Consolidated Balance Sheet
As at 30 June 2015

	Note	2015	2014
		(Rs. in 000')	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	7	**1,315,911**	1,306,026
Long term deposits	8	**13,018**	12,805
		1,328,929	1,318,831
CURRENT ASSETS			
Stores, spares and loose tools	9	**55,295**	56,274
Stock-in-trade	10	**899,337**	483,939
Trade debts	11	**558,583**	245,968
Advances, deposits, prepayments and other receivables	12	**10,176**	67,478
Accrued profit		**893**	1,754
Sales tax refundable		**55,067**	61,255
Short term investments	13	**390,524**	510,410
Taxation – net		**32,205**	50,353
Cash and bank balances	14	**331,891**	264,132
		2,333,971	1,741,563
TOTAL ASSETS		**3,662,900**	3,060,394
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital 40,000,000 (2014: 40,000,000) Ordinary shares of Rs. 5/- each		**200,000**	200,000
Issued, subscribed and paid-up capital	15	**144,000**	144,000
Reserves		**2,983,477**	2,581,857
		3,127,477	2,725,857
NON CURRENT LIABILITIES			
Deferred taxation	16	**54,777**	61,055
CURRENT LIABILITIES			
Trade and other payables	17	**366,896**	273,482
Short term borrowings	18	**111,609**	-
Accrued mark-up		**2,141**	-
		480,646	273,482
COMMITMENTS	19		
TOTAL EQUITY AND LIABILITIES		**3,662,900**	3,060,394

The annexed notes from 1 to 42 form an integral part of these consolidated financial statements.

Yutaka Arae
Chairman

Fahim Kapadia
Chief Executive

Consolidated Profit & Loss Account

For the year ended June 30, 2015

	Note	2015	2014
		(Rs. in 000')	
Turnover - net	20	**5,635,595**	3,158,518
Cost of sales	21	**(4,561,518)**	(2,647,581)
Gross profit		**1,074,077**	510,937
Distribution costs	22	**(88,090)**	(56,556)
Administrative expenses	23	**(153,146)**	(162,927)
		(241,236)	(219,483)
Operating profit		**832,841**	291,454
Other expenses	24	**(68,253)**	(37,865)
Other income	25	**38,046**	112,296
Finance costs	26	**(8,676)**	(157)
		(38,883)	74,274
Profit before taxation		**793,958**	365,728
Taxation	27	**(248,338)**	(95,327)
Profit after taxation		**545,620**	270,401
		Rupees	Rupees
Earnings per share – basic and diluted	28	**18.95**	9.39

The annexed notes from 1 to 42 form an integral part of these consolidated financial statements.

Yutaka Arae
Chairman

Fahim Kapadia
Chief Executive

Consolidated Statement of Comprehensive Income

For the year ended June 30, 2015

	2015	2014
	(Rs. in 000')	
Net profit for the year	**545,620**	270,401
Other comprehensive income		
Unrealized gain on change in fair value of available-for-sale investments arisen during the year – net of tax	-	24,476
Reclassification adjustment for gains included in profit and loss account upon disposal of investments	-	(24,517)
	-	(41)
Total comprehensive income for the year	**545,620**	270,360

The annexed notes from 1 to 42 form an integral part of these consolidated financial statements.

Yutaka Arae
Chairman

Fahim Kapadia
Chief Executive

Consolidated Cash Flow Statement
For the year ended June 30, 2015

	Note	2015	2014
		(Rs. in 000')	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	29	355,798	653,614
Finance costs paid		(2,418)	(157)
Income tax paid		(244,777)	(130,020)
Long term deposits		(213)	(520)
Net cash generated from operations		108,390	522,917
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(165,980)	(353,960)
Proceeds from disposal of property, plant and equipment		2,893	9,567
Proceeds from disposal of short term investment		-	474,519
Short term investments		-	(450,000)
Profit received on term deposit receipts		29,731	11,604
Profit received on deposit accounts		3,562	15,489
Net cash used in investing activities		(129,794)	(292,781)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(142,446)	(156,461)
Net cash used in financing activities		(142,446)	(156,461)
Net (decrease) / increase in cash and cash equivalents		(163,850)	73,675
Cash and cash equivalents at the beginning of the year		774,132	700,457
Cash and cash equivalents at the end of the year	30	610,282	774,132

The annexed notes from 1 to 42 form an integral part of these consolidated financial statements.

Yutaka Arae
Chairman

Fahim Kapadia
Chief Executive

Consolidated Statement of Changes In Equity

For the year ended June 30, 2015

	Issued, subscribed and paid-up capital	Reserves					Total equity
		Capital reserve	Revenue reserves		Gain / (loss) on changes in fair value of available-for-sale investments	Total	
		Share premium	General	Unapp-ropriated profit			
	(Rs. in 000')						
Balance as at June 30, 2013	144,000	12,598	2,160,000	297,258	41	2,469,897	2,613,897
Final dividend for the year ended June 30, 2013 @ Rs. 5.5 /- per share	-	-	-	(158,400)	-	(158,400)	(158,400)
Transfer to general reserve	-	-	175,000	(175,000)	-	-	-
Profit after taxation for the year	-	-	-	270,401	-	270,401	270,401
Other comprehensive loss	-	-	-	-	(41)	(41)	(41)
Total comprehensive income for the year	-	-	-	270,401	(41)	270,360	270,360
Balance as at June 30, 2014	**144,000**	**12,598**	**2,335,000**	**234,259**	**-**	**2,581,857**	**2,725,857**
Final dividend for the year ended June 30, 2014 @ Rs. 5 /- per share	-	-	-	**(144,000)**	-	**(144,000)**	**(144,000)**
Transfer to general reserve	-	-	**170,000**	**(170,000)**	-	-	-
Profit after taxation for the year	-	-	-	**545,620**	-	**545,620**	**545,620**
Total comprehensive income for the year	-	-	-	**545,620**	-	**545,620**	**545,620**
Balance as at June 30, 2015	**144,000**	**12,598**	**2,505,000**	**465,879**	**-**	**2,983,477**	**3,127,477**

The annexed notes from 1 to 42 form an integral part of these consolidated financial statements.

Yutaka Arae
Chairman

Fahim Kapadia
Chief Executive

1. THE GROUP AND ITS OPERATIONS

1.1 Agriauto Industries Limited (the Holding 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 Holding Company is engaged in the manufacture and sale of components for automotive vehicles, motor cycles and agricultural tractors. The registered office of the Holding Company is situated at 5^{th} Floor, House of Habib, Main Shahrah-e-Faisal, Karachi.

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 is engaged in stamping of sheet metal parts, dies, fixtures primarily for the automotive industry and has commenced its commercial operations on 02 July, 2014. The registered office of the Subsidiary Company is situated at 5th Floor, House of Habib, Main Shahrah-e-Faisal, Karachi.

2. STATEMENT OF COMPLIANCE

2.1 These consolidated financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as are as notified under the Companies Ordinance, 1984, 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.

3. BASIS OF MEASURMENT

3.1 These consolidated financial statements have been prepared under the historical cost convention except for available-for-sale investments which are valued as stated in note 6.5 to the consolidated financial statements.

3.2 These consolidated financial statements are presented in Pak Rupees which is the Group's functional and presentation currency.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as described below:

4.1 New / revised standards, interpretations and amendments

The Company has adopted the following revised standard, amendments and interpretation of IFRSs which became effective for the current year:

IAS 19 - Employee Benefits - (Amendment) - Defined Benefit Plans: Employee Contributions
IAS 32 - Financial Instruments : Presentation - (Amendment) -Offsetting Financial Assets and Financial Liabilities
IAS 36 - Impairment of Assets - (Amendment)-Recoverable Amount Disclosures for Non-Financial Assets
IAS 39 - Financial Instruments: Recognition and Measurement - (Amendment) (note 3 below)
- Novation of Derivatives and Continuation of Hedge Accounting

Improvements to Accounting Standards Issued by the IASB
IFRS 13 Fair Value Measurement - Scope of paragraph 52 (portfolio exception)
IAS16 Property, Plant and Equipment and IAS 38 Intangible Assets – Revaluation method proportionate restatement of accumulated depreciation / amortization
IAS 24 Related Party Disclosures - Key management personnel

The adoption of the above amendments, revisions, improvements to accounting standards and interpretations did not have any effect on the financial statements.

4.2 Standards and amendments to approved accounting standards that are not yet effective

The following revised standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or Interpretation	Effective date (accounting periods Beginning on or after)
IFRS 10 - Consolidated Financial Statements	01 January 2015
IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements - Investment Entities (Amendment)	01 January 2015
IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements - Investment Entities: Applying the Consolidation Exception (Amendment)	01 January 2016
IFRS 10 Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	01 January 2016
IFRS 11 - Joint Arrangements	01 January 2015
IFRS 11 Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment)	01 January 2016
IFRS 12 - Disclosure of Interests in Other Entities	01 January 2015
IFRS 13 - Fair Value Measurement	01 January 2015
IAS 1 - Presentation of Financial Statements - Disclosure Initiative (Amendment)	01 January 2016
IAS 16 Property, Plant and Equipment and IAS 38 intangible assets - Clarification of Acceptable Method of Depreciation and Amortization (Amendment)	01 January 2016
IAS 16 Property, Plant and Equipment IAS 41 Agriculture - Agriculture: Bearer Plants (Amendment)	01 January 2016
IAS 27 - Separate Financial Statements - Equity Method in Separate Financial Statements (Amendment)	01 January 2016

The Company is currently evaluating the impact of the above standards and interpretation on the Company's financial statements in the period of initial application.

In addition to the above, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard	IASB Effective date (accounting periods Beginning on or after)
IFRS 9 – Financial Instruments: Classification and Measurement	01 January 2018
IFRS 14 – Regulatory Deferral Accounts	01 January 2016
IFRS 15 – Revenue from Contracts with Customers	01 January 2018

5. BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Holding Company and its Subsidiary Company for the year ended June 30, 2015.

The Subsidiary Company's assets, liabilities, income and expenses have been consolidated on a line by line basis from the date of its incorporation. The financial statements of the Subsidiary Company are prepared, using accounting policies consistent with those of the Holding Company. All intra-group balances, transaction, gains and losses resulting from intra-group transactions and dividends are eliminated in full.

6. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of consolidated financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In the process of applying the accounting policies, management has made the following estimates and judgments which are significant to the consolidated financial statements:

	Notes
- determining the residual values and useful lives of property, plant and equipment	6.1 & 7
- valuation of inventories	6.2, 6.3, 9 & 10
- provision against trade debts	6.4 & 11
- provision for tax and deferred tax	6.10, 16 & 27
- warranty obligations	6.12 & 17.3

6.1 Property, plant and equipment

Owned

These are stated at cost less accumulated depreciation and impairment loss except for freehold land and capital work in progress which are stated at cost.

Depreciation on fixed assets is charged to the profit and loss account applying the reducing balance method at the rates specified in note 7 to the consolidated financial statements. Depreciation on additions is charged from the month of addition and in case of deletion up to the month of disposal. Maintenance and normal repairs are charged to profit and loss account as and when incurred, while major renewals and improvements are capitalised. Gains or losses on disposals of fixed assets, if any, are included in consolidated profit and loss account.

Leasehold land is amortised in equal installments over the lease period.

The carrying values of assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or related cash-generating units are written down to their recoverable amount.

Depreciation is charged to income on the same basis as for the Group's owned assets.

6.2 Stores, spares and loose tools

These are stated at the lower of cost and Net Realisable Value (NRV) except for goods-in-transit which are stated at invoice price plus other charges incurred there on upto the date of the balance sheet. Cost is determined on weighted moving average basis.

Stores, spares and loose tools are regularly reviewed by the management and any obsolete items are brought down to their NRV.

6.3 Stock-in-trade

Stock-in-trade, except goods-in-transit, is stated at the lower of NRV and cost determined as follows:

Raw and packing materials	- Moving average basis.
Work-in-process	- Cost of direct materials plus conversion cost is valued on the basis of equivalent production units.
Finished goods	- Cost of direct materials plus conversion cost is valued on time proportion basis.

Goods-in-transit are valued at purchase price, freight value and other charges incurred thereon upto the balance sheet date.

Stock-in-trade is regularly reviewed by the management and any obsolete items are brought down to their NRV.

NRV signifies the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

6.4 Trade debts and other receivables

Trade debts originated by the Group are recognised and carried at original invoice amount less provision for impairment. Other receivables are carried at cost less provision for impairment. Provision for impairment is based on the management's assessment of customers' outstandings and creditworthiness. Bad debts are written-off as and when identified.

6.5 Investments

Held-to-maturity

Investments with fixed maturity where management has both the intent and ability to hold to maturity are classified as held-to-maturity.

Gains or losses on held-to-maturity investments are recognised in income when the investments are derecognised or impaired.

Available-for-sale

Investments which are not classified in the above category and which the management intends to hold for indefinite period, but may be sold in response to the need for liquidity or changes in interest rates are classified as available-for-sale.

All investments are initially recognised at cost, being the fair value of the consideration given including transaction costs associated with the investment. Transaction costs in the case of held-for-trading investments are charged to income when incurred. After initial recognition, investments classified as available-for-sale are remeasured at fair values and held-to-maturity investments are measured at amortised cost.

Gains or losses on revaluation of available-for-sale investments are recognised in equity until the investment is sold, collected or otherwise disposed off, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in income.

6.6 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise of cash in hand, bank balances and short term investments with a maturity of three months or less from the date of acquisition net of short-term running finance. The cash and cash equivalents are readily convertible to known amount of cash and are therefore subject to insignificant risk of changes in value.

6.7 Financial instruments

All financial assets and liabilities are recognised at the time when the Group becomes party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual rights under the instruments are realised, expired or surrendered. Financial liabilities are derecognised when the obligation is extinguished, discharged, cancelled or expired. Any gain or loss on recognition or derecognition of the financial assets and financial liabilities is taken to the profit and loss account.

6.8 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the balance sheet if the Group has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis or to realise the assets and settle the liability simultaneously.

6.9 Employees' benefits

Provident fund

The Group operates a recognised provident fund scheme (defined contribution plan) for all its employees who are eligible for the scheme in accordance with the Group's policy. Contributions in respect thereto are made in accordance with the terms of the scheme.

Compensated absences

The Group accounts for these benefits in the period in which the absences are earned.

6.10 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and rebates available, if any, or minimum tax on turnover or Alternate Corporate Tax whichever is higher and tax paid on final tax regime basis. Alternate Corporate Tax is calculated in accordance with the provisions of Section 113C of Income Tax Ordinance. The Subsidiary Company is entitled to tax credit, under Section 65D of the Income Tax Ordinance, 2001 (the Ordinance), equal to 100% of tax payable including minimum tax and final tax arising under any of the provisions of the Ordinance. The above tax credit is available to the Company for five years from the date of commercial production.

Deferred

Deferred tax is provided, proportionate to local sales, for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of recognised or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the balance sheet date.

6.11 Provisions

Provision is recognised in the balance sheet when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

6.12 Warranty obligations

The Group recognises the estimated liability to repair or replace products under warranty at the balance sheet date on the basis of historical experience.

6.13 Foreign currency transactions

Transactions denominated in foreign currencies are recorded on initial recognition in Pak. Rupees, by applying to the foreign currency amount the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Pak. Rupees equivalents using the exchange rate at the balance sheet date. Exchange differences are included in consolidated profit and loss account.

6.14 Revenue recognition

Sales are recorded when goods are dispatched to the customers.
Profit on term deposit receipts is recognised on constant rate of return to maturity.
Profit on deposit accounts is recognised on accrual basis.
Dividend income is recognised when the right to receive the dividend is established.

6.15 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

6.16 Research and development costs

Research and development costs are expensed as incurred, except for development costs that relate to the design of new or improved products which are recognised as an asset to the extent that it is expected that such asset will meet the recognition criteria mentioned in IAS – 38 "Intangible Assets".

6.17 Dividends and appropriation to reserve

Dividend and appropriation to reserve are recognised in the consolidated financial statements in the period in which these are approved.

	Note	2015	2014
		(Rs. in 000')	
7. PROPERTY, PLANT AND EQUIPMENT			
Operating assets - tangible	7.1	**1,314,818**	598,796
Capital work-in-progress	7.4	**1,093**	707,230
		1,315,911	1,306,026

7.1 Operating assets - tangible

	COST				ACCUMULATED DEPRECIATION / AMORTISATION				WRITTEN DOWN VALUE
	As at July 01, 2014	Additions/ (disposals)	As at June 30, 2015	Depreciation rate	As at July 01, 2014	Charge for the year	Disposals for the year	As at June 30, 2015	As at June 30, 2015
	(Rs. in 000')			%	(Rs. in 000')				
Owned									
Freehold land	1,652	-	1,652	-	-	-	-	-	1,652
Leasehold land	29,418	-	29,418	1.79	1,051	525	-	1576	27,842
Building on freehold land	127,410	33,405	160,815	10	60,449	6,974	-	67,423	93,392
Building on leasehold land	-	308,883	308,883	10	-	30,798	-	30,798	278,085
Plant and machinery	748,668	487,046 (11,186)	1,224,528	10 – 20	305,924	93,143	(9,114)	389,953	834,575
Furniture and fittings	8,442	8,106 (35)	16,513	15	4,369	1,297	(34)	5,632	10,881
Vehicles	58,999	20,420 (2,496)	76,923	20	28,467	7,685	(974)	35,178	41,745
Office equipment	3,225	2,847 (99)	5,973	20	1,802	547	(96)	2,253	3,720
Computer equipment	27,553	8,901 (715)	35,739	33	19,698	5,079	(669)	24,108	11,631
Dies and tools	35,381	2,510	37,891	40	20,193	6,403	-	26,596	11,295
2015	**1,040,748**	**872,118 (14,531)**	**1,898,335**		**441,953**	**152,451**	**(10,887)**	**583,517**	**1,314,818**

Notes to the Consolidated Financial Statements
For the year ended June 30, 2015

	COST				ACCUMULATED DEPRECIATION / AMORTISATION				WRITTEN DOWN VALUE
	As at July 01, 2013	Additions/ (disposals)	As at June 30, 2014	Depreciation rate	As at July 01, 2013	Charge for the year	Disposals for the year	As at June 30, 2014	As at June 30, 2014
	(Rs. in 000')			%	(Rs. in 000')				
Owned									
Freehold land	1,652	-	1,652	-	-	-	-	-	1,652
Leasehold land	29,418	-	29,418	1.79	525	525	-	1,050	28,368
Building on freehold land	107,051	20,359	127,410	10	54,467	5,982	-	60,449	66,961
Plant and machinery	624,228	136,094 (11,654)	748,668	10 – 20	269,352	47,388	(10,816)	305,924	442,744
Furniture and fittings	8,042	400	8,442	15	3,682	687	-	4,369	4,073
Vehicles	58,301	9,554 (8,856)	58,999	20	24,734	7,838	(4,105)	28,467	30,532
Office equipment	2,897	328	3,225	20	1,524	278	-	1,802	1,423
Computer equipment	26,762	863 (72)	27,553	33	16,084	3,672	(58)	19,698	7,855
Dies and tools	20,667	14,714	35,381	40	16,484	3,709	-	20,193	15,188
2014	**879,018**	**182,312 (20,582)**	**1,040,748**		**386,852**	**70,079**	**(14,979)**	**441,952**	**598,796**

7.2 Depreciation charge for the year has been allocated as follows :

	Note	2015	2014
		(Rs. in 000')	
Cost of sales	21	**140,922**	61,150
Distribution costs	22	**1,563**	872
Administrative expenses	23	**9,966**	8,057
		152,451	70,079

7.3 The following property, plant and equipment were disposed off during the year:

Particulars	Cost	Accumulated Depreciation	Book value	Sales proceeds	Gain / (loss)	Mode of Disposal	Particulars of buyer
	(Rs. in 000')						
Plant and machinery / Dies and tools							
Plant, machinery & equipment	**11,186**	**9,114**	**2,072**	**841**	**(1,231)**	Auction	Pioneer Auctioneers
Furniture and fittings							
File cabinets	**35**	**34**	**1**	**6**	**5**	Auction	Pioneer Auctioneers
Office equipment							
Office equipment	**99**	**96**	**3**	**13**	**10**	Auction	Pioneer Auctioneers
Computer equipment							
Computers &printers	**715**	**669**	**46**	**58**	**12**	Auction	Pioneer Auctioneers
Vehicles							
Suzuki cultus	1,034	118	916	925	9	Negotiation	Ms. Zarina Begum
Toyota corolla	1,462	856	606	1,050	444	Negotiation	Mr. Muhammad Faiq
	2,496	**974**	**1,522**	**1,975**	**453**		
2015	**14,531**	**10,887**	**3,644**	**2,893**	**(751)**		
2014	20,582	14,979	5,603	9,567	3,964		

7.4 Capital work-in-progress

	Plant and machinery	Civil works	Dies and tools	Advance to suppliers / contractors	Total
		----------	(Rs. in '000')	----------	
Balance as at July 01, 2014	380,612	324,815	-	1,803	707,230
Capital expenditure incurred / advances made during the year	403	33,405	-	-	33,808
Transfer to fixed assets during the year	(379,922)	(358,220)	-	(1,803)	(739,945)
Balance as at June 30, 2015	**1,093**	-	-	-	**1,093**

	2015	2014
	(Rs. in 000')	
8. LONG TERM DEPOSITS		
Security deposits – considered good	**13,018**	12,805
9. STORES, SPARES AND LOOSE TOOLS		
Stores	**23,022**	20,665
Spares	**27,315**	30,690
Loose tools	**4,958**	4,919
	55,295	56,274
10. STOCK-IN-TRADE		
Raw material	**636,619**	326,267
Packing material	**6,077**	4,419
Work-in-process	**89,976**	46,291
Finished goods	**31,157**	17,197
Goods-in-transit	**135,508**	89,765
	899,337	483,939

10.1 The amount of stock-in-trade written down to NRV was Rs. 2.921 million (2014: Rs. 3.513 million).

	Note	2015	2014
		(Rs. in 000')	
11. TRADE DEBTS – unsecured			
Considered good		**558,583**	245,968
Considered doubtful		**445**	1,526
Provision for impairment	11.2	**(445)**	(1,526)
		-	-
		558,583	245,968

11.1 This includes an amount of Rs. 5.473 million (2014: Rs. 0.282 million) due from a related party.

	Note	2015	2014
		(Rs. in 000')	
11.2 Reconciliation of provision for impairment is as follows:			
Balance at the beginning of the year		**1,526**	931
(Reversal) / charge / for the year	22	**(1,060)**	595
Write-offs during the year		**(21)**	-
Balance at the end of the year		**445**	1,526

Notes to the Consolidated Financial Statements
For the year ended June 30, 2015

	Note	2015	2014
		(Rs. in 000')	
12. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Advances – unsecured, considered good			
Suppliers		**1,880**	68
Contractors		**1,245**	100
Employees		**143**	145
		3,268	313
Deposits		**215**	215
Prepayments			
Insurance		**2,276**	5,306
Rent		**726**	2,269
		3,002	7,575
Other receivables – unsecured, considered good			
Workers' profit participation Fund	17.2	**-**	10,123
Against sale of shares	25	**-**	49,252
Others		**3,691**	-
		3,691	59,375
		10,176	67,478
13. SHORT TERM INVESTMENTS			
Held- to- maturity			
Term deposit receipts	13.1	**390,000**	510,000
Accrued profit thereon		**524**	410
		390,524	510,410

13.1 Represents one month term deposit receipts with a commercial bank carrying profit rate 6.6% (2014: 8.5% to 9.5%) per annum and will mature by 21 August 2015.

	Note	2015	2014
		(Rs. in 000')	
14. CASH AND BANK BALANCES			
In hand		**65**	40
With banks in			
- current accounts		**117,862**	85,419
- deposit accounts	14.1	**213,964**	178,673
		331,826	264,092
		331,891	264,132

14.1 These carry profit rates ranging from 5.5% to 6% (2014: 7% to 8%) per annum.

			2015	2014
			(Rs. in 000')	

15. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

Ordinary shares of Rs. 5/- each

Number of shares in (000') 2015	2014		2015	2014
22,800	22,800	Fully paid in cash	**114,000**	114,000
6,000	6,000	Issued as fully paid bonus shares	**30,000**	30,000
28,800	28,800		**144,000**	144,000

15.1 Related parties held 2,115,600 (2014: 2,115,600) Ordinary shares of Rs. 5/- each in the Holding Company at year end.

	Note	2015	2014
		(Rs. in 000')	

16. DEFERRED TAXATION

Taxable temporary differences arising due to:			
- accelerated tax depreciation		**87,640**	89,658
Deductable temporary differences arising due to:			
- provisions		**(32,863)**	(28,603)
		54,777	61,055

17. TRADE AND OTHER PAYABLES

Creditors		**98,817**	100,368
Royalty payable		**20,333**	11,149
Accrued liabilities		**174,909**	108,211
Advance from customers		**3,004**	1,073
Payable to provident fund	17.1	**1,468**	-
Workers' Profit Participation Fund	17.2	**4,161**	-
Workers' Welfare Fund		**16,609**	8,313
Warranty obligations	17.3	**27,485**	18,277
Unclaimed dividends		**14,025**	12,471
Guarantee bond payable	17.4	**1,111**	1,110
Tax deducted at source		**2,707**	1,269
Retention money		**714**	10,706
Others		**1,553**	535
		366,896	273,482

17.1 General Disclosures

		--(Unaudited)---	---(Audited)--
Size of the fund		**166,702**	146,275
Cost of investments		**115,003**	106,050
Fair value of investments	17.1.1	**166,702**	146,275
Percentage of investments		**100%**	100%

17.1.1 The breakup of fair value of investments is:

	2015		2014	
	-------- (Unaudited)	----------------	(Audited) --------	
	(Rs. in 000')	(%)	(Rs. in 000')	(%)
Special Saving Certificates	**122,712**	**74**	110,712	75
Term Finance Certificates	**10,609**	**6**	12,575	9
Mutual fund units	**5,768**	**4**	5,462	4
Shares in listed companies	**3,427**	**2**	2,901	2
Bank balance	**12,188**	**7**	3,775	3
Others	**11,998**	**7**	10,850	7
Total	**166,702**	**100%**	146,275	**100**

17.1.2 Investments of provident fund have been made in accordance with the provisions of Section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose.

	Note	2015	2014
		(Rs. in 000')	
17.2 Workers' Profit Participation Fund			
Balance at the beginning of the year		**(10,123)**	12,231
Prior year's adjustment		**-**	3,784
Allocation for the year	24	**42,661**	21,877
		32,538	37,892
Less: Payment made during the year		**(28,377)**	(48,015)
Balance at end of the year		**4,161**	(10,123)
17.3 Warranty obligations			
Balance at the beginning of the year		**18,277**	18,052
Provision for the year	22	**14,083**	5,760
		32,360	23,812
Less: Claims paid during the year		**(4,875)**	(5,535)
Balance at end of the year		**27,485**	18,277

17.4 The Group has provided bank guarantees to Collector of Customs as a security against the import duty.

	Note	2015	2014
		(Rs. in 000')	
18. SHORT TERM BORROWINGS – unsecured			
Running finance under markup arrangements	18.1	**111,609**	-

18.1 The aggregate facilities for short term running finance available from Habib Bank Limited as of June 30, 2015 amounted to Rs 120 million (2014: Nil), of which Rs 8.391 million (2014: Nil) remained unutilized at year end. These facilities are secured against hypothecation of current assets of the Company. These facilities carry the rate of mark up at 1 month KIBOR plus 0.75% per annum, payable quarterly.

19. COMMITMENTS

(i) Commitments in respect of outstanding letters of credit for raw material amount to Rs.387.954million (2014: Rs.341.645million).

(ii) Commitments in respect of capital expenditure amount toRs.8.235 million (2014: Rs. 15.230 million).

(iii) Outstanding bank guarantees issued to Sui Southern Gas Company Limited amounts to Rs. 0.385million (2014: Rs. 0.385 million)

	Note	2015	2014
		(Rs. in 000')	
20. TURNOVER – net			
Sales		6,596,589	3,704,493
Less: Trade discount		134	7,091
Sales tax		960,860	538,884
		960,994	545,975
		5,635,595	3,158,518
21. COST OF SALES			
Raw material consumed			
Opening stock		326,267	475,256
Purchases		3,974,705	1,862,725
		4,300,972	2,337,981
Closing stock	10	(636,619)	(326,267)
		3,664,353	2,011,714
Manufacturing expenses			
Salaries, wages and benefits		320,227	227,639
Stores, spares and loose tools consumed		144,686	112,445
Packing material consumed		20,958	18,949
Fuel and power		104,079	73,445
Transportation and traveling		71,644	59,286
Depreciation	7.2	140,922	61,150
Repairs and maintenance		72,893	37,815
Royalty and technical fees		61,447	33,907
Research and development costs		560	95
Communications and professional fees		1,739	1,968
Printing and stationery		927	866
Insurance		3,886	2,552
Rent, rates and taxes		6,728	5,343
Others		4,114	5,026
		954,810	640,486
Work-in-process			
Opening stock		46,291	47,436
Closing stock	10	(89,976)	(46,291)
		(43,685)	1,145
Cost of goods manufactured		4,575,478	2,653,345
Finished goods			
Opening stock		17,197	11,433
Closing stock	10	(31,157)	(17,197)
		(13,960)	(5,764)
		4,561,518	2,647,581

	Note	2015	2014
		(Rs. in 000')	
22. DISTRIBUTION COSTS			
Salaries and benefits		**14,325**	14,090
Advertisement and sales promotion		**23,242**	12,767
Carriage and forwarding		**30,372**	18,329
Traveling and conveyance		**3,506**	2,972
Depreciation	7.2	**1,563**	872
Provision for warranty claims	17.3	**14,083**	5,760
(Reversal) / provision for impairment of trade debts	11.2	**(1,060)**	595
Rent, rates and taxes		**-**	140
Communications and professional fee		**258**	272
Insurance		**964**	231
Repairs and maintenance		**444**	451
Others		**393**	77
		88,090	56,556
23. ADMINISTRATIVE EXPENSES			
Salaries and benefits		**61,221**	58,378
Legal and professional charges		**37,364**	21,818
Repairs and maintenance		**7,943**	13,501
Technical fees		**-**	20,548
Depreciation	7.2	**9,966**	8,057
Printing and stationery		**1,272**	808
Computer supplies		**-**	423
Rent, rates and taxes		**3,478**	3,464
Traveling and conveyance		**15,393**	11,885
Communications and professional fee		**4,123**	3,209
Utilities		**1,529**	6,231
Security services		**5,772**	4,916
Insurance		**1,043**	1,460
Auditors' remuneration	23.1	**1,366**	1,198
Advertisement		**1,479**	169
Others		**1,197**	6,862
		153,146	162,927
23.1 Auditors' remuneration			
Audit fee for standalone financial statements		**910**	725
Audit fee for consolidated financial statements		**138**	125
Fee for review of half yearly financial statements		**66**	60
Other certifications		**135**	185
Out of pocket expenses		**117**	103
		1,366	1,198
24. OTHER EXPENSES			
Workers' Profit Participation Fund	17.2	**42,661**	25,661
Workers' Welfare Fund		**16,609**	8,313
Donations	24.1	**8,983**	3,891
		68,253	37,865

24.1 None of the directors or their spouses had any interest in any of the donees to whom donations were made during the year.

Notes to the Consolidated Financial Statements

For the year ended June 30, 2015

	Note	2015	2014
		(Rs. in 000')	
25. OTHER INCOME			
Income from financial assets			
Profit on:			
- term deposit receipts		**21,397**	11,715
- deposit accounts		**11,150**	15,694
Gain on sale of available-for-sale investments		**-**	24,517
Reversal of provision for impairment	12	**-**	49,252
		32,547	101,178
Liabilities no longer payable - written back		**62**	2,616
Income from non-financial assets			
(Loss) / gain on disposal of property, plant and equipment	7.3	**(751)**	3,964
Scrap sales		**4,876**	1,445
Miscellaneous income		**1,312**	3,093
		5,437	8,502
		38,046	112,296
26. FINANCE COSTS			
Discounting charges on receivables		**4,117**	-
Mark-up on short term running finance		**4,135**	-
Bank charges		**424**	157
		8,676	157
27. TAXATION			
Current		**232,791**	87,581
Prior		**(773)**	1,131
Super tax		**22,598**	-
Deferred		**(6,278)**	6,615
		248,338	95,327
27.1 Relationship between tax expense and accounting profit			
Profit before taxation		**793,958**	365,728
Tax at the rate of 33% (2014: 34%)		**262,006**	124,348
Tax effects of:			
Expenses that are admissible in determining taxable profit		**6,553**	(33,396)
Prior year		**(773)**	1,131
Tax rebates		**(15,784)**	(16,235)
Effect of change in tax rate		**233**	837
Deferred		**(26,495)**	18,642
Super tax		**22,598**	-
		248,338	95,327

27.2 As at the year end, there is a deferred tax asset of Rs.7.426 million (2014: Rs.28.478 million) in the Subsidiary Company which has not been recognized in these consolidated financial statements as the Subsidiary Company has opted for tax credit for a period of five years as provided under Section 65 D of the Income Tax Ordinance, 2001.

28. EARNINGS PER SHARE – basic and diluted

There is no dilutive effect on the basic earnings per share of the Group, which is based on:

	2015	2014
Profit after taxation (Rs. in 000')	**545,620**	270,401
Weighted average number of ordinary shares outstanding during the year (in 000')	**28,800**	28,800
Basic earnings per share (Rs.)	**18.95**	9.39

	Note	2015	2014
		(Rs. in 000')	

29. CASH GENERATED FROM OPERATIONS

	Note	2015	2014
Profit before taxation		**793,958**	365,728
Adjustments for			
Depreciation		**152,451**	70,079
Finance costs		**4,559**	157
(Reversal) / provision for impairment of trade debts		**(1,060)**	595
Liabilities no longer payable - written back		**(62)**	(2,616)
Gain on disposal of available-for-sale investment		**-**	(24,517)
Profit on term deposit receipts		**(21,397)**	(11,715)
Profit on deposit accounts		**(11,150)**	(15,694)
Loss / (gain) on disposal of property, plant and equipment		**751**	(3,965)
		124,092	12,324
		918,050	378,052
(Increase) / decrease in current assets			
Stores, spares and loose tools		**(7,069)**	18,833
Stock-in-trade		**(378,272)**	141,986
Trade debts		**(316,746)**	225,966
Advances, deposits, prepayments and other receivables		**59,264**	(43,723)
Sales tax refundable		**-**	(52,684)
		(642,823)	290,378
Increase / (decrease) in current liabilities			
Trade and other payables		**76,343**	(14,816)
Sales tax payable		**4,228**	-
		80,571	(14,816)
		355,798	653,614

30. CASH AND CASH EQUIVALENTS

	Note	2015	2014
Short term investments – term deposit receipts	13	**390,000**	510,000
Cash and bank balances	14	**331,891**	264,132
Short-term running finance	18	**(111,609)**	-
		610,282	774,132

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The main risks arising from the Group's financial instruments are market risks, credit risk and liquidity risk. The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below:

31.1 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rate and foreign exchange rates.

(i) Interest rate risk

Interest rate risk is the risk that the value of financial instrument will fluctuate due to the changes in market interest rates. The Group is exposed to interest rate risk in respect of bank deposits, term deposit receipts and investment in income based mutual funds. Management of the Group estimates that 1% increase in the market interest rate, with all other factor remaining constant, would increase the Group's profit after tax by Rs. 4.365 million(2014: Rs. 4.979 million) and a 1% decrease would result in the decrease in the Group's profit after tax by the same amount. However, in practice, the actual result may differ from the sensitivity analysis.

(ii) Foreign currency risk

Foreign currency risk is the risk that the value of financial assets or a financial liability will fluctuate due to a change in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions in foreign currency. As at June 30, 2015, the Group does not have any financial assets or financial liabilities which are denominated in foreign currencies.

31.2 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

Concentration of credit risk arises when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Group's performance to developments affecting a particular industry.

The Group is mainly exposed to credit risk mainly on trade debts, short term investments and bank balances. The Group seeks to minimize the credit risk exposure through having exposure only to customers considered credit worthy and obtaining securities where applicable.

The table below provides the analysis of the credit quality of financial assets on the basis of external credit rating or the historical information about counter party default rates.

	2015	2014
	(Rs. in 000')	
Trade debts		
The analysis of trade debts is as follows:		
Neither past due nor impaired	**429,237**	218,643
Past due but not impaired – 30 to 90 days	**129,346**	27,325
	558,583	245,968
Bank balances		
Ratings		
A-1+	**53,020**	59,259
A1+	**278,591**	204,119
P1	**215**	714
	331,826	264,092
Short term investments		
Ratings		
A1+	**390,000**	510,000
	390,000	510,000

31.3 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in raising funds to meet commitments associated with financial instruments. The management of the Group believes that it is not exposed to any significant level of liquidity risk.

The management forecasts the liquidity of the Group on the basis of expected cash flow considering the level of liquid assets necessary to mitigate the liquidity risk.

2015	On demand	Less than 3 Months	3 to 12 Months	Total
	---------- (Rupees in '000) ----------			
Trade and other payables	**110,278**	**241,245**	**15,373**	**366,896**

2014	On demand	Less than 3 months	3 to 12 Months	Total
	---------- (Rupees in '000) ----------			
Trade and other payables	97,220	167,949	8,313	273,482

32. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The fair value of the mutual fund units is determined by using the net asset value as disclosed by the Fund Manager at each balance sheet date. The carrying values of all financial assets and liabilities reflected in the consolidated financial statements approximate their fair values.

Fair value hierarchy

The Group uses the following hierarchy for disclosure of the fair value of financial instruments by valuation technique:

Level 1: quoted prices in active market for identical assets.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

During the year ended 30 June 2014, the Group had available-for-sale investments measured at fair value using level 1 valuation technique.

33. CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital is to safeguard the Group's ability to continue to provide returns for shareholders and benefit for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group is currently financing majority of its operations through equity and working capital. The capital structure of the Group is equity based with no financing through long term borrowings.

34. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Group comprise companies with common directorship, retirement funds, directors and key management personnel. Detail of transactions with related parties during the year, other than disclosed elsewhere in the consolidated financial statements, are as follows:

	2015	2014
	(Rupees in '000)	
Purchase of goods	**1,096**	311
Contribution to the Provident Fund	**6,374**	5,159

The receivable/payable balances with related parties as at June 30, 2015 are disclosed in the respective notes to the consolidated financial statements.

35. REMUNERATION OF THE CHAIRMAN, CHIEF EXECUTIVE AND EXECUTIVES

35.1 Aggregate amounts charged in the consolidated financial statements are as follows:

	2015			2014		
	Chairman	Chief Executive	Executives	Chairman	Chief Executive	Executives
	-- (Rs. in `000) ---					
Managerial remuneration	**7,353**	**13,125**	**52,799**	15,477	10,134	42,500
Retirement benefits	**-**	**521**	**2,455**	-	449	1,748
Utilities	**316**	**92**	**269**	391	149	866
Medical expenses	**100**	**54**	**717**	140	61	727
	7,769	**13,792**	**56,240**	16,008	10,793	45,841
Number of persons	**1**	**1**	**25**	1	1	20

35.2 The Chairman, Chief Executive and certain Executives are also provided with free use of Group maintained vehicles in accordance with the Group's policy. The Chairman remuneration is only for the period he was acting as an executive.

36. PRODUCTION CAPACITY

The production capacity of the Group cannot be determined as this depends on the relative proportions of various types of vehicles and agricultural tractors produced by OEMs.

37. UNUTILIZED CREDIT FACILITIES

As of the balance sheet date, the Group has unutilized facilities for short term running finance available from various banks amounted to Rs. 160 million (2014: Rs. 160 million). The rate of mark-up on these finances ranges from1 to 3 months KIBOR plus rates varying from 0.75% to 1.25% (2014: 1 to 3 months KIBOR plus rates varying from 0.75% to 1.25%). The facilities are secured by way of pari passu hypothecation of Group's stock-in-trade, stores, spares, loose tools and trade debts.

38. NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

38.1 The Board of Directors in its meeting held on August 22, 2015 (i) approved the transfer of Rs.170 million from un-appropriated profit to general reserve and (ii) proposed cash dividend of Rs.7.50 per share for the year ended June 30, 2015 amounting to Rs.216 million for approval of the members at the Annual General Meeting to be held on October 05, 2015.

38.2 The Finance Act, 2015 introduced a tax on every public company at the rate of 10% of such undistributed reserves which exceeds the amount of its paid up capital. However, this tax shall not apply in case of a public company which distribute cash dividend equal to at least either 40% of its after tax profits or 50% of its paid up capital, within the prescribed time after the end of the relevant tax year.

Based on the fact that the Board of Directors of the Holding Company has proposed 150% dividend for the financial and tax year 2015 which exceeds the prescribed minimum dividend requirement as a fore said. The Holding Company believes that it would not eventually be liable to pay tax on its undistributed reserves as of 30 June 2015.

39. NUMBER OF EMPLOYEES

Number of persons employed as at year end were 253 (2014: 276) and the average number of persons employed during the year were 253(2014: 264).

40. INFORMATION ABOUT OPERATING SEGMENTS

The activities of the Group are organized into one operating segment i.e. manufacture and sale of automotive parts. The Group operates in the said reportable operating segment based on the nature of products, risks and returns, organizational and management structure and internal financial reporting systems. Accordingly, the figures reported in these financial statements relates to the Group's only reportable segment.

The operating interests of the Group are confined to Pakistan in terms of production areas and customers. Accordingly, the figures reported in these financial statements relate to the Group's only reportable operating segment in Pakistan.

Of the Company's sale, two customers account for more than 10% each.

41. GENERAL

Figures have been rounded off to the nearest thousands.

42 DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements were authorized for issue on August 22, 2015 by the Board of Directors of the Holding Company.

Yutaka Arae
Chairman

Fahim Kapadia
Chief Executive