<b>10.1</b> Represents investment in wholly owned subsidiary company incorporated on January 20, 2012.			

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

			2021 ---- (Rupees in '000) ----	2020
	Note			
<b>11 LONG-TERM DEPOSITS</b>				
Security deposits - considered good	11.1		6,801	6,634
11.1 Represent interest free deposits.				
<b>12 DEFERRED TAXATION - NET</b>				
Deductible temporary differences arising due to:				
- provisions and lease liabilities			98,273	95,120
- Unused tax losses			-	14,948
Taxable temporary differences arising due to:				
- accelerated tax depreciation			(95,726)	(92,409)
			2,547	17,659
<b>13 STORES, SPARES AND LOOSE TOOLS</b>				
Stores			50,612	66,012
Spares			52,668	36,774
Loose tools			3,960	3,966
			107,240	106,752
<b>14 STOCK-IN-TRADE</b>				
Raw material			660,254	1,241,592
Packing material			5,381	3,959
Work-in-process			98,076	49,188
Finished goods			74,310	38,078
Goods-in-transit			218,884	52,496
			1,056,905	1,385,313
14.1 Write down of stock-in-trade to net realisable value during the year amounted to Rs. Nil (2020: Rs. 49.78 million).				
14.2 Reversal of write down of stock-in-trade to net realisable value during the year amounted to Rs. 49.45 million (2020: Rs. Nil).				

			2021 ---- (Rupees in '000) ----	2020
<b>15</b>	<b>TRADE DEBTS - unsecured</b>	<b>Note</b>		
	Considered good	15.1 & 15.2	792,502	321,641
	Considered doubtful		-	425
	Allowance for expected credit losses	15.3	-	(425)
			-	-
			792,502	321,641
<b>15.1</b>	This includes an amount of Rs. 15.58 million (2020: Rs. 3.32 million) and Rs. 1.95 million (2020: Rs. 1.91 million) receivable from Agriauto Stamping Company (Private) Limited, a wholly owned subsidiary and Thal Boshuku Pakistan (Private) Limited - associated company, respectively, against sales made by the Company.			
<b>15.2</b>	The amount due from related parties is neither past due nor impaired. The maximum aggregate amount receivable from the related parties at the end of any month during the year was Rs. 31.08 million (2020: Rs. 8.43 million).			

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 ---- (Rupees in '000) ----	2020
<b>15.3 Movement in allowance for expected credit losses:</b>			
As at July 01		425	602
Reversal for the year	30	(425)	(177)
As at June 30		-	425
<b>16 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>			
<b>Advances – unsecured, considered good</b>			
Contractors		2,877	1,312
Employees		513	713
Suppliers		3,281	2,135
		6,671	4,160
<b>Deposits</b>		12,125	577
<b>Prepayments</b>			
Insurance		3,881	4,619
Others		3,529	6,010
		7,410	10,629
<b>Other receivables - secured, considered good</b>	16.1	526,093	95,062
		552,299	110,428
<b>16.1</b> This includes an amount of Rs. 299.31 million (2020: Rs. 21.42 million) and Rs. 226.77 million (2020: Rs. 73.64 million) receivable against LC margins and claim against Additional custom duty (note 21) from a customer respectively.			
<b>17 SHORT-TERM INVESTMENTS</b>			
<b>At amortised cost</b>			
Term deposit receipts	17.1	122,000	22,000
Accrued profit thereon		323	291
		122,323	22,291
<b>At fair value through profit or loss</b>			
Mutual funds - open ended			
Nil units (2020: 4,847,847 units) at NAV of Rs. Nil (2020: Rs. 10.52) each		-	51,038
		122,323	73,329
<b>17.1</b> Represents one to three months term deposit receipts with commercial banks under conventional banking relationship carrying profit rates ranging from 4.0% to 6.70% (2020: 6.70%) per annum and having latest maturity by July 26, 2021.			

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 ----- (Rupees in '000) -----	2020
<b>18 CASH AND BANK BALANCES</b>			
<b>In hand</b>		<b>20</b>	<b>9</b>
<b>With banks in</b>			
- current accounts		<b>128,708</b>	38,561
- deposit accounts	18.1 & 18.2	<b>36,789</b>	32,045
		<b>165,497</b>	70,606
		<b>165,517</b>	70,615

**18.1** These carry profit rates ranging from 5.5% to 6% (2020: 7.1% to 13.1%) per annum.

**18.2** Represents deposits and saving accounts placed with conventional banks under interest / mark-up arrangements.

### 19 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2021 Number of shares in ('000)	2020	Ordinary shares of Rs. 5/- each	2021 ----- (Rupees in '000) -----	2020
<b>22,800</b>	22,800	Fully paid in cash	<b>114,000</b>	114,000
<b>6,000</b>	6,000	Issued as bonus shares	<b>30,000</b>	30,000
<b>28,800</b>	28,800		<b>144,000</b>	144,000

### 20 LEASE LIABILITIES

The Company has certain lease arrangements for its offices and warehouse in which rentals are payable in advance. Incidental expense related to these leases are borne by the Company. The weighted average incremental borrowing rate of the Company ranges from 8.08% to 14% (2020: 14%) per annum.

	Note	2021 ----- (Rupees in '000) -----	2020
Lease liabilities		<b>20,730</b>	15,037
Current maturity of lease liabilities		<b>(7,425)</b>	(6,325)
	20.1	<b>13,305</b>	8,712
<b>20.1 Movement of lease liabilities:</b>			
As at July 01		<b>15,037</b>	-
Impact of initial application of IFRS 16		<b>-</b>	21,565
Additions during the year		<b>11,466</b>	-
Finance cost during the year		<b>1,227</b>	2,141
Payments during the year		<b>(7,000)</b>	(8,669)
As at June 30	20.2	<b>20,730</b>	15,037
Current maturity of lease liabilities		<b>(7,425)</b>	(6,325)
		<b>13,305</b>	8,712
<b>20.2</b> The maturity analysis of lease liabilities as at the reporting date is as follows:			
Up to one year		<b>7,425</b>	6,325
After one year		<b>13,305</b>	8,712
Total lease liabilities		<b>20,730</b>	15,037

**20.3** Expenses relating to short term leases amounted to Rs. 1.22 million (2020: Rs. 6.05 million) during the year.



## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 ----- (Rupees in '000) -----	2020
<b>21 TRADE AND OTHER PAYABLES</b>			
Creditors	21.1	120,417	77,077
Accrued liabilities	21.3	307,573	304,833
Royalty payable		19,455	10,313
Advance from customers		2,514	113,568
Additional custom duty payable	16.1	287,585	96,262
Payable to provident fund	21.2	2,273	2,542
Withholding tax payable		-	1,146
Workers' Profit Participation Fund	21.4	3,233	566
Workers' Welfare Fund	29	14,129	-
Warranty obligations	21.5	132,887	113,285
Others		544	4,104
		<b>890,610</b>	<b>723,696</b>

**21.1** This includes an amount of Rs. Nil (2020: Rs. 0.07 million) payable to Shabbir Tiles and Ceramics Limited, a related party of the Company.

**21.2** Investments out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

**21.3** Includes an amount of Rs. 165.8 million (2020: Rs. 145.63 million) in respect of Sindh Infrastructure Development Cess.

	Note	2021 ----- (Rupees in '000) -----	2020
<b>21.4 Workers' Profit Participation Fund</b>			
As at July 01		566	3,140
Allocation for the year	29	31,717	566
		<b>32,283</b>	<b>3,706</b>
Payment made during the year		(29,050)	(3,140)
As at June 30		<b>3,233</b>	<b>566</b>
<b>21.5 Warranty obligations</b>			
As at July 01		113,285	102,127
Provision for the year	27	28,143	15,076
		<b>141,428</b>	<b>117,203</b>
Claims paid during the year		(8,541)	(3,918)
As at June 30		<b>132,887</b>	<b>113,285</b>

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED JUNE 30, 2021

### 22 UNPAID DIVIDEND / UNCLAIMED DIVIDEND

The Company has opened separate bank accounts as required under the provision of section 244 of the Act and the required amounts have been transferred accordingly.

### 23 SHORT-TERM RUNNING FINANCE

Represents short-term running finance obtained from a commercial bank amounting to Rs. 36.65 million (2020: Rs. Nil ). The total facility limit amounts to Rs. 170 million (2020: Rs. 160 million). The rate of mark-up on these finances ranges from 1 to 3 months KIBOR plus rates varying from 0.75% to 1.25% (2020: 1 to 3 months KIBOR plus rates varying from 0.75% to 1.25%) per annum. The facilities are secured by way of pari passu hypothecation of the Company's stock-in-trade, stores, spares, loose tools and trade debts.

### 24 CONTINGENCIES AND COMMITMENTS

#### 24.1 Contingencies

**24.1.1** As at the reporting date, total outstanding claims on the Company by certain vendors amounted to Rs. 3.63 million (2020: Rs. 4.53 million). Management of the Company is confident that no loss is likely to occur from these claims and accordingly no provision in this respect has been made in these unconsolidated financial statements.

#### 24.2 Commitments

**24.2.1** Commitments in respect of outstanding letters of credit for raw material amounting to Rs. 707.17 million (2020: Rs. 178.89 million).

**24.2.2** Commitments in respect of capital expenditure amounting to Rs. 20.41 million (2020: Rs. 1.69 million).

**24.2.3** Outstanding bank guarantees issued to Sui Southern Gas Company Limited amounting to Rs. 0.39 million (2020: Rs. 0.39 million).

### 25 TURNOVER – net

	2021 ----- (Rupees in '000) -----	2020
Sales	8,154,966	4,422,906
Trade discount	(88)	(161)
Sales tax	(1,184,897)	(653,989)
	(1,184,985)	(654,150)
	<u>6,969,981</u>	<u>3,768,756</u>

**25.1** Revenue recognised from amounts included in advance from customer at the beginning of the year amounted to Rs. Nil (2020: Rs. 1.06 million) as such advance was refunded back to the customer.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 ---- (Rupees in '000) ----	2020
<b>26 COST OF SALES</b>			
<b>Raw material consumed</b>			
Opening stock	14	1,241,592	781,482
Purchases		4,367,456	3,235,051
		5,609,048	4,016,533
Closing stock	14	(660,254)	(1,241,592)
		4,948,794	2,774,941
<b>Manufacturing expenses</b>			
Salaries, wages and benefits		456,485	368,215
Stores, spares and loose tools consumed		264,570	131,386
Fuel and power		106,154	72,928
Amortization	9	14,684	11,831
Royalty	26.1	37,158	20,830
Depreciation on operating fixed assets	7.2	100,496	90,952
Depreciation on right-of-use assets	8.1	5,632	5,632
Transportation and travelling		71,574	57,048
Repairs and maintenance		63,841	62,017
Packing material consumed		35,561	15,237
Rent, rates and taxes		652	251
Research and development costs		127	413
Insurance		2,920	2,896
Communications and professional fee		2,092	3,531
Printing and stationery		1,066	824
Others		6,747	3,749
		1,169,759	847,740
<b>Work-in-process</b>			
Opening stock	14	49,188	43,441
Closing stock	14	(98,076)	(49,188)
		(48,888)	(5,747)
<b>Cost of goods manufactured</b>		6,069,665	3,616,934
<b>Finished goods</b>			
Opening stock	14	38,078	19,954
Closing stock	14	(74,310)	(38,078)
		(36,232)	(18,124)
		6,033,433	3,598,810

### 26.1 Royalty paid during the year comprise of the following:

Company name	Address	Relationship with the Company	2021 ---- (Rupees in '000) ----	2020
KYB Corporation	World Trade Center Building 4-1, Hamamatsu-Cho 2 Chome, Minato-Ku, Tokyo 105 Japan	Technical Partner	25,405	23,799
Aisin Seiki Co., Ltd	2-1, Asahi-Machi, Kariya, Aichi, 448-4650, Japan	Technical Partner	962	972
Ride Control LLC	750 Old Hickory Blvd. Suite 1-180 Brentwood, TN 37027, USA	Technical Partner	1,649	2,786

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 ----- (Rupees in '000) -----	2020
<b>27 DISTRIBUTION COST</b>			
Salaries, wages and benefits		12,944	18,037
Advertisement and sales promotion		28,050	9,197
Carriage and forwarding		36,425	18,983
Travelling and conveyance		2,665	2,907
Depreciation on operating fixed assets	7.2	1,583	1,971
Depreciation on right-of-use assets	8.1	781	781
Provision for warranty claims	21.5	28,143	15,076
Legal and professional charges		1,033	-
Rent, rates and taxes		-	204
Communications		314	235
Insurance		2,404	1,784
Repairs and maintenance		324	1,442
Others		1,315	199
		<b>115,981</b>	<b>70,816</b>
<b>28 ADMINISTRATIVE EXPENSES</b>			
Salaries, wages and benefits		84,897	80,086
Legal and professional charges		36,054	71,954
Travelling and conveyance		15,169	14,921
Repairs and maintenance		24,412	20,517
Depreciation on operating fixed assets	7.2	7,574	8,077
Depreciation on right-of-use assets	8.1	1,664	1,664
Security services		11,109	9,174
Communications and professional fee		2,490	2,396
Printing and stationery		1,275	1,532
Rent, rates and taxes		1,366	6,051
Utilities		1,798	2,028
Auditors' remuneration	28.1	2,390	2,091
Insurance		1,325	1,281
Others		3,996	4,354
		<b>195,519</b>	<b>226,126</b>
<b>28.1 Auditors' remuneration</b>			
Audit fee for standalone financial statements		1,080	900
Audit fee for consolidated financial statements		210	175
Fee for review of half yearly financial statements		180	100
Other certifications		675	671
Out of pocket expenses		245	245
		<b>2,390</b>	<b>2,091</b>
<b>29 OTHER EXPENSES</b>			
Workers' Profit Participation Fund	21.4	31,717	566
Workers' Welfare Fund	21	14,129	-
Donations	29.1	4,917	2,575
		<b>50,763</b>	<b>3,141</b>
<b>29.1 Donation to following parties exceeds 10% of the Company's total donations or Rs. 1 million, whichever is higher:</b>			
		<b>2021</b>	<b>2020</b>
		<b>----- (Rupees in '000) -----</b>	
Muhammad Ali Habib Welfare Trust		2,325	-
Habib Educational Trust		-	2,000
Jam Ghulam Qadir Hospital		1,024	-



# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED JUNE 30, 2021

**29.2** None of the directors or their spouses had any interest in the donees except for Ms. Ayesha T. Haq (independent director) who is a member of the Board of Governors in Professional Education Foundation (PEF). Donation given to PEF during the year amounted to Rs. 0.2 million (2020: Rs. Nil).

	Note	2021 ----- (Rupees in '000) -----	2020
<b>30 OTHER INCOME</b>			
<b>Income from financial assets</b>			
Profit on:			
- short-term investments - term deposit receipts		7,608	8,032
- deposit accounts		6,871	9,400
	30.1	14,479	17,432
Gain / (loss) on disposal of short-term investments - mutual funds		1,934	(47)
Unrealised loss on short-term investments - mutual funds		-	(2,000)
Reversal of allowance for expected losses	15.3	425	177
Dividend income:			
- Agriauto Stamping Company (Private) Limited		228,802	114,401
- short-term investments - mutual funds		-	5,882
		228,802	120,283
		245,640	135,845
<b>Income from non-financial assets</b>			
Gain on disposal of operating fixed assets		4,765	3,446
Gain on disposal of intangible assets		5,377	-
Liabilities no longer payable - written back		1,085	403
Scrap sales		5,137	1,313
Miscellaneous income		890	2,537
		17,254	7,699
		262,894	143,544

**30.1** Represents profit earned under conventional banking relationship.

	2021 ----- (Rupees in '000) -----	2020
<b>31 TAXATION</b>		
<b>Current</b>		
For the year	167,539	57,413
Prior	-	6,346
	167,539	63,759
<b>Deferred</b>	15,112	(23,545)
	182,651	40,214

	2021 (Rupees in `000)
<b>31.1</b> Reconciliation between tax expense and accounting profit	
Accounting profit for the year before taxation	834,049
Tax at applicable rate of 29%	241,874
Expenses that are admissible in determining taxable profit	(113,974)
Expenses that are inadmissible in determining taxable profit	66,384
Deferred tax expense	15,112
Carried forward business losses	(25,319)
Tax credit	(1,426)
	182,651
Effective tax %	22%

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2021

**31.2** Provision for taxation for the prior year was based on Minimum Tax u/s 113 of the Income Tax Ordinance 2001. Accordingly, reconciliation between tax expense and accounting profit was not presented.

### 32 EARNINGS PER SHARE – basic and diluted

There is no dilutive effect on the basic earnings per share of the Company, which is based on:

	Note	2021 ---- (Rupees in '000) ----	2020 ---- (Rupees in '000) ----
Net profit / (loss) for the year		651,398	(29,798)
Weighted average number of ordinary shares outstanding during the year (shares in '000)		28,800	28,800
Earnings / (loss) per share (Rs.)		22.62	(1.03)

### 33 CASH GENERATED FROM OPERATIONS

		2021 ---- (Rupees in '000) ----	2020 ---- (Rupees in '000) ----
Profit before taxation		834,049	10,416
<b>Adjustments for:</b>			
Depreciation and amortisation	7.2, 8 & 9	132,414	120,908
Finance costs		3,130	2,991
Reversal for expected credit losses		(425)	(177)
Liabilities no longer payable - written back	30	(1,085)	(403)
Profit on short-term investments - term deposit receipts	30	(7,608)	(8,032)
Profit on deposit accounts	30	(6,871)	(9,400)
Dividend income	30	(228,802)	(120,283)
Capital work-in-progress charged off	7.5.1	5,062	7,797
Gain on disposal of operating fixed assets	30	(4,765)	(3,446)
Gain on disposal of intangible asset	30	(5,377)	-
(Gain) / loss on disposal of short-term investments - mutual funds	30	(1,934)	47
		(116,261)	(9,998)
		717,788	418
<b>Decrease / (increase) in current assets</b>			
Stores, spares and loose tools		(488)	1,391
Stock-in-trade		328,408	(300,157)
Trade debts		(470,436)	347,758
Advances, deposits, prepayments and other receivables		(441,871)	152,667
Sales tax receivable		135,617	(87,641)
		(448,770)	114,018
<b>Increase in current liabilities</b>			
Trade and other payables		167,999	234,071
Sales tax payable		36,449	-
		473,466	348,507

### 34 CASH AND CASH EQUIVALENTS

Short-term investments - term deposit receipts	17	122,000	22,000
Cash and bank balances	18	165,517	70,615
Short-term running finance	23	(36,646)	-
		250,871	92,615

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED JUNE 30, 2021

### 35 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The main risks arising from the Company's financial instruments are market risks, credit risk and liquidity risk. The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below:

#### 35.1 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rate and foreign exchange rates which are discussed below:

##### (i) Interest rate risk

Interest rate risk is the risk that the value of financial instrument will fluctuate due to the changes in market interest rates. The Company is exposed to interest rate risk in respect of bank deposits, short-term running finance and term deposit receipts. Management of the Company estimates that 1% increase in the market interest rate, with all other factor remaining constant, would decrease the Company's profits for the year by Rs. 1.22 million (2020: Rs. 0.54 million) and a 1% decrease would result in the increase in the Company's profits for the year by the same amount. However, in practice, the actual result may differ from the sensitivity analysis.

##### (ii) Foreign currency risk

Foreign currency risk is the risk that the value of financial assets or a financial liability will fluctuate due to a change in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions in foreign currency. As at reporting date, the Company does not have any financial assets or financial liabilities which are denominated in foreign currencies.

#### 35.2 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

Concentration of credit risk arises when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Company's performance to developments affecting a particular industry.

The Company is exposed to credit risk mainly on trade debts, short-term investments, long-term deposits, short-term deposits, other receivables and bank balances. The Company seeks to minimise the credit risk exposure through having exposure only to customers considered credit worthy and obtaining securities where applicable.

The table below provides the analysis of the credit quality of financial assets on the basis of external credit rating or the historical information about counter party default rates.

	Note	2021 ----- (Rupees in '000) -----	2020
The maximum exposure to credit risk at reporting date is as follows:			
Long-term deposits	11	6,801	6,634
Trade debts	15	792,502	321,641
Deposits	16	12,125	577
Other receivables	16	526,093	95,062
Short-term investments	17	122,323	73,329
Bank balances	18	165,497	70,606
		<u>1,625,341</u>	<u>567,849</u>

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

The table below provides the analysis of the credit quality of financial assets on the basis of external credit rating or the historical information about counter party default rates.

	2021 ----- (Rupees in '000) -----	2020
<b>Trade debts</b>		
The analysis of trade debts is as follows:		
Neither past due nor impaired	712,572	302,008
Past due but not impaired		
- 30 to 90 days	78,411	11,787
- 91 to 180 days	1,519	7,769
- 181 to 360 days	-	77
	<u>792,502</u>	<u>321,641</u>
<b>Bank balances</b>		
<b>Ratings</b>		
AAA	-	7,294
AA+	-	63,312
A-1+	165,497	-
	<u>165,497</u>	<u>70,606</u>
<b>Short-term investments</b>		
<b>Ratings</b>		
A-1+	122,323	73,329
	<u>122,323</u>	<u>73,329</u>

### 35.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in raising funds to meet commitments associated with financial instruments. The management of the Company believes that it is not exposed to any significant level of liquidity risk.

The management forecasts the liquidity of the Company on the basis of expected cashflow considering the level of liquid assets necessary to mitigate the liquidity risk.



## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

2021	Not later than 3 months	Later than 3 months but not more than a year	1 to 5 years	Total
	----- (Rupees in '000) -----			
Trade and other payables	284,995	-	-	284,995
Lease liabilities	6,000	1,425	13,305	20,730
Unpaid dividend	11,655	-	-	11,655
Short-term running finance	36,646	-	-	36,646
Unclaimed dividend	22,857	-	-	22,857
	<b>362,153</b>	<b>1,425</b>	<b>13,305</b>	<b>376,883</b>

2020	Not later than 3 months	Later than 3 months but not more than a year	1 to 5 years	Total
	----- (Rupees in '000) -----			
Trade and other payables	434,271	75,000	-	509,271
Lease liabilities	6,000	325	8,712	15,037
Unpaid dividend	11,971	-	-	11,971
Short-term running finance	-	-	-	-
Unclaimed dividend	20,271	-	-	20,271
	<b>472,513</b>	<b>75,325</b>	<b>8,712</b>	<b>556,550</b>

### 36 CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital is to safeguard the Company's ability to continue to provide returns for shareholders and benefit for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company is currently financing majority of its operations through equity and working capital. The capital structure of the Company is equity based with no financing through long-term borrowings.

### 37 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

#### Fair value hierarchy

The different levels to analyse financial assets carried at fair value have been defined as follows:

- Level 1: Quoted market price
- Level 2: Valuation techniques (market observable); and
- Level 3: Valuation techniques (non-market observables)

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	Fair value measurement using			Total
	Level 1	Level 2	Level 3	
	----- (Rupees in '000) -----			
<b>Short-term investments - mutual funds</b>				
June 30, 2021	-	-	-	-
June 30, 2020	51,038	-	-	51,038

## 38 CHANGES IN LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	2021		2020	
	Unclaimed & Unpaid dividend	Lease liabilities	Unclaimed & Unpaid dividend	Lease liabilities
	---- (Rupees in '000) ----			
As at July 01	32,242	15,037	30,266	-
<b>Changes from financing cash flows</b>				
Dividend paid during the year	(170,530)	-	(199,624)	-
Payments made during the year	-	(7,000)	-	(8,669)
	(170,530)	(7,000)	(199,624)	(8,669)
<b>Other changes</b>				
Dividend declared during the year	172,800	-	201,600	-
Impact of initial application of IFRS 16	-	-	-	21,565
Additions during the year	-	11,466	-	-
Finance cost during the year	-	1,227	-	2,141
	172,800	12,693	201,600	23,706
As at June 30	34,512	20,730	32,242	15,037

## 39 REMUNERATION OF THE CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

**39.1** The aggregate amount charged in the unconsolidated financial statements for remuneration including certain benefits to the chief executive, directors and executives of the Company are as follows:

	2021		2020	
	Chief Executive	Executives	Chief Executive	Executives
	---- (Rupees in '000) ----			
Managerial remuneration	22,918	56,382	19,600	51,153
Bonus	7,200	10,203	4,800	6,588
Retirement benefits	1,682	2,474	1,633	2,662
Utilities	649	150	-	187
Medical expenses	12	354	52	373
	32,461	69,563	26,085	60,963
Number of persons	1	14	1	13

## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2021

**39.2** The Chief Executive and certain executives are also provided with free use of Company maintained vehicles in accordance with the Company's policy.

**39.3** Three non-executive directors (2020: Three) have been paid fees of Rs. 2.1 million (2020: Rs. 1.4 million) for attending board and other meetings.

#### 40 TRANSACTIONS WITH RELATED PARTIES

**40.1** 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 the normal course of business as approved by the Board of Directors of the Company. Detail of transactions with related parties during the year, other than disclosed elsewhere in the unconsolidated financial statements, are as follows:

Name of related party and relationship with the Company	Nature of transactions	Percentage of share holding in the Company	2021	2020
----- (Rupees in '000) -----				
<b>Subsidiary (wholly owned)</b>				
Agriauto Stamping Company (Private) Limited	Sales	Nil	84,838	15,253
	Dividend received		228,802	114,401
	Tax credit claimed		128,879	49,280
<b>Associated companies (Common directorship)</b>				
Thal Limited	Dividend paid	7.35	12,694	14,809
Shabbir Tiles & Ceramics Limited	Purchases	Nil	3,375	865
Thal Boshoku Pakistan (Private) Limited	Sales	Nil	47,299	4,636
<b>Retirement benefits fund</b>				
Employees' Provident Fund	Contribution	Nil	10,913	11,612
<b>Key management personnel</b>				
	Remuneration and other benefits	Nil	44,009	38,815
	Sale of vehicle having net book value of Rs. 0.705 million as per the Company's policy		806	-

**40.2** The outstanding balance with related parties as at reporting date have been disclosed in the respective notes to the unconsolidated financial statements.

**40.3** Details of compensation to the key management personnel have been disclosed in the note 39 to the unconsolidated financial statements.

# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED JUNE 30, 2021

### 41 PRODUCTION CAPACITY

The production capacity of the Company cannot be determined as this depends on the relative proportions of various types of vehicles and agricultural tractors produced by Original Equipment Manufacturers.

### 42 NON-ADJUSTING EVENT AFTER THE REPORTING DATE

The Board of Directors in its meeting held on August 26, 2021 (i) approved the transfer of Rs. 200 million (2020: Rs. Nil) from unappropriated profits to general reserve and (ii) proposed cash dividend of Rs. 6 per share (2020: Re. 1 per share) for the year ended June 30, 2021 amounting to Rs. 172.8 million (2020: Rs. 28.8 million) for approval of the members at the Annual General Meeting to be held on October 21, 2021.

### 43 NUMBER OF EMPLOYEES

	2021	2020
Total number of employees as at June 30	727	617
Average number of employees during the year	672	667

### 44 OPERATING SEGMENTS

These financial statements have been prepared on the basis of a single reportable segment.

All sales of the Company comprise of sale of components for automotive vehicles, motor cycles and agricultural tractors.

All non-current assets of the Company at the end of the current and preceding year were located in Pakistan.

Sales to five major customers of the Company are around 92.39% of the Company's total sales during the year (2020: 92.78%).

### 45 UNUTILIZED CREDIT FACILITIES

As of reporting date, the Company has unutilized facilities for letter of credit, bonds and guarantees and terms of loan available from various banks amounted to Rs. 407.52 million (2020: Rs. 608 million). The facilities are secured by way of pari passu hypothecation of Company's stock-in-trade, stores, spares, loose tools and trade debts.

### 46 COVID-19 OUTBREAK

During the year, Company had to operate in the unprecedented context created by the COVID-19 pandemic, the resulting economic and social conditions including Government directives to prevent the spread of COVID-19. This situation posed a range of business and financial challenges across various sectors of the economy in Pakistan. However, Auto Sector has recovered and with the implementation of Standard Operating Procedures (SOPs), company has resumed its operations at normal levels. The management has assessed the accounting implications of these developments on these unconsolidated financial statements, including but not limited to the impairment of tangible and intangible assets under IAS 36, 'Impairment of non-financial assets', the net realisable value of inventory under IAS 2, 'Inventories' used for the preparation of these unconsolidated financial statements.

Accordingly, there is no significant accounting and financial impact of the effects of COVID-19 on these unconsolidated financial statements.



# NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED JUNE 30, 2021

### 47 GENERAL

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

**47.2** Certain prior years' figures have been reclassified for better presentation, wherever necessary. However, there are no material reclassifications to report.

### 48 DATE OF AUTHORISATION FOR ISSUE

These unconsolidated financial statements were authorised for issue on August 26, 2021 by the Board of Directors of the Company.



DIRECTOR



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

## INDEPENDENT AUDITOR'S REPORT

### To the members of Agriauto Industries Limited

#### Opinion

We have audited the annexed consolidated financial statements of **Agriauto Industries Limited** and its subsidiary (the Group), which comprise the consolidated statement of financial position as at **30 June 2021**, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of the Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are the matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Following are the Key audit matters:

Key audit matter	How our audit addressed the key audit matter
<p><b>1. Existence and valuation of stock-in-trade</b></p> <p>As disclosed in note 12 to the accompanying consolidated financial statements, the stock-in-trade balance constitutes approximately 24% of total assets of the Group. The cost of finished goods is determined on moving average basis including a proportion of production overheads</p> <p>The Net Realisable Value (NRV) of stock-in-trade is determined mainly keeping in view the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale along with stock-in-trade usage and forecasted sales volume.</p> <p>We have considered this area to be a key audit matter due to its materiality and judgments involved in determining an appropriate costing basis and assessing its valuation as well as the management's judgment involved in estimating the NRV of underlying stock-in-trade.</p>	<p>Our audit procedures included, amongst others, reviewing management's procedures for evaluating the NRV of stock-in-trade, observing stock counts to ascertain the condition and existence of stock-in-trade, performing testing on a sample of items to assess the NRV of the stock-in-trade held and evaluating the adequacy of write down of stock-in-trade to NRV as at the year end.</p> <p>Obtained confirmations from third parties in respect of stock held with them on behalf of the Group as at the reporting date.</p> <p>Further, we evaluated the appropriateness of the basis of identification of the obsolete stock-in-trade and the accuracy of write down of stock-in-trade to NRV assessed by the management, on a test basis.</p> <p>We tested the accuracy of the ageing analysis of stock-in-trade, on a sample basis.</p> <p>We also tested the calculations of per unit cost of finished goods and assessed the appropriateness of management's basis for the allocation of cost and production overheads.</p> <p>We reviewed the relevant documents, including but not limited to suppliers' invoices, letter of credits and shipping documentation to verify the valuation of goods-in-transit as at the reporting date as well as inspected subsequent goods receipt notes in this regard.</p> <p>We further tested the NRV of stock-in-trade by performing a review of sales close to and subsequent to the year-end and comparing with the cost for a sample of products.</p> <p>We further assessed the adequacy of consolidated financial statement disclosures in accordance with the applicable financial reporting framework.</p>

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## 2. Capital Expenditure

As disclosed in note 7.5.1 to the accompanying consolidated financial statements, the Group has incurred significant amount of capital expenditure amounting to Rs. 435.37 million during the year. Transfers from capital work in progress to operating fixed assets during the year amounted to Rs. 328.424 million.

The significant nature of capital expenditure requires a number of considerations including the determination of a cut-off point on which assets are transferred to operating fixed assets, estimation of economic useful lives and residual values for determining the depreciation and evaluation of the cost that meets the criteria for capitalization under IAS 16 "Property, Plant and Equipment".

Our key audit procedures in this area included, amongst others, obtaining an understanding of the Group's process with respect to capital expenditure and related controls relevant to such process.

We performed substantive audit procedures including assessment of nature of costs incurred in capital expenditure through testing of amounts on sample basis and the related third-party invoices and contracts and considered whether the expenditure met the criteria for capitalization under relevant accounting standards.

We physically verified the newly acquired fixed assets and reviewed the relevant contracts and documents supporting various components of the capitalised cost.

We also reviewed supporting documents relating to amounts transferred to operating fixed assets during the year and review of the title documents to assess that these are in the name of the Group.

We reviewed the timing of capitalisation by examining, on a sample basis, the completion certificates from the Group's technical departments.

We reviewed management's estimates about the useful life of assets so capitalized and consequent depreciation rates used by the Group.

We further assessed the adequacy of consolidated financial statement disclosures in accordance with the applicable financial reporting framework.

### Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated and unconsolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.





## **Responsibilities of Management and the Board of Directors for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan and Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Group's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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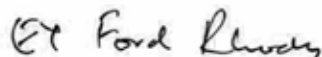
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is **Tariq Feroz Khan**.



**Chartered Accountants**

**Place:** Karachi

**Date:** 03 September 2021

# FINANCIAL STATEMENTS (CONSOLIDATED)



# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2021

	Note	2021 ----- (Rupees in '000) -----	2020
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	7	2,281,986	2,159,468
Right-of-use assets	8	18,740	15,351
Intangible asset	9	36,225	59,586
Long-term deposits	10	13,605	13,438
		<b>2,350,556</b>	2,247,843
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools	11	129,991	120,816
Stock-in-trade	12	1,726,252	1,937,205
Trade debts	13	1,159,086	492,234
Advances, deposits, prepayments and other receivables	14	882,286	141,916
Accrued profit		1,295	1,215
Short-term investments	15	266,780	494,329
Sales tax receivable		29,461	168,275
Taxation – net		346,860	458,746
Cash and bank balances	16	225,861	131,195
		<b>4,767,872</b>	3,945,931
<b>TOTAL ASSETS</b>		<b>7,118,428</b>	6,193,774
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised capital 40,000,000 (2020: 40,000,000) ordinary shares of Rs. 5/- each		200,000	200,000
Issued, subscribed and paid-up capital	17	144,000	144,000
Reserves		5,627,004	4,970,140
		<b>5,771,004</b>	5,114,140
<b>NON CURRENT LIABILITIES</b>			
Deferred taxation - net	18	85,003	62,123
Lease liabilities	19	13,305	8,712
		<b>98,308</b>	70,835
<b>CURRENT LIABILITIES</b>			
Trade and other payables	20	1,134,084	970,232
Current maturity of lease liabilities	19	7,425	6,325
Sales tax payable		36,449	-
Unpaid dividend	21	11,655	11,971
Unclaimed dividend	21	22,857	20,271
Short-term running finance	22	36,646	-
		<b>1,249,116</b>	1,008,799
<b>CONTINGENCIES AND COMMITMENTS</b>	23		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>7,118,428</b>	6,193,774

The annexed notes from 1 to 47 form an integral part of these consolidated financial statements.



DIRECTOR



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 ----- (Rupees in '000) -----	2020 ----- (Rupees) -----
Turnover – net	24	10,485,027	5,244,651
Cost of sales	25	(8,872,898)	(4,993,185)
<b>Gross profit</b>		<b>1,612,129</b>	<b>251,466</b>
Distribution cost	26	(122,705)	(75,446)
Administrative expenses	27	(249,388)	(247,122)
		(372,093)	(322,568)
<b>Operating profit / (loss)</b>		<b>1,240,036</b>	<b>(71,102)</b>
Other expenses	28	(100,583)	(7,544)
Other income	29	67,937	56,886
Finance cost		(4,125)	(3,209)
		(36,771)	46,133
<b>Profit / (loss) before taxation</b>		<b>1,203,265</b>	<b>(24,969)</b>
Taxation	30	(373,601)	(83,469)
<b>Net profit / (loss) for the year</b>		<b>829,664</b>	<b>(108,438)</b>
<b>Net profit / (loss) attributable to owners of the Holding Company</b>		<b>829,664</b>	<b>(108,438)</b>
		----- (Rupees) -----	
<b>Earnings / (loss) per share – basic and diluted</b>	31	<b>28.81</b>	<b>(3.77)</b>

The annexed notes from 1 to 47 form an integral part of these consolidated financial statements.



DIRECTOR



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2021

	2021 ----- (Rupees in '000) -----	2020 ----- (Rupees in '000) -----
Net profit / (loss) for the year	829,664	(108,438)
Other comprehensive income	-	-
<b>Total comprehensive income / (loss) for the year</b>	<b>829,664</b>	<b>(108,438)</b>
<b>Total comprehensive income / (loss) attributable to owners of the Holding Company</b>	<b>829,664</b>	<b>(108,438)</b>

The annexed notes from 1 to 47 form an integral part of these consolidated financial statements.



DIRECTOR



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2021

	Issued, subscribed and paid-up capital	Capital reserve Share premium	Reserves		Total reserves	Total equity
			Revenue reserves	Unappropriated profit		
			General			
(Rupees in '000)						
<b>Balance as at June 30, 2019</b>	<b>144,000</b>	<b>12,598</b>	<b>3,065,000</b>	<b>2,202,580</b>	<b>5,280,178</b>	<b>5,424,178</b>
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	-	-
Net loss for the year	-	-	-	(108,438)	(108,438)	(108,438)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(108,438)	(108,438)	(108,438)
<b>Balance as at June 30, 2020</b>	<b>144,000</b>	<b>12,598</b>	<b>2,315,000</b>	<b>2,642,542</b>	<b>4,970,140</b>	<b>5,114,140</b>
Final dividend for the year ended June 30, 2020 @ Re. 1.0/- per share	-	-	-	(28,800)	(28,800)	(28,800)
Interim dividend for the year ended June 30, 2021 @ Rs. 5.0/- per share	-	-	-	(144,000)	(144,000)	(144,000)
Net profit for the year	-	-	-	829,664	829,664	829,664
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	829,664	829,664	829,664
<b>Balance as at June 30, 2021</b>	<b>144,000</b>	<b>12,598</b>	<b>2,315,000</b>	<b>3,299,406</b>	<b>5,627,004</b>	<b>5,771,004</b>

The annexed notes from 1 to 47 form an integral part of these consolidated financial statements.



DIRECTOR



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2021

		2021 ----- (Rupees in '000) -----	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash generated from operations</b>	32	588,683	849,439
Long-term deposits paid		(167)	-
Finance cost paid		(1,903)	(850)
Income tax paid		(238,835)	(14,563)
<b>Net cash generated from operating activities</b>		347,778	834,026
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditure		(435,370)	(431,791)
Proceeds from disposal of intangible asset		14,054	-
Proceeds from disposal of operating fixed assets		39,916	21,227
Short-term investments in mutual fund redeemed		52,972	1,491
Profit received on short-term investments - term deposit receipts		28,865	24,239
Profit received on deposit accounts		10,335	19,036
Dividend received		-	5,882
<b>Net cash used in investing activities</b>		(289,228)	(359,916)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid		(170,530)	(199,624)
Lease payments		(7,000)	(8,669)
<b>Net cash used in financing activities</b>		(177,530)	(208,293)
<b>Net (decrease) / increase in cash and cash equivalents</b>		(118,980)	265,817
<b>Cash and cash equivalents at the beginning of the year</b>	33	574,195	308,378
<b>Cash and cash equivalents at the end of the year</b>	33	455,215	574,195

The annexed notes from 1 to 47 form an integral part of these consolidated financial statements.



DIRECTOR



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

## 1 THE GROUP 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 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, House of Habib, Main Shahrah-e-Faisal, Karachi.

**1.2** The Group comprises of the Holding Company and Agriauto Stamping Company (Private) Limited (the Subsidiary Company). The Subsidiary Company was incorporated in Pakistan on January 20, 2012 as a private limited company. The Subsidiary Company is engaged in stamping of sheet metal parts, dies, fixtures primarily for the automotive industry and has commenced its commercial operations on 02 July, 2014. The registered office of the Subsidiary Company is situated at 5th Floor, House of Habib, Main Shahrah-e-Faisal, Karachi.

**1.3** Geographical location and addresses of all the business units are as under:

Location	Business unit
<b>Karachi</b> 5th Floor, House of Habib, Main Shahrah-e-Faisal.	Registered office
DSU-12B, Downstream Industrial Estate, Pakistan Steel Mills, Bin Qasim Town, Karachi, Karachi city, Sindh	Manufacturing Facility
<b>Hub</b> Mouza Baroot, Hub Chowki Distt. Lasbella, Balochistan.	Manufacturing Facility

## 2 STATEMENT OF COMPLIANCE

These consolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRSs) 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 provisions of and directives issued under the Act differ from the IFRSs, the provisions of and directives issued under the Act have been followed.

## 3 BASIS OF MEASUREMENT

**3.1** These consolidated financial statements have been prepared under the historical cost convention except for short-term investments in mutual fund classified at fair value through profit or loss and lease liabilities under present value as disclosed in respective notes to the consolidated financial statements.

**3.2** These consolidated financial statements are presented in Pak Rupees which is the Group's functional and presentation currency.

## 4 NEW STANDARDS, AMENDMENTS, IMPROVEMENTS TO APPROVED ACCOUNTING STANDARDS AND THE FRAMEWORK FOR FINANCIAL REPORTING

### 4.1 Amendments to approved accounting standards and the framework for financial reporting that became effective during the current year

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



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

## Amendment and Conceptual Framework

IFRS 3 - Business Combinations - Definition of a Business (Amendments)

IFRS 9 / IAS 39 / IFRS 7 - Interest Rate Benchmark Reform (Amendments)

IAS 1 / IAS 8 - Definition of Material (Amendments)

Conceptual Framework for Financial Reporting

The adoption of above amendments to the approved accounting standards and the conceptual framework for financial reporting did not have any material impact on the Group's consolidated financial statements.

## 4.2 Standards, amendments and improvements to the approved accounting standards that are not yet effective

The following standards, amendments and improvements to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Amendment or Improvement	Effective date (annual periods beginning on or after)
IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform - Phase 2 (Amendment)	01 January 2021
IFRS 16 Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendments)	01 April 2021
IFRS 3 Reference to the Conceptual Framework (Amendments)	01 January 2022
IAS 16 Property, Plant and Equipment: Proceeds before Intended Use (Amendments)	01 January 2022
IAS 37 Onerous Contracts – Costs of Fulfilling a Contract (Amendments)	01 January 2022
IAS 1 Classification of Liabilities as Current or Non-current (Amendments)	01 January 2023
IAS 1 Disclosure of Accounting Policies (Amendments)	01 January 2023
IAS 8 Definition of Accounting Estimates (Amendments)	01 January 2023
IAS 12 Deferred tax related to Assets and Liabilities arising from a single transaction	01 January 2023

## Improvements to Accounting Standards Issued by the IASB (2018-2020 cycle)

IFRS 9	Financial Instruments – Fees in the '10 percent' test for derecognition of financial liabilities	01 January 2022
IAS 41	Agriculture – Taxation in fair value measurements	01 January 2022
IFRS 16	Leases: Lease incentives	01 January 2022

The above amendments and improvements are not expected to have any material impact on the Group's consolidated financial statements in the period of initial application.

Further, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan and are not expected to have any material impact on the Group's consolidated financial statements in the period of initial application.

Standard	Effective date (annual periods beginning on or after)	
IFRS 1	First-time Adoption of International Financial Reporting Standards	01 January 2004
IFRS 17	Insurance Contracts	01 January 2023

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

## 5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 5.1 Basis of consolidation

These consolidated financial statements include the financial statements of the Holding Company and its subsidiary company, here-in-after referred to as “the Group”.

A company is a subsidiary, if an entity (the Holding Company) directly or indirectly controls, beneficially owns or holds more than fifty percent of its voting securities or otherwise has power to appoint or remove majority of its directors. Subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases.

The financial statements of the subsidiary are prepared for the same reporting year as the Holding Company, using consistent accounting policies. The accounting policies of the subsidiary have been changed to conform with accounting policies of the Group, where required.

The assets, liabilities, income and expenses of subsidiary company are consolidated on a line by line basis and carrying value of investments held by the Holding Company is eliminated against the subsidiary company's shareholders' equity in the consolidated financial statements. All intra-group balances, transactions and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

### 5.2 Property, plant and equipment

#### 5.2.1 Operating fixed assets

These are stated at cost less accumulated depreciation and impairment loss, if any, except for freehold land which are stated at cost.

Depreciation on operating fixed assets is charged to the consolidated statement of profit or loss applying the reducing balance method at the rates specified in note 7.1 to these consolidated financial statements. Depreciation on additions is charged from the month of addition and in case of deletion, prior to the month of disposal. Maintenance and normal repairs are charged to consolidated statement of profit or loss as and when incurred, while major renewals and improvements are capitalised. Gains or losses on disposals of operating fixed assets, if any, are included in consolidated statement of profit or loss.

The carrying values of assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or related cash-generating units are written down to their recoverable amount.

#### 5.2.2 Capital work in progress

These are stated at cost less impairment in value, if any. Capital work in progress consist of expenditure incurred and advance made in respect of operating fixed assets in the course of their construction and installation.

### 5.3 Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received as applicable. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated using straight line method over the lease term. Right-of-use assets are subject to impairment.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

## 5.4 Development costs or Intangible assets

Development costs are expensed as incurred, except for development costs that relate to the design of new or improved products which are recognised as an asset to the extent that it is expected that such asset will meet the recognition criteria mentioned in IAS – 38 “Intangible Assets”. These amounts are amortised at the rate disclosed in note 9 to these consolidated financial statements.

## 5.5 Stores, spares and loose tools

Stores, spares and loose tools are stated at cost less provision for slow moving and obsolete items. The cost is determined by the weighted moving average cost method except for those in transit which are valued at actual cost.

## 5.6 Stock-in-trade

Stock-in-trade, except goods-in-transit, is stated at the lower of net realisable value (NRV) and cost determined as follows:

Raw and packing materials	Moving average basis.
Work-in-process	Cost of direct materials plus conversion cost valued on the basis of equivalent production units.
Finished goods	Cost of direct materials plus conversion cost valued on time proportion basis.

Goods-in-transit are valued at purchase price, freight value and other charges incurred thereon upto the reporting date.

Stock-in-trade is regularly reviewed by the management and obsolete items, if any, are brought down to their NRV. NRV signifies the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

## 5.7 Trade debts and other receivables

Trade debts and other receivables are stated initially at fair value and subsequently measured at amortised cost using the effective interest rate method less an allowance for expected credit losses, if any. Allowance for expected credit losses is based on lifetime ECLs that result from all possible default events over the expected life of the trade debts and other receivables. Bad debts, if any, are written off when considered irrecoverable.

## 5.8 Cash and cash equivalents

For the purpose of consolidated statement of cash flow, cash and cash equivalents comprise of cash in hand, bank balances, short-term running finance and short-term investments with a maturity of three months or less from the date of acquisition. The cash and cash equivalents are readily convertible to known amount of cash and are therefore subject to insignificant risk of changes in value.

## 5.9 Financial instruments

### 5.9.1 Financial assets

The financial assets of the Group mainly include long term deposits, trade debts, loans, deposits, short-term investments, accrued profit, other receivables and cash and bank balances.

On initial recognition, a financial asset is classified as measured at: amortised cost; Fair Value through Other Comprehensive Income (FVOCI) – debt investment; FVOCI – equity investment; or Fair Value through Profit or Loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Based on the business model of the Group, the financial assets of the Group are measured and classified under IFRS 9 as follows;

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

Trade debts and other financial assets are measured at amortised cost using the effective interest rate method less an allowance for expected credit losses, if any.

Short-term investments in mutual fund are designated at FVTPL at initial recognition. These are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in the consolidated statement of profit or loss.

## 5.9.2 Financial liabilities

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs. For the purpose of subsequent measurement financial liabilities are either classified at amortised cost or fair value through profit or loss. The Group does not have any financial liability at fair value through profit or loss.

## 5.9.3 Impairment of financial assets - allowance for expected credit losses

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

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

The Group uses the standard's simplified approach and calculates ECL based on life time ECL on its financial assets. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the financial assets and the economic environment.

## 5.9.4 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## 5.9.5 Impairment of non-financial assets

The carrying amounts of non-financial assets other than inventories and deferred tax assets are assessed at date of statement of financial position to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognised, as an expense in the consolidated statement of profit or loss. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

## 5.10 Lease liabilities

The Group assesses at contract inception whether a contract is, or contains, a lease, i.e. if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the commencement date of the lease if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

### 5.10.1 Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on such leases are recognised as expense on a straight-line basis over the lease term.

## 5.11 Employees' benefits

### Provident fund

The Group operates a recognised provident fund scheme (defined contribution plan) for all its employees who are eligible for the scheme in accordance with the Group's policy. Contributions in respect thereto are made in accordance with the terms of the scheme.

## 5.12 Taxation

### Current

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and rebates available, if any, or minimum tax on turnover or Alternate Corporate Tax whichever is higher in accordance with the provisions of the Income Tax Ordinance, 2001. The Group has opted for Group Taxation under section 59AA of the Income Tax Ordinance, 2001. The Group consists of Agriauto Industries Limited (the Holding Company) and Agriauto Stamping Company (Private) Limited - wholly owned Subsidiary.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

## Deferred

Deferred tax is recognised, using the liability method, on all temporary differences at the date of statement of financial position between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that the temporary differences will reverse in future and taxable income will be available against which the temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each date of statement of financial position and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part for the deferred tax asset to be utilised. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at date of statement of financial position.

## 5.13 Provisions

Provision is recognised in the consolidated statement of financial position when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are reviewed at each year end and adjusted to reflect the current best estimate.

## 5.14 Warranty obligations

The Group recognises the estimated liability to repair or replace products under warranty at the year end on the basis of historical experience. The warranty provided by the Group to the customer is assurance warranty and accordingly is accounted for under IAS 37 "Provision, contingent liabilities and contingent assets".

## 5.15 Foreign currency transactions

Transactions in foreign currencies are accounted for in Pakistani Rupees at the foreign exchange rates prevailing on the date of the transaction. Monetary assets and liabilities in foreign currencies are re-translated into rupees at the foreign exchange rates approximating those prevailing at the statement of financial position date. Exchange differences if any are taken to the consolidated statement of profit or loss.

## 5.16 Revenue recognition

Revenue from contracts with customers is recognised when the control of the goods is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods according to the negotiated contractual terms. The Group has generally concluded that it acts as a principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Performance obligations held by the Group are not separable, and are not partially satisfied, since they are satisfied at a point in time, when the customer accepts the products. Moreover, the payment terms identified in most sources of revenue are short-term usually 30 to 60 days upon delivery, without any variable considerations, financing components and guarantees.

The Group recognises an account receivable when the performance obligations have been met, recognising the corresponding revenue. Moreover, the considerations received before satisfying the performance obligations are recognised as advances from customer.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

Return on bank deposits / saving accounts is recognised on accrual basis.

Return on short term investments is recognised on accrual basis.

Dividend income is recognised when the Group's right to receive the dividend is established.

Other income, if any, is recognised on accrual basis.

## 5.17 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

## 5.18 Dividends and appropriation to reserve

Dividend and appropriation to reserve are recognised in the consolidated financial statements in the period in which these are approved.

## 5.19 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

## 6 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of consolidated financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In the process of applying the accounting policies, management has made the following judgments and estimates which are significant to these consolidated financial statements:

	Notes
- residual values, method of depreciation useful lives and impairment of assets	5.2, 5.3, 5.4, 7.1,8 & 9
- allowance for expected credit losses	5.7, 5.9.3 & 13.1
- provision for tax and deferred tax	5.12,18 & 29
- warranty obligations	5.14 & 20.3
- Net realisable value (NRV) of stock-in-trade	5.6 & 12
- leases	5.10 & 19

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 ----- (Rupees in '000) -----	2020 -----
<b>7 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	7.1	<b>2,122,078</b>	1,966,910
Capital work-in-progress	7.5	<b>159,908</b>	192,558
		<b>2,281,986</b>	2,159,468

## 7.1 Operating fixed assets

	COST				ACCUMULATED DEPRECIATION			WRITTEN DOWN VALUE	
	As at July 01, 2020	Additions / transfer* / (disposals)	As at June 30, 2021	Depreciation rate %	As at July 01, 2020	Charge for the year (Note 7.2)	(On disposals)	As at June 30, 2021	As at June 30, 2021
	----- (Rupees in '000) -----				----- (Rupees in '000) -----				
<b>Owned</b>									
Freehold land	1,652	-	1,652	-	-	-	-	-	1,652
Leasehold land	29,418	-	29,418	1.79	4,201	525	-	4,726	24,692
Building on freehold land	200,240	- 88,524 *	288,764	10	116,535	14,272	-	130,807	157,957
Building on leasehold land	422,471	-	422,471	10	168,765	25,371	-	194,136	228,335
Plant and machinery	2,315,673	17,954 159,443 * (22,636)	2,470,434	10 – 20	936,928	153,150	(15,299)	1,074,779	1,395,655
Furniture and fittings	37,901	1,040	38,941	15	14,073	3,680	-	17,753	21,188
Vehicles	105,304	111,339 3,905 * (54,751)	165,797	20	55,396	13,305	(27,745)	40,956	124,841
Office equipment	9,107	1,189	10,296	20	5,555	714	-	6,269	4,027
Computer equipment	37,684	3,012 (2,455)	38,241	33	33,411	1,975	(2,285)	33,101	5,140
Dies and tools	319,563	- 76,552 *	396,115	40	177,239	60,285	-	237,524	158,591
<b>2021</b>	<b>3,479,013</b>	<b>134,534 328,424 * (79,842)</b>	<b>3,862,129</b>		<b>1,512,103</b>	<b>273,277</b>	<b>(45,329)</b>	<b>1,740,051</b>	<b>2,122,078</b>

\* represents transfer from capital work-in-progress to operating fixed assets.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	COST				ACCUMULATED DEPRECIATION				WRITTEN DOWN VALUE
	As at July 01, 2019	Additions /transfer*/ (disposals)	As at June 30, 2020	Depreciation rate	As at July 01, 2019	Charge for the year (Note 7.2)	(On disposals)	As at June 30, 2020	As at June 30, 2020
	----- (Rupees in '000) -----			%	----- (Rupees in '000) -----				
Owned									
Freehold land	1,652	-	1,652	-	-	-		-	1,652
Leasehold land	29,418	-	29,418	1.79	3,676	525		4,201	25,217
Building on freehold land	192,420	1,212 6,608 *	200,240	10	107,307	9,228		116,535	83,705
Building on leasehold land	379,833	524 42,114 *	422,471	10	140,970	27,795		168,765	253,706
Plant and machinery	1,817,150	96,346 413,091 * (10,914)	2,315,673	10 – 20	790,463	148,574	(2,109)	936,928	1,378,745
Furniture and fittings	28,038	6,522 4,261 * (920)	37,901	15	12,136	2,728	(791)	14,073	23,828
Vehicles	115,387	6,572 (16,655)	105,304	20	50,208	13,089	(7,901)	55,396	49,908
Office equipment	8,730	377	9,107	20	4,824	731	-	5,555	3,552
Computer equipment	37,191	948 (455)	37,684	33	31,830	1,978	(397)	33,411	4,273
Dies and tools	159,292	53,983 106,288 *	319,563	40	110,398	66,841	-	177,239	142,324
2020	2,769,111	166,484 572,362 * (28,944)	3,479,013		1,251,812	271,489	(11,198)	1,512,103	1,966,910

\* represents transfer from capital work-in-progress to operating fixed assets.

## 7.2 Depreciation charge for the year has been allocated as follows :

	Note	2021 ----- (Rupees in '000) -----	2020
Cost of sales	25	261,492	259,931
Distribution cost	26	2,598	2,865
Administrative expenses	27	9,187	8,693
		<b>273,277</b>	<b>271,489</b>

## 7.3 Particulars of immovable properties (i.e. freehold land, leasehold land, building on freehold land and building on leasehold land) in the name of the Group, are as follows:

Location	Use of immovable properties	Total area
Mouza Baroot, Hub Chowki, Distt. Lasbella, Balochistan	Manufacturing Facility	18.4 acres
DSU-12B, Downstream Industrial Estate, Pakistan Steel Mills, Bin Qasim Town, Karachi, Karachi city, Sindh	Manufacturing Facility	6.08 acres

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

7.4 Particulars of disposal of each operating fixed asset having book value of five hundred thousand rupees or more, where aggregate book value of that class of assets exceeds five million rupees are as follows:

Particulars	Cost	Book value	Sales proceeds	Gain / (loss)	Mode of disposal	Particulars of buyer	Relationship
<b>Plant and machinery</b>							
Piston Rod							
Longitudinal Buffing Machine	6,907	1,776	1,675	(101)	Auction	M/s. New ABC Neelam Ghar	Independent Purchasers
Spin Closing for IMV-640	8,424	4,900	1,400	(3,500)	Auction	M/s. New ABC Neelam Ghar	Independent Purchasers
<b>Vehicles</b>							
Toyota Corolla	2,303	705	806	101	Company policy	Mr. Fahim Kapadia	Chief Executive Officer
Toyota Corolla	1,753	570	695	125	Company policy	Mr. Hassan M. Khan	Employee
Toyota Corolla	1,753	603	1,950	1,347	Insurance claim	Habib Insurance Company Limited	Independent Purchasers
Suzuki Swift	1,375	559	756	197	Company policy	Mr. Mian Muhammad Saeed	Employee
Suzuki Cultus	1,391	585	768	183	Company policy	Mr. Amjad Elahi	Employee
Suzuki Cultus	1,250	544	627	83	Company policy	Mr. Shezan Ali Fareed	Employee
Suzuki Cultus	1,250	555	721	166	Company policy	Mr. Muhammad Sumair	Employee
Toyota Corolla	1,864	812	812	-	Negotiation	Mr. Taimoor Minwala	Independent Purchaser
Suzuki Cultus	1,250	601	695	94	Company policy	Mr. Shahid Sattar	Employee
Suzuki Cultus	1,250	601	708	107	Company policy	Mr. Minhajuddin Niazi	Employee
Suzuki Cultus	1,391	761	1,209	448	Negotiation	Mr. Farhan Siddiqui	Ex-Employee
Toyota Corolla	2,379	1,269	1,529	260	Company policy	Mr. Omar Razzaq	Employee
Corolla Altis	2,379	1,321	1,586	265	Company policy	Mr. Saeed Ahmed	Employee
Suzuki Cultus	1,340	790	890	100	Company policy	Mr. Nadeemul Haque	Employee
Suzuki Cultus	1,340	790	919	129	Company policy	Mr. Mushtaq Ahmed	Employee
Suzuki Cultus	1,340	805	919	114	Company policy	Mr. Aqueel Ahmed	Employee
Suzuki Cultus	1,461	878	1,040	162	Company policy	Mr. Muhammad Akhtar Jami	Employee
Suzuki Cultus	1,528	971	1,625	654	Insurance claim	Habib Insurance Company Limited	Independent Purchasers
Suzuki Cultus	1,568	942	1,133	191	Company policy	Mr. Azeem Saadat	Employee
Corolla Altis	1,949	1,217	1,379	162	Company policy	Mr. Syed Nasruddin	Employee
Suzuki WagonR	1,264	847	949	102	Company policy	Mr. Hassan	Employee
Suzuki Alto	1,101	826	886	60	Company policy	Mr. Shaikh Adnan Sarwar	Employee
Suzuki Alto	1,101	765	827	62	Company policy	Mr. Syed Mohib Azam	Employee
Suzuki Cultus	1,745	1,387	1,443	56	Company policy	Mr. Syed Waqas Talib	Employee
	52,656	26,380	27,947	1,567			
Operating fixed assets having WDV less than Rs. 0.5 million	27,186	8,133	11,969	3,836	Various	Various	
2021	79,842	34,513	39,916	5,403			
2020	28,944	18,023	21,227	3,204			

## 7.5 Capital work in progress

Plant and machinery  
Building on freehold land

### 7.5.1 Movement in capital work-in-progress is as follows:

	Note	2021 ----- (Rupees in '000) -----	2020
As at July 01		159,908	143,763
Capital expenditure incurred / advances made during the year		-	48,795
Transfer to operating fixed assets during the year	7.5.1	159,908	192,558
Charged off during the year			
As at June 30	7.1	192,558	572,176
		300,836	200,541
		(328,424)	(572,362)
		(5,062)	(7,797)
		159,908	192,558



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 ----- (Rupees in '000) -----	2020
<b>8 RIGHT-OF-USE ASSETS</b>			
As at July 01		15,351	-
Impact of initial application of IFRS 16		-	23,428
Additions during the year		11,466	-
Depreciation charge for the year	8.1	(8,077)	(8,077)
As at June 30		18,740	15,351
<b>8.1</b> Depreciation charge for the year has been allocated as follows:			
Cost of sales	25	5,632	5,632
Distribution cost	26	781	781
Administrative expenses	27	1,664	1,664
		8,077	8,077
<b>9 INTANGIBLE ASSET</b>			
<b>Cost</b>			
As at July 01		75,502	10,736
(Disposal) / additions during the year		(14,071)	64,766
As at June 30		61,431	75,502
<b>Accumulated amortisation</b>			
As at July 01		(15,916)	(4,085)
Disposal during the year		5,394	-
Charge for the year	25	(14,684)	(11,831)
As at June 30		(25,206)	(15,916)
<b>Net book value as at June 30</b>		36,225	59,586
<b>Annual rate of amortisation</b>		20%	20%
<b>10 LONG-TERM DEPOSITS</b>			
Security deposits - considered good	10.1	13,605	13,438
<b>10.1</b> Represent interest free deposits.			
<b>11 STORES, SPARES AND LOOSE TOOLS</b>			
Stores		58,840	73,833
Spares		63,517	41,514
Loose tools		7,634	5,469
		129,991	120,816

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	2021 ----- (Rupees in '000) -----	2020
<b>12 STOCK-IN-TRADE</b>		
Raw material	1,193,542	1,731,879
Packing material	5,381	3,959
Work-in-process	98,076	49,188
Finished goods	136,623	65,860
Goods-in-transit	292,630	86,319
	<b>1,726,252</b>	<b>1,937,205</b>

**12.1** Write down of stock-in-trade to net realisable value during the year amounted to Rs. Nil (2020: Rs. 77.57 million).

**12.2** Reversal of write down of stock-in-trade to net realisable value during the year amounted to Rs. 70.77 million (2020: Rs. Nil).

	Note	2021 ----- (Rupees in '000) -----	2020
<b>13 TRADE DEBTS - unsecured</b>			
Considered good		1,159,086	492,234
Considered doubtful		1,951	663
Allowance for expected credit losses	13.3	(1,951)	(663)
		-	-
		<b>1,159,086</b>	<b>492,234</b>

**13.1** This includes an amount of Rs. 4.04 million (2020: Rs. 3.99 million) receivable from Thal Boshoku Pakistan (Private) Limited - an associated company, against sales made by the Group.

**13.2** The amount due from the related party is neither passed due nor impaired. The maximum aggregate amount receivable from the related party at the end of any month during the year was Rs 6.15 million (2020: Rs. 3.99 million).

	2021 ----- (Rupees in '000) -----	2020
<b>13.3 Movement in allowance for expected credit losses:</b>		
As at July 01	663	602
Write off during the year	(149)	-
Charge for the year	1,437	61
As at June 30	<b>1,951</b>	<b>663</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 ---- (Rupees in '000) ----	2020
<b>14 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>			
<b>Advances – unsecured, considered good</b>			
Contractors		5,532	3,120
Employees		513	756
Suppliers		3,281	2,135
		<b>9,326</b>	6,011
<b>Deposits</b>		<b>12,125</b>	577
<b>Prepayments</b>			
Insurance		4,882	5,321
Others		3,708	6,247
		<b>8,590</b>	11,568
<b>Other receivables - secured, considered good</b>	14.1	<b>852,245</b>	123,760
		<b>882,286</b>	141,916

- 14.1** This includes an amount of Rs. 536.61 million (2020: Rs. 28.67 million) and Rs. 301.17 million (2020: Rs. 95.09 million) receivable against LC margins and claim against Additional custom duty (note 20) from a customer respectively.

	Note	2021 ---- (Rupees in '000) ----	2020
<b>15 SHORT-TERM INVESTMENTS</b>			
<b>At amortised cost</b>			
Term deposit receipts	15.1	266,000	443,000
Accrued profit thereon		780	291
		<b>266,780</b>	443,291
<b>At fair value through profit or loss</b>			
Mutual funds - open ended			
Nil units (2020: 4,847,847 units) at NAV of Rs. Nil (2020: Rs. 10.52) each		-	51,038
		<b>266,780</b>	494,329

- 15.1** Represents one to three months term deposit receipts with commercial banks under conventional banking relationship carrying profit rate of 4% to 6.7% (2020: 5.75% to 7%) per annum and having latest maturity by September 08, 2021.

	Note	2021 ---- (Rupees in '000) ----	2020
<b>16 CASH AND BANK BALANCES</b>			
<b>In hand</b>		<b>61</b>	91
<b>With banks in</b>			
- current accounts		151,603	42,744
- deposit accounts	16.1 & 16.2	74,197	88,360
		<b>225,800</b>	131,104
		<b>225,861</b>	131,195

- 16.1** These carry profit rates ranging from 5.5% to 6.6% (2020: 7.1% to 13.1%) per annum.

- 16.2** Represents deposits and saving accounts placed with conventional banks under interest / mark-up arrangements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

## 17 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2021	2020		2021	2020
Number of shares in ('000)		Ordinary shares of Rs. 5/- each	----- (Rupees in '000) -----	
22,800	22,800	Fully paid in cash	114,000	114,000
6,000	6,000	Issued as bonus shares	30,000	30,000
28,800	28,800		144,000	144,000

## 18 DEFERRED TAXATION - NET

Taxable temporary differences arising due to:

- accelerated tax depreciation

Deductible temporary differences arising due to:

- provisions and lease liabilities

- Unused tax losses

204,658	195,551
(119,655)	(111,613)
-	(21,815)
85,003	62,123

## 19 LEASE LIABILITIES

The Group has certain lease arrangements for its offices and warehouse in which rentals are payable in advance. Incidental expense related to these leases are borne by the Group. The weighted average incremental borrowing rate of the Group ranges from 8.08% to 14% (2020: 14%) per annum.

	Note	2021	2020
		----- (Rupees in '000) -----	
Lease liabilities		20,730	15,037
Current maturity of lease liabilities		(7,425)	(6,325)
	19.1	13,305	8,712
<b>19.1 Movement of lease liabilities:</b>			
As at July 01		15,037	-
Impact of initial application of IFRS 16		-	21,565
Additions during the year		11,466	-
Finance cost during the year		1,227	2141
Payments during the year		(7,000)	(8,669)
As at June 30	19.2	20,730	15,037
Current maturity of lease liabilities		(7,425)	(6,325)
		13,305	8,712
<b>19.2</b>	The maturity analysis of lease liabilities as at the reporting date is as follows:		
Up to one year		7,425	6,325
After one year		13,305	8,712
Total lease liabilities		20,730	15,037

**19.3** Expenses relating to short term leases amounted to Rs. 1.22 million (2020: Rs. 6.05 million) during the year.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

			2021	2020
	Note		----- (Rupees in '000) -----	
<b>20 TRADE AND OTHER PAYABLES</b>				
Creditors	20.1		155,704	100,992
Accrued liabilities	20.3		407,051	371,111
Royalty payable			36,113	25,386
Advance from customers			2,514	225,762
Additional custom duty payable	14.1		362,001	117,424
Payable to provident fund	20.2		2,547	2,542
Withholding tax payable			-	1,301
Workers' Profit Participation Fund	20.4		4,073	4,731
Workers' Welfare Fund			27,811	821
Warranty obligations	20.5		132,887	113,285
Others			3,383	6,877
			<u>1,134,084</u>	<u>970,232</u>

**20.1** This includes an amount of Rs. Nil (2020: Rs. 0.07 million) payable to Shabbir Tiles and Ceramics Limited, a related party of the Group.

**20.2** Investments out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

**20.3** Includes an amount of Rs. 221.07 million (2020: Rs. 187.21 million) in respect of Sindh Infrastructure Development Cess.

			2021	2020
	Note		----- (Rupees in '000) -----	
<b>20.4 Workers' Profit Participation Fund</b>				
As at July 01			4,731	33,568
Allocation for the year	28		62,192	4,731
			<u>66,923</u>	<u>38,299</u>
Payment made during the year			(62,850)	(33,568)
As at June 30			<u>4,073</u>	<u>4,731</u>
<b>20.5 Warranty obligations</b>				
As at July 01			113,285	102,127
Provision for the year	26		28,143	15,076
			<u>141,428</u>	<u>117,203</u>
Claims paid during the year			(8,541)	(3,918)
As at June 30			<u>132,887</u>	<u>113,285</u>

## 21 UNPAID DIVIDEND / UNCLAIMED DIVIDEND

The Group has opened separate bank accounts as required under the provision of section 244 of the Companies Act, 2017 and the required amounts have been transferred accordingly.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

## 22 SHORT-TERM RUNNING FINANCE

Represents short-term running finance obtained from a commercial bank amounting to Rs. 36.65 million (2020: Rs. Nil ). The total facility limit amounts to Rs. 370 million (2020: Rs. 410 million). The rate of mark-up on these finances ranges from 1 to 3 months KIBOR plus rates varying from 0.75% to 1.25% (2020: 1 to 3 months KIBOR plus rates varying from 0.75% to 1.25%) per annum. The facilities are secured by way of pari passu hypothecation of the Group's stock-in-trade, stores, spares, loose tools and trade debts.

## 23 CONTINGENCIES AND COMMITMENTS

### 23.1 Contingencies

As at the reporting date, total outstanding claims on the Group by certain vendors amounted to Rs. 5.44 million (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 financial statements.

### 23.2 Commitments

**23.2.1** Commitments in respect of outstanding letters of credit for raw material amounting to Rs. 1,320.45 million (2020: Rs. 303.63 million).

**23.2.2** Commitments in respect of capital expenditure amounting to Rs. 80.47 million (2020: Rs. 37.31 million).

**23.2.3** Outstanding bank guarantees issued to Sui Southern Gas Company Limited and Collector of Customs amounting to Rs. 0.39 million (2020: Rs. 0.39 million) and Rs. 7.6 million (2020: Rs. 8.62 million) respectively.

## 24 TURNOVER – net

	2021 ----- (Rupees in '000) -----	2020
Sales	12,281,992	6,152,296
Trade discount	(88)	(161)
Sales tax	(1,796,877)	(907,484)
	(1,796,965)	(907,645)
	10,485,027	5,244,651

**24.1** Revenue recognised from amounts included in advance from customer at the beginning of the year amounted to Rs. Nil (2020: Rs. 1.06 million) as such advance was refunded back to the customer.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

			2021 ----- (Rupees in '000) -----	2020
25	COST OF SALES	Note		
	<b>Raw material consumed</b>			
	Opening stock	12	1,731,879	1,086,127
	Purchases		6,845,587	4,432,489
			8,577,466	5,518,616
	Closing stock	12	(1,193,542)	(1,731,879)
			7,383,924	3,786,737
	<b>Manufacturing expenses</b>			
	Salaries, wages and benefits		589,982	463,564
	Stores, spares and loose tools consumed		275,160	136,334
	Fuel and power		146,423	93,701
	Amortization	9	14,684	11,831
	Royalty		68,325	35,903
	Depreciation on operating fixed assets	7.2	261,492	259,931
	Depreciation on right-of-use assets	8.1	5,632	5,632
	Transportation and travelling		98,634	77,944
	Repairs and maintenance		87,253	79,422
	Packing material consumed		39,031	15,395
	Rent, rates and taxes		1,460	1,271
	Research and development costs		144	480
	Insurance		4,668	4,489
	Communications and professional fee		5,209	6,247
	Printing and stationery		1,449	967
	Others		9,079	9,030
			1,608,625	1,202,141
	<b>Work-in-process</b>			
	Opening stock	12	49,188	43,441
	Closing stock	12	(98,076)	(49,188)
			(48,888)	(5,747)
	<b>Cost of goods manufactured</b>		8,943,661	4,983,131
	<b>Finished goods</b>			
	Opening stock	12	65,860	75,914
	Closing stock	12	(136,623)	(65,860)
			(70,763)	10,054
			8,872,898	4,993,185

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

25.1 Royalty paid during the year comprise of the following:

Company name	Address	Relationship with the Group	2021 ----- (Rupees in '000) -----	2020
KYB Corporation	World Trade Center Building 4-1, Hamamatsu-Cho 2 Chome, Minato-Ku, Tokyo 105 Japan	Technical Partner	25,405	23,799
Aisin Seiki Co., Ltd	2-1, Asahi-Machi, Kariya, Aichi, 448-4650, Japan	Technical Partner	962	972
Ride Control LLC	750 Old Hickory Blvd. Suite 1-180 Brentwood, TN 37027, USA	Technical Partner	1,649	2,786
Ogihara (Thailand) Company Limited	172 Ladkrabang Industrial Estate, Soi Chalongkrung 31, Chalongkrung Rd, Lamplathi, Ladkrabang, Bangkok 10520	Technical Partner	29,582	18,156

	Note	2021 ----- (Rupees in '000) -----	2020
<b>26 DISTRIBUTION COST</b>			
Salaries, wages and benefits		12,944	18,037
Advertisement and sales promotion		28,050	9,197
Carriage and forwarding		40,065	21,489
Travelling and conveyance		2,665	2,907
Depreciation on operating fixed assets	7.2	2,598	2,865
Depreciation on right-of-use assets	8.1	781	781
Provision for warranty claims	20.5	28,143	15,076
Legal and professional charges		1,033	-
Rent, rates and taxes		-	204
Communications		314	235
Insurance		3,492	2,178
Repairs and maintenance		1,226	1,682
Others		1,394	795
		<b>122,705</b>	<b>75,446</b>
<b>27 ADMINISTRATIVE EXPENSES</b>			
Salaries, wages and benefits		95,096	88,825
Legal and professional charges		67,425	74,804
Travelling and conveyance		16,732	15,895
Repairs and maintenance		28,151	22,182
Depreciation on operating fixed assets	7.2	9,187	8,693
Depreciation on right-of-use assets	8.1	1,664	1,664
Security services		13,763	11,820
Communications and professional fee		3,956	3,333
Printing and stationery		1,333	1,564
Rent, rates and taxes		1,366	6,051
Utilities		1,798	2,028
Auditors' remuneration	27.1	3,087	2,760
Insurance		1,834	1,847
Fuel and power		-	258
Others		3,996	5,398
		<b>249,388</b>	<b>247,122</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 ----- (Rupees in '000) -----	2020
<b>27.1 Auditors' remuneration</b>			
Audit fee for standalone financial statements		1,470	1,225
Audit fee for consolidated financial statements		210	175
Fee for review of half yearly financial statements		264	170
Other certifications		788	848
Out of pocket expenses		355	342
		<b>3,087</b>	<b>2,760</b>
<b>28 OTHER EXPENSES</b>			
Workers' Profit Participation Fund	20.4	62,192	4,731
Workers' Welfare Fund		27,112	-
Donations	28.1	9,417	2,575
Allowance for expected credit loss		1,862	238
		<b>100,583</b>	<b>7,544</b>
<b>28.1</b> Donation to following parties equals to or exceeds 10% of the Group's total donations or Rs. 1 million, whichever is higher:			
		2021 ----- (Rupees in '000) -----	2020
Habib Educational Trust		2,500	2,000
Mohammed Ali Habib Welfare Trust		4,325	-
Jam Ghulam Qadir Hospital		1,024	-
<b>28.2</b> None of the directors or their spouses had any interest in the donees except for Ms. Ayesha T. Haq (independent director) who is a member of the Board of Governors in Professional Education Foundation (PEF). Donation given to PEF during the year amounted to Rs. 0.2 million (2020: Nil).			
<b>29 OTHER INCOME</b>	Note	2021 ----- (Rupees in '000) -----	2020
<b>Income from financial assets</b>			
Profit on:			
- short-term investments - term deposit receipts		28,499	23,593
- deposit accounts		11,270	18,458
	29.1	<b>39,769</b>	<b>42,051</b>
Gain / (loss) on disposal of short-term investments - mutual funds		1,934	(47)
Unrealised loss on short-term investments - mutual funds		-	(2,000)
Reversal of allowance for expected credit losses		425	177
Dividend income on short-term investments - mutual funds		-	5,882
		<b>42,128</b>	<b>46,063</b>
<b>Income from non-financial assets</b>			
Gain on disposal of operating fixed assets	7.4	5,403	3,481
Gain on disposal of intangible assets		5,377	-
Liabilities no longer payable - written back		1,085	403
Scrap sales		13,054	4,402
Miscellaneous income		890	2,537
		<b>25,809</b>	<b>10,420</b>
		<b>67,937</b>	<b>56,886</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

**29.1** Represents profit earned under conventional banking relationship.

## 30 TAXATION

### Current

For the year  
Prior

### Deferred

2021  
----- (Rupees in '000) -----

2020

350,721	79,780
-	6,346
350,721	86,126
22,880	(2,657)
373,601	83,469

2021  
(Rupees in `000)

**30.1** Reconciliation between tax expense and accounting profit

Accounting profit for the year before taxation

Tax at applicable rate of 29%

Expenses that are admissible in determining taxable profit

Expenses that are inadmissible in determining taxable profit

Deferred tax expense

Carried forward business losses

Tax credit

Effective tax %

1,203,265

348,947

(98,913)

128,737

22,880

(25,319)

(2,731)

373,601

31%

**30.2** Provision for taxation for the prior year was based on Minimum Tax u/s 113 of the Income Tax Ordinance 2001. Accordingly, reconciliation between tax expense and accounting profit was not presented.

## 31 EARNINGS PER SHARE – basic and diluted

There is no dilutive effect on the basic earnings per share of the Group, which is based on:

2021  
----- (Rupees in '000) -----

2020

Net profit / (loss) for the year

Weighted average number of ordinary shares

outstanding during the year (shares in '000)

Earning / (loss) per share (Rs.)

829,664	(108,438)
28,800	28,800
28.81	(3.77)



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 ----- (Rupees in '000) -----	2020
<b>32 CASH GENERATED FROM OPERATIONS</b>			
Profit / (loss) before taxation		1,203,265	(24,969)
<b>Adjustments for:</b>			
Depreciation and amortisation	7.2, 8 & 9	296,038	291,397
Finance costs		3,130	2,991
Allowance / (reversal) for expected credit losses		1,437	(177)
Liabilities no longer payable - written back	29	(1,085)	(403)
Profit on short-term investments - term deposit receipts	29	(28,499)	(23,593)
Profit on deposit accounts	29	(11,270)	(18,458)
Dividend income	29	-	(5,882)
Capital work-in-progress charged off	7.5.1	5,062	7,797
Gain on disposal of operating fixed assets	29	(5,403)	(3,481)
Gain on disposal of intangible asset		(5,377)	-
(Gain) / loss on disposal of short-term investments - mutual funds	29	(1,934)	47
		252,099	250,238
		1,455,364	225,269
<b>Decrease / (increase) in current assets</b>			
Stores, spares and loose tools		(9,175)	2,897
Stock-in-trade		210,953	(335,941)
Trade debts		(664,973)	492,964
Advances, deposits, prepayments and other receivables		(740,370)	196,273
Sales tax receivable		138,814	(81,866)
		(1,064,751)	274,327
<b>Increase in current liabilities</b>			
Trade and other payables		161,621	349,843
Sales tax payable		36,449	-
		588,683	849,439
<b>33 CASH AND CASH EQUIVALENTS</b>			
Short-term investments - term deposit receipts	15	266,000	443,000
Short-term running finance	22	(36,646)	-
Cash and bank balances	16	225,861	131,195
		455,215	574,195
<b>34 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES</b>			
The main risks arising from the Group's financial instruments are market risks, credit risk and liquidity risk. The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below:			
<b>34.1 Market risk</b>			
Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rate and foreign exchange rates which are discussed below:			
<b>(i) Interest rate risk</b>			
Interest rate risk is the risk that the value of financial instrument will fluctuate due to the changes in market interest rates. The Group is exposed to interest rate risk in respect of bank deposits and term deposit receipts. Management of the Group estimates that 1% increase in the market interest rate, with all other factor remaining constant, would decrease the Group's loss for the year by Rs. 3.03 million (2020: Rs. 5 million) and a 1% decrease would result in the increase in the Group's loss for the year by the same amount. However, in practice, the actual result may differ from the sensitivity analysis.			

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

## (ii) Foreign currency risk

Foreign currency risk is the risk that the value of financial assets or a financial liability will fluctuate due to a change in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions in foreign currency. As at June 30, 2021, the Group does not have any financial assets or financial liabilities which are denominated in foreign currencies.

## 34.2 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

Concentration of credit risk arises when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Group's performance to developments affecting a particular industry.

The Group is exposed to credit risk mainly on trade debts, short-term investments, long-term deposits, short-term deposits, other receivables and bank balances. The Group seeks to minimise the credit risk exposure through having exposure only to customers considered credit worthy and obtaining securities where applicable.

The table below provides the analysis of the credit quality of financial assets on the basis of external credit rating or the historical information about counter party default rates.

	Note	2021 ----- (Rupees in '000) -----	2020
The maximum exposure to credit risk at reporting date is as follows:			
Long-term deposits	10	13,605	13,438
Trade debts	13	1,159,086	492,234
Deposits	14	12,125	577
Other receivables	14	852,245	123,760
Accrued profit		1,295	1,215
Short-term investments	15	266,780	494,329
Bank balances	16	225,800	131,104
		<u>2,530,936</u>	<u>1,256,657</u>

The table below provides the analysis of the credit quality of financial assets on the basis of external credit rating or the historical information about counter party default rates.

	2021 ----- (Rupees in '000) -----	2020
<b>Trade debts</b>		
The analysis of trade debts is as follows:		
Neither past due nor impaired	1,070,870	441,495
Past due but not impaired		
- 30 to 90 days	85,396	35,027
- 91 to 180 days	1,519	15,070
- 181 to 360 days	1,301	642
	<u>1,159,086</u>	<u>492,234</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	2021 ----- (Rupees in '000) -----	2020
<b>Bank balances</b>		
<b>Ratings</b>		
AAA	-	7,295
AA+	-	63,311
A-1+	225,800	60,498
	<u>225,800</u>	<u>131,104</u>
<b>Short-term investments</b>		
<b>Ratings</b>		
A-1+	266,323	494,329
	<u>266,323</u>	<u>494,329</u>

## 34.3 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in raising funds to meet commitments associated with financial instruments. The management of the Group believes that it is not exposed to any significant level of liquidity risk.

The management forecasts the liquidity of the Group on the basis of expected cashflow considering the level of liquid assets necessary to mitigate the liquidity risk.

	2021	Not later than 3 months	Later than 3 months but not more than a year	1 to 5 years	Total
					----- (Rupees in '000) -----
Trade and other payables		326,480	46,319	-	372,799
Lease liabilities		6,000	1,425	13,305	20,730
Unpaid dividend		11,655	-	-	11,655
Short-term running finance		36,646	-	-	36,646
Unclaimed dividend		22,857	-	-	22,857
		<u>403,638</u>	<u>47,744</u>	<u>13,305</u>	<u>464,687</u>

	2020	Not later than 3 months	Later than 3 months but not more than a year	1 to 5 years	Total
					----- (Rupees in '000) -----
Trade and other payables		475,836	165,952	-	641,788
Lease liabilities		6,000	325	8,712	15,037
Unpaid dividend		11,971	-	-	11,971
Short-term running finance		-	-	-	-
Unclaimed dividend		20,271	-	-	20,271
		<u>514,078</u>	<u>75,325</u>	<u>8,712</u>	<u>689,067</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

## 35 CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital is to safeguard the Group's ability to continue to provide returns for shareholders and benefit for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group is currently financing majority of its operations through equity and working capital. The capital structure of the Group is equity based with no financing through long-term borrowings.

## 36 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

### Fair value hierarchy

The different levels to analyse financial assets carried at fair value have been defined as follows:

Level 1: Quoted market price

Level 2: Valuation techniques (market observable); and

Level 3: Valuation techniques (non-market observables)

### Short-term investments - mutual funds

June 30, 2021

June 30, 2020

Fair value measurement using			
Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----			
-	-	-	-
51,038	-	-	51,038

## 37 CHANGES IN LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES:

	2021		2020	
	Unclaimed & Unpaid dividend	Lease liabilities	Unclaimed & Unpaid dividend	Lease liabilities
	---- (Rupees in '000) ----			
As at July 01	32,242	15,037	30,266	-
<b>Changes from financing cash flows</b>				
Dividend paid during the year	(170,530)	-	(199,624)	-
Payments made during the year	-	(7,000)	-	(8,669)
	(170,530)	(7,000)	(199,624)	(8,669)
<b>Other changes</b>				
Dividend declared during the year	172,800	-	201,600	-
Impact of initial application of IFRS 16	-	-	-	21,565
Finance cost during the year	-	1,227	-	2,141
Additions during the year	-	11,466	-	-
	172,800	12,693	201,600	23,706
As at June 30	34,512	20,730	32,242	15,037

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

## 38 REMUNERATION OF THE CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

**38.1** The aggregate amount charged in the consolidated financial statements for remuneration including certain benefits to the chief executive, directors and executives of the Group are as follows:

	2021		2020	
	Chief Executive	Executives	Chief Executive	Executives
	----- (Rupees in '000) -----			
Managerial remuneration	22,918	63,505	19,600	63,649
Bonus	7,200	12,099	4,800	8,169
Retirement benefits	1,682	2,624	1,633	2,818
Utilities	649	175	-	216
Medical expenses	12	397	52	373
	<b>32,461</b>	<b>78,800</b>	<b>26,085</b>	<b>75,225</b>
Number of persons	<b>1</b>	<b>16</b>	<b>1</b>	<b>16</b>

**38.2** The Chief Executive and certain executives are also provided with free use of Group's maintained vehicles in accordance with the Group's policy.

**38.3** Three non-executive directors (2020: Three) have been paid fees of Rs. 2.1 million (2020: Rs. 1.4 million) for attending board and other meetings.

## 39 TRANSACTIONS WITH RELATED PARTIES

**39.1** Related parties of the Group comprise the companies with common directorship, retirement funds, directors and key management personnel. All the transactions with related parties are entered into at agreed terms in the normal course of business as approved by the Board of Directors of the Group. Detail of transactions with related parties during the year, other than disclosed elsewhere in these consolidated financial statements, are as follows:

Name of related party and relationship with the Group	Nature of transactions	Percentage of share holding in the Holding Company	2021	2020
		%	----- (Rupees in '000) -----	
Associated Companies (Common directorship)				
Thal Limited	Dividend paid	7.35	12,694	14,809
Shabbir Tiles & Ceramics Limited	Purchases	Nil	3,375	865
Thal Boshoku Pakistan (Private) Limited	Sales	Nil	99,298	8,148
Retirement benefits fund				
Employees' Provident Fund	Contribution	Nil	14,114	12,950
Key management personnel				
	Remuneration and other benefits	Nil	44,009	38,815
	Sale of vehicle having net book value of Rs. 0.705 million as per the Company's policy		806	-



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

**39.2** The outstanding balance with related parties as at reporting date have been disclosed in the respective notes to the consolidated financial statements.

**39.3** Details of compensation to the key management personnel have been disclosed in the note 38 to the consolidated financial statements.

## 40 PRODUCTION CAPACITY

The production capacity of the Group cannot be determined as this depends on the relative proportions of various types of vehicles and agricultural tractors produced by Original Equipment Manufacturers.

## 41 UNUTILIZED CREDIT FACILITIES

As of reporting date, the Group has unutilized facilities for letter of credit, bonds and guarantees and terms of loan available from various banks amounted to Rs. 838.09 million (2020: Rs. 1,174 million). The facilities are secured by way of pari passu hypothecation of Group's stock-in-trade, stores, spares, loose tools and trade debts.

## 42 NON-ADJUSTING EVENT AFTER THE STATEMENT OF FINANCIAL POSITION DATE

**42.1** The Board of Directors in its meeting held on August 26, 2021 (i) approved the transfer of Rs. 200 million (2020: Nil) from unappropriated profits to general reserve and (ii) proposed cash dividend of Rs. 6 per share (2020: Rs. 1 per share) for the year ended June 30, 2021 amounting to Rs. 172.8 million (2020: Rs. 28.8 million) for approval of the members at the Annual General Meeting to be held on October 21, 2021.

## 43 NUMBER OF EMPLOYEES

	2021	2020
Total number of employees as at June 30	990	840
Average number of employees during the year	907	890

## 44 INFORMATION ABOUT OPERATING SEGMENTS

The activities of the Group are organised into one operating segment i.e. manufacture and sale of automotive parts. The Group operates in the said reportable operating segment based on the nature of products, risks and returns, organisational and management structure and internal financial reporting systems. Accordingly, the figures reported in these consolidated financial statements relates to the Group's only reportable segment.

The operating interests of the Group are confined to Pakistan in terms of production areas and customers. Accordingly, the figures reported in these consolidated financial statements relate to the Group's only reportable operating segment in Pakistan. Two customers account for more than 10% of the Group's sales.

## 45 COVID-19 OUTBREAK AND ITS IMPACT ON CONSOLIDATED FINANCIAL STATEMENTS

During the year, the Group had to operate in the unprecedented context created by the COVID-19 pandemic, the resulting economic and social conditions including Government directives to prevent the spread of COVID-19. This situation posed a range of business and financial challenges across various sectors of the economy in Pakistan. However, Auto Sector has recovered and with the implementation of Standard Operating Procedures (SOPs), the Group has resumed its operations at normal levels. Management has assessed the accounting implications of these developments on these consolidated financial statements, including but not limited to the impairment of tangible and intangible assets under IAS 36, 'Impairment of non-financial assets', the net realisable value of inventory under IAS 2, 'Inventories' used for the preparation of these consolidated financial statements.

Accordingly, there is no significant accounting and financial impact of the effects of COVID-19 on these consolidated financial statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

### 46 GENERAL

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

**46.2** Certain prior year's figures have been reclassified for better presentation, wherever necessary. However, there are no material reclassifications to report.

### 47 DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements were authorised for issue on August 26, 2021 by the Board of Directors of the Group.



DIRECTOR



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER

# PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2021

No. of Shareholders	Size of Shareholding		Total Shares Held
	From	To	
1,672	1	100	47,507
779	101	500	189,243
318	501	1000	234,835
339	1001	5000	759,630
67	5001	10000	493,158
36	10001	15000	444,514
16	15001	20000	271,079
18	20001	25000	427,848
17	25001	30000	467,033
8	30001	35000	269,932
7	35001	40000	266,594
6	40001	45000	254,405
7	45001	50000	336,523
3	50001	55000	154,900
1	55001	60000	55,545
4	60001	65000	249,999
2	65001	70000	136,033
1	70001	75000	74,359
5	75001	80000	387,624
5	85001	90000	435,488
2	90001	95000	187,500
3	95001	100000	294,462
1	105001	110000	107,400
2	115001	120000	238,292
2	120001	125000	248,541
2	130001	135000	265,132
2	140001	145000	285,700
2	145001	150000	292,869
1	160001	165000	162,122
1	190001	195000	191,661
3	195001	200000	600,000
1	205001	210000	207,500
1	215001	220000	216,600
1	225001	230000	228,700
1	260001	265000	262,000
1	280001	285000	280,920
1	345001	350000	347,600
4	360001	365000	1,451,545
1	380001	385000	381,800
1	395001	400000	398,500
1	435001	440000	435,300
1	450001	455000	451,080
1	465001	470000	467,500
1	475001	480000	476,500
1	525001	530000	525,626
4	595001	600000	2,400,000
1	995001	1000000	997,020
1	1150001	1155000	1,154,600
1	1245001	1250000	1,248,139
1	2115001	2120000	2,115,600
1	5920001	5925000	5,923,542
3,358			28,800,000

# PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2021

S. No.	Categories of Shareholders	No. of Shares Held	Category-wise No. of Folios / CDC Accounts	Category-wise Shares Held	Percentage (%)
1	<b>Individuals</b>		3,211	9,648,723	33.50
2	<b>Investment Companies</b>		4	11,729	0.04
3	<b>Joint Stock Companies</b>		41	1,213,716	4.21
4	<b>Directors, Chief Executive Officer and Their Spouse and Minor Children</b> Yutaka Arae Fahim Kapadia Hamza Habib Sohail P. Ahmed Muhammad Salman Burney Muhammad Ali Jameel Ayesha T. Haq	1,000 3,000 1,000 1,000 5,000 1,000 1,000	7	13,000	0.05
5	<b>Executives</b>	-	-	-	-
6	<b>Associated Companies, Undertakings and Related Parties</b> Thal Limited		1	2,115,600	7.35
7	<b>Public Sector Companies and Corporations</b>		1	63,093	0.22
8	<b>Banks, DFI's , NBFIs, Insurance Companies, Takaful, Modarabas and Pension Funds</b> Financial Institutions Insurance Companies Modaraba Pension Funds	1,179,357 40,991 100 205,377	18	1,425,825	4.95
9	<b>Mutual Funds</b> Golden Arrow Selected Stocks Fund Limited MCBFSL - Trustee JS Value Fund CDC - Trustee Pakistan Capital Market Fund CDC - Trustee Alhamra Islamic Stock Fund CDC - Trustee JS Islamic Fund CDC - Trustee Unit Trust Of Pakistan CDC - Trustee Akd Index Tracker Fund CDC - Trustee Alhamra Islamic Asset Allocation Fund CDC - Trustee Meezan Islamic Fund CDC - Trustee NBP Stock Fund CDC - Trustee JS Pension Savings Fund - Equity Account CDC - Trustee NBP Islamic Sarmaya Izafa Fund MCBFSL - Trustee JS Growth Fund CDC - Trustee MCB Pakistan Asset Allocation Fund CDC - Trustee JS Islamic Pension Savings Fund-Equity Account CDC - Trustee NIT-Equity Market Opportunity Fund CDC - Trustee Lakson Equity Fund CDC - Trustee Al-Ameen Islamic Ret. Sav. Fund-Equity Sub Fund CDC - Trustee UBL Retirement Savings Fund - Equity Sub Fund CDC - Trustee National Investment (Unit) Trust CDC - Trustee NBP Islamic Stock Fund CDC - Trustee NIT Islamic Equity Fund CDC - Trustee NITIPF Equity Sub-Fund CDC - Trustee NITPF Equity Sub-Fund CDC - Trustee Lakson Tactical Fund CDC - Trustee Lakson Islamic Tactical Fund CDC - Trustee JS Islamic Dedicated Equity Fund (JSIDEF) CDC - Trustee NBP Islamic Regular Income Fund	1,000 5,700 40,000 124,800 13,600 24,700 4,300 80,000 140,700 7,000 1,950 1,400 93,100 70,000 1,200 2,500 74,359 5,000 10,200 997,020 200 96,100 15,500 5,000 9,000 6,697 3,037 4,000	28	1,838,063	6.38
10	<b>Foreign Investors</b>		19	12,166,373	42.24
11	<b>Co-Operative Societies</b>		3	1,942	0.01
12	<b>Charitable Trust</b>		1	25	0.00
13	<b>Others</b>		24	301,911	1.05
	<b>TOTAL</b>		<b>3,358</b>	<b>28,800,000</b>	<b>100.00</b>

## Shareholders holding Five (5) Percent or more Voting Interest in the Company

Name of Shareholder (s)	No. of Shares Held	Description	Percentage (%)
Thal Limited	2,115,600	Falls in Category # 6	7.35
Robert Finance Corporation, AG.	7,171,681	Falls in Category # 10	24.90

# FORM OF PROXY

The Secretary  
Agriauto Industries Limited  
House of Habib, 5<sup>th</sup> floor  
Shahrah-e-Faisal,  
Karachi-75350

I/We \_\_\_\_\_  
of \_\_\_\_\_ in the district of \_\_\_\_\_  
being a member of Agriauto Industries Limited and holder of \_\_\_\_\_  
\_\_\_\_\_ Ordinary shares as per Share Register Folio \_\_\_\_\_  
(No. of Shares) \_\_\_\_\_  
No. \_\_\_\_\_ and/or CDC Participant I.D. No. \_\_\_\_\_  
And Sub. Account No. \_\_\_\_\_ hereby appoint \_\_\_\_\_  
of \_\_\_\_\_ in the district of \_\_\_\_\_  
or failing him \_\_\_\_\_ of \_\_\_\_\_  
who is/are also member/s of Agriauto Industries Limited as my/our proxy to vote for me/us and on my/our behalf at  
the 40th Annual General Meeting of the Company to be held on October 21, 2021 and at any adjournment thereof.  
Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2021.

Folio No.	CDC Participant ID No.	CDC Account /Sub- Account No.	No. of Shared held	Signature

The signature should agree  
with specimen registered  
with the Company.

## WITNESS 1

Signature \_\_\_\_\_  
Name \_\_\_\_\_  
CNIC /Passport No. \_\_\_\_\_  
Address \_\_\_\_\_

## WITNESS 2

Signature \_\_\_\_\_  
Name \_\_\_\_\_  
CNIC /Passport No. \_\_\_\_\_  
Address \_\_\_\_\_

## Note:

1. This proxy form duly completed and signed, must be received at the Registered Office of the Company or Share Registrar of the Company, not less than 48 hours before the time of holding the meeting.
2. No person shall act as proxy unless he/she himself /herself is a member of the Company, except that a corporation may appoint a person who is not a member.
3. If a member appoints more than one proxy and more than one instrument of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.

## For CDC Account Holders / Corporate Entities:

In addition to the above the following requirements have to be met:

- i) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- ii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iii) The proxy shall produce his original CNIC or original passport at the time of meeting.
- iv) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.














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