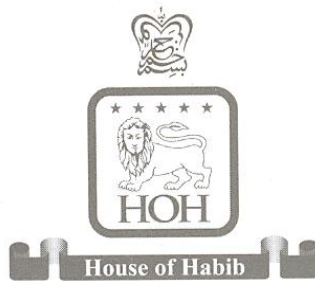


Agriauto Industries Limited

Condensed Interim Financial Statements
For the Quarter ended September 30, 2013
(Un-audited)



Company Information

BOARD OF DIRECTORS

Yutaka Arae	Chairman
Fahim Kapadia	Chief Executive
Sohail P. Ahmed	Director
Owaisul Mustafa	Director
Asif Rizvi	Director
Alireza M. Alladin	Director
Daneshwar F. Dinshaw	Director

AUDIT COMMITTEE

Owaisul Mustafa	Chairman
Sohail P. Ahmed	Member
Asif Rizvi	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Sohail P. Ahmed	Chairman
Yutaka Arae	Member
Fahim Kapadia	Member
Asif Rizvi	Member
Daneshwar F. Dinshaw	Member

CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Aqeel Loon

AUDITORS

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

SHARE REGISTRAR

Noble Computer Services (Pvt.) Ltd.
1st Floor, House of Habib (Siddiqsons Tower),
3-Jinnah Co-operative Housing Society,
Main Shahrah-e-Faisal, Karachi.
Tel: 34325482-87

REGISTERED OFFICE

5th 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)

FACTORY

Mouza Baroot, Hub Chowki,
Distt. Lasbella, Balochistan.

DIRECTORS' REPORT

The Directors of your Company are pleased to issue this report on the financial position and performance of your Company for the 1st quarter ended September 30, 2013.

Sales for the period was Rs. 751.27 million as compared to Rs. 858.04 million of the corresponding period last year thus registering a decline of 12.44%. The profit before tax has also declined from Rs. 114.99 million to Rs. 67.05 million, a decline of Rs.47.94 million or 41.69% as compared to corresponding period of last year.

The major decline in the sales is attributed to the reduced sales of the passenger cars and erratic sales of tractor parts. Profitability is reduced mainly on account of increase in the power tariff, rupee depreciation, manpower costs and other input costs which could not be passed on to the customers.

We would like to bring to your notice that the Federal Board of Revenue issued SRO 895 and SRO 896 on October 04, 2013, whereby the auto parts and accessories (**in retail packaging**) have been removed from the Third Schedule of the Sales Tax. However, the Government has imposed payment of extra sales tax of 2% on the auto parts and accessories. This move will encourage the un-documented economy, which will further create an imbalance in the playing field.

The extra payment of sales tax @ 2% is not adjustable, hence extra cost burden to the entire supply chain. We have highlighted the anomaly in the law to FBR but there has been no respite to date. We request the Government for the early resolution of this issue as the entire auto industry is in the state of uncertainty.

AGRIAUTO STAMPING COMPANY PRIVATE LIMITED

The construction work on the new setup is in final stage and 4 presses tandem line is now operational. The electric connection of 2.1MW is also now energized.

First set of dies have arrived and the sample production is scheduled to start from December 2013. We are very confident that the production from the new plant will commence as targeted from July 2014.

We would 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.



Yutaka Arae
Chairman

Dated : October 30, 2013

AGRIAUTO INDUSTRIES LIMITED
CONDENSED INTERIM BALANCE SHEET
AS AT SEPTEMBER 30, 2013

	Note	September 30, 2013 (Un-audited) (Rupees in `000)	June 30, 2013 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	516,130	504,722
Long-term deposits and other receivable		6,234	5,714
Long-term investment	5	703,125	703,125
		1,225,489	1,213,561
CURRENT ASSETS			
Stores, spares and loose tools		66,275	75,107
Stock-in-trade		622,714	625,925
Trade debts		356,674	472,811
Advances, deposits, prepayments and other receivables		12,900	23,624
Accrued profit		746	831
Short-term investments	6	557,848	50,341
Taxation – net		17,352	-
Cash and bank balances		137,159	550,812
		1,771,668	1,799,451
TOTAL ASSETS		2,997,157	3,013,012
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital		200,000	200,000
40,000,000 (June 30, 2013: 40,000,000) Ordinary shares of Rs.5/- each			
Issued, subscribed and paid-up capital		144,000	144,000
Reserves		2,570,615	2,515,820
		2,714,615	2,659,820
NON-CURRENT LIABILITIES			
Deferred taxation		56,508	54,440
CURRENT LIABILITIES			
Trade and other payables		220,631	270,217
Taxation – net		-	7,794
Sales tax payable		5,403	20,741
		226,034	298,752
CONTINGENCIES AND COMMITMENTS	7		
TOTAL EQUITY AND LIABILITIES		2,997,157	3,013,012

The annexed notes from 1 to 10 form an integral part of these condensed interim financial statements.

STATEMENT UNDER SECTION 241(2) OF THE COMPANIES ORDINANCE 1984

As the Chief Executive is out of the country on the date of the Board Meeting, therefore, these condensed interim financial statements have been signed by the Chairman and a Director of the Company as required under the section 241(2) of the Companies Ordinance, 1984.


CHAIRMAN


DIRECTOR

AGRIAUTO INDUSTRIES LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE QUARTER ENDED SEPTEMBER 30, 2013
(UN-AUDITED)

	Quarter ended	
	September 30, 2013	September 30, 2012
	(Rupees in '000)	
Turnover – net	751,270	858,044
Cost of sales	(642,487)	(705,433)
Gross profit	108,783	152,611
Distribution costs	(14,920)	(17,042)
Administrative expenses	(26,270)	(31,453)
Finance costs	(49)	(44)
	(41,239)	(48,539)
Operating profit	67,544	104,072
Other charges	(5,350)	(9,727)
Other income	4,857	20,653
	(493)	10,926
Profit before taxation	67,051	114,998
Taxation	(19,619)	(37,626)
Profit after taxation	47,432	77,372
	----- (Rupees) -----	
Earnings per share - basic and diluted	1.65	2.69

The annexed notes from 1 to 10 form an integral part of these condensed interim financial statements.

STATEMENT UNDER SECTION 241(2) OF THE COMPANIES ORDINANCE 1984

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CHAIRMAN


DIRECTOR

AGRIAUTO INDUSTRIES LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2013
(UN-AUDITED)

	Quarter ended	
	September 30, 2013	September 30, 2012
	(Rupees in '000)	
Net profit for the period	47,432	77,372
Other comprehensive income		
Unrealized gain on change in fair value of available-for-sale investments arisen during the period - net of tax	7,363	8,693
Total comprehensive income for the period	54,795	86,065

The annexed notes from 1 to 10 form an integral part of these condensed interim financial statements.

STATEMENT UNDER SECTION 241(2) OF THE COMPANIES ORDINANCE 1984

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CHAIRMAN


DIRECTOR

AGRIAUTO INDUSTRIES LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE QUARTER ENDED SEPTEMBER 30, 2013
(UN-AUDITED)

	Quarter ended	
	September 30, 2013	September 30, 2012
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	67,051	114,998
Adjustments for :		
Depreciation	15,726	15,209
Finance costs	49	44
Provision for impairment of trade debts	28	(235)
Gain on disposal of property, plant and equipment	-	347
Liabilities no longer payable – written back	(327)	(352)
Profit on short-term investments / bank balances	(4,182)	(19,771)
	78,345	110,240
Increase / (decrease) in current assets	138,876	(148,940)
Decrease in current liabilities	(64,585)	(51,687)
Cash generated from operations	152,636	(90,387)
Finance costs paid	(49)	(44)
Income tax paid	(42,697)	(54,691)
Long-term deposits	(520)	-
Net cash generated from operating activities	109,370	(145,122)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(27,135)	(9,165)
Proceeds from disposal of property, plant and equipment	-	918
Acquisition of short term investments	(450,000)	(525,000)
Acquisition of long-term investment	-	(262,500)
Profit received on investments / bank balances	4,124	28,511
Net cash used in investing activities	(473,011)	(767,236)
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease rentals paid	-	(434)
Dividends paid	(12)	(6)
Net cash used in financing activities	(12)	(440)
Net decrease in cash and cash equivalents	(363,653)	(912,798)
Cash and cash equivalents at the beginning of the period	600,812	1,299,892
Cash and cash equivalents at the end of the period	237,159	387,094
CASH AND CASH EQUIVALENTS		
Cash and bank balances	137,159	135,594
Short-term investments - term deposit receipts	100,000	251,500
	237,159	387,094

The annexed notes from 1 to 10 form an integral part of these condensed interim financial statements.

STATEMENT UNDER SECTION 241(2) OF THE COMPANIES ORDINANCE 1984

As the Chief Executive is out of the country on the date of the Board Meeting, therefore, these condensed interim financial statements have been signed by the Chairman and a Director of the Company as required under the section 241(2) of the Companies Ordinance, 1984.


CHAIRMAN


DIRECTOR

AGRIAUTO INDUSTRIES LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED SEPTEMBER 30, 2013
(UN-AUDITED)

	Reserves						Total	Total Equity
	Capital reserve							
	Issued, subscribed and paid-up capital	Share premium	General reserve	Unappropriated profit	Revenue reserves			
					Gain / (loss) on revaluation of available-for-sale investments			
(Rupees in `000)								
Balance as at July 01, 2012	144,000	12,598	1,815,000	594,761	1,225	2,423,584	2,567,584	
Profit after taxation for the period	-	-	-	77,372	-	77,372	77,372	
Other comprehensive income	-	-	-	-	8,693	8,693	8,693	
Total comprehensive income for the period	-	-	-	77,372	8,693	86,065	86,065	
Transfer to general reserve	-	-	345,000	(345,000)	-	-	-	
Balance as at September 30, 2012	144,000	12,598	2,160,000	327,133	9,918	2,509,649	2,653,649	
Balance as at July 01, 2013	144,000	12,598	2,160,000	343,181	41	2,515,820	2,659,820	
Profit after taxation for the period	-	-	-	47,432	-	47,432	47,432	
Other comprehensive income	-	-	-	-	7,363	7,363	7,363	
Total comprehensive income for the period	-	-	-	47,432	7,363	54,795	54,795	
Transfer to general reserve	-	-	175,000	(175,000)	-	-	-	
Balance as at September 30, 2013	144,000	12,598	2,335,000	215,613	7,404	2,570,615	2,714,615	

The annexed notes from 1 to 10 form an integral part of these condensed interim financial statements.

STATEMENT UNDER SECTION 241(2) OF THE COMPANIES ORDINANCE 1984

As the Chief Executive is out of the country on the date of the Board Meeting, therefore, these condensed interim financial statements have been signed by the Chairman and a Director of the Company as required under the section 241(2) of the Companies Ordinance, 1984.


CHAIRMAN


DIRECTOR

AGRIAUTO INDUSTRIES LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2013
(UN-AUDITED)

1. THE COMPANY AND ITS OPERATIONS

- 1.1 Agriauto Industries Limited (the Company) was incorporated in Pakistan on June 25, 1981 as a public limited company, under the Companies Act, 1913 (now the Companies Ordinance, 1984), and is listed on the Karachi and Lahore stock exchanges of Pakistan since June 1984. 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 These condensed interim financial statements are separate financial statements of the Company in which investment in subsidiary is accounted for on the basis of direct equity interest and is not consolidated or accounted for using equity method.

2. BASIS OF PREPARATION

- 2.1 These condensed interim financial statements have been prepared in accordance with International Accounting Standard – 34 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies ordinance, 1984 shall prevail.
- 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, 2013

3. ACCOUNTING POLICIES

The accounting policies and methods of computations adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of financial statements for the year ended June 30, 2013.

4. PROPERTY, PLANT AND EQUIPMENT

Note	September 30, 2013 (Un-audited) (Rupees in `000)	June 30, 2013 (Audited)
4.1	493,506	463,273
Operating fixed assets	<u>22,624</u>	<u>41,449</u>
Capital work-in-progress	<u>516,130</u>	<u>504,722</u>

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

	<u>Quarter ended</u>	
	<u>September 30, 2013</u>	
	<u>(Un-audited)</u>	
	Additions	Deletions
	(Rupees in '000)	
Owned		
Plant and machinery	43,575	-
Furniture and fixtures	207	-
Vehicles	2,132	-
Computers	47	-
Office equipments	-	-
	<u>45,961</u>	<u>-</u>

September 30, 2013 (Un-audited)	June 30, 2013 (Audited)
(Rupees in `000)	

5. LONG-TERM INVESTMENTS

Investment in subsidiary :

Agriauto Stamping Company (Pvt.) Ltd.

<u>703,125</u>	<u>703,125</u>
----------------	----------------

September 30, 2013 (Un-audited)	June 30, 2013 (Audited)
(Rupees in `000)	

6. SHORT-TERM INVESTMENTS

Held-to-maturity

Term deposit receipts

6.1

100,000

50,000

Accrued profit thereon

443

300

100,443

50,300

Available-for-sale

Money Market Mutual Funds

457,405

41

557,848

50,341

6.1 Represents three months term deposit receipts with a commercial bank carrying profit rate 8.50% (June 30, 2013: 8.75%) per annum and will mature by December 2013.

7. 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, 2013 other than stated below:

Commitments

7.1 Commitments in respect of outstanding letters of credit for raw material amount to Rs. 143.884 million (June 30, 2013: Rs.169.459 million).

7.2 Commitments in respect of capital expenditure amount to Rs. 11.872 million (June 30, 2013: Rs. 17.641 million).

8. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise subsidiary company, companies with common directorship, retirement funds, directors and key management personnel. Detail of transactions with related parties during the period, are as follows:

	Quarter ended	
	September 30,	September 30,
	2013	2012
	(Un-audited)	(Un-audited)
	(Rupees in `000)	
Purchase of goods	<u>127</u>	<u>321</u>
Contribution to provident fund	<u>1,266</u>	<u>1,138</u>
Key management personnel compensation	<u>5,438</u>	<u>6,506</u>

9. GENERAL

Figures has been rounded off to the nearest thousands Rupees.

10. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorized for issue on October 30, 2013 by the Board of Directors of the Company.

STATEMENT UNDER SECTION 241(2) OF THE COMPANIES ORDINANCE 1984

As the Chief Executive is out of the country on the date of the Board Meeting, therefore, these condensed interim financial statements have been signed by the Chairman and a Director of the Company as required under the section 241(2) of the Companies Ordinance, 1984.


CHAIRMAN


DIRECTOR

AGRIAUTO INDUSTRIES LIMITED
CONDENSED INTERIM CONSOLIDATED BALANCE SHEET
AS AT SEPTEMBER 30, 2013

	Note	September 30, 2013 (Un-audited) (Rupees in `000)	June 30, 2013 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	1,112,284	1,027,749
Long-term deposits and other receivable		12,805	12,285
		<u>1,125,089</u>	<u>1,040,034</u>
CURRENT ASSETS			
Stores, spares and loose tools		66,275	75,107
Stock-in-trade		622,714	625,925
Trade debts		356,674	472,811
Advances, deposits, prepayments and other receivables		13,356	23,755
Sales tax refundable		30,470	8,571
Accrued profit		867	1,548
Short-term investments	5	557,848	50,341
Taxation – net		35,352	9,045
Cash and bank balances		149,321	650,457
		<u>1,832,877</u>	<u>1,917,560</u>
TOTAL ASSETS		<u><u>2,957,966</u></u>	<u><u>2,957,594</u></u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital 40,000,000 (June 30, 2013: 40,000,000) Ordinary shares of Rs.5/- each		<u>200,000</u>	<u>200,000</u>
Issued, subscribed and paid-up capital		144,000	144,000
Reserves		<u>2,518,117</u>	<u>2,469,897</u>
		<u>2,662,117</u>	<u>2,613,897</u>
NON-CURRENT LIABILITIES			
Deferred taxation		56,508	54,440
CURRENT LIABILITIES			
Trade and other payables		239,341	289,257
CONTINGENCIES AND COMMITMENTS			
	6		
TOTAL EQUITY AND LIABILITIES		<u><u>2,957,966</u></u>	<u><u>2,957,594</u></u>

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

STATEMENT UNDER SECTION 241(2) OF THE COMPANIES ORDINANCE 1984

As the Chief Executive is out of the country on the date of the Board Meeting, therefore, these condensed interim financial statements have been signed by the Chairman and a Director of the Company as required under the section 241(2) of the Companies Ordinance, 1984.


CHAIRMAN


DIRECTOR

AGRIAUTO INDUSTRIES LIMITED
CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE QUARTER ENDED SEPTEMBER 30, 2013
(UN-AUDITED)

	Quarter ended	
	September 30, 2013	September 30, 2012
	(Rupees in '000)	
Turnover – net	751,270	858,044
Cost of sales	(642,487)	(705,433)
Gross profit	108,783	152,611
Distribution costs	(14,920)	(17,042)
Administrative expenses	(33,809)	(35,425)
Finance costs	(55)	(46)
	(48,784)	(52,513)
Operating profit	59,999	100,098
Other charges	(5,350)	(9,727)
Other income	5,827	21,226
	477	11,499
Profit before taxation	60,476	111,597
Taxation	(19,619)	(37,626)
Profit after taxation	40,857	73,971
	----- (Rupees) -----	
Earnings per share - basic and diluted	1.42	2.57

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

STATEMENT UNDER SECTION 241(2) OF THE COMPANIES ORDINANCE 1984

As the Chief Executive is out of the country on the date of the Board Meeting, therefore, these condensed interim financial statements have been signed by the Chairman and a Director of the Company as required under the section 241(2) of the Companies Ordinance, 1984.


CHAIRMAN


DIRECTOR

AGRIAUTO INDUSTRIES LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2013
(UN-AUDITED)

	Quarter ended	
	September 30, 2013	September 30, 2012
	(Rupees in '000)	
Net profit for the period	40,857	73,971
Other comprehensive income		
Unrealized gain on change in fair value of available-for-sale investments arisen during the period - net of tax	7,363	8,693
Total comprehensive income for the period	48,220	82,664

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

STATEMENT UNDER SECTION 241(2) OF THE COMPANIES ORDINANCE 1984

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CHAIRMAN


DIRECTOR

AGRIAUTO INDUSTRIES LIMITED
CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT
FOR THE QUARTER ENDED SEPTEMBER 30, 2013
(UN-AUDITED)

	Quarter ended	
	September 30, 2013	September 30, 2012
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	60,476	111,597
Adjustments for :		
Depreciation	15,857	15,209
Finance costs	55	46
Provision for impairment of trade debts	28	(235)
Gain on disposal of property, plant and equipment	-	347
Liabilities no longer payable – written back	(327)	(352)
Profit on short-term investments / bank balances	(5,152)	(20,344)
	70,937	106,268
Increase / (decrease) in current assets	131,990	(150,409)
Decrease in current liabilities	(64,915)	(51,488)
Cash generated from operations	138,012	(95,629)
Finance costs paid	(55)	(46)
Income tax paid	(43,857)	(55,220)
Long-term deposits	(520)	(265)
Net cash generated from operating activities	93,580	(151,160)
 CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(100,394)	(225,677)
Proceeds from disposal of property, plant and equipment	-	918
Acquisition of short term investments	(450,000)	(525,000)
Profit received on investments / bank balances	5,690	29,084
Net cash used in investing activities	(544,704)	(720,675)
 CASH FLOWS FROM FINANCING ACTIVITIES		
Lease rentals paid	-	(434)
Dividends paid	(12)	(6)
Net cash used in financing activities	(12)	(440)
Net decrease in cash and cash equivalents	(451,136)	(872,275)
Cash and cash equivalents at the beginning of the period	700,457	1,303,430
Cash and cash equivalents at the end of the period	249,321	431,155
 CASH AND CASH EQUIVALENTS		
Cash and bank balances	149,321	179,655
Short-term investments - term deposit receipts	100,000	251,500
	249,321	431,155

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

STATEMENT UNDER SECTION 241(2) OF THE COMPANIES ORDINANCE 1984

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CHAIRMAN


DIRECTOR

AGRIAUTO INDUSTRIES LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED SEPTEMBER 30, 2013
(UN-AUDITED)

	Reserves						Total	Total Equity
	Capital reserve		Revenue reserves					
	Issued, subscribed and paid-up capital	Share premium	General reserve	Unappropriated profit	Gain / (loss) on revaluation of available-for-sale investments			
	(Rupees in `000)							
Balance as at July 01, 2012	144,000	12,598	1,815,000	579,795	1,225	2,408,618	2,552,618	
Profit after taxation for the period	-	-	-	73,971	-	73,971	73,971	
Other comprehensive income	-	-	-	-	8,693	8,693	8,693	
Total comprehensive income for the period	-	-	-	73,971	8,693	82,664	82,664	
Transfer to general reserve	-	-	345,000	(345,000)	-	-	-	
Balance as at September 30, 2012	144,000	12,598	2,160,000	308,766	9,918	2,491,282	2,635,282	
Balance as at July 01, 2013	144,000	12,598	2,160,000	297,258	41	2,469,897	2,613,897	
Profit after taxation for the period	-	-	-	40,857	-	40,857	40,857	
Other comprehensive income	-	-	-	-	7,363	7,363	7,363	
Total comprehensive income for the period	-	-	-	40,857	7,363	48,220	48,220	
Transfer to general reserve	-	-	175,000	(175,000)	-	-	-	
Balance as at September 30, 2013	144,000	12,598	2,335,000	163,115	7,404	2,518,117	2,662,117	

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

STATEMENT UNDER SECTION 241(2) OF THE COMPANIES ORDINANCE 1984

As the Chief Executive is out of the country on the date of the Board Meeting, therefore, these condensed interim financial statements have been signed by the Chairman and a Director of the Company as required under the section 241(2) of the Companies Ordinance, 1984.


CHAIRMAN


DIRECTOR

AGRIAUTO INDUSTRIES LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2013
(UN-AUDITED)

1. THE COMPANY AND ITS OPERATIONS

- 1.1** Agriauto Industries Limited (the Company) was incorporated in Pakistan on June 25, 1981 as a public limited company, under the Companies Act, 1913 (now the Companies Ordinance, 1984), and is listed on the Karachi and Lahore stock exchanges of Pakistan since June 1984. The Company is engaged in the manufacture and sale of Agriauto Industries Limited (the Company) was incorporated in Pakistan on June 25, 1981 as a public limited company, under the Companies Act, 1913 (now the Companies Ordinance, 1984), and is listed on the Karachi and
- 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, under the Companies Ordinance, 1984. The Subsidiary Company will be engaged in stamping of sheet metal parts, dies, fixtures primarily for the automotive industry and has not yet commenced its operations. The registered office of the Subsidiary Company is situated at 5th Floor, House of Habib, Main Shahrah-e-Faisal, Karachi.

2. BASIS OF PREPARATION

- 2.1** These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard – 34 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies ordinance, 1984 shall prevail.
- 2.2** These condensed interim consolidated 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, 2013

3. ACCOUNTING POLICIES

The accounting policies and methods of computations adopted in the preparation of these condensed interim consolidated financial statements are the same as those applied in the preparation of financial statements for the year ended June 30, 2013.

4. PROPERTY, PLANT AND EQUIPMENT

	Note	September 30, 2013 (Un-audited) (Rupees in `000)	June 30, 2013 (Audited)
Operating fixed assets	4.1	522,267	492,166
Capital work-in-progress		590,017	535,583
		1,112,284	1,027,749

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

	Quarter ended	
	September 30, 2013 (Un-audited)	
	Additions	Deletions
	(Rupees in '000)	
Owned		
Plant and machinery	43,575	-
Furniture and fixtures	207	-
Vehicles	2,132	-
Computers	47	-
Office equipments	-	-
	<u>45,961</u>	<u>-</u>
	September 30, 2013 (Un-audited)	June 30, 2013 (Audited)
	(Rupees in `000)	

5. SHORT-TERM INVESTMENTS

		September 30, 2013 (Un-audited)	June 30, 2013 (Audited)
		(Rupees in `000)	
Held-to-maturity			
Term deposit receipts	5.1	100,000	50,000
Accrued profit thereon		443	300
		<u>100,443</u>	<u>50,300</u>
Available-for-sale			
Money Market Mutual Funds		457,405	41
		<u>557,848</u>	<u>50,341</u>

5.1 Represents three months term deposit receipts with a commercial bank carrying profit rate 8.50% (June 30, 2013: 8.75%) per annum and will mature by December 2013.

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, 2013 other than stated below:

Commitments

6.1 Commitments in respect of outstanding letters of credit for raw material amount to Rs. 143.884 million (June 30, 2013: Rs.169.459 million).

6.2 Commitments in respect of capital expenditure amount to Rs. 24.136 million (June 30, 2013: Rs. 33.990 million).

7. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise subsidiary company, companies with common directorship, retirement funds, directors and key management personnel. Detail of transactions with related parties during the period, are as follows:

	Quarter ended	
	September 30, 2013 (Un-audited)	September 30, 2012 (Un-audited)
	(Rupees in `000)	
Purchase of goods	<u>127</u>	<u>321</u>
Contribution to provident fund	<u>1,266</u>	<u>1,138</u>
Key management personnel compensation	<u>5,438</u>	<u>6,506</u>

8. GENERAL

Figures has been rounded off to the nearest thousands Rupees.

9. DATE OF AUTHORISATION FOR ISSUE

These condensed interim consolidated financial statements were authorized for issue on October 30, 2013 by the Board of Directors of the Company.

STATEMENT UNDER SECTION 241(2) OF THE COMPANIES ORDINANCE 1984

As the Chief Executive is out of the country on the date of the Board Meeting, therefore, these condensed interim financial statements have been signed by the Chairman and a Director of the Company as required under the section 241(2) of the Companies Ordinance, 1984.


CHAIRMAN


DIRECTOR