

**INTERIM CONDENSED BALANCE SHEET**  
**AS AT MARCH 31, 2009**  
**(UN-AUDITED)**

	Note	March 31, 2009 (Un-audited) (Rupees in '000')	June 30, 2008 (Audited)
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
<b>PROPERTY, PLANT AND EQUIPMENT</b>	4	347,510	303,374
<b>LONG TERM INVESTMENT</b>	5	247,500	180,000
<b>LONG TERM DEPOSITS</b>		1,947	2,071
		<b>596,957</b>	<b>485,445</b>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		37,213	37,148
Stock-in-trade		472,188	285,016
Trade debts		216,969	190,395
Loans, advances, deposits, prepayments and other receivables		8,504	37,317
Accrued profit		1,109	2,024
Short term investments		100,000	259,230
Taxation – net		18,329	11,604
Cash and bank balances		158,931	163,353
		<b>1,013,243</b>	<b>986,087</b>
<b>TOTAL ASSETS</b>		<b>1,610,200</b>	<b>1,471,532</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized 40,000,000 (June 30, 2008: 40,000,000) Ordinary shares of Rs.5/- each		200,000	200,000
Issued, subscribed and paid-up capital	6	144,000	120,000
Reserves		<b>1,200,037</b>	<b>1,117,287</b>
		<b>1,344,037</b>	<b>1,237,287</b>
<b>NON-CURRENT LIABILITIES</b>			
Liabilities against assets subject to finance lease		1,422	2,691
Deferred taxation		41,102	18,785
<b>CURRENT LIABILITIES</b>			
Trade and other payables		204,579	200,790
Accrued mark-up		929	-
Current portion of liabilities against assets subject to finance lease		2,883	8,301
Sales tax payable		15,248	3,678
		<b>223,639</b>	<b>212,769</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	7		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,610,200</b>	<b>1,471,532</b>

The annexed notes from 1 to 9 form an integral part of these interim condensed financial statements.

**R.D. MINWALLA**  
**Chairman**

**QAZI EBADULLAH KHAN**  
**Chief Executive**

**INTERIM CONDENSED CASH FLOW STATEMENT  
FOR THE NINE MONTHS & QUARTER ENDED MARCH 31, 2009  
(UN-AUDITED)**

	March 31, 2009	March 31, 2008
	(Rupees in '000')	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	213,046	321,112
Adjustments for :		
Depreciation	23,806	15,360
Finance costs	4,523	1,474
Provision for impairment of trade debts	2,350	225
Gain on disposal of property, plant and equipment	(1,805)	(808)
Profit on short-term investments	(14,689)	(15,517)
	227,231	321,846
Increase in current assets	(187,968)	22,783
Decrease in current liabilities	15,104	34,876
<b>Cash (used in) / generated from operations</b>	<b>54,367</b>	<b>379,505</b>
Finance costs paid	(3,594)	(1,488)
Income tax paid	(59,110)	(118,808)
Long term deposits	124	(192)
<b>Net cash (used in) / generated from operating activities</b>	<b>(8,213)</b>	<b>259,017</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(74,644)	(136,530)
Proceeds from disposal of property, plant and equipment	9,672	3,417
Acquisition of long term investments	(67,500)	(30,000)
Proceeds from disposal of short-term investments	52,290	17,153
Profit received on short term investments	15,604	(30,000)
<b>Net cash used in investing activities</b>	<b>(64,578)</b>	<b>(175,960)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Lease rentals paid	(7,854)	(6,924)
Dividends paid	(23,777)	(83,178)
<b>Net cash used in financing activities</b>	<b>(31,631)</b>	<b>(90,102)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(104,422)</b>	<b>( 7,045)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>363,353</b>	<b>299,299</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>258,931</b>	<b>292,254</b>
<b>CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	158,931	242,254
Short term investments	100,000	50,000
	<b>258,931</b>	<b>292,254</b>

The annexed notes from 1 to 9 form an integral part of these interim condensed financial statements.

**R.D. MINWALLA**  
Chairman

**QAZI EBADULLAH KHAN**  
Chief Executive

## **DIRECTOR'S REPORT TO THE MEMBERS**

The Directors of your Company are pleased to report the financial position and performance of your Company for the nine months ended March 31, 2009.

The sales achieved for the period was Rs. 1.627 billion as compared to Rs. 1.524 billion for the corresponding period last year registering an increase of Rs. 103 million i.e. 6.76%. The profit before tax however declined from Rs. 321.11 million to Rs. 213.05 million i.e. 33.65% as compared to last year attributable largely to increase in cost of sales because of substantial depreciation of Pak. Rupee against major international currencies especially Japanese Yen.

The declining sales trend persists in the auto industry thus affecting the sales volume during the nine months ending March 31, 2009, on the other hand, higher input cost and inventories resulting from lower production has suppressed the profitability. The Management has taken necessary measures through price corrections to improve sales revenue and reduce inventories to offset the decline in sales volume.

The third quarter has been the best in this fiscal year and it is expected that the last quarter of this year will follow suit. It appears that the Auto industry is showing some signs of stability, albeit well below its capacity. This improvement will reflect positively on our sales and margins. Stable sales in the Replacement Market, Two-Wheeler Industry and Tractor Parts will also complement profitability and margins.

The Sheet Metal Plant for Pressed Parts has been commissioned and it's performance will depend on the volume of business we can attract and the prices we can get in the recession scenario. The capacity utilization will improve in due course of time.

We would like to convey our appreciation to all our customers, dealers, bankers and foreign technical collaborators for their continued support and confidence in the Company. We are also highly appreciative of all our team members who have worked diligently.

On behalf of the Board of Directors.

Qazi Ebadullah Khan  
Chief Executive

Dated: April 24, 2009

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE NINE MONTHS & QUARTER ENDED MARCH 31, 2009  
(UN-AUDITED)**

**1. THE COMPANY AND ITS OPERATION**

The Company was incorporated in Pakistan on June 25, 1981 as a public company limited by shares under the Companies Act, 1913 (now the Companies Ordinance, 1984) and is listed on the Karachi and Lahore Stock Exchanges. 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.

**2. BASIS OF PREPARATION**

These interim condensed financial statements are un-audited. These are required to be presented to the shareholders under section 245 of the Ordinance and have been prepared in a condensed form in accordance with the requirements of the International Accounting Standard (IAS) - 34 "Interim Financial Reporting" as applicable in Pakistan. These interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2008.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted in the preparation of these interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended June 30, 2008 except the following:

**4. PROPERTY, PLANT AND EQUIPMENT**

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

	<b>Additions (cost)</b>	<b>Deletions (book value)</b>
	<b>(Rupees in '000')</b>	
<b>Owned</b>		
Leasehold land	-	6,318
Building on freehold land	23,353	-
Plant, machinery and equipment	40,943	531
Furniture and fixture	365	-
Dies	8,485	-
Office equipment	520	-
Computer equipment	244	-
Vehicles	734	434
	74,644	7,283
<b>Leased</b>		
Vehicles	1,167	585
	<b>75,811</b>	<b>7,868</b>
	<b>March 31,</b>	<b>June 30,</b>
<b>Note</b>	<b>2009</b>	<b>2008</b>
	<b>(Rupees in '000')</b>	

**5. LONG-TERM INVESTMENT – Available-for-sale**

In an unquoted company – at cost  
Makro Habib Pakistan Limited

	<b>247,500</b>	180,000
--	----------------	---------

- 5.1** During the year, the Company acquired further 6,750,000 shares of Makro Habib Pakistan Limited at Rs. 10/- per share

**6. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL**

Ordinary shares of Rs.5/- each

<u>Number of shares</u>			<b>March 31, 2009</b>	<b>June 30, 2008</b>	<b>March 31, 2009</b>	<b>June 30, 2008</b>
March 31, 2009	June 30, 2008		(Rupees in '000)			
<b>22,800</b>	22,800	Fully paid in cash			<b>114,000</b>	114,000
		Issued as fully paid bonus shares				
<b>1,200</b>	1,200	Opening balance	<b>6,000</b>	6,000		
<b>4,800</b>	-	Issued during the period	<b>24,000</b>	-		
<b>6,000</b>	1,200		<b>30,000</b>	6,000		
<b>28,800</b>	24,000		<b>144,000</b>	120,000		

The shares held by the related parties as at March 31, 2009 were 2,115,600 (June 30, 2008: 1,838,666) ordinary shares of Rs. 5/- each.

**7. CONTINGENCIES AND COMMITMENTS**

**Contingencies**

7.1 The following changes have occurred subsequent to the year ended June 30, 2008;

The Divisional Bench of the Honourable High Court of Sindh through its order dated September 17, 2008 has declared the levy of the Infrastructure Cess/Fee by the Excise and Taxation Department, Government of Sindh upto December 27, 2006 as ultra vires of the constitution. The levy subsequent to December 27, 2006 has been declared as valid and constitutional.

The Company has filed an appeal before the Supreme Court of Pakistan against the above order of the High Court of Sindh. The Honorable Supreme Court of Pakistan has accepted the petition and granted stay order against the payment of levy subject to the submission of bank guarantees.

The Company has decided not to reverse the liability pertaining to the period prior to December 27, 2006 as the Excise Department, Government of Sindh has also filed an appeal before the Honorable Supreme Court of Pakistan against the above order of the High Court of Sindh. Therefore, the Company continues to provide for additional liability of the charge for the period under review until the matter is finally decided by the Supreme Court of Pakistan.

The utilized portion of bank guarantee amounting to Rs. 20.059 million (2008: Rs. 13.262 million) has been provided in these financial statements.

**Commitments**

7.2 Commitments in respect of outstanding letters of credit for raw material amounts to Rs. 226.667million (June 30, 2008: Rs.178.345 million).

7.3 Commitment in respect of capital expenditure amounts to Rs. Nil million (June 30, 2008: Rs. 16.692 million).

**8. TRANSACTIONS WITH RELATED PARTIES**

Related parties of the Company comprise companies with common directorship, retirement funds, directors and key management personnel. Detail of transactions with related parties during the period, other than those which have been disclosed elsewhere in these interim condensed financial statements, are as follows:

	<b>March 31, 2009</b>	<b>March 31, 2008</b>
	(Rupees in '000')	
Insurance premium	-	2,343
Contribution to the Provident fund	<b>2,029</b>	1,690
Key management personnel compensation	<b>7,837</b>	4,871
Insurance claim received	-	807

Transactions with related parties are carried out at an arm's length prices determined using the admissible valuation methods.

**9 DATE OF AUTHORISATION FOR ISSUE**

These interim condensed financial statements were authorized for issue on April 24, 2009 by the Board of Directors of the Company.

**R.D. MINWALLA**  
**Chairman**

**QAZI EBADULLAH KHAN**  
**Chief Executive**

**AGRIAUTO INDUSTRIES LIMITED**  
**INTERIM CONDENSED PROFIT AND LOSS ACCOUNT**  
**FOR THE NINE MONTHS QUARTER ENDED MARCH 31, 2009**  
**(UN-AUDITED)**

	Nine months Ended		Quarter Ended	
	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008
	(Rupees in '000')		(Rupees in '000')	
Turnover – net	1,627,199	1,524,242	634,849	528,808
Cost of sales	1,341,937	1,141,958	495,493	400,754
<b>Gross profit</b>	<b>285,262</b>	<b>382,284</b>	<b>139,356</b>	<b>128,054</b>
Distribution costs	36,973	25,272	12,574	8,759
Administrative expenses	35,817	27,732	10,821	9,686
	72,790	53,004	23,395	18,445
Other operating income	22,407	18,683	4,820	6,382
	234,879	347,963	120,781	115,991
Finance costs	4,523	1,474	1,234	338
Other charges	17,310	25,377	8,324	8,069
	21,833	26,851	9,558	8,407
<b>Profit before taxation</b>	<b>213,046</b>	<b>321,112</b>	<b>111,223</b>	<b>107,584</b>
Taxation	74,931	113,306	41,495	38,930
<b>Profit after taxation</b>	<b>138,115</b>	<b>207,806</b>	<b>69,728</b>	<b>68,654</b>
<b>Basic and diluted earnings per share (Rs.)</b>	<b>4.80</b>	<b>(Restated) 7.22</b>	<b>2.42</b>	<b>(Restated) 2.38</b>

The annexed notes from 1 to 9 form an integral part of these interim condensed financial statements.

**R.D. MINWALLA**  
**Chairman**

**QAZI EBADULLAH KHAN**  
**Chief Executive**

**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY  
FOR THE NINE MONTHS & QUARTER ENDED MARCH 31, 2009  
(UN-AUDITED)**

	RESERVES					Hedging Reserves	Total reserves	Total equity
	CAPITAL RESERVE	Gain on change in fair value of available for sale investments	REVENUE RESERVES					
	Share premium		General reserve	Unappropriated profit				
Issued, subscribed and paid-up capital								
----- (Rs. in 000) -----								
<b>Balance as at June 30, 2007</b>	120,000	12,598	3,644	550,000	354,143	-	920,385	1,040,385
Transfer to general reserve	-	-	-	250,000	(250,000)	-	-	-
Final dividend for the year ended June 30, 2007 @ Rs. 3.50/- per share					(84,000)	-	(84,000)	(84,000)
Profit after taxation for the period	-	-	-	-	207,806	-	207,806	207,806
Gain on change in fair value of available-for-sale investments	-	-	1,913	-	-	-	1,913	1,913
<b>Balance as at March 31 2008</b>	<u>120,000</u>	<u>12,598</u>	<u>5,557</u>	<u>800,000</u>	<u>218,949</u>	<u>-</u>	<u>1,046,104</u>	<u>1,166,104</u>
<b>Balance as at June 30, 2008</b>	120,000	12,598	6,940	800,000	297,324	425	1,117,287	1,237,287
Transfer to general reserve	-	-	-	245,000	(245,000)	-	-	-
Profit after taxation for the period	-	-	-	-	138,115	-	138,115	138,115
Final dividend for the year ended June 30, 2008 @ Re. 1.00/- per share	-	-	-	-	(24,000)	-	(24,000)	(24,000)
Bonus issue for the year ended June 30, 2008 @ 1 : 5	24,000	-	-	-	(24,000)	-	(24,000)	-
Gain transferred to profit and loss account on disposal of available for sale investments	-	-	(6,940)	-	-	-	(6,940)	(6,940)
Net gain on cash flow hedge transferred to stock-in-trade	-	-	-	-	-	(425)	(425)	(425)
<b>Balance as at March 31, 2009</b>	<u>144,000</u>	<u>12,598</u>	<u>-</u>	<u>1,045,000</u>	<u>142,439</u>	<u>-</u>	<u>1,200,037</u>	<u>1,344,037</u>

The annexed notes from 1 to 9 form an integral part of these interim condensed financial statements.

**R.D. MINWALLA**  
Chairman

**QAZI EBADULLAH KHAN**  
Chief Executive