

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