

DIRECTORS' REPORT

The Directors of your Company are pleased to issue this report on the financial position and performance of your Company for the third quarter and nine months ended March 31, 2010.

Sales achieved for nine months' period was Rs. 2.702 billion as compared to Rs. 1.627 billion of the corresponding period last year thus registering an increase of 66% . The profit before tax increased from Rs. 213.046 million to Rs. 471.621 million, an increase of Rs. 258.575 million or 121% as compared to corresponding period of last year.

The growth in sales and profitability of the Company is mainly attributed to a robust growth in overall auto sector specially in passenger car segment which grew by 41% over the corresponding period. This growth of auto sector is evidently reflected in our sales and profitability. Although political and law & order concerns still prevail in the country but keeping in mind the historic trend of fourth quarter sales, we can expect a strong close of financial year by the passenger car segment.

RECONSTITUTION OF THE BOARD

During the period Mr. R. D. Minwalla the founder Chairman of the Company resigned after being associated with the Company for the last 29 years. In his position the Board appointed Mr. Yutaka Arae as the Director and the new Chairman of the Company with effect from March 01, 2010.

The Board places on record its appreciation to Mr. R.D. Minwalla for his 29 years of untiring efforts in all spheres of the Company.

We would also like to welcome Mr. Yutaka Arae on the Board. Mr. Arae is not new to the Automotive Industry in Pakistan or to Agriauto. He was associated with Indus Motor Co. Ltd as the Vice Chairman for the last 14 years and prior to this was the local representative of the Toyota Tsusho Corporation, Japan. The Board is confident that Mr. Arae's experience and his contacts with Japanese Automotive parts manufacturers would further strengthen the Company.

DISINVESTMENT OF SHARES OF MAKRO HABIB PAKISTAN LIMITED (MHPL)

During the period your Company received a non-binding expression of interest from Thal Limited for acquiring the entire shareholding of MHPL held by the Company. The Company owns 24.75 million shares in the capital of MHPL.

Pursuant to the receipt of the aforementioned non-binding expression of interest, the Company has agreed to divest its holding in MHPL at a price of Rs. 6.37 per share. Accordingly an impairment of Rs. 89.843 million is accounted for in these financial statements.

We would like to convey 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 27, 2010