

AGRIAUTO INDUSTRIES LIMITED
CONDENSED INTERIM BALANCE SHEET
AS AT MARCH 31, 2011

	Note	March 31, 2011 (Un-audited)	June 30, 2010 (Audited)
		(Rupees in `000)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	371,272	345,436
Long-term deposits and other receivable		4,249	2,252
		375,521	347,688
CURRENT ASSETS			
Stores, spares and loose tools		53,589	46,704
Stock-in-trade		480,881	630,739
Trade debts		401,324	309,221
Advances, deposits, prepayments and other receivables		5,852	8,841
Sales tax refundable		-	4,062
Accrued profit		285	-
Short-term investments	5	836,540	609,152
Taxation – net		12,180	-
Cash and bank balances		197,762	193,058
		1,988,413	1,801,777
TOTAL ASSETS		2,363,934	2,149,465
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized 40,000,000 (June 30, 2010: 40,000,000) Ordinary shares of Rs.5/- each		200,000	200,000
Issued, subscribed and paid-up capital		144,000	144,000
Reserves		1,908,447	1,673,326
		2,052,447	1,817,326
NON-CURRENT LIABILITIES			
Liabilities against assets subject to finance lease		810	2,434
Deferred taxation		23,311	26,636
		24,121	29,070
CURRENT LIABILITIES			
Trade and other payables		270,611	291,379
Current portion of liabilities against assets subject to finance lease		2,148	2,441
Sales tax payable		14,607	-
Taxation – net		-	9,249
		287,366	303,069
CONTINGENCIES AND COMMITMENTS	6		
TOTAL EQUITY AND LIABILITIES		2,363,934	2,149,465

The annexed notes from 1 to 8 form an integral part of these condensed interim financial statements.

YUTAKA ARAE
CHAIRMAN

FAHIM KAPADIA
CHIEF EXECUTIVE

DIRECTORS' REPORT

The Directors of your Company are pleased to issue this report on the financial position and performance of your Company for the quarter and nine months ended March 31, 2011.

Sales for the period was Rs. 3.10 billion as compared to Rs. 2.70 billion of the corresponding period last year thus registering an increase of 14.8%. The profit before tax has increased from Rs. 471.6 million to Rs. 520.8 million, an increase of Rs. 49.2 million or 10.4% as compared to corresponding period of last year.

Sales for the nine month period have been steady both in the passenger car segment and for the tractor segment. During this quarter, the Government has imposed a 17% sales tax on the sales of tractors hence the prices of the tractors have increased. The Tractor volumes in the last quarter are expected to be lower which will affect our sales volume in this sector. The Government has also imposed an additional surcharge @15% on the income tax for a period from March 15 – June 30, 2011, this surcharge would be an additional tax on the income in the last quarter.

On March 11, 2011 there was a devastating earth quake in Japan followed by a Tsunami. The earthquake and tsunami caused extensive and severe structural damage in the northern part of the country. All car assemblers have lowered their forecasted sales in the last quarter because of the shortage of the CKD parts from Japan. This lowering of the forecast would also adversely affect our sales and profitability and there would be corresponding increase in the inventory.

Historically the sales in the last quarter have always been higher as compared to other quarters however, due to the foregoing reasons there would be decline in the sales in the 4th quarter of the year.

In the end, we would like to express our deepest concern with the people of Japan on this unexpected natural disaster and hope that this Great nation would overcome this hardship in a short span of time. We would also like to express our appreciation to all our Customers, Dealers, Bankers and foreign technical collaborators for their unabated support and confidence in the Company. We are also thankful to all our team members who have worked diligently to support our customers and the progress of the Company.

On behalf of the Board of Directors.

Fahim Kapadia
Chief Executive

Dated : April 23, 2011

AGRIAUTO INDUSTRIES LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS & QUARTER ENDED MARCH 31, 2011
(UN-AUDITED)

	Reserves					Total Equity	
	Capital reserve	Revenue reserves					
	Share premium	General reserve	Unappropriated profit	Gain / (loss) on revaluation of available-for-sale investments	Total		
	(Rupees in `000)						
Balance as at July 01, 2009	144,000	12,598	1,045,000	277,695	(37,125)	1,298,168	1,442,168
Net profit for the period	-	-	-	267,145	-	267,145	267,145
Other comprehensive income	-	-	-	-	37,125	37,125	37,125
Total comprehensive income for the period	-	-	-	267,145	37,125	304,270	304,270
Final dividend for the year ended June 30, 2009 @ Rs. 2.00/- per share	-	-	-	(57,600)	-	(57,600)	(57,600)
Transfer to general reserve	-	-	200,000	(200,000)	-	-	-
Balance as at March 31, 2010	144,000	12,598	1,245,000	287,240	-	1,544,838	1,688,838
Balance as at July 01, 2010	144,000	12,598	1,245,000	414,337	1,391	1,673,326	1,817,326
Net profit for the period	-	-	-	350,433	-	350,433	350,433
Other comprehensive income – net of tax	-	-	-	-	14,288	14,288	14,288
Total comprehensive income for the period	-	-	-	350,433	14,288	364,721	364,721
Final dividend for the year ended June 30, 2010 @ Rs.4.50/- per share	-	-	-	(129,600)	-	(129,600)	(129,600)
Transfer to general reserve	-	-	280,000	(280,000)	-	-	-
Balance as at March 31, 2011	144,000	12,598	1,525,000	355,170	15,679	1,908,447	2,052,447

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YUTAKA ARAE
CHAIRMAN

FAHIM KAPADIA
CHIEF EXECUTIVE

AGRIAUTO INDUSTRIES LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE NINE MONTHS & QUARTER ENDED MARCH 31, 2011
(UN-AUDITED)

	March 31, 2011	March 31, 2010
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	520,826	471,621
Adjustments for :		
Depreciation	36,286	33,716
Finance costs	697	762
Provision for impairment of trade debts	225	175
Loss/(Gain) on disposal of property, plant and equipment	8,108	(434)
Impairment of held for sale investment	-	89,843
Liabilities no longer payable – written back	(514)	-
Profit on short-term investments / bank balances	(50,084)	(38,060)
	515,544	557,623
(Increase) / decrease in current assets	53,634	(201,899)
(Decrease) / increase in current liabilities	(3,199)	79,983
Cash generated from operations	565,979	435,707
Finance costs paid	(697)	(769)
Income tax paid	(196,125)	(179,401)
Long-term deposits	(1,997)	(214)
Net cash inflow from operating activities	367,160	255,323
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(80,536)	(39,410)
Proceeds from disposal of property, plant and equipment	10,307	1,368
Acquisition of short-term investments	(150,000)	-
Profit received on short-term investments / bank balances	47,857	32,973
Net cash used in investing activities	(172,372)	(5,069)
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease rentals paid	(1,917)	(2,808)
Dividends paid	(128,167)	(56,918)
Net cash used in financing activities	(130,084)	(59,726)
Net (decrease) / increase in cash and cash equivalents	64,704	190,528
Cash and cash equivalents at the beginning of the period	643,058	375,651
Cash and cash equivalents at the end of the period	707,762	566,179
CASH AND CASH EQUIVALENTS		
Cash and bank balances	197,762	166,179
Short-term investments	510,000	400,000
	707,762	566,179

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YUTAKA ARAE
CHAIRMAN

FAHIM KAPADIA
CHIEF EXECUTIVE

AGRIAUTO INDUSTRIES LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS & QUARTER ENDED MARCH 31, 2011
(UN-AUDITED)

	Nine Months ended		Quarter ended	
	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
	(Rupees in '000)		(Rupees in '000)	
Net profit for the period	350,433	267,145	130,712	46,146
Other comprehensive income				
Unrealized gain on revaluation of available-for-sale investments	15,446	-	6,322	-
Reversal of fair value adjustment upon impairment of available for sale investment	-	37,125	-	37,125
Related deferred taxation	(1,158)	-	(474)	-
Other comprehensive income for the period- net of tax	14,288	37,125	5,848	37,125
Total comprehensive income for the period- net of tax	364,721	304,270	136,560	83,271

The annexed notes from 1 to 8 form an integral part of these condensed interim financial statements.

YUTAKA ARAE
CHAIRMAN

FAHIM KAPADIA
CHIEF EXECUTIVE

AGRIAUTO INDUSTRIES LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE NINE MONTHS & QUARTER ENDED MARCH 31, 2011
(UN-AUDITED)

	Nine Months ended		Quarter ended	
	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
	(Rupees in '000)		(Rupees in '000)	
Turnover – net	3,091,826	2,702,436	1,134,214	1,004,105
Cost of sales	(2,464,185)	(2,057,335)	(889,439)	(764,099)
Gross profit	627,641	645,101	244,775	240,006
Distribution costs	(46,171)	(39,070)	(17,253)	(14,917)
Administrative expenses	(63,171)	(45,322)	(20,942)	(17,676)
	(109,342)	(84,392)	(38,195)	(32,593)
Other operating income	46,186	40,826	9,704	14,304
	564,485	601,535	216,284	221,717
Finance costs	(697)	(762)	(224)	(340)
Impairment charge on investment	-	(89,843)	-	(89,843)
Other charges	(42,962)	(39,309)	(14,319)	(11,550)
	(43,659)	(129,914)	(14,543)	(101,733)
Profit before taxation	520,826	471,621	201,741	119,984
Taxation	(170,393)	(204,476)	(71,029)	(73,838)
Profit after taxation	350,433	267,145	130,712	46,146
Earnings per share - basic and diluted (Rs.)	12.17	9.28	4.54	1.60

The annexed notes from 1 to 8 form an integral part of these condensed interim financial statements.

YUTAKA ARAE
CHAIRMAN

FAHIM KAPADIA
CHIEF EXECUTIVE

AGRIAUTO INDUSTRIES LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS & QUARTER ENDED MARCH 31, 2011
(UN-AUDITED)

1. THE COMPANY AND ITS OPERATIONS

Agriauto Industries Limited (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

2.1 These condensed interim financial statements have been prepared in accordance with International Accounting Standard - 34 'Interim Financial Reporting' as applicable in Pakistan.

2.2 These condensed interim 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, 2010.

3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended June 30, 2010.

	Note	March 31, 2011 (Un-audited) (Rupees in `000)	June 30, 2010 (Audited)
4. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	341,657	331,661
Capital work-in-progress		29,615	13,775
		371,272	345,436

4.1 The following additions and deletions (at cost) were made in the operating fixed assets during the period::

	Additions (Rupees in '000)	Deletions
Owned		
Lease hold land	378	
Non-factory building	1,608	
Plant and machinery	33,833	22,620
Furniture and fixtures	288	-
Vehicles	17,027	7,606
Computers	933	-
Dies and tools	10,633	-
Leased		
Vehicles	-	662
	64,700	30,888

	March 31, 2011 (Un-audited) (Rupees in `000)	June 30, 2010 (Audited)
5. SHORT-TERM INVESTMENTS		
Held-to-maturity		
Term deposit receipts	510,000	450,000
Accrued profit	<u>9,703</u>	<u>7,761</u>
	519,703	457,761
Available-for-sale		
Money market fund	316,837	151,391
	<u>836,540</u>	<u>609,152</u>

6. CONTINGENCIES AND COMMITMENTS

There is no material change in the status of the contingencies and commitments as reported in the annual financial statements for the year ended June 30, 2010 other than describe below:

Contingencies

- 6.1 There is an un-utilised portion of the bank guarantee issued in favour of Excise and Taxation Department, Government of Sindh amounting to Rs. 2.091 million (June 30, 2010: Rs. 2.977 million) against the levy of Infrastructure Cess on the imported goods. The utilised portion of guarantee amounting to Rs. 47.909 million (June 30, 2010: Rs. 37.023 million) is included in trade and other payable.

Commitments

- 6.2 Commitments in respect of outstanding letters of credit for raw material amount to Rs. 235.927 million (June 30, 2010: Rs.189.633 million).
- 6.3 Commitments in respect of capital expenditure amount to Rs. 33.002 million (June 30, 2010: Rs. 22.865 million).

7. 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, are as follows:

	March 31, 2011 (Un-audited) (Rupees in `000)	March 31, 2010 (Un-audited)
Purchase of goods	<u>10,581</u>	<u>-</u>
Contribution to provident fund	<u>2,648</u>	<u>2,749</u>
Key management personnel compensation	<u>8,921</u>	<u>6,646</u>

8. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorized for issue on April 23, 2011 by the Board of Directors of the Company.

YUTAKA ARAE
CHAIRMAN

FAHIM KAPADIA
CHIEF EXECUTIVE