



**PANTHER**

ANNUAL REPORT

2022

WHEELS OF THE  
**NATION**  
MOVING TOWARDS PROSPERITY

PANTHER HOUSE



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# KEY FINANCIAL HIGHLIGHTS 2022

Rs. in Million  
**20,460**  
Net Revenue  
Earned

Rs. in Million  
**2,243**  
Gross Profit  
Earned

Rs. in Million  
**421**  
Net Profit For  
the Year

Rs. in Million  
**19,396**  
Total Assets

Rs. in Million  
**6,856**  
Shareholders'  
Equity

Rs. in Million  
**9,452**  
Current  
Liabilities

**10.97%**

Gross Profit  
Ratio

**24%**

CAGR

**7.14%**

Return on  
Equity

**40.81**

Breakup Value  
Per Share

**2.03**

Interest Cover  
Ratio

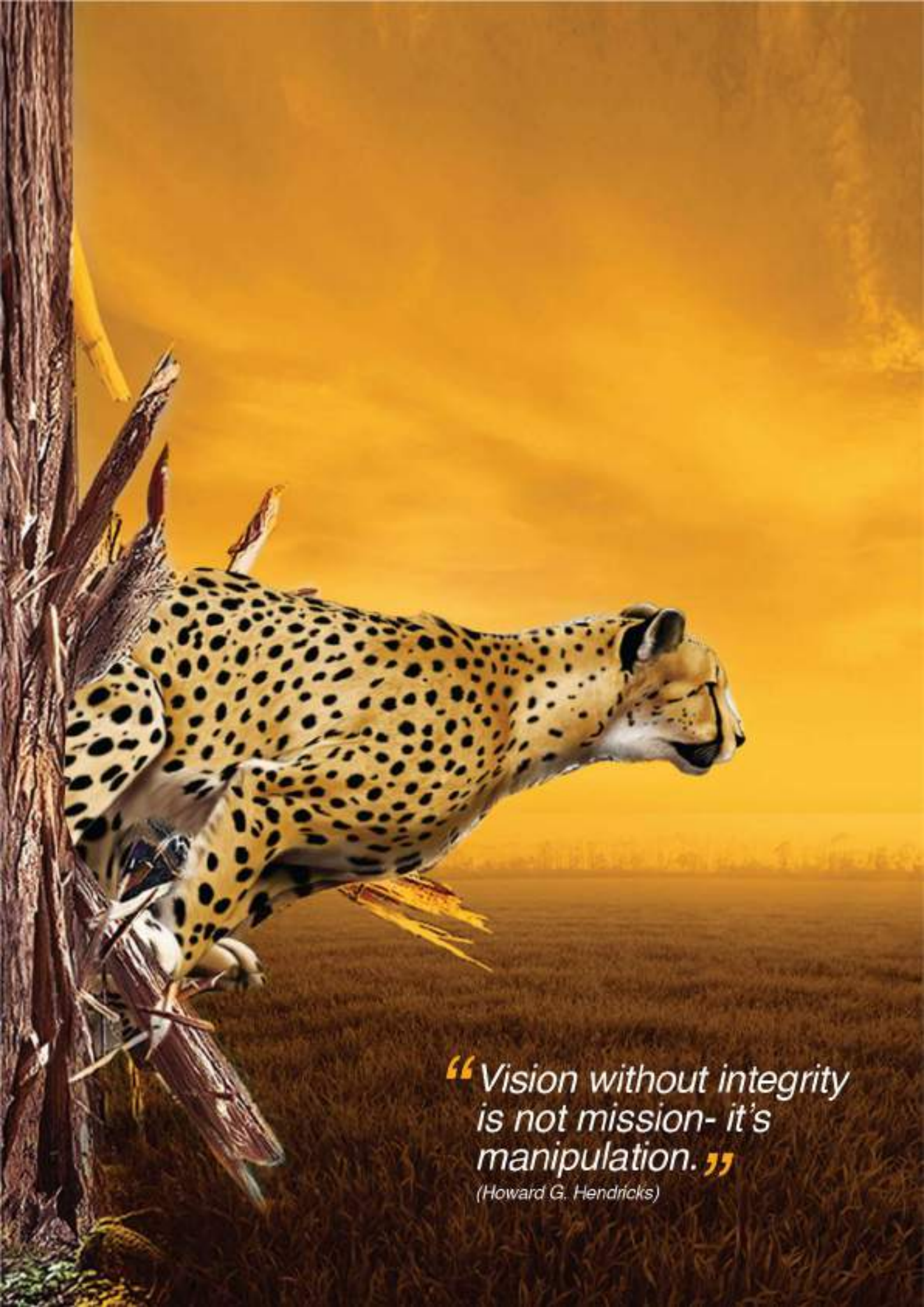
**1.22**

Assets  
Turnover



PANTHER

POWER



*“Vision without integrity  
is not mission- it’s  
manipulation.”*

*(Howard G. Hendricks)*

# VISION & MISSION STATEMENT



## OUR VISION

To be the Leading and innovative Tyre Company of Pakistan, driving the Nation to achieve speed with safety by moving the wheels of economy towards shared Growth and Prosperity of all stakeholders.



## CORPORATE OBJECTIVES

- Follow international best standards and benchmarks for sustainable growth.
- Increase efficiency and productivity through good management practices.
- Improve financial strength and profitability through strong controls.
- Be an environmentally friendly entity.
- Create collective wealth and prosperity in the society.

## CORE CORPORATE VALUES

- We will always maintain the highest standards of 'Integrity' in all our corporate affairs.
- We will place 'Loyalty' to our Nation and the Customers above everything else.
- We will continue to strive for 'Ingenuity' and innovation in our systems and products.
- We will always 'Respect' each and every stakeholder of our Company.

## BUSINESS PRINCIPLES

- To always ensure that the Company complies with the definition of its vision, mission and corporate objectives.
- To always comply with all relevant, laws, rules and regulations as may be applicable.
- To maintain absolute transparency in all transactions in accordance with established corporate norms and best practices.
- To ensure arms' length in dealing with any party (including affiliate, or other related party) director or senior management with respect to transactions in which there is or likely to be a conflict of interest.
- To ensure that there is a declaration of a conflict of interest by any shareholder, or a director or senior management of the Company as soon as such conflict becomes apparent.

### OUR MISSION

To enable People and Businesses to realize their full potential and maximize Value to all stakeholders.





# CODE OF CONDUCT CULTURAL VALUES & ETHICAL PRINCIPLES

## BASIC PRINCIPLE

Panther Tyres Limited manages to conduct its businesses with honesty, integrity and in accordance with the highest ethical and legal standards. This code is intended to provide guidance to all stakeholders and applies to all board members, senior management and employees of the Company.

## WORK ENVIRONMENT

### **Safety & Security of Employees**

We are committed to provide a safe and healthy work environment and preventing accidents. Threats, intimidation and violence have no place at Panther Tyres.

### **Employee Privacy**

We maintain employee's personal information which relates to an individual's employment, including compensation, medical and benefit information, these are kept confidential and private.

### **Positive Environment**

As a corporate citizen, the Company stands to provide a positive and thriving environment for everyone to excel and bond with each other like a family. We do not tolerate discrimination or harassment based on race, color, religion, gender, national origin, ethnicity, sex, age, disability or any other characteristic.

### **Alcohol & Drugs Abuse**

Management of the company expects employees to perform their duties free from the influence of Alcohol and illegal drugs, or the abuse of prescribed or over-the-counter drugs.

### **Protection Against Harassment of Women**

We have zero tolerance towards harassment of women at work place. All female employees are encouraged to speak out when a co-worker's conduct makes her uncomfortable. Any employee found guilty of such act will face strict disciplinary action.

## CULTURE

Our culture demonstrates the manifestation of shared values and beliefs, which we practice every day to move towards a better and more successful organization. Our values provide the foundation of our culture and bind us into a successful team yearning to outperform the competition.





## PROFESSIONAL CONDUCT

### **Political Contributions**

Contributions by the Company to political candidates or political parties are prohibited by law and may not be made.

### **Protection & Proper Use of the Company's Property**

All employees are bound to protect the trade secrets, proprietary or confidential information like customer lists, pricing data, financial data, marketing plans, methods, processes, manuals, formulae, compositions, systems, techniques, inventions, machines, computer programs & research projects. This information will not be disclosed to irrelevant people, during the or after leaving the company. They are also bound to return all documents & property of the Company.

### **Confidentiality of Information**

Employees are expected to safeguard confidential information and must not, without authority, disclose such information about the Company's activities to the press, to any outside source or to employees who are not entitled to such information.

### **Conflicts of Interest**

We expect employees to avoid situations that may involve a conflict, or even appearance of a conflict, between our personal interests & Company's interests. Such conflict may arise on receiving of a personal benefit from any outside activity related to our responsibilities at Panther Tyres.

## DEALING WITH CUSTOMERS

### **Gifts and Other Business Courtesies**

Our relationships with suppliers, customers and others is based entirely on professional and fair dealing. No gift, favor or entertainment is solicited, accepted or provided if it will obligate or appear to obligate the person who receives it. Exception may be given to inexpensive gift such as flowers or a promotional item having nominal value.

### **Business Courtesies**

With management approval, business courtesies, such as meals may be given or accepted. Exchange of greeting cards and inexpensive sweets on traditional occasions are however considered appropriate.

# CORE VALUES



## CUSTOMER FOCUSED

- Commitment
- Quality and Consistency
- Customer Satisfaction
- Fair Practices



## ETHICS AND INTEGRITY

- Honesty
- Integrity
- Transparency
- Professional Conduct



## ENTREPRENEURSHIP

- Value Addition and Creation
- Robust Ownership Loyalty Branding
- Identifying and Capitalizing on Opportunities
- Business Driven Approach



## INNOVATION

- Creative Solutions
- Cutting Edge Innovations
- Process Automation
- Improving upon Industry Benchmarks



## EXCELLENCE

- Setting Industry Benchmarks
- Continuous Improvement
- Always Open to New Initiatives
- Adoption of World Class Technologies



**THE POWER OF  
DETERMINATION  
WILL MAKE YOU  
UNSTOPPABLE**

-JEAN CHAREST-



#### COMPANY PROFILE

# HISTORY & OVERVIEW

Panther Tyres Limited (formerly Mian Tyre and Rubber Company Limited) was incorporated on October 24, 1983 as a tyres and tubes manufacturing company. Initially, it was established as a private limited company under the now repealed Companies Act 1913 and was later converted into a public limited company on October 10, 2003. Manufacturing facility of the Company is situated at 29.5KM Sheikhupura Road, Sheikhupura. The Company started its commercial operations in 1983 and has today evolved into one of the leading players in the Automobile Parts & Accessories Industry of Pakistan. The Company was listed on Pakistan Stock Exchange on 22 February 2021.

Panther Tyres Limited is the first company in Pakistan which started local manufacturing of tyres for two and three wheelers in 1984 and 1993 respectively and currently has a stronghold in these categories. Over time, the Company has also expanded into other segments of the auto industry including tyres for tractors, light commercial vehicles, trucks and buses. Recently, the Company has successfully manufactured largest and the heaviest tyre of Pakistan in the DTR category and became the first manufacturer in this category. Since its inception, the Company's focus on quality has been of paramount importance which is reflected by the retention of ISO 9001 certification. The Company has built a strong distribution network with more than 500 direct business partners. To take the benefit of this huge network, in April 2018, the Company ventured into the trading business of automobile lubricants and spare parts.





The Company started exporting "Made in Pakistan" wheelbarrow tyres and tubes to European markets as early as in 1998 and continuously won the export trophy from FPCCI for 10 years in the tyre & tube category. Since then, the Company continued exploring new markets for its products and gradually established footprint in other parts of the world. Currently, the Company is exporting tyres and tubes to different countries including Turkey, Poland, Macedonia, Egypt, Bangladesh, UAE, Afghanistan, Nigeria, Kenya, Sudan, Ethiopia, Algeria, Yemen and Somalia.

International markets are highly competitive in terms of pricing and highly stringent in terms of quality standards. To stay in these parameters, the Company regularly invests in technology, R&D and manpower that enables it to produce fine quality products at competitive rates. That is the very reason the Company's export products' portfolio is expanding gradually. Currently, it is not only exporting motorcycle, rickshaw, light truck tyres and tubes but also has started exporting tractor and truck bus bias tyres and tubes. The Company's motorcycle, rickshaw and tractor tyres are EU E-8 marked, which means that they are certified for European standards and can be exported to European markets.

# MARKET PORTFOLIO

The Company caters to two broad markets locally, i.e. OEM and Replacement Market. The Company also caters to the export market and the following are the major revenue drivers



## OEM SALES

In OEM segment, the Company supplies tyres and tubes to local assemblers of 2 wheelers, 3 wheelers, LCVs and tractors. All OEMs of the said vehicles are the major customers of the Company.



## EXPORT SALES

The Company exports motorcycle, tractor, rickshaw, LCV and truck and bus bias tyres and tubes to replacement market of around 14 countries in the world. The Company has been awarded EU E-8 marked certification in 2018 for export to European countries for motorcycle, rickshaw and tractor tyres.



## REPLACEMENT MARKET SALES

Replacement market is the secondary market for tyre manufacturers. The replacement market comprises of distributors, wholesalers & retailers. Growth of replacement market is dependent on growth in registered vehicles which includes CBU imports and sale of used vehicles as well. After the sales from OEM, the vehicles become the part of replacement market thereby the size of the replacement market increases every year.



# COMPANY ORGANOGRAM



## COMPANY KEY BRANDS & PRODUCT PORTFOLIO

### EARTH MOVER TYRES (OTR)



### TRACTOR TYRES



### MOTORCYCLE TYRES



**RICKSHAW /  
LOADER TYRES**



**TBB/COMMERCIAL  
TYRES**



**AUTO PARTS &  
LUBRICANTS**



# KEY OEM CUSTOMERS

The Company has a wide range of products with over 52 variants within the tyre category only. Within each category, the Company carries a wide spectrum of products to cater to different needs. Through continuous innovation, the Company has mastered in premium quality tyres while catering to the needs of customers by offering them a diverse product mix.

Demand of the tyres and tubes in Pakistan is generated by OEMs sales and replacement market sales. Panther Tyres has maintained a long standing relationship with key OEMs in Pakistan wherein the company has been supplying tyres and tubes to Suzuki, Honda and Yamaha for more than 26 years.





Although the Company's core business operation is tyre manufacturing, revenues are not entirely dependent on a single customer segment. Over time the company has diversified into Tractor, Light Commercial Vehicle, TBB and Earth Mover tyres apart from Two/Three Wheeler tyres. Increased and diversified customer range offers an incremental revenue stream for the Company.

# GEOGRAPHICAL PRESENTATION



**Registered Office**  
Panther House, Jail Road,  
Lahore



**Production Plant**  
Sheikhupura Road,  
Shekhupura



**Regional Sales Office**  
• Karachi  
• Multan  
• Faisalabad  
• Sukkhor  
• Rawalpindi

# INTERNATIONAL BUSINESS



- TURKEY
- POLAND
- EGYPT
- BANGLADESH
- UAE
- AFGHANISTAN

- KENYA
- SUDAN
- ETHIOPIA
- ALGERIA
- YEMEN
- SOMALIA

- SYRIA
- MALAWI
- BRAZIL
- IRAQ
- JORDAN
- TUNISIA

# SWOT ANALYSIS

## S

### STRENGTHS

- Strong financial position
- Diversified product portfolio amongst the local players
- State of the art production facilities
- Established brand name / Customer's loyalty
- Well established distribution network
- Development of new and eco-friendly formulations
- Competent & committed human resources



## O

### OPPORTUNITIES

- Horizontal as well as vertical diversification
- Infrastructure development and CPEC projects
- Protection from the Govt.
- Implementation of energy efficient technologies
- Growth of tyre industry
- Consistent growth of replacement market





### WEAKNESS

- Reliance on imported materials
- Highly labor intensive industry
- Relatively homogenous products limiting pricing strategy
- Seasonal Industry
- Limited pricing options due to smuggled product

# W



### THREATS

- Rising trend of energy prices
- Continuous increase in raw material costs and disruption of supply
- Instability of local currency
- Influx of smuggled products
- Under invoicing
- Political uncertainty

# T

# COMPANY INFORMATION



## EXECUTIVE DIRECTORS

Mian Faisal Iftikhar - CEO  
Zahid Malik



## INDEPENDENT MEMBERS

Asad Sultan Chaudhary  
Javed Masud  
Iqbal Ahmed Khan



## NON - EXECUTIVE DIRECTORS

Mian Iftikhar Ahmed - Chairman  
Ms. Samina Iftikhar



## AUDIT COMMITTEE MEMBERS

Javed Masud - Chairman  
Asad Sultan Chaudhary  
Iqbal Ahmed Khan



## HR COMMITTEE MEMBERS

Asad Sultan Chaudhary - Chairman  
Iqbal Ahmed Khan  
Mian Faisal Iftikhar



## CHIEF OPERATING OFFICER

Khurram Javed



## CHIEF FINANCIAL OFFICER

Ghulam Abbas FCA FCMA



## COMPANY SECRETARY

Mohsin Muzaaffar Butt FCA CIA



## HEAD OF INTERNAL AUDIT

Mohsin Muzaaffar Butt FCA CIA



## AUDITORS

EY Fords Rhodes Chartered Accountants



## REGISTERED OFFICE

Panther House 97-B Aziz Avenue,  
Gulberg 5, Canal bank Jail Road,  
Lahore-5400, Pakistan.  
UAN: +42 111-554-444



## SHARE REGISTRAR

Corplink (Private) Limited  
Wings Arcade, 1-K, Commercial,  
Model Town, Lahore.



## FACTORY ADDRESS

29.5 KM Lahore Shekhupura  
Road Shekhupure



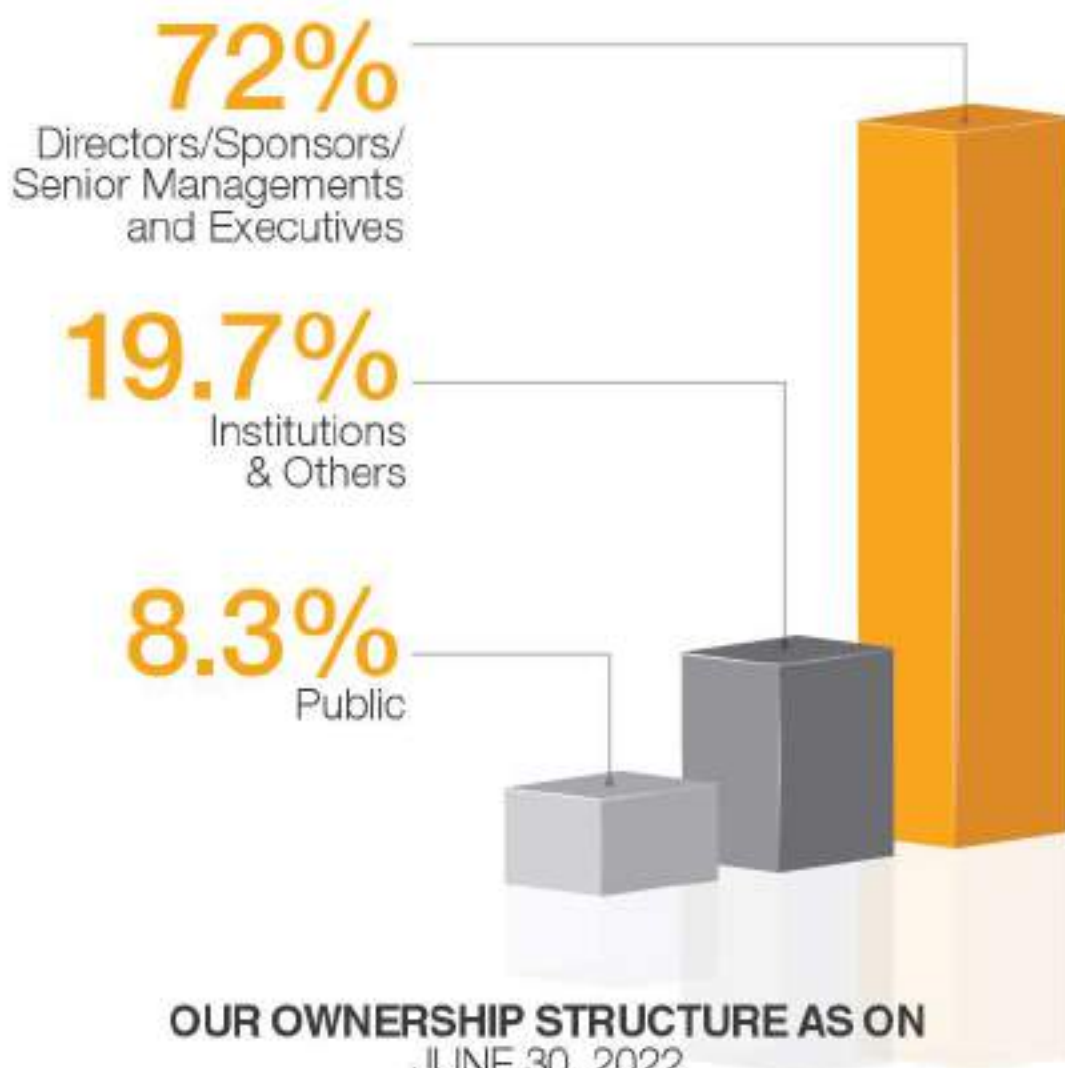
## BANKERS

- JS Bank Limited
- Habib Bank Limited
- Faysal Bank Limited
- United Bank Limited
- Bank Alfalah Limited
- Samba Bank Limited
- Meezan Bank Limited
- National Bank of Pakistan
- Bank Islami Pakistan Limited
- Habib Metropolitan Bank Limited
- PAIR Investment Company Limited
- Pak Oman Investment Company Limited
- Standard Chartered Bank (Pakistan) Limited
- Industrial and Commercial Bank of China Ltd.



## WEBSITE

[www.panther tyres.com](http://www.panther tyres.com)



**OUR OWNERSHIP STRUCTURE AS ON  
JUNE 30, 2022**

## OWNERSHIP STRUCTURE

# AWARDS & RECOGNITION

## ACHIEVEMENTS

- First Motorcycle Tyre manufacturer of Pakistan
- First Butyl Tube manufacturer of Pakistan
- First Rickshaw Tyre manufacturer of Pakistan
- First Earth Mover Tyre (OTR) manufacturer of Pakistan
- Second Tractor Tyre manufacturer of Pakistan
- Second TBB Tyre manufacturer of Pakistan

## AWARDS

- Brand of the Year Award for the years from 2013-2019
- Consumers Choice Award 2019
- Federation of Pakistan Chambers of Commerce & Industry (FPCCI)'s Export Trophy Awards till 2008
- ISO 9001 certified Company





## CERTIFICATIONS

- ISO 9001 Certification 2015
- EU E8 - mark Certification 2018
- Adopted fully functional SAP (Systems, Applications & Products) ECC/ERP 6.0 environment in 2013



# KEY MILESTONES/ HOW WE EVOLVED

**1983**

Established as Mian Tyres & Rubber Company as a Private Limited Company

**1984**

Introduced the first locally produced Motor Cycle Tyres & Tubes

**1987**

Launch of Bicycle Tyres & Tubes

**1986**

Became the first butyl tube manufacturer in Pakistan

**2021**

Successful completion of the Company's Initial Public Offering

**2020**

Company's Long Term and Short-Term credit ratings upgraded to A and A1 respectively

**2022**

Achieved annual turnover of 20 Billion

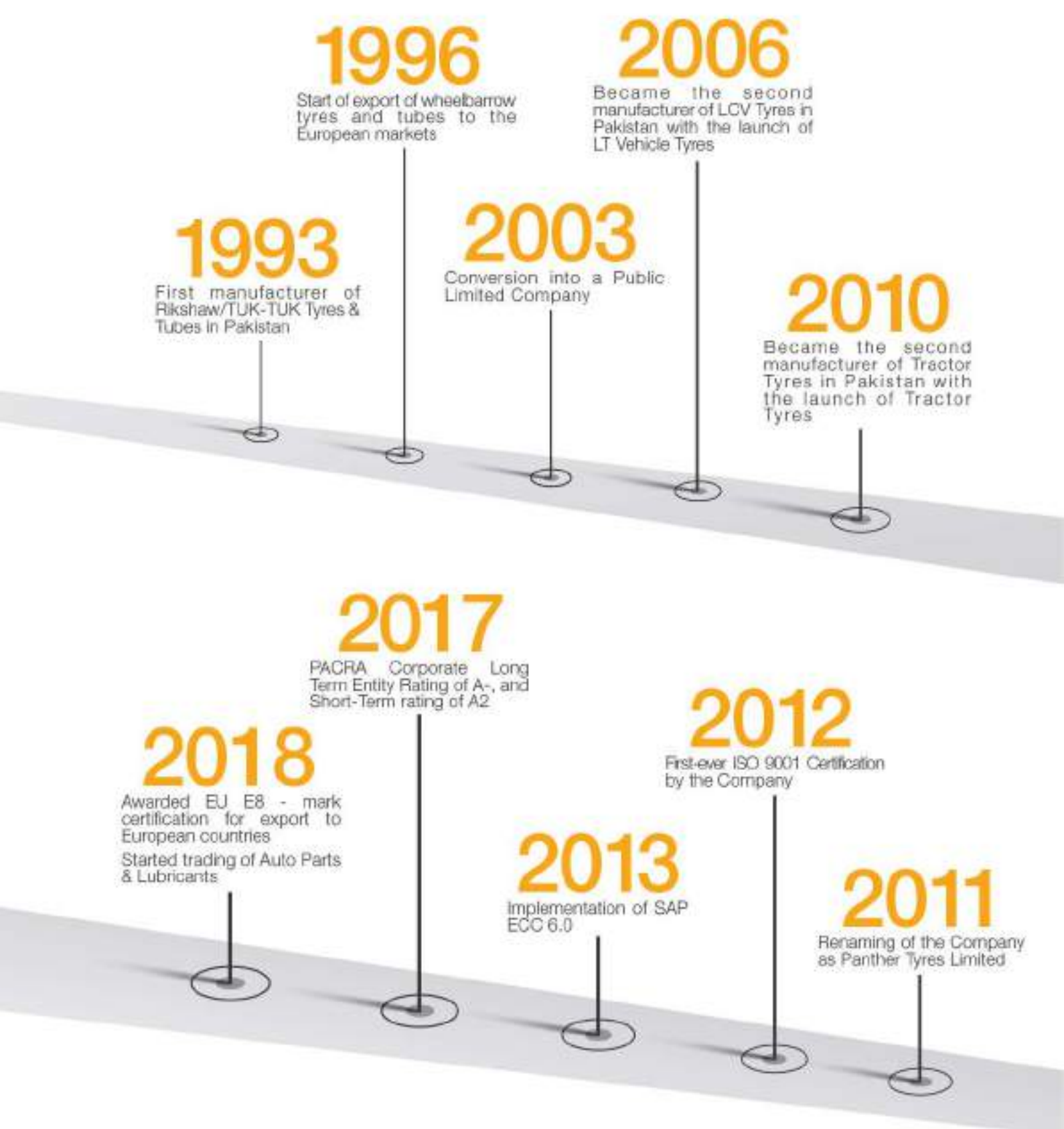
**2021**

First Company in Pakistan for manufacturing of OTR tyres.


**2019**

Became the second manufacturer of TBB Tyres in Pakistan









*“Talent wins games,  
but teamwork and  
intelligence wins  
championships.”*

*(Michael Jordan)*

# BOARD PROFILE



**Mian  
Iftikhar Ahmed**  
Chairman

He has been the driving force behind the Company's success. Through his visionary thinking coupled with hard work and commitment, he transformed the Company from a humble beginning to one of the leading tyre manufacturing Company of Pakistan. Over the period, he has demonstrated his skills as a strategic thinker with strong entrepreneurial ability and managed to lead the organization successfully.

Mian Iftikhar Ahmed is the Chairman of the Board of Directors and former Chief Executive of the Company. He is not only the founder of the Company but also the founder of bias tyre industry of Pakistan. Under his leadership, the Company has pioneered many new products in the tyres industry. He is now the chairman of All Pakistan Tyres & Tubes Manufacturing Association (APTMA). For his services, he was bestowed with a Gold Medal by Lahore Chamber of Commerce & Industries (LCCI) in 2007 for being the best businessman of the year.

Mian Iftikhar Ahmed completed his engineering degree from University of Idaho, USA during 1970. He worked for about thirteen years in various multinational companies both in Pakistan and abroad, but later decided to start his own manufacturing business in 1983.

**Mian  
Faisal Iftikhar**  
Chief Executive Officer



Mian Faisal Iftikhar is an Executive Director and heading the Company as a Chief Executive Officer. He joined the Company in 1999 after completing his master degree in Business Administration from USA. Mr. Faisal carries with him rich experience of twenty years relating to tyre and tube industry and has a strong understanding of the critical business drivers of the trade.

During his professional career, he remained involved in the production operations of the Company and has been successful in aligning the operations with the business strategy of the Company. He achieved this by inculcating the latest technical knowledge in the leadership team and work force also by regularly bringing in the new technology along with state of the-art plant & machinery. Before assuming the charge as a CEO, he has worked in the production, supply chain and sales operations of the Company. He has played pivotal role in the recent expansion and growth of the Company.

**Samina Iftikhar**  
Non-Executive Director



She is a philanthropist and an active social worker involved in various activities of community service. She believes in continuous training and development of human resource in order to make them aligned with changing business environment.

She has been associated with the Company as a Non-Executive Director since 2012. She contributes to the Human Resource side of the Company.



**Mr.  
Javed Masud**  
Independent Director

He has the distinction of setting up the country's first credit rating company and establishing the credibility of the credit rating industry in Pakistan by being the founding Chief Executive of Pakistan Credit Rating Agency Limited (PACRA).

Starting his career as a civil servant, he went on to perform on many mid to senior level policy making assignments in various federal ministries, including the Ministry of Planning, Finance and Production. He also has been a member of the Securities & Exchange Commission of Pakistan (formerly Corporate Law Authority) besides having been Pakistan's Consul General in South Korea.

On the corporate side, he served as the Senior Executive Vice President (SEVP) & Regional Head of Bankers Equity Limited in Lahore, and has also been associated as a Board member of several reputed organizations including Lahore Stock Exchange, Pakistan Petroleum Limited, Lahore Transport Company and IGI Finex Securities Limited. Moreover, he has also worked as a consultant to International Finance Corporation (IFC), the World Bank and some other international agencies and performed various assignments in different countries of Asia, Africa and Eastern Europe.

He started his professional career after graduating in Economics from Boston University, USA. Due to his role in establishing PACRA as a globally recognized credit rating agency, the Government of Pakistan, conferred him with the country's third highest honor and civilian award-the Sitara-e-Imtiaz in 2009.



**Asad  
Sultan Chaudhary**  
Independent Director

He has over thirty-nine years of work experience in the Fertilizer Industry of Pakistan, during which he remained associated with the leading corporations of the country including Engro Fertilizers Ltd. and Fauji Fertilizer Company Limited (FFC).

Retiring as the Group level General Manager Marketing, he also has had the privilege of representing the industry matters at the highest levels in the Government of Pakistan, the provincial Governments, and at international Fertilizer conferences in numerous countries abroad. During his career, he headed all major departments' i.e. Sales, Marketing, Distribution/Logistics, Imports/Exports, Advertising & Sales promotion, Marketing Management, Strategy, Business Development and Planning.

He holds an MBA degree from the Institute of Business Administration (IBA), Karachi, with a major in Marketing. He has also completed numerous advanced management programs from renowned institutions including Wharton, Atesy Institute of Executive Education, University of Pennsylvania USA, Ross Business School, University of Michigan USA, International Fertilizer Development Center, Alabama USA, Mt. Eliza Executive Education, Melbourne Business School, Australia and Australian Graduate School of Management Executive Programs, University of New South Wales, Australia.

## Zahid Mehmud Executive Director



He is a chemical engineer by profession and a qualified tyre & rubber technologist, with more than 37 years of experience with the tyre and tube manufacturing industry of Pakistan.

He has an illustrious experience of production and plant management. Under his supervision, Tyre Building Machine and Bago-o-matic presses were completely fabricated and reconditioned for the first time ever in the history of Pakistan, thus, giving rise to a completely new trend in the local industry. Before joining Panther Tyres in 2007, he was working as General Manager, Production, in Atlas Tyres (Pvt.) Ltd.

He has attended various training programs and courses from local and international platforms, such as Bridgestone Engineers' training on Tyre Processing, a course from formerly Yugoslavia's Sava Continental on Tyre & Rubber Technology, an Indian Refresher Course in Tyre Process Control and Statistical Quality Control training conducted by Pakistan Institute of Quality Control.

## Iqbal Ahmad Khan Independent Director



He has been a career diplomat serving for 35 years in Pakistan's diplomatic missions abroad as well as at the Ministry of Foreign Affairs, Islamabad. He has the distinction of serving as Pakistan's Ambassador to Iran and High Commissioner to Bangladesh, besides being the country's non-resident Ambassador to Bhutan. He has also remained Pakistan's Permanent Representative to the ECO, the Consul General in New York and Director General at the Foreign Office in charge of South Asia and America.

Currently, he is serving as an adjunct professor at Lahore University of Management Sciences (LUMS), where he teaches international affairs. He also lectures at different institutions including the National Management College, formerly the Pakistan Administrative Staff College, and the National Institute for Public Administration. He also occasionally writes for newspapers and magazines on foreign policy and national security issues.

He joined Foreign Service in 1971 during which he developed himself as a well-rounded Foreign Service professional performing many critical diplomatic assignments for the country.

# CHAIRMAN'S REVIEW



## Dear Shareholders

Assalam o Alaikum

I am pleased to share with you the business performance of the Company for the year ending June 30, 2022.

The growth trajectory of large scale manufacturing (LSM) sector continued for most businesses, including your Company, for the year under review. However, some new economic developments unfolded and brought fresh challenges as well. Rising raw material prices, depreciating PKR, increasing interest rates were just some of the challenges that the business community had to navigate through.

Against this backdrop of challenges, your Company maintained its market share and was able to achieve the 20 billion milestone of topline budgeted at the start of financial year. However, the business margins and net profitability of your Company remained under pressure primarily due to above mentioned factors and the bottom line stood at Rs. 420 million.

During the year, we not only managed the major expansion in the company but also taken couple of strategic initiatives to support the future expansion of the Company. The Company participated in the auction process of Punjab Cotton Mills Limited for the disposal of its land and building situated exactly adjacent to our plant. Alhamdulillah, we won the bid and same was subsequently confirmed by respective Banking Court. The ownership transfer is currently in process as of this report date and expected to complete by October 2022. The Company invested Rs.220 million on this acquisition and same was financed through own source. This important acquisition will help the Company to embark upon its future expansion plans. This newly acquired land and building is currently being used as a warehouse.

Second strategic initiative is the successful construction and installation of 11,500 KW grid station that too in a record time of 7 months. The grid has started working since 1st of September 2022. The addition of load will not only play a key role in increasing the energy security of the Company but will also have favorable impact on the bottom line by reducing the energy cost and reliance on expensive imported RLNG based energy source.

### Performance of Board:

Overall, the Board is working well and their role has been pivotal in achieving the Company's financial and non-financial objectives. They are rightly focusing on creating enduring value for all stakeholders through improved operational efficiencies, cost rationalization, product and market diversification and maintaining strong customer relationships. They have ensured that the organization is being managed effectively in a way that help it to achieve its objective whilst also safeguarding the integrity of the organization and interest of its stakeholders by making sure that the management conducts its businesses with honesty, integrity and in accordance with the highest ethical and legal standards. I believe that strategic direction of the Company is clear and appropriate. Further, the processes adopted in developing and reviewing the overall corporate strategy and achievement of corporate objectives are commendable which are truly reflected by the current year's financial results and so does the performance of the Company.

Before concluding I sincerely recognize the hard work of employees, prudent and insightful approach of leadership team, patronage of customers, continued trust of the lenders and suppliers of the Company. At the same time, I earnestly seek full and whole hearted support of every stakeholder in fulfilling the vision and mission of the Company.

Mian Iftikhar Ahmed  
Chairman

## معزز شیئر ہولڈر! اسلام علیکم

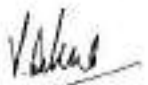
میرے لیے یہ باعث مسرت ہے کہ میں 30 جون 2022ء کو ختم ہونے والے مالی سال میں کاروبار کی کارکردگی آپ کے علم میں لاؤں۔ آپ کی کمپنی سمیت بڑے پیمانے پر مینوفیکچرنگ سیکٹر کے کاروبار میں ترقی جاری رہی۔ تاہم، معیشت کچھ نئی پیش رفت سامنے آنے سے چیلنجز بھی آئے۔ خام مال کی قیمتوں میں اضافہ، روپے کی قدر میں کمی اور شرح سود میں اضافے جیسے چیلنجز سے کاروبار پر براہ راست اثر پڑا۔ ان چیلنجز کے پس منظر میں آپ کی کمپنی نے مارکیٹ میں اپنے شیئر کو برقرار رکھا اور مالی سال کے آغاز میں 20 ارب کے ناپ لائن بجٹ کے سنگ میل کو عبور کرنے میں کامیاب رہی۔ تاہم درج بالا عوامل کی وجہ سے آپ کی کمپنی کا مجموعی منافع اور خالص منافع دباؤ کا شکار رہا، اور باٹم لائن 420 ملین روپے رہی۔

دو برس، ہم نہ صرف کمپنی میں بڑے توسیعی اقدامات کیے بلکہ کمپنی کی مستقبل کی توسیع میں مدد کے لیے دو اسٹریٹجک اقدامات بھی کیے۔ کمپنی نے پنجاب کاٹن ملز لیمیٹڈ کی نیلامی کے عمل میں حصہ لیا تاکہ ہمارے پلانٹ سے متصل اس کی زمین اور عمارت کو ذخہ کانے لگایا جاسکے۔ اللہ تعالیٰ کے فضل و کرم نے ہم نے نیلامی کی بولی جیت لی اور بعد ازاں متعلقہ پینکنگ کورٹ سے اس کی توثیق بھی ہو گئی۔ اس رپورٹ کی تاریخ تک، ملکیت کی منتقلی کا عمل ابھی زیر کار ہے اور اکتوبر 2022ء کے مہینے کے اندر مکمل ہونے کی امید ہے۔ کمپنی نے اپنے ذرائع سے 220 ملین روپے کی سرمایہ کاری اس زمین کے حصول کے لیے کی۔ زمین کا یہ حصول مستقبل میں کمپنی کے توسیعی منصوبہ جات کو شروع کرنے میں مدد دے گا۔ اس زمین اور عمارت کو کمپنی اس وقت بطور گودام استعمال کر رہی ہے۔

دوسرا اہم اسٹریٹجک اقدام سات ماہ کی ریکارڈ مدت کے اندر کامیابی کے ساتھ 11,500 کلوواٹ کے گرڈ اسٹیشن کی تعمیر اور تنصیب ہے۔ مذکورہ گرڈ نے یکم ستمبر 2022ء سے کام کرنا شروع کر دیا ہے۔ بجلی کے لوڈ میں یہ اضافہ نہ صرف کمپنی کی توانائی کی سپلائی یقینی بنائے گا بلکہ توانائی کی لاگت میں کمی اور منگنی درآمدی ایل این جی پر کم انحصار سے، باٹم لائن پر بھی اچھا اثر پڑے گا۔

مجموعی طور پر بورڈ کی کارکردگی اچھی ہے اور کمپنی کے مالیاتی اور غیر مالیاتی مقاصد کے حصول میں بورڈ کا کردار انتہائی اہم رہا ہے۔ بورڈ بجا طور پر، آپریشنل کارکردگی، لاگت میں معقولیت، مصنوعات اور مارکیٹ میں تنوع اور صارفین کے ساتھ بہتر تعلقات برقرار رکھنے کے لیے پائیدار اقدامات پیدا کرنے پر توجہ مرکوز کر رہا ہے۔ بورڈ نے اس بات کو یقینی بنایا ہے کہ ادارے کا نظام ایسے موثر انداز سے چلایا جائے جس سے نہ صرف ادارے کے مقاصد کے حصول میں کامیابی ملے بلکہ ادارے کی سالمیت اور دیگر تعلق داروں کے مفادات کے تحفظ کے لیے انتظامیہ اپنے کاروبار کو پائیداری اور اعلیٰ اخلاقی اور قانونی معیارات کے مطابق چلائے۔ مجھے یقین ہے کہ کمپنی کی حکمت عملی کی سمت واضح اور مناسب ہے۔ مزید یہ کہ، مجموعی کارپوریٹ حکمت عملی اور کارپوریٹ مقاصد کے حصول کی تیاری اور جائزے کے لیے اختیار کیے گئے طریقہ کار بھی قابل ستائش ہیں۔ جو دو برس کے مالیاتی نتائج اور کمپنی کی کارکردگی سے صحیح معنوں میں ظاہر ہوتے ہیں۔

اختتام سے قبل میں غلوں دل سے، کمپنی کے ملازمین کی محنت، لیڈرشپ ٹیم کے دانش مندانہ اور بصیرت افروز انداز، صارفین کی سرپرستی، سپلائرز اور قرض دہندگان کے مسلسل اعتماد کو سراہتا ہوں۔ اس کے ساتھ ساتھ، میں ہر اسٹیک ہولڈر سے کمپنی کے وژن اور مشن کو پورا کرنے کے لیے تعاون کا خواستگار ہوں۔



میاں اختر احمد  
چیئر مین

# DIRECTORS' REPORT

## DIRECTORS' REPORT

The Board of Directors of the Company are pleased to present the directors' report and audited financial statements of the company for the year ended June 30, 2022, together with auditors' report thereon.

## ECONOMIC OVERVIEW

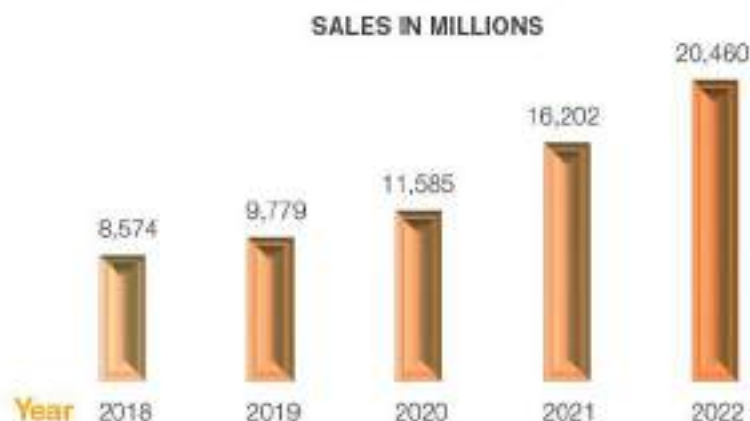
During the FY-2022, Pakistan's economy posted a decent GDP growth of 5.97 percent in the fiscal year 2021-22. However, the growth could not be managed due to macroeconomic imbalances in the shape of twin deficits and economy got overheated resulting into unprecedented exchange rate volatility. Now, the economists at the helm of affairs are working hard to kill this growth to get out of this crisis.

On the external front, the current account deficit stood at USD17.4 billion for FY22 compared to USD 2.8 billion in FY21. It was primarily driven by higher trade deficit as growth in imports picked up sharply by 43.72%. The super cycle in the prices of global commodities and higher machinery imports under TERF facility caused the import bill to rise sharply. This imbalance in trade deficit was partially offset by workers' remittances, which was recorded at USD 31.2 billion, up by 6.1% as compared to the last year.

The recent withdrawal of energy subsidies and significant increase in food and commodity prices caused inflation to reach at 14-year high of 21.3% in June 2022. The Central Bank of Pakistan took the necessary steps with respect to tightening of monetary policy in order to curb the inflationary pressure. Since September 2021, SBP has raised the policy rate to 15%, an increase of 600 basis points. This high discount rate has not only affected the investments in business activity but also arrested the growth momentum of businesses.

## OVERVIEW OF THE FINANCIAL PERFORMANCE

We are pleased to share that the Company registered another year of impressive business performance and posted sales for the year at Rs.20,460 million with robust growth of 26% which is in line with its past performance. The growth originated from all the segments including OEM and replacement market. Export business of the company has also increased from Rs. 1,349 million to Rs. 1,858 million and registered a growth of 38%.



The company earned gross profit of Rs. 2,243 million during the year as compared to Rs. 2,470 million earned during the last year showing a decrease of 4% in gross margins from 15% to 11%. The primary reason behind the drop in margins was the unprecedented rise in the rates of imported raw materials in the international market. The same was exacerbated by PKR depreciation. Higher energy cost also negatively affected the GP margins. The company regularly made changes in price list but the market took time to digest the price hike before another price change takes its way, the timing gap between the rise in cost and passing on its impact to customer remained widened and hence suppressed the margins.

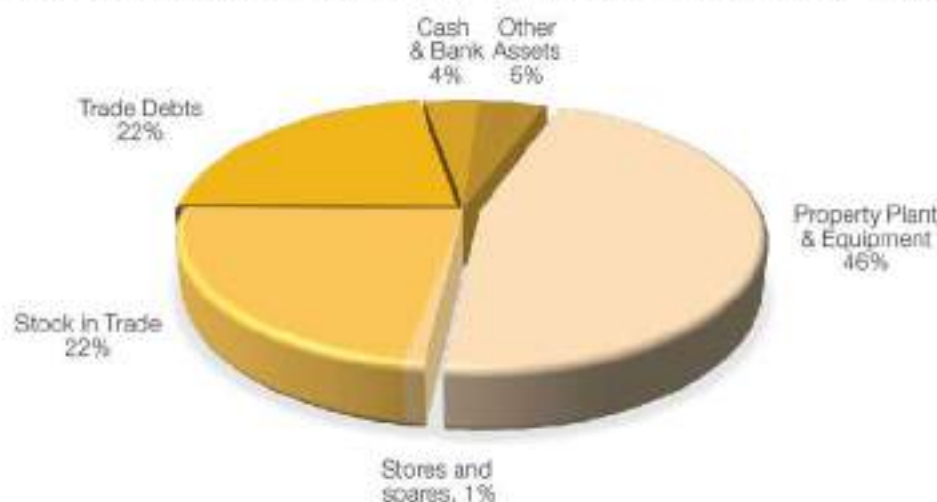
Financial charges for the year have increased significantly from Rs. 328 million to Rs. 650 million. The increase is witnessed due to tightening of the monetary policy by the state bank of Pakistan along with the surge in the average utilization levels of working capital limits.

Resultantly, the net profit of the company stood at Rs. 420 million as compared to Rs. 851 million earned during the last year. The snapshot of financial performance of company is as follows;

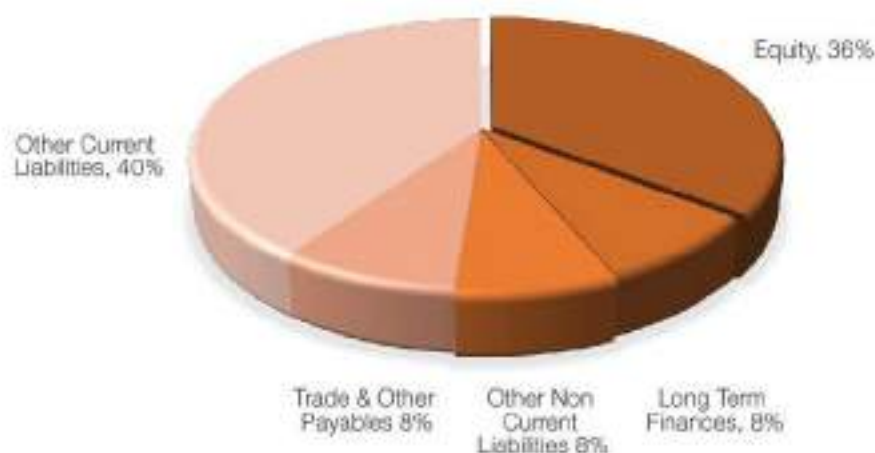
PKR in Millions Except EPS	2021-22	2020-21	Change
Revenue	20,460	16,202	26%
Gross Profit	2,244	2,471	-9%
Operating Profit	1,317	1,549	-15%
Finance Cost	650	328	-15%
Net Profit	420	851	-51%
Earning Per Share	2.50	5.07	-51%

## FINANCIAL POSITION

The company's balance sheet footing as of June 30, 2022 stood at Rs. 19,395 million as compared to corresponding figure of Rs. 14,270 million with a hefty growth of 36%. Non-current assets increased by Rs. 3,131 million due to investments in the ongoing expansionary project. During the year under review, current assets of the company have increased by Rs. 1,994 million due to increase in working capital requirements. Stock in trade increased from Rs. 3,234 million to Rs. 4,340 million in the anticipation of higher sales volumes which fall short of expectations due to steep hike in selling prices. Trade debts increased from 3,304 million to 4,298 million due to 26% increase in topline and higher selling prices. Following is the snapshot of the total assets of the company.



During the year, the company obtained long-term loans aggregating to Rs. 1,003 million under TERF/LTFE arrangements for the financing of expansion projects. On the other hand, short term borrowings of the company has increased from 4,112 million to 7,215 million mainly to support the increasing working capital requirements.



## EXPANSION PROJECT

During the year under review, the company achieved the milestone of completion of first phase of expansion project. It included the installation of front-end machineries relating to motor cycle, tractor, & OTR categories. The import of these machineries were financed through TERF & LTFE facilities as mentioned above.

All the remaining work will be concluded during the current financial year. Civil work on mixing and calendar buildings have almost completed and reached at finishing stage. Whereas, complete set of Tyre Calendaring machine has arrived at factory and currently in the process of installation. Similarly, all other machines have also arrived and are at the final stages of installation. Only mixing equipment are pending from China which are expected to arrive within the second quarter of FY23 and will conclude the expansion phase.

During the year, the Company participated in the auction of one of the textile mill situated adjacent to our factory and successfully won the bidding. The banking court has confirmed the sales deed in favor of the Company. The ownership transfer is in process and expected to complete in October 2022.

The Company also successfully got extension of WAPDA load from 4,850 KW to 11,500 KW through installation of 132 KV grid station at plant site of the Company. The grid has been synchronized with the factory system after extensive testing and relevant inspection at site. The addition of load will not only play a key role in increasing the energy security of the Company but will also have favorable impact on the bottom line by reducing the energy cost and reliance on expensive imported RLNG based energy source.

## FUTURE OUTLOOK

The global macroeconomic outlook has turned to negative after multi-decade high inflation hit the world's major economies, resulting in adoption of aggressive monetary tightening by central banks. The impact of fuel and energy price inflation is more prominent in the case of our country, which is facing a large negative income shock from necessary but difficult increases in utility prices. This has stimulated a sharp uptick in inflation which the SBP forecasts to remain in the range of 18% - 20% for FY 2023.

Economic growth of Pakistan for FY 2023 is forecasted to be low according to the international institutions like IMF, World Bank & Asian Development Bank. High inflation in food and other basic necessities will restrict consumer's purchasing power which will have its own impact on industrial growth.

Going forward, the Company may face challenges due to rupee devaluation, higher inflation and increased financial cost. Nevertheless, the company's management has taken proactive measures to mitigate the impact of these challenges.

While the macroeconomic situation undergoes a re-alignment, the company remains committed in delivering enduring value and strengthening relationships with existing customers and suppliers and leveraging its diversified product portfolio to materialize its growth aspirations.

## DIVIDENDS AND APPROPRIATIONS

The directors of your company have recommended a final cash dividend of Rs.1 per share i.e 10% to the shareholders of the company. The decision on distributing dividends is drawn after considering a multitude of parameters including business needs, growth prospects and strategic direction of the business.

Principle Activity of the Company

The Principle activity of the company is manufacturing and sales of tyres and tubes.

## COMPOSITION OF THE BOARD

The board comprises of seven elected members. The composition of the Board is in compliance with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019. The composition as at the close of the financial year was as follows;

a) Male	6
b) Female	1

### Composition

Independent Directors	3
Non-Executive Directors	2
Executive Directors	2

### Board of Directors

During the financial year, four meetings of Board of Directors were held and attendance was as follows:

Directors	Status	31-Jul-21	28-Oct-21	24-Feb-22	27-Apr-22
Mian Iftikhar Ahmed – Chairman	Non-Executive Director	Present	Present	Present	Present
Mian Faisal Iftikhar - CEO	Executive Director	Present	Present	Present	Present
Samina Iftikhar	Non-Executive Director	Present	Present	Present	Present
Asad Sultan Chaudhry	Independent Director	Present	Present	Present	Present
Javed Masud	Independent Director	Present	Present	Present	Present
Iqbal Ahmad Khan	Independent Director	Present	Present	Present	Present
Zahid Mahmud	Executive Director	Leave	Present	Leave	Present

## AUDIT COMMITTEE

The internal control framework has been effectively implemented through the Audit Committee. The Company's system of internal control is sound in design and has been continuously evaluated for effectiveness and adequacy.



During the year, four meetings of the Audit Committee of the board were held and attendance was as follows:

Directors	Status	30-Jul-21	28-Oct-21	24-Feb-22	27-Apr-22
Asad Sultan Chaudhry	Independent Director	Present	Present	Present	Present
Javed Masud	Independent Director	Present	Present	Present	Present
Iqbal Ahmad Khan	Independent Director	Present	Present	Present	Present

## HUMAN RESOURCE COMMITTEE

During the year, one meeting of human resource committee was held.

Directors	Status	10-Jan-22
Asad Sultan Chaudhry - Chairman	Independent Director	Present
Iqbal Ahmad Khan	Independent Director	Present
Mian Faisal Iftikhar	Executive Director	Present

## CHANGES IN NATURE OF BUSINES

There has been no change in nature of the business of the Company during the year.

## AUDITORS

The present auditors, M/s EY Fords Rhodes Chartered Accountants will retire at the conclusion of the upcoming Annual General Meeting and being eligible, offer themselves for re-appointment. The Audit Committee of the Company has suggested and the Board has approved & recommended their reappointment to the shareholders as auditors of the Company for the year ending on June 30, 2023.

## RELATED PARTY TRANSACTIONS

The Company has made disclosures about related party transactions in its financial statements annexed with this annual report. Such disclosure is in line with the requirements of the 4th Schedule to the Companies Act, 2017 and applicable International Financial Reporting Standards.

All transactions or arrangements with all related parties were carried out in the ordinary course of business on an arm's length basis.

## STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

The requirement of the Code of Corporate Governance set out by the Pakistan Stock Exchange in their listing regulations relevant for the year ended 30 June 2022 were duly complied with. A statement to this effect is attached with the report.

## STATEMENT OF CORPORATE FINANCIAL REPORTING FRAMEWORK

The Company has complied with all the requirements of the Code of Corporate Governance as required by the listing regulations. Accordingly, the Directors are pleased to confirm the following:

1. The financial statements together with the notes thereon have been drawn up in conformity with the Companies Act, 2017. These statements present fairly the Company's state of affairs, the result of its operations, cash flow and changes in equity.
2. The principal business activity of the Company is manufacturing and sales of tyres and tubes for vehicles.
3. Proper books of accounts have been maintained by the Company.
4. Appropriate accounting policies have been consistently applied in the preparation of financial statements which conform to the International Accounting Standards as applicable in Pakistan.
5. The accounting estimates, wherever required are based on reasonable and prudent judgment.
6. International financial reporting standard, as applicable in Pakistan, have been followed in preparation of financial statements.
7. The system of internal control is sound in design and has been effectively implemented.
8. There are no significant doubts upon the Company's ability to continue as a going concern.
9. There has been no material departure from the best practices of corporate governance, as detailed in the Listing Regulations.

The key operating and financial data of the last six years is annexed with this report.

## CREDIT RATINGS

The management believes in transparency and credibility of financial information. In line with this philosophy, the company engaged the Pakistan Credit Rating Agency Limited (PACRA) to evaluate the financial strength and performance of the company. After applying its standard procedures and due diligence, PACRA has awarded Panther Tyres Limited a credit ratings of A & A1 for long term and short term tenors respectively.

## SUBSEQUENT EVENTS

No material changes or commitments affecting the financial position of the company have occurred between the end of the financial year of the company and date of this report other than as disclosed.

## RISK MANAGEMENT POLICY

Company has a well-defined Risk Management Policy, which presents a mechanism for identification and management of risks including evaluating and devising a mechanism to minimize the negative impact of such risks on Company's business. The Policy provides entity-wide risk management guidelines that cover all key risk areas and their containment/minimization measures.

### Adequacy of Internal Financial Control

The Board of Directors has established an efficient system of internal financial controls, for ensuring effective and efficient conduct of operations, safeguarding of Company assets, compliance with applicable laws and regulations and reliable financial reporting. The independent Internal Audit function of Panther Tyres regularly appraises and monitors the implementation of financial controls, whereas the Audit Committee reviews the effectiveness of the internal control framework and financial statements on quarterly basis.

## VISION, MISSION AND OVERALL CORPORATE STRATEGY APPROVAL BY THE BOARD

The board of directors have carefully reviewed and approved the vision, mission and overall corporate strategy of your Company and believes that it comprehensively states the ideology with which Panther Tyres was incorporated. We ensure that our vision and mission sets the direction for our overall corporate strategy and our future journey in everything we do at all levels. The entire organization is connected and driven by this purpose and it serves as the main decision making criterion in our day to day business.

## QUALIFICATION OF CFO AND HEAD OF INTERNAL AUDIT

The Chief Financial Officer and Head of Internal Audit possess the requisite qualification and experience as prescribed in the Code of Corporate Governance.

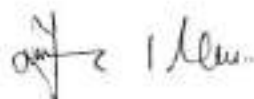
## PATTERN OF SHAREHOLDING

Pattern of shareholding of the Company in accordance with the Companies Act, 2017 as at June 30, 2022 is annexed to this report.

## ACKNOWLEDGMENT

The Board takes this opportunity to express its gratitude and thanks to the employees, customers, bankers, suppliers and other stakeholders for the confidence and faith they have always reposed in the company.

For and on behalf of the Board



Mian Faisal Iftikhar  
Chief Executive Officer  
September 07, 2022  
Lahore



Mian Iftikhar Ahmed  
Chairman



## ریسک مینجمنٹ پالیسی

کمپنی کے پاس ایک بہترین ریسک مینجمنٹ پالیسی تیار ہے۔ جو خطرات کی نشاندہی اور ان کا جائزہ لے کر اس طرح کے خطرات کے کمپنی پر پڑنے والے منفی اثرات کو کم کرنے کے لیے طریقہ کار وضع کرتی ہے۔ یہ پالیسی خطرات سے نمٹنے کے لیے ہر ایریا کے لیے رہنما خطوط فراہم کرتی ہے تاکہ خطرات کی روک تھام اور ان کے اثرات کو کم سے کم کیا جاسکے۔

## انٹرنل کنٹرول سسٹمز کی موثریت

کمپنی آپریٹنگ کو موثر بنانے، اسی حوالہ کی حفاظت، قابل اطلاق قوانین اور ریگولیشنز کی تعمیل اور قابل اعتماد مالیاتی رپورٹنگ کے لیے بورڈ آف ڈائریکٹرز نے انٹرنل کنٹرول سسٹمز کا ایک موثر نظام قائم کیا ہے۔ ہفت روزہ آزاد انٹرنل آڈٹ کا شعبہ مالیاتی کنٹرول کے نفاذ کی باقاعدگی سے جانچ اور نگرانی کرتا ہے۔ جبکہ آڈٹ کمیٹی سرمایہ بنیادوں پر انٹرنل کنٹرول فریم ورک اور مالیاتی گوشواروں کا جائزہ لیتی ہے۔

## بورڈ کی طرف سے مشن اور مجموعی طور پر کارپوریٹ حکمت عملی کی منظوری

بورڈ آف ڈائریکٹرز نے آپ کی کمپنی کے وژن، مشن اور مجموعی کارپوریٹ حکمت عملی کا انورجمنٹ لینے کے بعد اس کی منظوری دی ہے۔ بورڈ کا یقین ہے کہ یہ جامع طور پر ہفت روزہ آزاد کے فلسفے کی ترجمانی کرتے ہیں۔ ہم اس بات کو یقینی بناتے ہیں کہ ہمارا وژن اور مشن ہماری مجموعی کارپوریٹ حکمت عملی اور ہر شعبہ پر ہمارے ہر کام میں مستحقین کے سٹریٹجی سمت کا یقین کرتا ہے۔ ادارہ مکمل طور پر اس مقصد اس سے متعلق ہے اور یہ ہمارے روزمرہ کے کاروبار میں فیصلہ سازی کا بنیادی ستون ہے۔

## کی ایف او اور بی ایف ایف انٹرنل آڈٹ کی اہلیت:

چیف فنانس آفیسر اور بی ایف ایف انٹرنل آڈٹ کوڈ آف کارپوریٹ گورننس کے مطابق مطلوبہ قابلیت اور تجربہ رکھتے ہیں۔

## بی ایف او اور بی ایف ایف انٹرنل آڈٹ کی اہلیت:

کمپنیز ایکٹ 2017ء کے مطابق، 30 جون 2022ء تک کمپنی کے شیئر ہولڈنگ کا بیٹرن اس رپورٹ کے ساتھ منسلک ہے۔

## اعلیٰ تقرر:

بورڈ اس موقع پر اپنے ملازمین، صارفین، ڈیکورز، سپلائرز اور دیگر اسٹیک ہولڈرز کے اعتماد اور بھروسے کے لیے ان کا شکریہ ادا کرتا ہے، جس سے انھوں نے ہمیشہ کمپنی کو نوازا ہے۔

Ms. A. S.

مہاں فیصل اختر  
چیف ایگزیکٹو آفیسر

V. S. S.

مہاں اختر احمد  
چیئر مین  
ستمبر 7، 2022ء

حاضر	انڈی پیڈنٹ ڈائریکٹر	اسد سلطان چودھری، چیئرمین
حاضر	انڈی پیڈنٹ ڈائریکٹر	اقبال احمد خان
حاضر	ایگزیکٹو ڈائریکٹر	میاں فیصل اختر

### پانچویں کاروبار میں تبدیلی:

رداں برس کے دوران کمپنی کے بنیادی کاروبار میں کوئی تبدیلی واقع نہ ہوئی۔

### آڈٹ

موجودہ آڈیٹرز میسرز ای وائی فورڈ، روڈز چارٹڈ اکاؤنٹنٹس، آئس آف سائڈ سالانہ جنرل مینٹگ کے اختتام پر ریٹائر ہو جائیں گے اور اہل ہونے کے بعد، خود کو دوبارہ تقرری کے لیے پیش کریں گے۔ کمپنی کی آڈٹ کمپنی نے تجویز دی ہے اور یورو نے 30 جون 2023 کو رقم ہونے والے مالی سال کے لیے شیئر ہولڈرز کو کمپنی کے آڈیٹرز کے طور پر ان کی دوبارہ تقرری کی منظوری اور سفارش کی ہے۔

### متعلقہ پارٹی لین دین (Related Party Transactions)

کمپنی نے اپنی سالانہ رپورٹ کے ساتھ منسلک مالیاتی گوشواروں میں متعلقہ فریق (Related Party) لین دین کے بارے بتایا ہے۔ اس امر کا اظہار گینیز ایکٹ 2017ء کے چوتھے شیڈول اور قابل اطلاق بین الاقوامی مالیاتی رپورٹنگ معیارات کے تقاضوں کے مطابق ہے۔ تمام متعلقہ فریقوں سے ہر قسم کا لین دین، کاروباری معمولات کے مطابق آزادانہ طور پر بغیر کسی دباؤ سے کیا گیا۔

### کوڈ آف کارپوریٹ گورننس کی تعمیل کا بیان

پاکستان اسٹاک ایکسچینج کی جانب سے 30 جون 2022ء کو قائم ہونے والے سال کے لیے متعلقہ ضوابط میں وضع کردہ ضابطہ کارپوریٹ گورننس کی تعمیل کی گئی ہے اور اس سلسلے میں ایک بیان رپورٹ کے ساتھ منسلک ہے۔

### کارپوریٹ گورننس رپورٹنگ فریم ورک کا بیان

کمپنی نے کوڈ آف کارپوریٹ گورننس کے تمام تقاضوں کی تعمیل کی ہے۔ جیسا کہ دی گئی ریگولیشن میں کہا گیا ہے۔

اس کے مطابق ڈائریکٹرانہ مندرجہ ذیل کی توثیق کرتے ہیں:

- 1۔ مالیاتی گوشوارے مع نوٹس (notes) گینیز ایکٹ 2017ء کے مطابق تیار کیے گئے ہیں۔ یہ گوشوارے شفاف انداز سے کمپنی کی حالت، آپریٹرز کے نتائج، کیش فلو اور ایجوینیٹی میں تبدیلی پیش کرتے ہیں۔
- 2۔ کمپنی کی بنیادی کاروباری سرگرمی گزریوں کے جائزوں اور ٹیویوں کی تیاری اور فروخت ہے۔
- 3۔ کمپنی کی طرف سے اکاؤنٹس کی مناسب کتابیں تیار کی گئی ہیں۔
- 4۔ مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو مستعمل طور پر کیا گیا جو پاکستان میں قابل اطلاق بین الاقوامی اکاؤنٹنگ معیارات کے مطابق ہیں۔
- 5۔ حسب ضرورت اکاؤنٹنگ کے تخمینہ جات، معقول اور دانش مندانہ طریقوں سے کیے گئے ہیں۔
- 6۔ مالیاتی گوشوارے، پاکستان میں قابل اطلاق انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرز کے مطابق تیار کیے گئے ہیں۔
- 7۔ انٹرنل کنٹرول کا سسٹم اپنے ڈیزائن میں بہترین ہے اور اسے موثر طریقے سے نافذ کیا گیا ہے۔
- 8۔ کمپنی کے ایک کاروبار کی ادارے کے طرز پر جاری رہنے کی صلاحیت میں کوئی شکوک و شبہات نہیں ہیں۔
- 9۔ اسٹاک ریگولیشنز میں دی گئی کارپوریٹ گورننس کے طریقہ کار سے کسی قسم کا انحراف نہیں کیا گیا۔

اس رپورٹ کے ساتھ گزشتہ پچھ برسوں کے اہم آپریٹنگ اور مالیاتی اعداد و شمار منسلک ہیں۔

### گریڈ ریٹنگ

انتظامیہ مالیاتی معلومات کی شفافیت اور سمدانت پر یقین رکھتی ہے۔ اس لحاظ سے مطابق، کمپنی نے پاکستان گریڈ ریٹنگ ایجنسی لمیٹڈ (PACRA) کو کمپنی کی مالی حیثیت اور کارکردگی کا جائزہ لینے کے لیے مقرر کیا ہے۔ PARCA نے مکمل جائزہ پر رتھ کے بعد Panther Tyres Limited کو بائز تیب A (خوبی مدتی) اور A1 (تمیل مدتی) کی گریڈ ریٹنگ دی ہے۔

### ماہوار اعداد و شمار

مالی سال کے ختم ہونے کے بعد اور اس رپورٹ کی تاریخ کے درمیان، کمپنی کی مالی پوزیشن کو متاثر کرنے والی کوئی بھی اہم مادی تبدیلی وقوع پذیر نہیں ہوئی۔

### مستحقین کا مقررہ نام:

کئی دہائیوں کے بلند افراط زر نے دنیا کی بڑی معیشتوں کو متاثر کیا، جس کے نتیجے میں مرکزی بینکوں کی جانب سے جارحانہ مالیاتی پالیسیوں کو اپنانے کے بعد عالمی بینکرواکنامک منظر نامہ منفی ہو گیا۔ ایندھن اور توانائی کی قیمتوں میں اضافے کا اثر ہمارے ملک کے معاملے میں زیادہ نمایاں ہے۔ پینٹینی کے قیمتوں میں ضروری لیکن مشکل اضافے کی وجہ سے ملک کو آمدنی میں ایک بڑے منفی جھٹکے کا سامنا ہے۔ اس صورتحال میں افراط زر میں تیزی سے اضافہ ہوا اور اسٹیٹ بینک آف پاکستان نے مئی سال 2023ء میں افراط زر کی شرح 18% سے 20% تک رہنے کی پیش گوئی کی ہے۔

آئی ایم ایف، ورلڈ بینک اور ایشیائی ترقیاتی بینک جیسے بین الاقوامی اداروں کے مطابق مالی سال 2023ء میں پاکستان کی معاشی شرح نمو کم رہنے کی پیش گوئی کی گئی ہے۔ ایشیائی خورد و نوش اور دیگر بنیادی ضروریات منگنی ہونے کی وجہ سے صارفین کی قوت خرید محدود ہو جائے گی جس کا لامحالہ اثر منصفی ترقی پر پڑے گا۔

آگے بڑھتے ہوئے، کئی کوریوہیڈ کی قدر میں کمی، بلند افراط زر اور مالیاتی لاگت میں اضافے کی وجہ سے چیلنجز کا سامنا کرنا پڑ سکتا ہے۔ اس کے باوجود، کینی کی انتظامیہ نے ان چیلنجز سے نمٹنے کے لیے فعال اقدامات کیے ہیں۔

جیسا کہ بینکرواکنامک صورتحال دوبارہ سے ترقیب میں آ رہی ہے، کینی پائیدار اقدار کی فراہمی، موجودہ صارفین اور سپلائرز کے ساتھ تعلقات کو مضبوط بنانے اور ترقی کی منازل کو طے کرنے کے لیے اپنے متنوع مصنوعات کے پورٹ فولیو سے فائدہ اٹھانے کے لیے پرعزم ہے۔

### حتمی نتائج کا خلاصہ:

آپ کی کینی کے ڈائریکٹران نے کینی کے شیئر ہولڈرز کو 1 روپیہ فی حصص یعنی 10 فیصد کے حتمی نقد منافع کی سفارش کی ہے۔ حتمی منافع کی تقسیم کا فیصلہ کاروباری ضروریات، ترقی کے امکانات اور کاروباری اسٹریٹجی سمیت سمیت متعدد امور پر غور کرنے کے بعد کیا گیا ہے۔

### کینی کی بنیادی کارروائی:

کینی بنیادی طور پر ٹائروں اور ٹیوبوں کی تیاری اور فروخت کا کاروبار کرتی ہے۔

### بورڈ کی تشکیل:

بورڈ سات منتخب اراکین پر مشتمل ہے۔ بورڈ کی تشکیل اسٹاک ہولڈرز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019ء کے تقاضوں کے مطابق ہے۔ مالی سال کے اختتام پر اس کی تشکیل حسب ذیل تھی:

1۔	مرد	6
2۔	مخاتمین	1

### تشکیل

انڈی پینڈنٹ ڈائریکٹرز:	3
ٹان ایگزیکٹو ڈائریکٹرز:	2
ایگزیکٹو ڈائریکٹرز:	2
بورڈ آف ڈائریکٹرز	

رواں مالی برس میں بورڈ آف ڈائریکٹرز کی چار میٹنگیں ہوئیں اور ان میں حاضری حسب ذیل رہی:

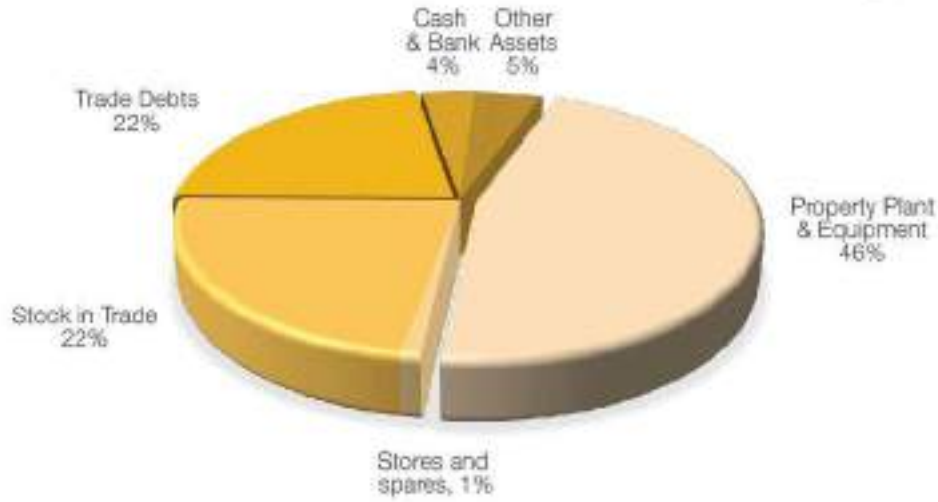
میاں افتخار احمد، چیئرمین	ٹان ایگزیکٹو ڈائریکٹر	حاضر	حاضر	حاضر	حاضر
میاں فیصل افتخار سی ای او	ایگزیکٹو ڈائریکٹر	حاضر	حاضر	حاضر	حاضر
شمین افتخار	ٹان ایگزیکٹو ڈائریکٹر	حاضر	حاضر	حاضر	حاضر
اسد سلطان چوہدری	انڈی پینڈنٹ ڈائریکٹر	حاضر	حاضر	حاضر	حاضر
جاوید مسعود	انڈی پینڈنٹ ڈائریکٹر	حاضر	حاضر	حاضر	حاضر
اقبال احمد خان	انڈی پینڈنٹ ڈائریکٹر	حاضر	حاضر	حاضر	حاضر
زاہد محمود	ایگزیکٹو ڈائریکٹر	رخصت	رخصت	حاضر	حاضر

### آڈٹ کمیٹی

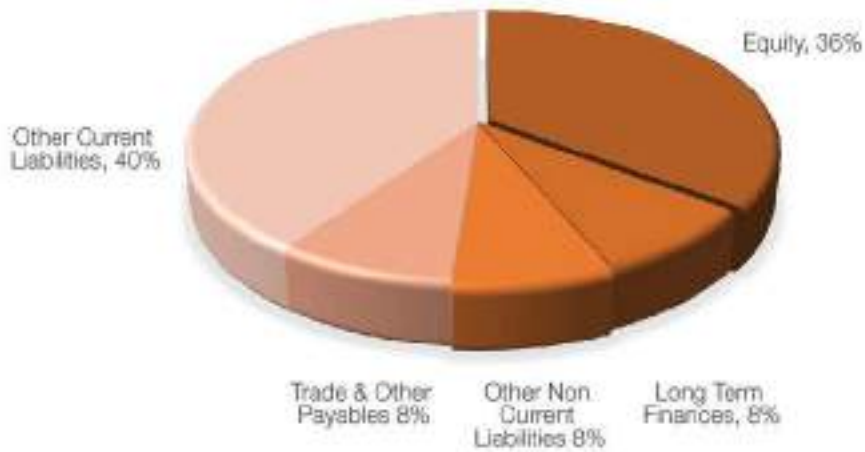
آڈٹ کمیٹی کے ذریعے اندرونی کنٹرول کے فریم ورک کو موثر طریقے سے نافذ کیا گیا ہے۔ کمیٹی کا اندرونی کنٹرول کا نظام بہترین ڈیزائن کا حامل ہے اور اس کا مسلسل جائزہ لیا جاتا رہتا ہے۔ رواں برس بورڈ کی آڈٹ کمیٹی کے چار اجلاس ہوئے اور ان میں حاضری حسب ذیل رہی:

اسد سلطان چوہدری	انڈی پینڈنٹ ڈائریکٹر	حاضر	حاضر	حاضر
جاوید مسعود	انڈی پینڈنٹ ڈائریکٹر	حاضر	حاضر	حاضر
اقبال احمد خان	انڈی پینڈنٹ ڈائریکٹر	حاضر	حاضر	حاضر

30 جون 2022 کو ختم ہونے والے مالی سال میں کمپنی کی بیلنس شیٹ 36 فیصد کے زبردست اضافے کے ساتھ 19,395 ملین روپے ہے جو گزشتہ برس 14,270 ملین روپے تھی۔ جاری توسیعی منصوبہ جات میں سرمایہ کاری کی وجہ سے کمپنی کے Non-current اثاثوں میں 3,131 ملین روپے کا اضافہ ہوا۔ زیرہ جائزہ برس کے دوران، ورکنگ کپٹل کی ضروریات میں اضافے کی وجہ سے کمپنی کے current اثاثوں میں 1,994 ملین روپے کا اضافہ ہوا۔ کمپنی مصنوعات کی فروخت کے حجم میں اضافے کی توقع سے کمپنی کا اسٹاک ان ٹریڈ 234,3 ملین روپے سے بڑھ کر 4,340 ملین روپے ہو گیا لیکن قیمت فروخت میں مسلسل اضافے کی وجہ سے فروخت کا حجم توقع سے کم رہا۔ ٹاپ لائن میں 36 فیصد اضافے اور قیمت فروخت کے زیادہ ہونے کی وجہ سے تجارتی قرضے 3,304 ملین روپے سے بڑھ کر 4,298 ملین روپے ہو گئے۔



رواں برس، کمپنی نے اپنے توسیعی منصوبہ جات میں سرمایہ کاری کے لیے TERF/LTFF کے تحت طویل مدتی قرضے حاصل کیے جو مجموعی طور پر 1,003 ملین روپے تک پہنچ گئے۔ دوسری طرف، بڑھتی ہوئی ورکنگ کپٹل کی ضروریات کو پورا کرنے کے لیے کمپنی کے قلیل مدتی قرضے 112,4 ملین روپے سے بڑھ کر 7,215 ملین روپے ہو گئے۔



زیرہ جائزہ برس کے دوران، کمپنی نے توسیعی منصوبے کے پہلے مرحلے کی تکمیل کا سبک میل ہو کر کیا۔ اس میں مولر سائیکل، ہارکلیٹر اور OTR کینگریز سے متعلق front end مشینوں کی تنصیب شامل ہے۔ ان مشینوں کی درآمدات میں سرمایہ کاری اور پر بیان کیے گئے TERF/LTFF اخراجات کے تحت عمل میں آئی۔ پتھر تراش کام رواں مالی برس کے دوران مکمل کر لیے جائیں گے۔ ملنگ اور کینڈر کی عمارتوں کا تعمیراتی کام تقریباً مکمل ہو کر آخری مرحلے میں داخل ہو چکا ہے۔ جبکہ چار کینڈرنگ مشینوں کا مکمل سیٹ فیکٹری میں پہنچ چکا ہے اور تنصیب کے مراحل میں ہے۔ اسی طرح دیگر تمام مشینیں بھی پہنچ چکی ہیں اور تنصیب کے آخری مراحل میں ہیں۔ صرف چین سے ملنگ کا سامان پہنچنا ہے جو مالی برس 2023 کی دوسری سہ ماہی کے پہنچ جانے کی توقع ہے۔ اس کے بعد توسیعی مرحلہ مکمل ہو جائے گا۔

رواں برس، کمپنی نے اپنی فیکٹری سے متعلق ایک ٹیکسٹائل ملز کی بنیادی میں حصہ لیا اور کامیابی کے ساتھ بوئی بیٹ لی۔ جبکہ کورٹ نے کمپنی کے حق میں بیج نامہ کی توثیق کر دی ہے۔ ملکیت منتقلی کا عمل چل رہا ہے اور امید ہے کہ یہ اکتوبر 2022ء میں مکمل ہو جائے گا۔

کمپنی اپنے پلانٹ پر 132KV کے گرڈ اسٹیشن کی تنصیب کے ساتھ واٹر سے بجلی کا لوڈ 4850 کلو واٹ سے 11,500 کلو واٹ کر چکی ہے۔ گرڈ اسٹیشن کو متعلقہ معائنہ جات اور جانچ پڑتال کے بعد فیکٹری کے سسٹم کے ساتھ ہم آہنگ کیا گیا ہے۔ لوڈ میں یہ اضافہ نہ صرف کمپنی توانائی کی ضروریات کا تحفظ یقینی بنانے کا بلکہ توانائی کی لاگت میں کمی اور معیگی و رآمدی این این جی سے اھتمام کر کے ہائمر لائن پر بھی اھما اثر ڈالے گا۔

کمپنی کے بورڈ کے ڈائریکٹران 30 جون 2022 کو ختم ہونے والی مالی سال کے لیے ڈائریکٹران اور ڈائریکٹرز کی رپورٹس کے ساتھ کمپنی کے آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

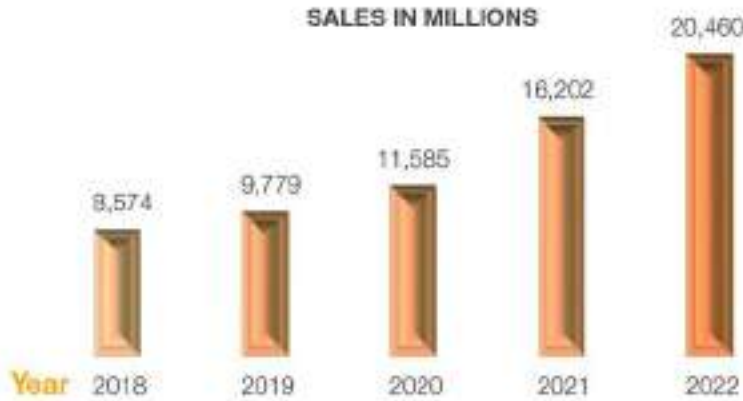
#### معاشی جائزہ:

مالی برس 2022 کے دوران پاکستان کی معیشت نے مجموعی قومی پیداوار میں 5.97 فیصد کی بڑھ شرح نمو پیش کی۔ تاہم دوہرے خسارے کی وجہ سے پیدا ہونے والے ٹیکر و اکناک عدم توازن کی وجہ سے اس شرح نمو کو برقرار نہ رکھا جاسکا اور معاشی سرگرمیوں ایک دم بہت زیادہ اضافے کے نتیجے میں شرح مبادلہ میں غیر معمولی اتار چڑھاؤ آیا۔ ماہرین اقتصادیات اس صورتحال سے نکلنے کے لیے سخت محنت کر رہے ہیں۔

بیرونی حاذ پر، مالی سال 2022 میں کمرٹ اکاؤنٹ خسارہ 17.4 ارب امریکی ڈالر رہا جو مالی برس 2021 میں 2.8 ارب امریکی ڈالر تھا۔ اس تجارتی خسارے کی بنیادی وجہ درآمدات میں 43.72 فیصد کا بڑا اضافہ تھا۔ عالمی سطح پر commodities کی قیمتوں میں اضافے اور TERF سہولت کے تحت مشینوں کی بہت زیادہ درآمد سے درآمدی بل میں تیزی سے اضافہ ہوا۔ تجارتی خسارے میں اس عدم توازن کو کسی حد تک بیرون ملک سے بھیجی جانے والی 31.2 ارب امریکی ڈالر کی ترسیلات زر سے پورا کیا گیا جو گزشتہ برس کے مقابلے میں 6.1 فیصد زیادہ رہا۔ توانائی کی سہڈی کی حالیہ واپسی اور ایشیا کے خورد پوش کی قیمتوں میں نمایاں اضافے کی وجہ سے جون 2022 میں افریقہ زر کی شرح 21.3 فیصد کے حساب سے پندرہ سال کی بلند ترین سطح پر پہنچ گئی۔ اسٹیٹ بینک نے مائیکرو پالیسی کو سخت کرنے کے حوالے سے ضروری اقدامات کیے تاکہ مہنگائی کے دباؤ کو کم کیا جاسکے۔ جنبر 2021ء سے اسٹیٹ بینک آف پاکستان نے 800 bais points اضافے سے شرح سود کو 15 فیصد تک کر دیا ہے۔ اس شرح سے نہ صرف کاروباری سرگرمیوں میں سرمایہ کاری متاثر ہوئی بلکہ کاروبار کی ترقی کی رفتار بھی رک گئی۔

#### مالی کارکردگی کا جائزہ:

ہم اس امر کے اظہار میں خوشی محسوس کرتے ہیں کہ کمپنی نے حسب سابق، رواں برس بھی متاثر کن کارکردگی کا مظاہرہ کرتے ہوئے 20,460 ملین روپوں کی مصنوعات کی فروخت سے 26 فیصد کی زبردست شرح نمو پیش کی۔ ترقی کی ابتداء، OEM اور قبائل مارکیٹ سمیت تمام شعبوں سے ہوئی۔ کمپنی کی برآمدات 1,349 ملین روپے سے بڑھ کر 38 فیصد اضافے سے 1,858 ملین روپے ہو گئیں۔



کمپنی نے رواں برس کے دوران 2,243 ملین روپے کا مجموعی منافع کمایا جو گزشتہ برس 470.2 ملین روپے تھا۔ اس طرح مجموعی منافع 4 فیصد کی کے ساتھ 15 فیصد سے 11 فیصد پر آ گیا۔ منافع میں کمی کی بنیادی وجہ بین الاقوامی منڈی میں درآمدی خام مال کی قیمتوں میں غیر معمولی اضافہ تھا۔ اس علاوہ پاکستانی روپے کی قدر میں کمی بھی اس کا سبب بنی۔ توانائی کی لاگت نے بھی مجموعی منافع کی شرح پر منفی اثر ڈالا۔ کمپنی کا نقدگی کے ساتھ اپنی مصنوعات کی قیمتوں میں تبدیلیاں کرتی رہی، اس سے قبل کہ مارکیٹ قیمتوں میں پہلے اضافے کو اپنے اہم رسوائی مصنوعات کی قیمتوں میں ایک اور تجدیدی آجاتی۔ اس طرح سے لاگت میں اضافے اور اس کے اثر کو صارفین تک منتقل کرنے کے درمیان وقت بڑھتا گیا جس کی وجہ سے بھی شرح منافع میں کمی ہوئی۔

زیر و جائزہ برس کے دوران، اسٹیٹ بینک آف پاکستان کی سخت مالیاتی پالیسی اور زرکنگ کچھ لیمٹس کے اوسط استعمال میں بڑے اضافے کے سبب مالیاتی لاگت 328 ملین روپے سے بڑھ کر 650 ملین روپے ہو گئی۔ نتیجے کے طور پر رواں برس کمپنی کا خالص منافع 420 ملین روپے رہا جو گزشتہ برس 851 ملین روپے تھا۔ کمپنی کی مالیاتی کارکردگی کا اجمالی جائزہ حسب ذیل ہے:

آمدن	20,460	16,202	26%
مجموعی منافع	2,244	2,471	-9%
آپریٹنگ منافع	1,317	1,548	-15%
مالیاتی لاگت	650	328	98%
خالص منافع	420	851	-51%
EPS	2.50	5.07	-51%





*“The real mechanism  
for corporate governance  
is the active involvement  
of the owners”*

*(Louis Gerstner)*

# CORPORATE GOVERNANCE FRAMEWORK

## Governance Framework

The purpose of this Governance Framework (the 'Framework') is to:

- set out the principles of good governance that underpin our operations; and
- outline PTL's corporate governance structure to ensure consistency across the organization.

It is designed to meet regulatory and statutory requirements, achieve effective self and co-regulation, and provide the flexibility to manage changes which are inevitable for an evolving and developing organization. It is structured around the main principles of the Code of Corporate Governance of Pakistan (the 'Code').

## Governance Continuous Improvement

To support our commitment to achieve excellence in governance and, as we do throughout PTL, the Board will have a strong focus on continuous improvement in governance. This will include regular challenging reviews of our governance arrangements and require continuing high quality effort and will to implement changes.

## Openness and Transparency

We believe being open and transparent is important – not only because it helps deliver fair, efficient, and effective customer service but because sharing information about what we do and why we do it helps colleagues and customers to be the best they can be. In the face of social and economic change, we want to lead by example – to influence the debate around transparency in our sector and make sure it's relevant, meaningful and cost-effective to deliver.

## Monitoring and Review of the Framework

The Board is responsible for monitoring and reviewing the effectiveness of this Framework to ensure that it continues to remain current and reflects best practice. This review will be carried out every year. The Company Secretary will be responsible for the day to day review, monitoring and updating (minor amendments and administrative changes) of the Framework and for making recommendations for significant changes to the Board.

## Role of the Board, Audit Committee and Risk Committee

The Board has overall responsibility for the governance of the organization and has delegated some of this responsibility to the Audit Committee and Risk Committee – an outline of the governance roles are:



<b>BOARD</b>	<b>Strategy</b>	Set and uphold PTL's strategy and valuesapprove the strategic objectives
	<b>Leadership &amp; Resources</b>	Ensure that effective leadership and executive competence are in place to achieve the strategic objectives.
		Ensure sufficient resources are available to achieve the strategic objectives.
		Ensure Effective governance and succession planning.
		Promote the long-term success of the business.
<b>Risk</b>	Ensure that frameworks are established and monitored for delegation and systems of control, including financial controls, and for identifying and managing risks.	
<b>Performance</b>	Monitor and test execution of strategy and performance in relation to approved plans, budgets and controls.	
	Oversee performance and achievement of the company objectives.	
<b>AUDIT &amp; RISK COMMITTEE</b>	<b>Accountability</b>	Consider the balance of interests of, and ensure accountability to, key stakeholders.
	<b>Probity</b>	Ensure that the highest standards of probity and conduct are maintained.
	<b>Compliance</b>	Ensure that PTL meets all its regulatory and statutory compliance requirements.
	<b>Risk</b>	Ensure internal control frameworks are effective.

### Chairman and Chief Executive Officer

The roles of, and relationship between, the Chairman and the Chief Executive Officer are critical to the successful functioning of the Board. The Chairman is responsible for the running of the Board and the Chief Executive is the most senior executive on the Board with overall responsibility for delivering Company's strategy.

The roles of the Chairman and the Chief Executive Officer is exercised by different people and their differing roles and responsibilities are set out in their respective role descriptions.

### Composition of the Board

Pursuant to Section 154 of the Companies Act, 2017 and Code of Corporate Governance 2019, the Company has fixed the number of Directors as Seven (7) and Majority of the Directors are Non-Executive and Independent Directors including one female Director. The Board also formed Board Committees like Audit Committee, HR and Remuneration Committee, Nomination Committee and Risk Management Committee.

### Succession Planning

In carrying out recruitment and selection for the Board, Board Committees and Executive Directors, the Nomination Committee will consider succession planning to ensure that Company has the right leadership in place for the future.

### Recruitment and Renewal

The processes for the recruitment and selections of chief operating officer, chief financial officer, company secretary and head of audit are set out in accordance with the HR and Remuneration Committee TORs and then Remuneration Committee will forward its recommendation to the Board for their consideration and approval.

### Performance Management – Governance Effectiveness Review

The framework for the formal and rigorous annual evaluation of the performance of the Board, the Board Committees will help to understand how well they function as a team, as well as exploring the contribution of individuals. The Governance Effectiveness Review will play an essential part in identifying and managing performance on an ongoing basis.

As part of the overall evaluation process, and to ensure an element of independence in the procedures, the performance evaluation will usually be internally facilitated on yearly basis.

The review process will include:

- the rolling timeframe for the effectiveness reviews;
- the appraisal process for individuals;
- the effectiveness review of the board(s) and committees; and
- setting governance objectives and implementing improvement plans.

### Conduct of Board Business and Effective Decision Making

To assist the board(s) and committees to operate effectively, the Company Secretary will support the chair(s) in ensuring that:

- A clear delegation framework is developed and compliance with the delegations is monitored;
- Agendas and Plans/Schedule of meetings are agreed with the relevant chair of the board(s) and committees to include regulatory, statutory and business matters (including performance, risk, financial information, and financial controls/risk systems);
- Reports are presented in an approved format and clearly set out the key points for decision and recommendations;
- Time agendas and reports are circulated when possible 1 week in advance of meetings;
- Time is available to discuss reports and issues with the report author/lead prior to meetings;
- Sufficient time is allowed for debate; and
- Decisions are recorded in Minutes, and actions against these are monitored.



### Annual Reports and Quarterly Reports

The Board has overall responsibility for ensuring that accurate financial statements and balanced information are published and meet all statutory and regulatory requirements. To ensure that all such obligations are met, the Board has agreed the following:

Financial statements (Annual & Quarterly Reports and accounts), Director's report, Statement of Compliance under CCG are published; and

- The Chief Financial Officer and Company Secretary will be responsible for ensuring that the reports, accounts, statements are prepared in accordance with current statutory and regulatory requirements, and best financial and audit practices, and are presented to the Board for approval in advance of being laid before the Annual General Meeting.

### Regulatory and Statutory Compliance and Returns

- The Company Secretary will ensure that all statutory and regulatory reports and returns are submitted, accurately and on time, to the appropriate reporting authority and/or regulatory body.
- The Company Secretary will also ensure that all Accounts have been published on website of the Company as required by SECP.
- The website will be operational and all news will be published timely on it.

### Remuneration

Formal and transparent policies have been developed for setting the pay levels of non-executive and executive directors, underpinned by the principle that remuneration should be proportionate and sufficient to attract, retain and motivate directors of the caliber needed to operate the business successfully.

# BOARD COMMITTEES

## Audit Committee

The Charter of Board's Audit Committee, constituted under clause 27 of the Listed Companies (Code of Corporate Governance), Regulations, 2019, sets out composition requirement, meeting rules and responsibilities (TOR's) of audit committee.

### Composition

1. The constitution of Board's Audit Committee was made as per following detail:

- a. The Committee comprises of three members who are non-executive directors / independent directors.
- b. The Chairman of the Committee has been appointed from the independent directors.
- c. Chief Executive Officer and Chief Financial Officer have not been made members of the Audit Committee.
- d. One member of the Committee is "financial literate" as per the following definition:
  - I. He is a member of any recognized body of professional accountants; or
  - II. Has a post graduate degree in finance from a university or equivalent institution, either in Pakistan or abroad, recognized by HCE of Pakistan; or
  - III. The member should have at least a 10 years' experience as audit committee member or;
  - IV. Minimum 20 years of experience as head of department for finance or audit.

The Secretary of the Committee is a Company Secretary and Head of Internal Audit.

The Board discussed and approved Audit Committee members as follows:

<b>Mr. Javed Masud</b>	<b>Chairman</b>
<b>Mr. Iqbal Ahmad Khan</b>	<b>Member</b>
<b>Mr. Asad Sultan Chaudhry</b>	<b>Member</b>

## Audit Committee Meetings

The Members of the Audit Committee meet at regular and defined statutory intervals during the year to review the adequacy and effectiveness of the internal controls, including those relating to the strengthening of the Company's risk management policies and systems. Following guidelines have been followed:

- a. The Audit Committee shall meet at least once every quarter of the financial year. These meetings shall be held prior to the approval of financial results of the company by its board of directors and after completion of external audit.
- b. A meeting of the Audit Committee shall be held, if requested by external auditors or Head of Internal Audit or by the Chairman of the Audit Committee.
- c. CEO and CFO can be invited by the Chairman of the Audit Committee whenever required to present their point of view.
- d. The Head of Audit and external auditors represented by engagement partner or in his absence any other partner designated by the audit firm shall attend meetings of the Audit Committee at which issues relating to accounts and audit are discussed.
- e. At least once a year, the Audit Committee shall meet the external auditors without the CFO and the Head of Internal Audit being present.
- f. At least once a year, the Audit Committee shall meet the Head of Internal Audit and other members of the internal audit function without the CFO and the external auditors being present.
- g. The Chairman of the Audit Committee and engagement partner of external auditor or in his absence any other partner designated by the audit firm shall be present at the AGM for necessary feedback to the shareholders.
- h. The secretary on the requisition of Chairman shall, at any time, summon audit committee meeting of members. Notice sent to a member through email whether such member is in Pakistan or outside Pakistan shall be a valid notice.
- i. The head of internal audit and external auditors are entitled to receive notice of audit committee meeting where half yearly and annual accounts are to be discussed.



**j.** At least one-third (1/3rd) of the total number of members or two (2) members whichever is higher, for the time being of the company, present personally, or through video-link, shall constitute a quorum.

**k.** Questions arising at the audit Committee meeting shall be determined by a majority of votes of the members present by show of hands. One member has one vote. No proxy can be appointed. In case of an equality of votes, the chairman shall have and exercise a second or casting vote.

**l.** Every meeting shall be chaired by the Chairman of the Committee. In his absence, one of the members by a majority vote shall act as the meeting Chairman.

**m.** The Secretary shall circulate minutes of meetings of the Audit Committee to all members, directors, Head of Internal Audit and the CFO prior to the meeting of the board and where this is not practicable, the Chairman of the Audit Committee shall communicate a synopsis of the proceedings to the board and the minutes shall be circulated within 15 days of the meeting of the board.

### **Responsibilities (TOR)**

The terms of reference of the Audit Committee includes the following:

#### **Financial Statements**

- Review of preliminary announcements of results prior to publication;
- Determination of appropriate measures to safeguard the Company's assets.
- Review of quarterly, half-yearly and annual financial statements of the Company's, prior to their approval by the Board of Directors, focusing on:
  - major judgmental areas;
  - significant adjustments resulting from the audit;
  - the going-concern assumption;
  - any changes in accounting policies and practices;
  - compliance with applicable accounting standards;
  - compliance with listing regulations and other statutory and regulatory requirements; and
  - Significant related party transactions.

#### **Internal Controls**

The Audit Committee shall ascertain that the internal control system including financial and operational controls, accounting system for timely and appropriate recording of income and expenses, receipts and payments, assets and liabilities and reporting structure are adequate and effective;

Review the Company's statement on internal control systems prior to endorsement by the Board of Directors and internal audit reports.

#### **Internal Audit**

The Audit Committee reviews of the scope and extent of internal audit, audit plan, reporting framework and procedures and ensuring that the internal audit function has adequate resources and is appropriately placed within the Company.

Consider major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;

Determine appointment, remuneration and terms and conditions of employment of the Head of Internal Audit on behalf of the Board of Directors. The removal of Head of internal Audit shall be made with the approval of the board only upon recommendation of the Chairman of the Audit Committee.

## External Audit

The Audit Committee shall be responsible for recommending to the Board of Directors the appointment of external auditors by the Company's shareholders and shall consider any questions of resignation or removal of external auditors, audit fees and provision by external auditors of any service to the Company in addition to audit of its financial statements.

- Facilitate the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);
- Review management letter issued by external auditors and management's response thereto;
- Ensure coordination between the internal and external auditors of the Company.
- Ensure that the Company does not appoint a person as an external auditor or a person involved in the audit of the Company who is a close relative, i.e. spouse, parents, dependents and non-dependent children, of the CEO, the CFO, an internal auditor or a director of the listed company.

## Compliance

The Audit Committee shall monitor the significant violations to the compliance of the following:

- I. Adopted best practices of corporate governance and identification of significant violations thereof.
- II. Company's internal policies and procedures.
- III. Institute special projects, value for money studies or other investigations on any matter specified by the Board of Directors in consultation with the Chief Executive or on its own accord and to consider remittance of any matter to the external auditors or to any other external body;
- IV. Review Company's policies relating to compliance with laws, regulations, code of ethics, conflict of interest and investigation of misconduct and fraud.
- V. Consider any other issue or matter as may be assigned by the Board of Directors.
- VI. The detail of all related party transactions shall be placed periodically before the audit committee of the company and upon recommendations of the audit committee, the same shall be placed before the Board for review and approval.

## Human Resource and Remuneration Committee

The Charter of Human Resource & Remuneration Committee, constituted under clause 28 of the Listed Companies (Code of Corporate Governance), Regulations, 2019, sets out composition requirement, meeting rules and responsibilities (TOR's) of Human Resource & Remuneration committee.

## Composition

The constitution of Board's Human Resource & Remuneration Committee was made under the following guidelines:

- I. The Committee will be comprised of at least three members comprising of non-executive directors / Independent directors.
- II. The Chairman of the Committee shall be an independent director, who shall not be the Chairman of the board.
- III. The chief executive officer may be included as a member of the HR & R committee.

The Secretary of the Human Resource and Remuneration Committee is the Company Secretary.

The Board discussed and approved HR & R Committee members as follows:

<b>Mr. Asad Sultan Chaudhry</b>	<b>Chairman</b>
<b>Mr. Iqbal Ahmad Khan</b>	<b>Member</b>
<b>Mr. Mian Faisal Iftikhar</b>	<b>Member</b>



## Meetings

Meetings of the Human Resource & Remuneration Committee shall be held as follows:

- The HR & R Committee shall meet at least once in a financial year.
- Meeting of the Human Resources and Remuneration Committee can also be held, if requested by a member of the Board, or committee.
- The Chief Executive Officer (if the said individual is not a member of HR & R Committee), Head of human resources or any adviser or person may attend the meeting by invitation.
- A member of the committee shall not participate in the proceedings of the committee when an agenda item relating to his performance or review or renewal of the terms and conditions of this service comes up for consideration.
- The secretary on the requisition of member shall, at any time, summon HR & R committee meeting of members. Notice sent to a member through email whether such member is in Pakistan or outside Pakistan shall be a valid notice.
- At least one-third (1/3rd) of the total number of members or two (2) members whichever is higher, for the time being of the company, present personally, or through video-link, shall constitute a quorum.
- Questions arising at the HR & R Committee meeting shall be determined by a majority of votes of the members present by show of hands. One member has one vote. No proxy can be appointed. In case of an equality of votes, the chairman shall have and exercise a second or casting vote.
- Every meeting shall be chaired by the Chairman of the Committee. In his absence, one of the members by a majority vote shall act as the meeting Chairman.
- The Secretary shall circulate minutes of meetings of the HR & R Committee to all members, directors, and prior to the next meeting of the HR & R committee.

## Responsibilities (TOR)

The Committee shall carry out the following responsibilities:

- I.** Recommendation to the Board for consideration and approval of a policy framework for determining remuneration of directors (both executive and independent directors; and members of senior management).
- II.** undertaking, annually, a formal process of evaluation of performance of the Board as a whole and its committees either directly or by engaging external independent consultant and if so appointed, a statement to that effect shall be made in the directors' report disclosing therein name and qualifications of such consultant and major terms of his / its appointment;
- III.** recommending human resource management policies to the Board;
- IV.** recommending to the Board the selection, evaluation, development, compensation (including retirement benefits) of chief operating officer, chief financial officer, company secretary and head of internal audit;
- V.** consideration and approval on recommendations of chief executive officer on such matters for key management positions who report directly to chief executive officer or chief operating officer; and
- VI.** Where human resource and remuneration consultants are appointed, they shall disclose to the committee their credentials and as to whether they have any other connection with the company.

# RISK MANAGEMENT

## **Risk Governance**

The Company's Board of Directors is responsible for the establishment and oversight of an effective risk management framework. It is also responsible for developing and monitoring risk management policy to determine the Company's level of risk tolerance.

The roles and responsibilities at various levels of our risk management program are outlined in the Company's risk governance structure.

## **Key Sources of Uncertainty**

In preparing the Company's financial statements, management has made judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in application of accounting policies are duly disclosed in the financial statements of the Company. These key sources of uncertainty in estimation carry a significant risk which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

## **Assessment of Principal Risks**

The Board of Directors is responsible for conducting a critical analysis of all risks that could threaten the business model, future performance, solvency or liquidity of the Company. The responsibility for monitoring and control of these risks has been delegated to the management of the Company.

The Board's Audit Committee has been tasked to oversee the risk management policy and procedures. All departments of the Company are responsible for identification and evaluation of all types of risks relating to their areas, devising adequate mitigating strategies thereof and report any changes / additions therein to the Audit Committee on periodic basis.



### Strategic, Commercial, Operational and Financial Risk:

The Company has proactively integrated risk management in its culture and has placed effective systems for timely identification, assessment and mitigation of various risks it is exposed to in the normal course of business.

The strategic, commercial, operational and financial risks can arise from uncertainty in financial markets, system breakdowns, project delays, fluctuations in product markets including Government pricing pressures, competitive position, legal liabilities, credit risk, accidents, natural causes and disasters, or other events of uncertain or unpredictable nature.

- **Strategic Risk:** These risks are mostly external in nature and emanate from the formation of Company's strategic objectives and business strategy decisions and may impact execution thereof. The Board of Directors actively oversees the management of these risks and creates mitigating strategies wherever required.
- **Commercial Risk:** These risks are associated with the commercial substance of an organization. Reduction in an entity's market share, product price regulation or other regulatory amendments posing threat to the organization's profitability and commercial viability are a few examples of these risks affecting the Company.
- **Operational Risk:** Operational risks are such risks which may adversely impact the value of the organization caused by internal factors, operational and administrative procedures, such as workforce turnover, supply-chain disruption, IT system shutdowns or control failures.
- **Financial Risk:** The following financial risks have been duly explained in the financial statements of the Company:
  - Credit risk
  - Liquidity risk
  - Market risk

# COMMUNICATION AND DISCLOSURE POLICY

We believe that communication with the investors should be timely, factual and accurate. The Company shall provide sufficient, accurate and consistent information to its investors in a timely manner, irrespective of whether such information is positive or negative with regards to the Company. Material information shall be disclosed to recipients equally in terms of content as well as timing.

The Company shall ensure communication/information provision under applicable law is adhered to in respect of the relevant recipient(s).

## Disclosure Committee Responsibility

The CEO, CFO and/or Company Secretary are the primary contacts who may communicate information on behalf of the Company to the investors. In addition to the primary contacts, where required, nominated individual(s) may be designated to communicate on behalf of the Company and its affiliate(s) in response to specific inquiries (where required).

The Company shall not provide information to market/research analysts for the purposes of anticipating forecasted earnings of the Company.

## Rumors

The Company shall not comment on market rumors unless such rumors are attributed to the Company and/or the Pakistan Stock Exchange requires clarity in the event of such rumor(s)

causing unusual trading activity in the Company's shares.

Generally, the Company shall adopt a "no-comment" policy with respect to rumors that are not price sensitive information to the Company and shall take reasonable precautions to avoid spread of rumors. However in case of rumors containing price sensitive information the company will confirm or deny with clarification in writing to Pakistan Stock Exchange.

## Material Information

The information which is required to be disclosed under this policy including this policy itself should be made is available on the Company's website. However any price sensitive information shall be disseminated to Pakistan Stock Exchange immediately.

# HEALTHY SAFETY & ENVIRONMENT POLICY

We are committed to ensure the health and safety of every individual is achieved to highest possible standard. Health and safety is an important issue in all areas of our operation and it is the duty of the company to provide the required management and resources to constantly improve performance.

We are striving to develop; important & continually improve HSE Management System by;

- By displaying safety signs in each & every department to create awareness & educative to minimize the accidents and to ensure safety of employees.
- Minimizing pollution (Air, Water & Noise) at all level by adopting prevention schemes.
- Implementation evacuations plans for the safe exit of employees in case of any emergency, in the organization.
- Implementation prevention plans for accidents, risks to avoid health and damage to the environment.
- Ensuring compliance of applicable Health, Safety and Environment laws & regulations by using best industrial practices.
- By installing the fire alarms in each area to minimize the risk of fire and to ensure safe working environment.
- Providing trainings to employees in good HSE practices



# QUALITY POLICY

We are committed to sustain and enhance the satisfaction level of our customers, all interested parties and to consistently exceed their expectations by:

1. Delivering consistent and reliable quality products and services on time.
2. Ensuring appropriate actions to address any risks and opportunities associated with internal / external issues, and to meet the needs and expectations of interested parties.
3. Developing employee motivation and skill through training, team work and resource management.
4. Ensuring compliance to all applicable requirements.
5. Ensuring effective implementation and continual improvement of "Quality Management System" through periodic reviews and achieving the stated quality policy.

# WHISTLE BLOWING POLICY

We are committed to highest possible standards of openness, probity and accountability. In line with that commitment the Company expects employees and others that it deals with, who have serious concerns about any aspect of Company's work to come forward and voice those concern.

This policy applies to all individuals working for PTL at all levels and grades including, members of the Senior Management, Senior Managers, Employees (including permanent, temporary and part time employees), Contractors, External Consultants, Suppliers, Vendors and Customers including all personnel affiliated with third parties.

We encourage the Whistle Blower to share a genuine concern if there are reasonable grounds for believing that:

- A criminal offence including fraud has been committed, is being committed, or is likely to be committed.
- A person has failed, is failing, or is likely to fail to comply with his or her legal obligations whether derived from statute, regulations or contract.
- A false or inaccurate allegation has been made, is being made, or is likely to be made against a person connected with PTL (whether a co-employee, an adviser or supplier of the Company or a customer).
- Forgery of company documents and financial instruments like cheques and securities.
- Theft or misappropriation of PTL's assets.
- Conflict of interest and abuse of office.
- Disclosure / leakage of business secrets and other confidential company and its customers' information obtained during the course of employment.
- Misuse of the Company's property, misuse of authority, misuse of systems or unauthorized sharing of passwords.





*“Successful people have a social responsibility to make the world a better place and not just take from it.”*

*(Carrie Underwood)*

# CORPORATE SOCIAL RESPONSIBILITY

Panther Tyres Limited contributed to the Clean and Green Punjab Project and renovated Company Park in Sheikhupura. The project was completed within the specified time frame. The HSE department successfully completed the tasks of flowering and plantation of different species at Panther Tyres Limited in order to meet the compliance of the Environmental Protection Agency to make the environment perfectly healthy for human beings and beautify the factory.

The District Sheikhupura Labor Officer and his team also took part in the tree planting activity. Not only this, a developed and well-maintained emergency first aid centre is there to provide emergency first aid to all of the employees in each shift. On a regular basis, comprehensive health and hygiene survey reports on workplace health hazards, canteens, and washing facilities are prepared and submitted to the appropriate authorities. Panther Ltd. took the responsibility of installation of drinking water coolers with filtration systems in each department. Dengue larva and Covid-19 control arrangements in the overall plant site in accordance with government SOPs. The company is taking care of hospitalization and worker treatment issues. In-house training sessions on health, safety, and firefighting are scheduled every two months for each department, with proper records kept. Panther Ltd. is providing PPE (Personal Protective Equipment) to high-risk areas.

To avoid unanticipated incidents, hazard observation reports are generated on a daily basis. Panther Tyres Limited is providing workers with training/awareness and guidance to ensure safe work execution and to reduce accidents. Waste water analysis, boiler smoke emissions, and engine generators Particulate matter analysis, lighting intensity (LUX) analysis, and noise level analysis survey reports are completed by a third-party EPA-certified lab to ensure ongoing improvements and compliance with PEQS standards. To comply with the Environmental Protection Agency Government of the Punjab, environmental monitoring reports are completed quarterly by an EPA certified laboratory SEAL (Solution Environmental Analytical Laboratory), and submitted to the EPA Offices in Lahore and Sheikhupura.



To participate in the federal government's "Green and Clean Pakistan" campaign, the HSE department successfully planted approximately 4,243 trees of various species at Panther Tyres Limited and Mian Agricultural Farm. Panther Tyres Limited is organizing and installing firefighting equipment in all departments in accordance with the requirements for controlling fire incidents. All workers and safety wardens in all departments will receive firefighting training as well as practical demonstrations. External firefighting and civil defense training from Rescue 1122 were provided at no cost to supervisory level employees of the company. The housekeeping/cleaning activities of the entire plant are being monitored to ensure a clean and healthy working environment. To solve water wastage problems and to promote a healthy environment, the company provides water wastage pumps to nearby populated areas on a regular basis.

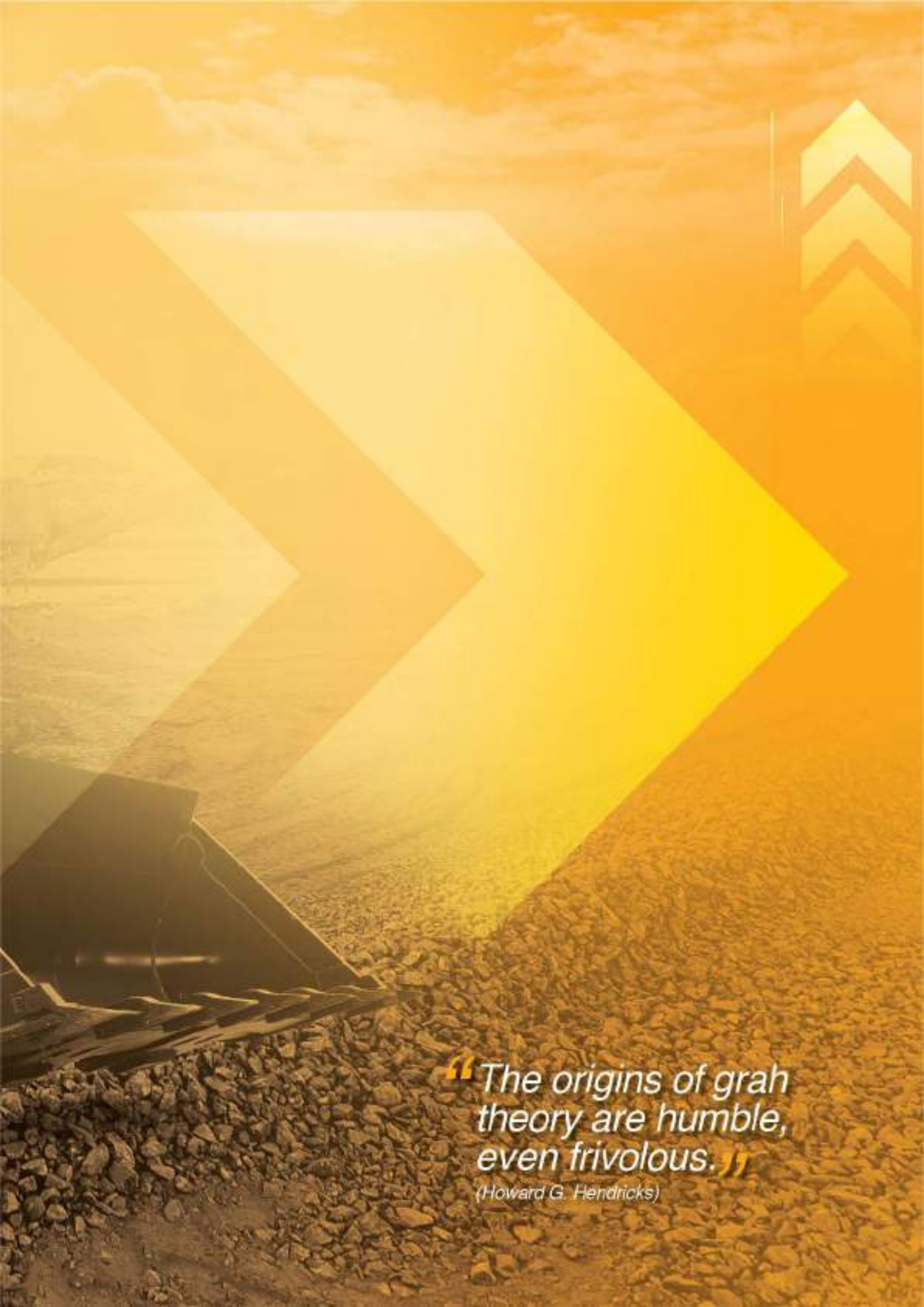


## SPONSORING FUTURE LEADERS OF PAKISTAN

Panther Tyres Limited has sponsored four bright students of Namal University for whole one year. PTL strongly believes that these young students will be the future leaders of Pakistan. PTL personally meets the sponsored students and support them further by providing valuable guidance and mentorships.







*“The origins of graph theory are humble, even frivolous.”*

*(Howard G. Hendricks)*

# GRAPHICAL ANALYSIS

## EQUITY & DEBT



## TOTAL ASSET TURNOVER



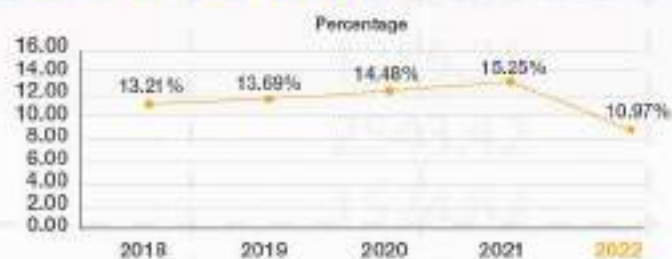
## CURRENTS ASSETS & CURRENT LIABILITIES



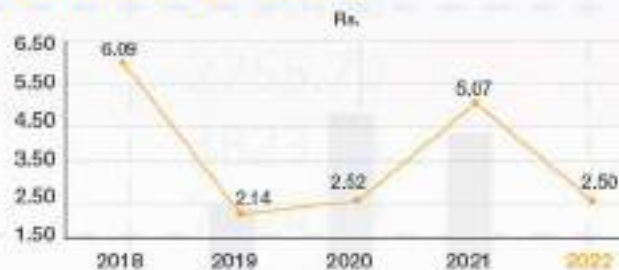
## GROWTH IN SALES



## GROSS PROFIT RATIO



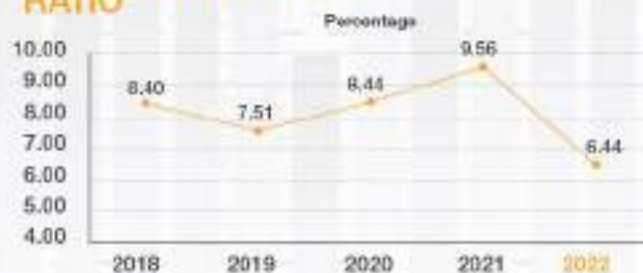
## EARNING PER SHARE



## BREAKUP VAULE

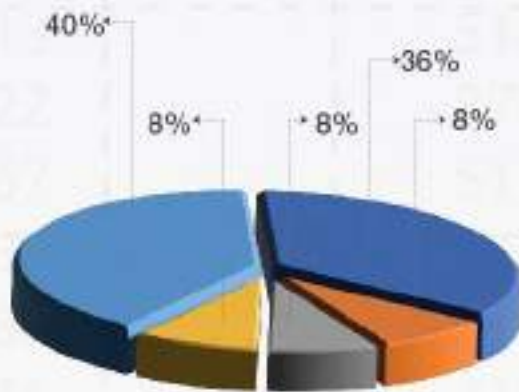


## OPERATING PROFIT RATIO



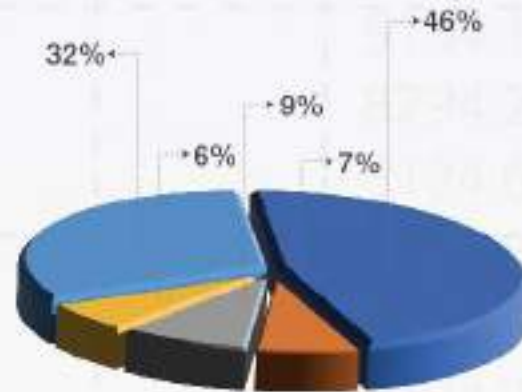
## EQUITY & LIABILITIES

FY 2022



- Equity
- Long Term Finances
- Other Non Current Liabilities
- Trade & Other Payables
- Other Current

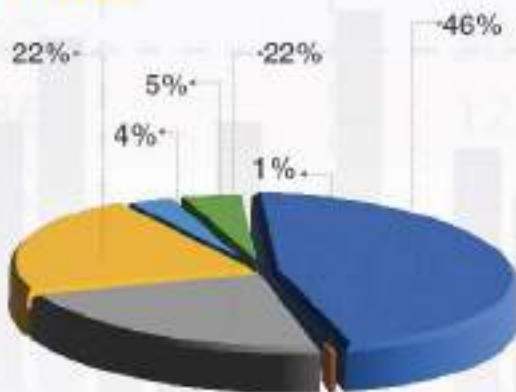
FY 2021



- Equity
- Long Term Finances
- Other Non Current Liabilities
- Trade & Other Payables
- Other Current

## TOTAL ASSETS

FY 2022



- Property Plant & Equipment
- Stock in Trade
- Cash & Bank Balances
- Stores and Spares
- Trade Debts
- Other Assets

FY 2021



- Property Plant & Equipment
- Stock in Trade
- Cash & Bank Balances
- Stores and Spares
- Trade Debts
- Other Assets

# HORIZONTAL ANALYSIS

## BALANCE SHEET

DESCRIPTION	2022	2022	2021	2021	2020	2020	2019	2019	2018	2018	2017	2017
	Rs.000	%	Rs.000	%	Rs.000	%	Rs.000	%	Rs.000	%	Rs.000	%
Non Current Assets	9,116,452	52.3	5,984,846	44.9	4,129,561	3.3	3,065,770	1.0	3,054,687	2.0	3,678,628	34.0
Current Assets	10,279,218	24.1	8,285,287	66.5	4,975,178	32.5	3,755,758	(8.3)	4,139,994	6.2	3,698,155	80.7
<b>Total Assets</b>	<b>19,395,662</b>	<b>36</b>	<b>14,270,133</b>	<b>58.7</b>	<b>9,104,723</b>	<b>17.5</b>	<b>7,751,528</b>	<b>(4.2)</b>	<b>8,694,691</b>	<b>4.1</b>	<b>7,776,775</b>	<b>53.9</b>
Equity	6,855,786	4.2	6,576,791	82.1	3,612,425	8.2	3,330,515	4.1	3,208,889	14.4	2,804,191	35.5
Non Current Liabilities	3,067,911	36.8	2,257,589	123.8	1,008,646	2.9	980,063	(10.9)	1,100,217	(20.0)	1,376,065	27.7
Current Liabilities	9,451,964	73.9	5,435,753	21.2	4,463,668	30.6	3,432,010	(8.3)	3,785,505	5.3	3,596,522	88.9
<b>Total Liabilities &amp; Equity</b>	<b>19,395,662</b>	<b>36</b>	<b>14,270,133</b>	<b>58.7</b>	<b>9,104,723</b>	<b>17.5</b>	<b>7,751,528</b>	<b>(4.2)</b>	<b>8,694,691</b>	<b>4.1</b>	<b>7,776,775</b>	<b>53.9</b>
<b>Current Assets</b>												
Stores and spares	189,610	20.0	158,083	80.3	87,026	9.1	80,394	58.9	53,246	17.6	45,268	49.3
Stock in trade	4,340,368	34.2	3,234,588	69.8	1,905,085	43.2	1,330,206	(27.9)	1,645,386	20.8	1,537,915	163.8
Trade debts	4,298,060	30.1	3,303,967	35.4	2,440,208	28.8	1,684,183	30.3	1,420,672	4.7	1,356,702	73.0
Advances, deposits, prepayments and other receivables	736,801	(5.9)	762,640	100.0	391,402	42.2	275,188	(63.9)	762,979	(19.1)	942,782	47.2
Cash and bank balances	714,370	(11.4)	606,069	494.4	150,848	(14.2)	175,037	294.7	57,711	273.1	15,468	(94.0)
<b>Total Current Assets</b>	<b>10,279,218</b>	<b>24</b>	<b>8,285,287</b>	<b>66.5</b>	<b>4,975,178</b>	<b>32.5</b>	<b>3,755,758</b>	<b>(8.3)</b>	<b>4,139,994</b>	<b>6.2</b>	<b>3,698,155</b>	<b>80.7</b>
<b>Current Liabilities</b>												
Current portion of long term liabilities	294,555	(16.4)	360,923	39.1	258,519	(20.4)	325,914	1.1	322,315	47.1	219,100	2.1
Short term finances - secured	7,215,101	75.5	4,111,848	22.6	3,353,578	34.9	2,485,370	(16.4)	2,973,651	2.9	2,881,132	103.0
Trade and other payables	387	88.9	892,863	20.5	740,853	37.3	539,736	27.5	423,361	(2.1)	432,070	83.4
Accrued work - up	399,479	327.3	70,100	(46.0)	129,742	60.2	80,100	22.3	66,220	22.8	53,920	11.4
<b>Total Current Liabilities</b>	<b>7,808,532</b>	<b>74</b>	<b>5,435,753</b>	<b>21.2</b>	<b>4,463,668</b>	<b>30.6</b>	<b>3,432,010</b>	<b>(8.3)</b>	<b>3,785,505</b>	<b>5.3</b>	<b>3,596,522</b>	<b>88.9</b>



# VERTICAL ANALYSIS

## BALANCE SHEET

DESCRIPTION	2022		2021		2020		2019		2018		2017	
	Rs.000	%	Rs.000	%	Rs.000	%	Rs.000	%	Rs.000	%	Rs.000	%
<b>Balance Sheet</b>												
Non Current Assets	9,116,462	47.0	5,984,846	41.9	4,129,553	45.4	3,995,770	51.5	3,964,897	48.9	3,178,623	49.9
Current Assets	10,279,210	53.0	8,285,287	58.1	4,975,170	54.6	3,755,758	48.5	4,139,894	51.1	3,898,155	50.1
<b>Total Assets</b>	<b>19,395,662</b>	<b>100</b>	<b>14,270,133</b>	<b>100.0</b>	<b>9,104,723</b>	<b>100.0</b>	<b>7,751,528</b>	<b>100.0</b>	<b>8,094,891</b>	<b>100.0</b>	<b>7,776,778</b>	<b>100.0</b>
Equity	6,855,785	35.3	6,576,791	46.1	3,612,425	39.7	3,339,515	43.1	3,209,899	39.6	2,804,191	36.1
Non Current Liabilities	3,997,511	15.9	2,257,549	15.8	1,008,608	11.1	980,033	12.6	1,100,237	13.6	1,176,065	17.7
Current Liabilities	9,451,964	48.7	5,435,753	38.1	4,483,690	49.2	3,432,010	44.3	3,795,555	46.8	3,596,522	46.2
<b>Total Liabilities &amp; Equity</b>	<b>19,395,662</b>	<b>100</b>	<b>14,270,133</b>	<b>100.0</b>	<b>9,104,723</b>	<b>100.0</b>	<b>7,751,528</b>	<b>100.0</b>	<b>8,094,891</b>	<b>100.0</b>	<b>7,776,778</b>	<b>100.0</b>
<b>Current Assets</b>												
Stores and spares	189,619	1.3	150,039	1.1	47,625	1.0	80,341	1.0	53,246	0.7	45,289	0.6
Stock in trade	4,340,368	22.4	3,234,568	22.7	1,905,085	20.9	1,330,205	17.2	1,845,380	22.8	1,537,915	19.8
Trade debts	4,298,090	22.2	3,330,967	23.2	2,441,209	26.8	1,894,183	24.4	1,420,672	17.6	1,356,702	17.4
Advances, deposits, prepayments & other receivables	736,801	3.8	762,640	5.5	391,402	4.3	275,198	3.6	762,379	9.4	942,782	12.1
Cash and bank balances	714,370	3.7	806,059	5.6	150,846	1.7	175,837	2.3	57,711	0.7	15,469	0.2
	<b>10,279,210</b>	<b>53</b>	<b>8,285,287</b>	<b>58.1</b>	<b>4,975,170</b>	<b>54.6</b>	<b>3,755,758</b>	<b>48.5</b>	<b>4,139,894</b>	<b>51.1</b>	<b>3,898,155</b>	<b>50.1</b>
<b>Current Liabilities</b>												
Current portion of long term liabilities	294,555	1.3	360,923	2.5	259,519	2.9	325,914	4.2	322,315	4.0	219,100	2.8
Short term finances - secured	7,215,101	37.2	4,111,848	28.8	3,353,579	36.6	2,485,370	32.1	2,973,651	36.7	2,891,132	37.2
Undeclared dividend	397	0.0	-	-	-	-	-	-	-	-	-	-
Trade and other payables	1,942,432	8.1	892,863	6.3	740,853	8.1	539,735	7.0	423,361	5.2	432,370	5.6
Accrued mark - up	289,479	1.5	70,100	0.5	129,742	1.4	80,990	1.0	66,229	0.8	53,020	0.7
	<b>9,451,964</b>	<b>49</b>	<b>5,435,753</b>	<b>38.1</b>	<b>4,483,690</b>	<b>49.2</b>	<b>3,432,010</b>	<b>44.3</b>	<b>3,795,555</b>	<b>46.8</b>	<b>3,596,522</b>	<b>46.2</b>

## HORIZONTAL ANALYSIS PROFIT & LOSS ACCOUNT

DESCRIPTION	2022		2021		2020		2019		2018		2017	
	Rupee	%	Rupee	%	Rupee	%	Rupee	%	Rupee	%	Rupee	%
Sales	20,490,233	26	16,202,067	41	11,584,881	15	9,779,419	14	8,574,465	18	7,259,423	30
Cost of sales	(18,216,669)	33	(13,731,305)	33	(9,907,749)	17	(8,440,934)	11	(7,441,653)	19	(6,241,333)	30
<b>Gross Profit</b>	<b>2,243,564</b>	<b>(9)</b>	<b>2,470,761</b>	<b>47</b>	<b>1,677,062</b>	<b>25</b>	<b>1,338,485</b>	<b>19</b>	<b>1,132,812</b>	<b>11</b>	<b>1,018,090</b>	<b>27</b>
Selling and distribution expenses	(647,456)	19	(581,072)	40	(414,579)	35	(306,273)	14	(258,066)	(9)	(283,141)	51
Administrative and general expenses	(353,177)	23	(296,325)	13	(261,142)	1	(259,100)	31	(197,074)	28	(155,794)	12
Other operating expenses	(65,617)	(24)	(86,512)	193	(29,496)	(27)	(40,265)	39	(30,962)	15	(26,851)	25
Gain on disposal of Property, Plant & Equip	-	-	-	-	-	-	-	-	74,350	100	-	-
Other operating income	189,696	356	41,604	550	6,337	222	1,988	(57)	412	41	396	2,027
<b>Profit from operations</b>	<b>1,317,011</b>	<b>(15)</b>	<b>1,548,456</b>	<b>56</b>	<b>978,232</b>	<b>33</b>	<b>734,836</b>	<b>2</b>	<b>720,573</b>	<b>30</b>	<b>552,708</b>	<b>21</b>
Finance cost	(649,849)	16	(328,132)	(45)	(508,305)	48	(404,290)	41	(288,395)	36	(211,343)	28
<b>Profit before taxation</b>	<b>667,162</b>	<b>(45)</b>	<b>1,220,264</b>	<b>221</b>	<b>379,837</b>	<b>15</b>	<b>330,546</b>	<b>(24)</b>	<b>432,178</b>	<b>27</b>	<b>341,367</b>	<b>18</b>
Taxation	(246,857)	(33)	(368,002)	138	(128,010)	10	(116,233)	65	(70,371)	49	(47,356)	(29)
<b>Profit after taxation</b>	<b>420,305</b>	<b>(51)</b>	<b>851,262</b>	<b>258</b>	<b>251,827</b>	<b>18</b>	<b>214,314</b>	<b>(41)</b>	<b>361,807</b>	<b>23</b>	<b>294,011</b>	<b>31</b>

## VERTICAL ANALYSIS PROFIT & LOSS ACCOUNT

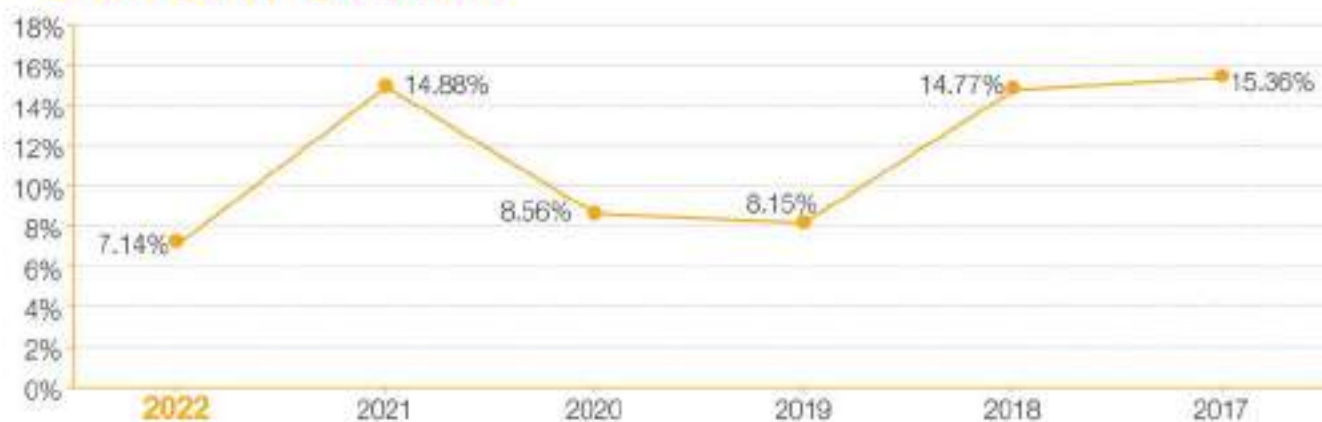
DESCRIPTION	2022		2021		2020		2019		2018		2017	
	Rupee	%	Rupee	%	Rupee	%	Rupee	%	Rupee	%	Rupee	%
Sales	20,490,233	100.0	16,202,067	100.0	11,584,881	100.0	9,779,419	100.0	8,574,465	100.0	7,259,423	100.0
Cost of sales	(18,216,669)	(89.1)	(13,731,305)	(84.8)	(9,907,749)	(85.5)	(8,440,934)	(86.3)	(7,441,653)	(86.8)	(6,241,333)	(86.0)
<b>Gross Profit</b>	<b>2,243,564</b>	<b>11.8</b>	<b>2,470,761</b>	<b>15.2</b>	<b>1,677,062</b>	<b>14.5</b>	<b>1,338,485</b>	<b>13.7</b>	<b>1,132,812</b>	<b>13.2</b>	<b>1,018,090</b>	<b>14.0</b>
Selling & distribution expenses	(647,456)	(3.4)	(581,072)	(3.6)	(414,579)	(3.6)	(306,273)	(3.1)	(258,066)	(3.0)	(283,141)	(3.9)
Administrative & general expenses	(353,177)	(1.8)	(296,325)	(1.8)	(261,142)	(2.3)	(259,100)	(2.6)	(197,074)	(2.3)	(155,794)	(2.1)
Other operating expenses	(65,617)	(0.3)	(86,512)	(0.5)	(29,496)	(0.3)	(40,265)	(0.4)	(30,962)	(0.4)	(26,851)	(0.4)
Other operating income	189,696	0.9	41,604	0.3	6,337	0.1	1,988	0.0	74,762	0.9	396	0.0
<b>Profit from operations</b>	<b>1,317,011</b>	<b>6.4</b>	<b>1,548,456</b>	<b>9.6</b>	<b>978,232</b>	<b>8.4</b>	<b>734,836</b>	<b>7.5</b>	<b>720,573</b>	<b>8.4</b>	<b>552,708</b>	<b>7.6</b>
Finance cost	(649,849)	(3.2)	(328,132)	(2.0)	(508,305)	(5.2)	(404,290)	(4.1)	(288,395)	(3.4)	(211,343)	(2.9)
<b>Profit before taxation</b>	<b>667,162</b>	<b>3.3</b>	<b>1,220,264</b>	<b>7.5</b>	<b>379,837</b>	<b>3.3</b>	<b>330,546</b>	<b>3.4</b>	<b>432,178</b>	<b>5.0</b>	<b>341,367</b>	<b>4.7</b>
Taxation	(246,857)	(1.2)	(368,002)	(2.3)	(128,010)	(1.1)	(116,233)	(1.2)	(70,371)	(0.8)	(47,356)	(0.7)
<b>Profit after taxation</b>	<b>420,305</b>	<b>2.1</b>	<b>851,262</b>	<b>5.3</b>	<b>251,827</b>	<b>2.2</b>	<b>214,314</b>	<b>2.2</b>	<b>361,807</b>	<b>4.2</b>	<b>294,011</b>	<b>4.0</b>



# DUPONT ANALYSIS

		2022	2021	2020	2019	2018	2017
<b>Net Profit Margin</b>	%	2.05%	5.25%	2.17%	2.19%	4.22%	4.05%
<b>Asset Turnover</b>	Times	1.22	1.39	1.37	1.23	1.08	1.13
<b>Financial Leverage Ratio</b>	Times	2.86	2.04	2.86	3.01	3.24	3.35
<b>Dupont</b>	%	7.14%	14.88%	8.56%	8.15%	14.77%	15.36%
<b>Return on Equity</b>	%	7.14%	14.88%	8.56%	8.15%	14.77%	15.36%

## DUPONT GRAPH



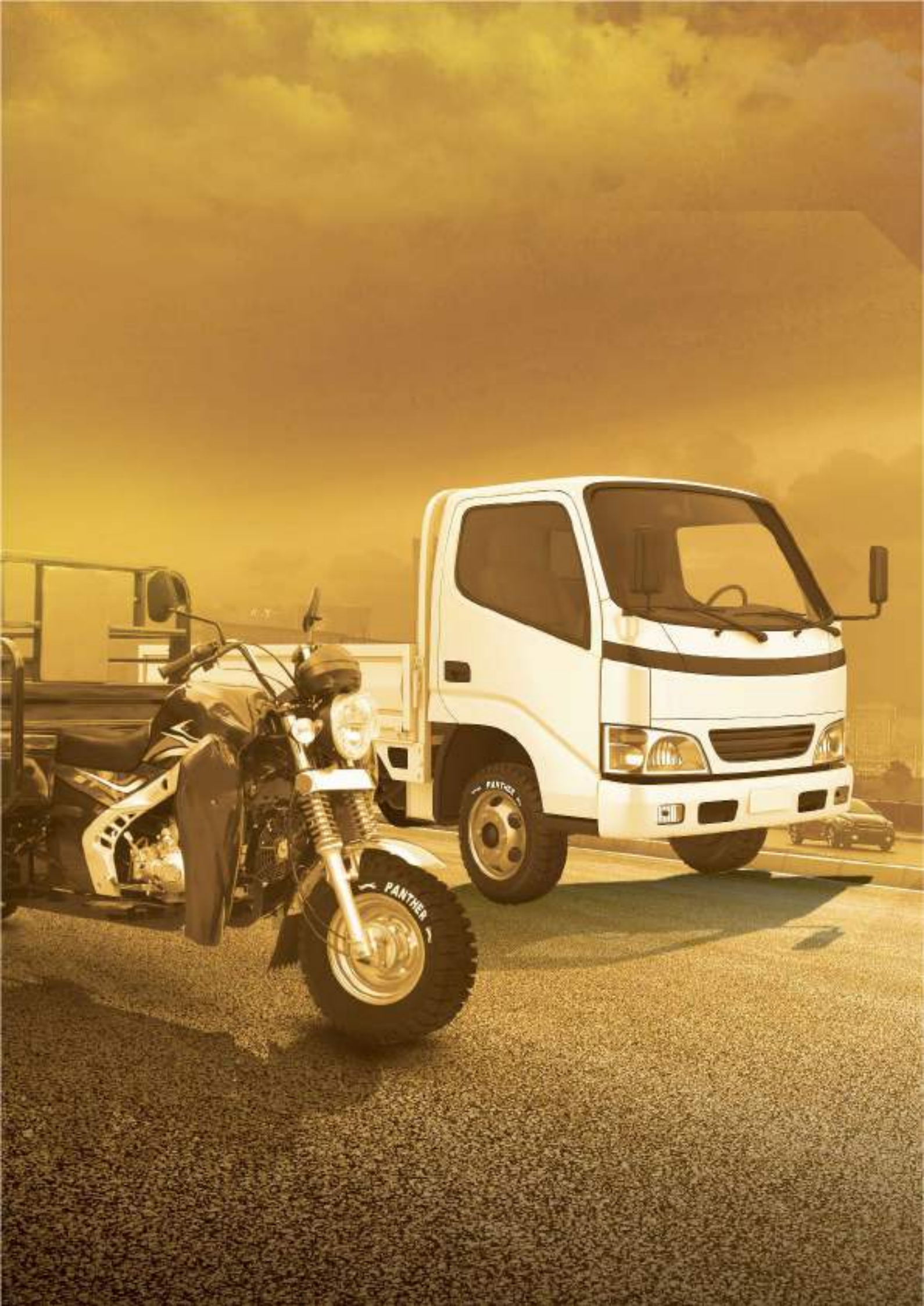
# FINANCIAL HIGHLIGHTS

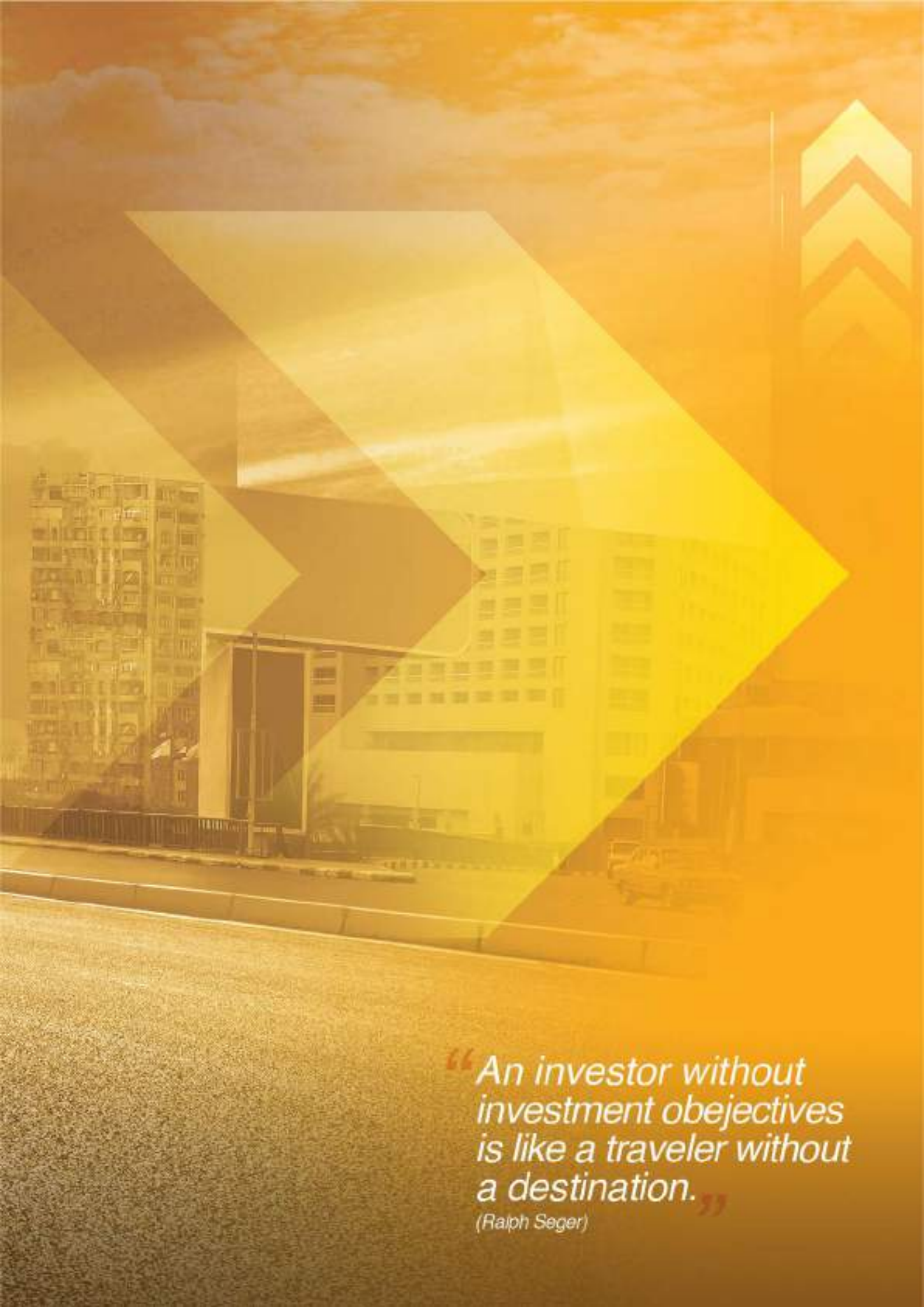
	2022	2021	2020	2019	2018	2017
<b>Operating Performance</b>						
Sales	20,460,233	16,202,067	11,584,801	9,779,419	8,574,465	7,259,423
Gross Profit	2,243,564	2,470,761	1,677,052	1,338,485	1,132,812	1,018,090
Operating Profit	1,317,011	1,548,456	978,232	734,836	720,573	552,700
Profit before tax	667,162	1,220,264	379,837	330,546	432,178	341,357
Profit after tax	420,305	851,262	251,827	214,314	361,807	294,001
Earning Per Share	2.50	5.07	2.52	2.14	6.09	4.95
<b>Balance Sheet</b>						
Net assets	6,655,766	6,576,791	3,612,425	3,339,515	3,208,899	2,804,191
Operating fixed assets	9,116,452	5,984,846	4,129,553	3,995,770	3,954,897	3,878,623
Net working Capital	827,246	2,849,534	491,477	323,748	354,438	301,633
Long term liabilities	3,087,911	2,257,589	1,008,605	980,003	1,100,237	1,376,065



# KEY RATIOS

		2022	2021	2020	2019	2018	2017
<b>Profitability Ratio</b>							
Gross profit ratio	%	10.97	15.25	14.48	13.69	13.21	14.02
Operating profit ratio	%	6.44	9.56	8.44	7.51	8.40	7.61
Profit before tax ratio	%	3.26	7.53	3.28	3.38	5.04	4.70
Profit after tax ratio	%	2.05	5.25	2.17	2.19	4.22	4.05
Return on capital employed	%	13.94	18.06	22.27	17.92	17.62	14.68
Return on Equity	%	6.13	12.94	6.97	6.42	11.28	10.48
- Revaluation Surplus							
Return on Equity	%	7.14	14.88	8.56	8.15	14.77	15.39
- WOT Revaluation Surplus							
Return on Assets	%	2.50	7.28	2.99	2.70	4.56	4.58
<b>Investment Ratios</b>							
EPS	Rs	2.50	5.07	2.52	2.14	6.09	4.95
<b>Breakup Value</b>							
Without Revaluation Reserve	Rs.	35.03	40.87	26.75	23.91	22.27	17.40
With Revaluation Reserve	Rs.	40.81	46.98	32.84	30.36	29.17	25.49
<b>Liquidity Ratio</b>							
Current Ratio	Times	1.09	1.52	1.11	1.09	1.09	1.08
Quick /Acid Test Ratio	Times	0.53	0.76	0.58	0.60	0.39	0.38
Cash to Current Liabilities	Times	0.2	0.3	0.1	0.1	0.2	0.3
<b>Activity/Turn over Ratios</b>							
Inventory turnover ratio	Times	4.81	5.34	6.12	5.32	4.40	5.82
No. of days in Inventory	Days	78	68	60	69	83	63
Debtors Turnover Ratio	Times	5.38	5.64	5.35	5.90	6.17	6.78
No. of days in Receivable	Days	68	65	68	62	59	54
Creditors Turnover Ratio	Times	11.52	12.71	11.92	12.54	12.95	15.23
No. of days in Payables	Days	32	29	31	29	28	24
Total assets turnover ratio	Times	1.22	1.39	1.37	1.23	1.08	1.13
Fixed Asset turnover ratio	Times	2.24	2.71	2.81	2.45	2.17	1.87
Cash Conversion Cycle	Days	112	104	97	101	114	93
<b>Capital Structure Ratios</b>							
Debt equity ratio	%	59:41	48:52	53:47	49:51	55:45	58:42
Leverage Ratio	%	1.33	0.83	1.14	0.97	1.20	1.37
Interest Cover ratio	Times	2.03	4.72	1.63	1.82	2.50	2.62
Debt		0.59	0.48	0.53	0.49	0.55	0.58
Equity		0.41	0.52	0.47	0.51	0.45	0.42





*“An investor without investment objectives is like a traveler without a destination.”*

*(Ralph Seger)*

# INDEPENDENT AUDITOR'S REVIEW REPORT

## TO THE MEMBERS OF PANTHER TYRES LIMITED

### REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

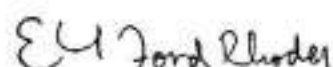
We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the Regulations"), prepared by the Board of Directors (the Board) of Panther Tyres Limited ("the Company") for the year ended 30 June 2022 in accordance with the requirements of Regulation 36 of Listed Companies (Code of Corporate Governance) Regulations 2019.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2022.



**EY Ford Rhodes**

**Chartered Accountants**

**Engagement Partner: Abdullah Fahad Masood**

**Lahore:**

**UDIN:**



# STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

## The period ended: 30 June 2022

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are Seven (7) as per the following:
  - a. Male: Six (6)
  - b. Female: One (1)
2. The composition of the Board is as follows:

Category	Names
Independent Director(s)	i. Mr. Javed Masud ii. Mr. Iqbal Ahmad Khan iii. Mr. Asad Sultan Chaudhary
Executive Directors	i. Mr. Mian Faisal Iftikhar ii. Mr. Zahid Mahmud
Non-Executive Directors	i. Mr. Mian Iftikhar Ahmed
Female director (Non-executive)	i. Mrs. Samina Iftikhar

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that a complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meetings of the Board;
8. The Board of directors have a formal policy and transparent procedures for the remuneration of directors in accordance with the Act and these Regulations.
9. The Board has arranged Director's Training program for the following:

Name	Designation
Mr. Javed Masud	Independent Director
Mr. Asad Sultan Chaudhary	Independent Director
Mr. Iqbal Ahmad Khan	Independent Director
Mr. Zahid Mahmud	Executive Director
Mr. Ghulam Abbas	CFO
Mr. Mohsin Muzaffar Butt	Company Secretary

Furthermore, the company is in process of obtaining exemption certificates for two non-executive directors and one executive director, Mian Faisal Iftikhar, from the Securities Exchange Commission of Pakistan (SECP) on the basis of their education and experience.

10. No new appointments have been made during the year for the CFO, Company Secretary and Head of Internal Audit. However, all such appointments including their remuneration and terms and conditions of employment were duly approved by the board and complied with relevant requirements of the Regulations.

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.

12. The Board has formed committees comprising of members given below:

**a) Audit Committee**

Names	Designation
i. Mr. Javed Masud	Chairman/Independent Director
ii. Mr. Asad Sultan Chaudhry	Member/ Independent Director
iii. Mr. Iqbal Ahmad Khan	Member/ Independent Director/ NED
iv. Mr. Mohsin Muzaffar Butt	Secretary of Audit Committee

**b) HR and Remuneration Committee**

Names	Designation
i. Mr. Asad Sultan Chaudhry	Chairman/Independent Director
ii. Mr. Iqbal Ahmad Khan	Member/ Independent Director/ NED
iii. Mr. Mian Faisal Iftikhar	Member/ Executive Director
iv. Mr. Mohsin Muzaffar Butt	Secretary of HR & R Committee

**c) Risk Management Committee**

Names	Designation
i. Mr. Javed Masud	Chairman/Independent Director
ii. Mr. Mian Faisal Iftikhar	Member/ Executive Director
iii. Mr. Zahid Mahmud	Member/ Executive Director
iv. Mr. Mohsin Muzaffar Butt	Secretary of Risk Management Committee

**d) Nominee Committee**

Names	Designation
i. Mr. Mian Iftikhar Ahmed	Chairman/Non-Executive Director
ii. Mr. Mian Faisal Iftikhar	Member/ Executive Director
iii. Mr. Mohsin Muzaffar Butt	Secretary of Nominee Committee

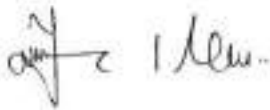
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;

14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:-

Meetings	Frequency
Audit Committee	Four meetings were held during the financial year ended June 30, 2022.
HR & Remuneration Committee	One meeting was held during the financial year ended June 30, 2022.
Risk Management Committee	One meeting was held during the financial year ended June 30, 2022.
Nominee Committee	One meeting was held during the financial year ended June 30, 2022.



15. The Board has set up an effective internal audit function, which is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with the Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouses, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all other requirements of the Regulations 3, 6, 7, 8, 27, 32, 33, and 36 of the regulations have been complied with.



**Mian Faisal Iftikhar**  
CEO



**Mian Iftikhar Ahmed**  
Chairman

# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF PANTHER TYRES LIMITED

### Report on the Audit of the Financial Statements as at 30 June 2022

#### Opinion

We have audited the annexed financial statements of Panther Tyres Limited ("the Company"), which comprise the statement of financial position as at 30 June 2022, and the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2022 and of the total comprehensive income, the changes in equity and its cash flows for the year then ended.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

Key audit matters	How the matter was addressed in our audit
<p><b>1.Revenue Recognition</b></p> <p>As described in note 26, the Company generates revenue from four major categories of products i.e. tyres, tubes, lubricants and auto parts. During the year ended 30 June 2022, the Company generated total revenue of Rs. 20.5 billion as compared to Rs. 16.2 billion during the previous year, which represents an increase of approximately 26% as compared to last year.</p> <p>Considering the significance of amounts involved and revenue being a key indicator of performance measurement of the Company and its management, we have considered the revenue recognition as a Key Audit Matter.</p>	<p>Our audit procedures, amongst others, included the following:</p> <p>Obtained an understanding of the Company's processes and related internal controls for revenue recognition and on a sample basis, tested the effectiveness of those controls, specifically in relation to recognition of revenue and timing thereof.</p> <p>On a sample basis, reviewed sales transactions near the reporting date to assess whether transactions are recorded in relevant accounting period. Performed substantive analytical procedures including developing an expectation of the current year revenue based on trend analysis information taking into account historical sales, seasonal and market patterns.</p>



Key audit matters	How the matter was addressed in our audit
	<p>Correlated the revenue transactions with movement in receivables and cash balances and compared with the results from our balance confirmation procedures.</p> <p>Reconciled revenue recorded in the books of account on a sample basis with underlying accounting records including dispatch and delivery documents.</p> <p>Reviewed and assessed the adequacy of related disclosures made in the financial statements in accordance with the applicable financial reporting standards and the Companies Act, 2017.</p>

#### Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the Annual Report but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or if it otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of Management and the Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

•Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

•Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

•Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

•Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide to the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017(XIX of 2017);
- b) the statement of financial position, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Abdullah Fahad Masood.

*EY Ford Rhodes*

EY Ford Rhodes

Chartered Accountants

Lahore

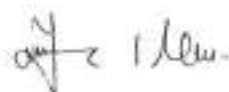
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# STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022

	Note	2022 Rupees	2021 Rupees
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	6	8,977,076,235	5,816,577,447
Right-of-use assets	7	79,984,230	128,908,469
Intangible assets	8	4,165,119	7,479,437
Long term receivables	9	23,635,126	-
Long term deposits	10	31,591,435	31,880,839
		9,116,452,145	5,984,846,192
<b>CURRENT ASSETS</b>			
Stores and spares	11	189,610,372	158,032,988
Stock in trade	12	4,340,368,037	3,234,587,665
Trade debts	13	4,298,059,971	3,303,967,188
Advances, deposits, prepayments and other receivables	14	736,800,810	782,639,678
Cash and cash equivalent	15	714,370,353	806,059,464
		10,279,209,543	8,285,286,983
<b>TOTAL ASSETS</b>		<b>18,395,661,688</b>	<b>14,270,133,175</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Authorized Share Capital</b>			
300,000,000 (30 June 2021: 300,000,000) ordinary shares of Rs. 10/- each	16	3,000,000,000	3,000,000,000
Issued, subscribed and paid up capital			
168,000,000 (30 June 2021: 140,000,000) Ordinary shares of Rs. 10/- each		1,680,000,000	1,400,000,000
Share premium		1,294,433,658	1,574,433,658
Revaluation surplus on property, plant and equipment	17	970,251,032	854,801,883
Unappropriated profits		2,911,101,732	2,747,555,295
		6,855,786,422	6,576,790,836
<b>NON CURRENT LIABILITIES</b>			
Long term liabilities	18	1,603,538,653	1,017,854,304
Loan from director	19	692,433,562	620,000,000
Deferred grant	20	135,785,007	2,968,803
Deferred taxation	21	656,154,055	616,765,947
		3,087,911,277	2,257,589,054
<b>CURRENT LIABILITIES</b>			
Current portion of long term liabilities	24	294,555,177	360,922,583
Short term financing - secured	22	7,215,101,096	4,111,847,806
Unclaimed dividend		396,795	-
Trade and other payables	23	1,642,431,647	892,863,152
Accrued mark-up	25	299,479,274	70,099,744
		9,451,963,989	5,435,753,285
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>18,395,661,688</b>	<b>14,270,133,175</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
The annexed notes from 1 to 46 form an integral part of these financial statements.	26		



Chief Executive Officer



Director

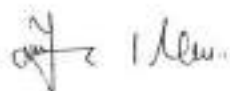


Chief Financial Officer

# STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 Rupees	2021 Rupees
Revenue from contracts with customers-net	27	20,460,232,842	16,202,066,691
Cost of sales	28	(18,216,668,961)	(13,731,305,474)
<b>GROSS PROFIT</b>		<b>2,243,563,881</b>	<b>2,470,761,217</b>
Selling and distribution expenses	29	(687,455,706)	(581,071,639)
Administrative expenses	30	(363,176,851)	(296,325,472)
Other operating expenses	31	(65,616,561)	(86,511,879)
Other operating income	32	189,695,955	41,604,078
<b>PROFIT FROM OPERATIONS</b>		<b>1,317,010,718</b>	<b>1,548,456,305</b>
Finance cost	33	(649,848,973)	(328,191,986)
<b>PROFIT BEFORE TAXATION</b>		<b>667,161,745</b>	<b>1,220,264,319</b>
Taxation	34	(246,856,577)	(369,001,909)
<b>PROFIT AFTER TAXATION</b>		<b>420,305,168</b>	<b>851,262,410</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Items to be reclassified to profit or loss in subsequent periods:		-	-
Items not to be reclassified to profit or loss in subsequent periods:			
- Revaluation Surplus on property, plant and equipment - net of tax		156,108,318	222,812,344
- Deferred tax on revaluation surplus due to change in tax rate		(17,417,900)	15,857,768
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>		<b>138,690,418</b>	<b>238,670,112</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>558,995,586</b>	<b>1,089,932,522</b>
<b>EARNINGS PER SHARE - BASIC AND DILUTED (RS.)</b>	35	<b>2.50</b>	Restated 5.07
The annexed notes from 1 to 46 form an integral part of these financial statements.			



Chief Executive Officer



Director



Chief Financial Officer

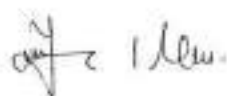


# STATEMENT OF CHANGES IN EQUITY

## FOR THE YEAR ENDED 30 JUNE 2022

	CAPITAL RESERVE			REVENUE RESERVE		Total
	Issued, Subscribed & Paid Up Capital	Share Premium	Share Deposit Money	Revaluation Surplus On Property, Plant And Equipment	Unappropriated Profits	
	(Rupees)					
<b>Balance as on 01 July 2020</b>	1,000,000,000	-	-	670,459,820	1,941,964,836	3,612,424,656
Issuance of bonus shares	100,000,000	-	-	-	(100,000,000)	-
Share deposit money received	-	-	1,874,433,658	-	-	1,874,433,658
Issuance of shares - net (note 1.2)	300,000,000	1,574,433,658	(1,874,433,658)	-	-	-
<b>Profit for the year</b>	-	-	-	-	851,262,410	851,262,410
Other comprehensive income	-	-	-	222,812,344	15,857,706	238,670,112
Total comprehensive income for the period	-	-	-	222,812,344	867,120,176	1,089,932,522
Surplus on revaluation of property, plant and equipment realized through incremental depreciation charged on related assets- net of tax	-	-	-	(38,470,281)	38,470,281	-
<b>Balance as at 30 Jun 2021</b>	1,400,000,000	1,574,433,658	-	854,801,883	2,747,555,295	6,576,790,836
Issue of bonus shares for the year ended 30 June 2021 at rate of 20%	280,000,000	(280,000,000)	-	-	-	-
Final dividend for the year ended 30 June 2021 at the rate of Rs. 2 per share	-	-	-	-	(280,000,000)	(280,000,000)
<b>Profit for the year</b>	-	-	-	-	420,305,168	420,305,168
Other comprehensive income - net of tax	-	-	-	155,108,318	(17,417,900)	138,690,418
Total comprehensive income for the period	-	-	-	-	402,887,268	558,995,586
Surplus on revaluation of property, plant and equipment realized through incremental depreciation charged on related assets- net of tax	-	-	-	(40,659,169)	40,659,169	-
<b>Balance as at 30 Jun 2022</b>	1,680,000,000	1,294,433,658	-	970,251,032	2,911,101,732	6,855,786,422

The annexed notes from 1 to 46 form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

# STATEMENT OF CASH FLOWS

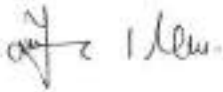
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 Rupees	2021 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net profit before taxation		667,161,745	1,220,264,319
<b>Adjustment for non cash charges and other items:</b>			
Mark up on short term finances under mark-up arrangements	33	491,537,566	211,285,148
Depreciation - owned assets	6.3	318,419,403	297,697,647
Mark-up on loans from financial institutions	33	71,560,695	75,912,228
Allowance for expected credit loss	30	45,968,117	17,532,524
Depreciation - right-of-use assets	7.1	38,068,150	30,187,782
WPPF provision	31	36,612,028	61,013,216
Provision for contribution to provident fund trust		22,877,858	20,935,770
Mark-up on lease liabilities - rented premises	33	21,992,400	21,992,398
WWF provision	31	12,645,175	25,499,663
Amortization	8	3,314,318	3,477,928
Markup on provident fund	33	1,962,620	-
Markup on WPPF loan	33	1,103,496	1,478,442
Provision for slow moving stock - stock in trade	28	606,099	1,637,470
Provision for slow moving stock - store & spares		-	725,957
Derecognition of lease liability	32	(537,738)	-
Deferred Grant	32	(14,516,327)	(20,195,179)
Gain on sale of fixed assets	32	(10,955,736)	(11,857,040)
Income from TDR	32	(32,585,598)	(6,041,104)
Impact of discounting of IFRS-9 on director loan	32	(77,566,438)	-
		930,506,108	731,279,850
<b>Operating profit before working capital change</b>		<b>1,597,667,853</b>	<b>1,951,544,169</b>
<b>Adjustment for working capital items</b>			
Increase in stores and spares		(31,577,384)	(71,132,568)
Increase in long term receivables		(23,635,126)	-
Increase in stock in trade		(1,106,386,471)	(1,331,140,164)
Increase in trade debtors		(1,040,060,900)	(881,290,900)
Increase in advances, deposits, prepayments and other receivables		210,155,874	(283,433,180)
Increase in undivided dividend		396,795	-
Increase in trade payables		774,011,449	102,482,566
		(1,217,095,763)	(2,464,514,376)
<b>Cash used in operations</b>		<b>380,572,090</b>	<b>(512,970,207)</b>
Contribution paid to provident fund trust		(23,091,604)	(19,789,478)
WPPF paid		(62,975,836)	(21,890,913)
Interest received from TDR		32,698,167	979,366
Mark-up paid		(333,718,751)	(343,500,872)
Income tax paid - net		(409,530,105)	(412,247,968)
<b>Net cash used in operating activities</b>	<b>A</b>	<b>(416,046,039)</b>	<b>(1,309,420,062)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of property plant and equipment		(3,304,897,676)	(1,860,323,908)
Long term deposits		289,404	(8,165,120)
Sale proceeds from disposal of property, plant and equipment		13,370,271	16,009,025
<b>Net cash used in investing activities</b>	<b>B</b>	<b>(3,291,238,001)</b>	<b>(1,852,390,104)</b>



Note	2022	2021
	Rupees	Rupees
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long-term loan obtained from financial institutions	1,002,892,916	975,880,005
Long-term loan repaid to financial institutions	(313,338,787)	(372,371,465)
Short term running finance - net	3,103,253,290	758,268,829
Proceeds from issuance of shares - Net of transaction cost	-	1,874,433,658
Lease rentals paid - IFRS 16	(47,609,286)	(39,189,090)
Loan from director	150,000,000	620,000,000
Dividend paid	(279,603,205)	-
<b>Net cash generated from financing activities</b>	<b>3,615,594,928</b>	<b>3,817,021,937</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(91,689,112)</b>	<b>655,211,751</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>806,059,465</b>	<b>150,847,714</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>714,370,353</b>	<b>806,059,465</b>
	15	

The annexed notes from 1 to 46 form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

## 1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 The Company was incorporated as a private limited company under the Companies Act, 1913 and was converted into a public limited company with effect from 10 October 2003. The Company changed its name from Mian Tyre and Rubber Company Limited to Panther Tyres Limited on 25 October 2011. The Company was listed on Pakistan Stock Exchange on 22 February 2021. During 2021, the Company offered 30 million ordinary shares of Rs. 10 each to general public at the strike price of Rs. 65.8 per share including premium of Rs. 55.8 per share which resulted in IPO proceeds of Rs. 1,874 billion. The Company is principally engaged in the manufacture and sale of tyres and tubes for vehicles.

Following are the business units of the Company along with their respective locations:

BUSINESS UNIT	LOCATION
Registered Office	Panther House, 97-B Aziz Avenue, Jail Road, Lahore
Production Plant	29.5 Km, Shekhupura Road, Shekhupura
Regional Office	4th Floor, Shafi Courts, Merewether Road, Karachi

## 1.2 Utilization of proceeds from Initial Public Offering (IPO)

The Company raised the funds through IPO for expansion and modernization of its production facilities, in order to meet the expected increase in demand for tyres and tubes and to achieve higher level of automation in their existing production facilities to bring in cost efficiencies.

Summary of IPO proceeds	Amount (Rupees)
Issuance of 30,000,000 ordinary shares at floor price of Rs. 47 per share	1,410,000,000
Excess funds received - share premium at Rs 18.80	564,000,000
Less: IPO expenses	(99,586,342)
<b>Net IPO proceeds</b>	<b>1,874,433,658</b>
Add: Long-term debt financing*	1,200,000,000
Add: Cashflows of the Company	456,173,839
<b>Total Funds</b>	<b>3,530,607,497</b>
Less: Expenditures incurred till 30 June 2022	(2,730,084,322)
Less: Repayment of short term loans	(564,000,000)
<b>Balance project cost to be incurred</b>	<b>236,523,175</b>

Estimated breakup of utilization of the IPO proceeds is mentioned below:

	FUNDS REQUIRED	ALLOCATION %AGE	EXPENDITURE INCURRED TILL 30 JUNE 2022
Freehold land & development expenditure	127,200,000	4%	103,567,491
Building and civil works	395,060,230	13%	418,514,448
Plant & machinery including duties and other expenses	2,543,913,009	83%	2,147,530,327
<b>Total</b>	<b>3,066,173,839</b>	<b>100%</b>	<b>2,669,612,266</b>

\*Out of the total long-term debt financing for IPO, disbursement till date amounts to Rs. 1132.49 million

## 2 STATEMENT OF COMPLIANCE

- 2.1 These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:
- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
  - Provisions of and directives issued under the Companies Act, 2017 Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.
  - Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

## 2.2 Standards, interpretations and amendments to published approved accounting standards

The accounting policies adopted are consistent with those of the previous financial period, except for the following new and amended standards and interpretations effective for annual period beginning on January 01, 2021, as listed below:

### New Standards, Interpretations and Amendments effective in the reporting period

The Company has adopted the following revised standards and amendments to IFRSs which became effective for the current year:

IAS 39, IFRS 9, IFRS 7, IFRS 4 & IFRS 16 Interest Rate Benchmark Reform- Phase 2 (Amendments)

The adoption of above standards and amendments, will not have any material impact on the Company's financial statements.

## 2.3 Standards, interpretation 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 (annual periods beginning on or after)
IFRS 3	Reference to conceptual framework – (Amendments)	01 January 2022
IAS 16	Property, plant and equipment: Proceeds before intended use – (Amendments)	01 January 2022
IAS 37	Onerous contracts - costs of fulfilling a contract – (Amendments)	01 January 2022
AIP IAS 41	Agriculture- taxation in fair value measurements	01 January 2022
AIP IFRS 9	Fees in the '10 per cent' test for derecognition of financial liabilities	01 January 2022
IAS 1	Classification of liabilities as current or non-current – (Amendments)	01 January 2023
IAS 8	Definition of accounting estimates – (Amendments)	01 January 2023
IFRS 10 & IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – (Amendment)	Not yet finalized
IAS 12	Deferred tax related to Assets and Liabilities arising from a Single Transaction – (Amendments)	01 January 2023
IAS 1 and IFRS Practice Statement 2	Disclosure of accounting policies – (Amendments)	01 January 2023

The Company expects that such improvements to the standards will not have any material impact on the Company's financial statements in the period of initial application.

In addition to the above standards and amendments, improvements to various accounting standards and conceptual framework have also been issued by the IASB. Such improvements are generally effective for accounting periods beginning on or after 01 January 2022.

The Company expects that such improvements to the standards will not have any material impact on the Company's financial statements.

Further, 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 or Interpretation		Effective date (annual periods beginning on or after)
IFRS 17	Insurance Contracts	01 January 2023
IFRS 1	First-time Adoption of IFRS	01 July 2004

The Company expects that application of above standards will not have any material impact on the Company's financial statements.

## 3 BASIS OF PREPARATION

### 3.1 Basis of measurement

These financial statements have been prepared under the 'historical cost convention' except for following:

- Certain classes of property, plant and equipment which are stated at revalued amounts as referred to in note 5.8.
- Stock in trade and stores and spares measured at lower of cost and net realizable value.
- Other areas where measurement basis have been disclosed in relevant notes.

### 3.2 Presentation currency

These financial statements are presented in Pak Rupee, which is the Company's functional currency. Figures have been rounded off to the nearest Pak Rupee, unless otherwise stated.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2022

### 4 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on the historical experience, including expectations of future events that are believed to be reasonable under the circumstances.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The areas involving a higher degree of judgments or complexity or areas where assumptions and estimates are significant to the financial statements are as follows:

#### 4.1 Provision for taxation and deferred tax

The Company establishes provisions, based on reasonable estimates taking into account the applicable tax laws and the decisions by appellate authorities on certain issues in the past. Instances where the Company's view differs from the view taken by the income tax department at the assessment stage and where the Company considers that its views on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

A deferred tax liability is recognized for all taxable temporary differences, whereas, deferred tax assets are recognized for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profits will be available against which the losses can be utilized. Management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

### 5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, except as stated in note 2.3.

#### 5.1 Employee retirement benefits

The Company operates an approved funded contributory provident fund for all permanent employees. Equal monthly contributions are made by the Company and employees to the fund in accordance with the fund rules (i.e. 7% of basic salary of employees).

Retirement benefits are payable to staff on completion of prescribed qualifying period of service under the scheme on retirement.

#### 5.2 Trade and other payables

Liabilities for trade creditors and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for the goods and/or services received, whether or not billed to the Company.

#### 5.3 Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying 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.

#### 5.4 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

#### 5.5 Financial instruments - initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### 5.5.1 Financial assets

###### Financial assets - initial recognition

The financial assets are initially recognized and subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics

and the Company's business model for managing them. With the exception of trade debts that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade debts that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price as per note 5.16

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets include trade debts, term deposits, loans and advances, other receivables and cash and bank balances.

#### **Financial assets - subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

- a) Financial assets at amortized cost (debt instruments)
- b) Financial assets at fair value through profit or loss
- c) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- d) Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)

#### **Financial assets at amortized cost (debt instruments)**

This category is the most relevant to the Company. The Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Company's financial assets at amortized costs includes trade debts, term deposits, loans and advances, other receivables and bank balances.

The Company does not have financial assets at fair value through profit or loss or fair value through OCI.

#### **Financial assets - Derecognition**

A financial asset (or, where applicable a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset, is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2022

### Financial assets - Impairment

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

For trade debts, the Company applies a simplified approach in calculating ECLs based on lifetime expected credit losses. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The expected credit losses are recognized in the statement of comprehensive income.

For bank balances, the Company applies a simplified approach in calculating ECLs based on lifetime expected credit losses. The Company reviews internal and external information available for each bank balance to assess expected credit loss and the likelihood to receive the outstanding contractual amount. The expected credit losses are recognized in the statement of comprehensive income.

## 5.5.1 Financial liabilities

### Financial liabilities - initial recognition

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include long-term finances, lease liabilities, short-term finances utilized under mark-up arrangements, trade and other payables.

### Financial liabilities - subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortized cost (loans and borrowings)

### Financial liabilities at amortized cost (loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of comprehensive income.

This category applies to long term finances, lease liabilities, short term finances utilized under mark-up arrangements, trade and other payables.

### Financial liabilities - derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of comprehensive income.

## 5.6 Offsetting of financial assets and liabilities

A financial asset and financial liability is offset and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

## 5.7 Taxation

### Current

Provision for the current tax is based on the taxable income for the year determined in accordance with the provisions of the Income Tax Ordinance, 2001. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

### Deferred

Deferred tax is provided using the balance sheet liability method for all temporary differences at the reporting date between tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liability is recognized for all taxable temporary differences whereas deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, if any, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax credits and unused tax losses can be utilized. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the liability is settled based on tax rates that have been enacted or substantially enacted at the reporting date.

## 5.8 Property, plant and equipment

Property, plant and equipment, other than freehold land which is not depreciated, are stated at cost or revalued amounts less accumulated depreciation and accumulated impairment losses (if any). Freehold land, building, plant and machinery and moulds are carried at revalued amount.

Operating fixed assets, acquired by way of lease are stated at an amount equal to its fair value or if lower, at the present value of the minimum lease payments at the inception of lease less accumulated depreciation and impairment losses, if any.

Increases in the carrying amount arising on revaluation of property, plant and equipment are credited to surplus on revaluation of property, plant and equipment. Decreases that offset previous increases of the same assets are charged against this surplus, all other decreases are charged to income. An annual transfer from the asset revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the assets and depreciation based on the assets original cost. All transfers to/from surplus on revaluation of property, plant and equipment are net of applicable deferred taxation.

Depreciation is charged to income applying the reducing balance method whereby cost of an asset less its residual value is written off over its estimated useful life. Depreciation on additions to property, plant and equipment is charged from the month in which the asset is acquired or capitalized, while no depreciation is charged for the month in which the asset is disposed off. Depreciation rates have been disclosed in note 6.

The assets' residual values are reviewed at each reporting date, with the effect of changes in estimate accounted for on prospective basis. The Company's estimate of the residual value of its property, plant and equipment as at reporting date has not required any adjustment as its impact is considered insignificant.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to income during the period in which they are incurred.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss on disposal of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

The Company reviews the useful lives of property, plant and equipment on regular basis. Any change in estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment.

## 5.9 Intangible assets

An intangible asset is recognized if it is probable that future economic benefits that are attributable to the asset will flow to the Company and that the cost of such an asset can also be measured reliably. Intangible assets are stated at cost less accumulated amortization and any identified impairment loss.

Amortization is charged to income on the straight line basis so as to write off the cost of an asset over its estimated useful life. Amortization on additions is charged from the month in which an asset is acquired or capitalized while no amortization is charged for the month in which the asset is disposed off. Amortization is being charged as specified in note 8.

The Company assesses at each reporting date whether there is any indication that intangible assets may be impaired. If such indication exists, the carrying amount of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount.

Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment is recognized in income. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Where an impairment loss is recognized, the amortization charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2022

### 5.10 Capital work in progress

Capital work in progress is stated at cost less any identified impairment loss. Transfers are made to relevant category of property, plant and equipment as and when assets are available for use.

### 5.11 Government grant

Government grants are recognized when there is reasonable assurance that the grant will be received and all attached conditions shall be complied with. When the grant relates to an expense item, it is recognized as income on systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

### 5.12 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease that is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### Company as lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### 5.12.1 Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

#### 5.12.2 Lease liabilities - rented premises

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date where the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

### 5.13 Stores and spares

The stores and spares are stated at lower of cost and net realizable value except those in transit, which are stated at invoice value including other charges, if any, incurred thereon. Cost is determined at moving average method. Items considered obsolete are carried at nil value.

Provision for obsolescence of stores, spares and loose tools is made on the basis of management's estimate of net realizable value and ageing analysis prepared on an item-by-item basis.

### 5.14 Stock in trade

All stocks are stated at lower of cost or estimated net realizable value. Cost is determined by weighted average method except for those in transit where it represents invoice value and other charges incurred.

Net realizable value signifies the estimated selling price in the ordinary course of business less costs necessary to be incurred in order to make the sale.

Cost of work in process and finished goods includes direct cost of materials, direct cost of labor and production overheads.

Provision for obsolescence of stock in trade is made on the basis of management's estimate of net realizable value and ageing analysis prepared on an item-by-item basis.

#### 5.15 Trade and other receivables

A receivable is recognized if an amount of consideration that is unconditional and due from the customer (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in note 5.5

#### 5.16 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of statement of cash flows, cash and cash equivalents comprise cash in hand, demand deposits and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

#### 5.17 Revenue recognition

The Company is involved in the manufacturing and sale of tyres and tubes. In local market, sale is made to original equipment manufacturers (OEM) and replacement market (RM) through distributors.

Revenue is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company's contracts with customers for the sale of goods generally include a single performance obligation for both local and export sales i.e. delivery of goods to the customers.

##### - Local sales

Revenue from local sale of goods is recognized at the point in time when control of the goods is transferred to the customer, generally when the goods are delivered at the premises of customers.

##### - Export sales

Revenue from export sales is recognized at the point in time when control of the goods is transferred to the customer which depends on the related terms; generally on date of bill of lading or delivery of the product to the port of destination.

##### - Return on deposits

Return on deposits is accrued on a time proportion basis by reference to the principal outstanding and rates applicable thereon.

#### 5.18 Claim liabilities

A claim liability (i.e. refund liability) is recognized for the obligation to refund some or all of the consideration received (or receivable) from a customer. The Company's claim liabilities arise from customers' right of return. The liability is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of claim liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

#### 5.19 Foreign currencies

All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at exchange rates which approximate those prevailing at the reporting date. Transactions in foreign currencies are translated into rupees at the spot rate. All non-monetary items are translated into rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined.

All exchange differences are charged to statement of comprehensive income.

#### 5.20 Dividend

Dividend distribution to the Company's shareholders and appropriation to reserves are recognized in the period in which these are approved.

#### 5.21 Impairment of non-financial assets

The carrying amount of the Company's non-financial assets, other than stock in trade, deferred tax asset and stores and spares are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

## 6 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets  
Capital work-in-progress

NOTE	2022	2021
	RUPEES	
6.1	4,925,494,944	4,342,201,351
6.6	4,051,581,291	1,474,376,096
	8,977,076,235	5,816,577,447

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

## 6.1 Operating Fixed Assets

2022	Date	COST / REVALUED AMOUNT				ACCUMULATED DEPRECIATION				Net Book Value
		As at 01 July 2021	Additions / Transfers	Deletions	Revaluations / Impairment Adjustment	As at 30 June 2022	Charge for the year	Deletions	As at 30 June 2022	
OWNED	%	(Rupiah)								
Freehold land	-	404,262,661	56,723,920	-	108,697,400	571,680,000	-	-	-	571,680,000
Building on freehold land	5	1,094,096,364	930,917,183	-	51,264,074	1,246,543,916	42,776,354	-	291,210,870	955,048,451
Fleet and machinery	7	3,029,815,860	808,041,793	-	45,242,345	4,483,099,998	190,793,860	-	1,432,356,366	3,050,741,632
Movables	20	537,487,417	-	-	92,838,218	544,649,219	39,166,274	-	380,622,329	123,826,889
Furniture and fixture	10	13,517,814	5,555,623	-	19,068,437	19,068,437	1,095,134	-	7,919,847	11,148,390
Motor vehicles	20	303,417,524	51,048,402	(16,793,206)	337,665,720	137,243,776	49,751,438	(14,355,671)	163,660,545	174,016,175
Office equipment	20	65,082,524	7,368,406	-	72,471,983	298,112,454	3,655,322	-	33,499,776	36,003,217
		6,347,675,144	731,671,310	(16,793,206)	172,456,229	7,235,023,468	318,419,602	(14,365,671)	2,396,521,034	4,835,694,944
2021	Rate	COST / REVALUED AMOUNT				ACCUMULATED DEPRECIATION				Net Book Value
		As at 01 July 2020	Additions / Transfers	Deletions	Revaluation Adjustment	As at 30 June 2021	Charge for the year	Deletions	As at 30 June 2021	
OWNED		(Rupiah)								
Freehold land	-	202,988,750	103,367,481	-	97,732,420	404,288,651	-	-	-	404,288,651
Building on freehold land	5	839,564,482	2,423,300	-	252,088,562	1,094,096,344	35,592,830	-	248,543,195	845,543,028
Fleet and machinery	7	3,671,207,310	258,518,547	-	3,000,815,860	1,053,040,051	107,545,495	-	1,241,694,486	2,668,221,374
Movables	20	495,000,002	41,367,415	-	537,487,417	297,744,366	43,911,900	-	341,656,046	195,331,371
Furniture and fixture	10	12,433,332	1,084,482	-	13,517,814	6,114,066	709,047	-	5,623,713	6,694,101
Motor vehicles	20	337,568,140	97,167,710	(213,363,356)	303,417,524	137,243,776	26,120,715	(17,006,460)	137,240,776	166,178,746
Office equipment	20	59,916,866	5,165,638	-	65,082,524	25,395,197	3,706,257	-	23,611,454	35,480,170
		5,576,368,054	400,914,533	(213,363,356)	284,630,942	6,347,675,144	207,637,547	(17,006,460)	2,005,476,700	4,342,201,361

- 6.2 Particulars of immovable property (i.e. land and building) in the name of the Company are as follows:

#### Location

29.5 KM Sheikhpura Road, Sheikhpura

#### Usage of Immovable Property

Factory Area

#### Total Area

(Square ft.)

947,700

- 6.3 Depreciation for the year has been allocated as follows:

	NOTE	2022	2021
		RUPEES	
Cost of sales	28	282,360,734	272,536,526
Selling and distribution expenses	29	16,523,631	6,103,997
Administrative and general expenses	30	19,535,038	19,057,124
		318,419,403	297,697,647

- 6.4 Revaluation of freehold land, building, moulds, plant and machinery was last carried out as at 30 June 2022 by Indus Surveyors (Private) Limited (Valuer on the the approved list of Pakistan Banking Association) on the basis of market value. The revaluation resulted in net additional surplus before tax of Rs. 172.4 million. Had there been no revaluation, the carrying amount of freehold land, building, moulds, plant and machinery would have been as follows:

	2022	2021
	RUPEES	
Freehold land	229,224,292	170,832,252
Building on freehold land	573,060,314	467,140,325
Plant and machinery	2,717,588,865	2,488,360,363
Moulds	123,826,889	155,700,492
	3,643,700,360	3,282,033,432

- 6.5 Forced Sale Values of the assets under 'Revaluation', based on valuation report as at 30 June 2022 by Indus Surveyors (Private) Limited, an independent valuer, are as follow:

	2022	2021
	RUPEES	
Freehold land	514,512,000	297,433,125
Building on freehold land	1,511,372,700	771,846,674
Plant and machinery and moulds	5,060,025,000	3,763,073,070
	7,105,909,700	4,832,353,069

#### 6.6 Capital work-in-progress

	OPENING	ADDITIONS	TRANSFERS	CLOSING
	RUPEES			
<b>30 June 2022</b>				
Land		56,195,990	-	56,195,990
Building	118,540,457	953,774,528	100,917,103	971,397,882
Plant and machinery	1,273,453,752	2,027,933,574	508,041,783	2,793,345,543
Moulds	75,631,991	143,709,022	-	219,341,013
General	6,749,896	16,772,186	12,221,219	11,300,863
	1,474,376,095	3,198,385,300	621,180,105	4,051,581,291
<b>30 June 2021</b>				
Building	2,024,401	118,939,356	2,423,300	118,540,457
Plant and machinery	108,174,520	1,423,797,779	258,518,547	1,273,453,752
Moulds	1,522,515	116,096,891	41,987,415	75,631,991
General	2,245,284	4,504,612	-	6,749,896
	113,966,720	1,663,338,638	302,929,262	1,474,376,095

- 6.7 As at 30 June 2022, a total revaluation deficit of Rs. 32,838,208 is recognized on moulds. Out of which an impairment is recognised in the statement of profit or loss amounting to Rs. 3,978,830, except to the extent that it offsets an existing surplus amounting to Rs. 28,859,378 recognised in the revaluation surplus.

#### 6.8 Borrowing cost capitalized

Additions to property, plant and equipment include transfer from capital-work-in-progress which includes borrowing cost for projects determined using an average capitalization rate of 2.5% to 11.5% (2021: 7.97%) amounting to:

2022	2021
RUPEES	
181,196,112	31,850,815

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

## 7 RIGHT-OF-USE ASSETS

	NOTE	2022	2021
RUPEES			
<b>Cost</b>			
Balance as at 01 July		169,928,007	157,349,151
Additions		-	32,678,856
Reversal		(32,568,266)	-
Balance as at 30 June		157,359,741	189,928,007
<b>Accumulated depreciation</b>			
Balance as at 01 July		61,019,538	30,831,756
Depreciation charge during the year		38,068,150	30,187,782
Reversal		(21,712,177)	-
Balance as at 30 June		77,375,511	61,019,538
<b>Net book value as at 30 June</b>		79,984,230	128,908,469
Useful life (number of years)		2-10 years	2-10 years
<b>7.1</b>	Depreciation for the year has been allocated as follows:		
Cost of sales	28	18,602,474	15,066,320
Selling and distribution expenses	29	1,539,681	2,741,072
Administrative and general expenses	30	17,925,795	12,380,390
		38,068,150	30,187,782

## 8 INTANGIBLE ASSETS

	COST AS AT BEGINNING OF YEAR	ADDITIONS	COST AS AT REPORTING DATE	ACCUMULATED DEPRECIATION AT BEGINNING OF YEAR	AMORTIZATION CHARGE FOR THE YEAR	NET BOOK VALUE AT REPORTING DATE	RATE OF AMORTIZATION (%)
<b>30 June 2022</b>							
Software	17,389,649	-	17,389,649	9,910,212	3,314,318	4,165,119	20
<b>30 June 2021</b>							
Software	17,389,649	-	17,389,649	6,432,284	3,477,928	7,479,437	20

8.1 Intangible assets represent accounting software SAP ECC 6.0. Amortization for the year has been charged to administrative expenses.

## 9 LONG TERM RECEIVABLES

	NOTE	2022	2021
RUPEES			
Long term receivables		28,535,632	-
Less: current portion		(4,900,506)	-
	9.1	23,635,126	-

9.1 This amount represents interest free unsecured loan provided to employees of the company. The tenure of these loans are 1 to 5 years.

## 10 LONG TERM DEPOSITS

This includes security deposit relating to utilities, rented properties and to Pakistan State Oil. These deposits have not been carried at amortized cost as the management believes that the impact of discounting is insignificant at the financial position date.



	NOTE	2022	2021
<b>11 STORES AND SPARES</b>			
Store and spares		194,968,443	163,391,059
Less: Provision for slow moving items	11.1	(5,358,071)	(5,358,071)
		<u>189,610,372</u>	<u>158,032,988</u>
<b>11.1</b> Movement in the provision for slow moving items is as under:			
Opening balance as at 01 July		5,358,071	4,632,114
Charge during the year	28	-	725,957
Closing balance as at 30 June		<u>5,358,071</u>	<u>5,358,071</u>
<b>12 STOCK-IN-TRADE</b>			
Raw materials	12.1	2,118,145,426	1,974,219,996
Packing materials		82,574,500	46,349,833
Work in process		393,694,234	252,440,107
Finished goods - Manufactured		1,597,618,927	883,789,671
Finished goods - Trading		161,537,548	90,404,557
		<u>4,353,570,635</u>	<u>3,247,184,164</u>
Less: Provision for slow moving items	12.2	(13,202,596)	(12,596,499)
		<u>4,340,368,037</u>	<u>3,234,587,665</u>
<b>12.1</b> This includes Rs. 1,007.52 million (2021: Rs. 352.07 million) in respect of stock-in-transit.			
<b>12.2</b> Movement in the provision for slow moving items is as under:			
Opening balance as at 01 July		12,596,499	10,959,029
Charge during the year	28	606,099	1,637,470
Closing balance as at 30 June		<u>13,202,598</u>	<u>12,596,499</u>
<b>13 TRADE DEBTS</b>			
Considered good			
Exports - secured		170,559,803	174,148,668
Local - unsecured		4,127,500,168	3,129,818,520
		<u>4,298,059,971</u>	<u>3,303,967,188</u>
Considered doubtful		157,362,372	111,394,255
Less: Allowance for expected credit losses	13.1	(157,362,372)	(111,394,255)
		<u>-</u>	<u>-</u>
		<u>4,298,059,971</u>	<u>3,303,967,188</u>
<b>13.1</b> Movement in allowance for expected credit losses is as follows:			
Opening balance as at 01 July		111,394,255	93,861,731
Charge for the year	30	45,968,117	17,532,524
Closing balance as at 30 June		<u>157,362,372</u>	<u>111,394,255</u>
<b>14 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>			
Loans and advances - considered good			
Employees			
-against salaries	9	4,900,506	4,903,160
-against expenses		1,867,670	1,177,264
Suppliers		131,518,518	111,453,401
Earnest money		6,616,117	-
<b>Prepayments</b>		<u>872,312</u>	<u>7,565,386</u>
<b>Other receivables</b>			
Advance income tax - net	14.1	477,022,267	312,705,261
Sales tax refundable	14.2	84,050,913	315,446,442
Other receivables	14.3	29,952,507	29,388,764
		<u>736,800,810</u>	<u>782,639,678</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

14.1 This represents the amount of advance income tax recoverable from tax authorities net of current year's provision for taxation amounting to Rs. 297,080,562 (2021: Rs. 291,809,716).

14.2 This represents the amount of sales tax refundable to the Company from tax authorities.

14.3 This includes Rs. 25,003,328 (2021: Rs. 24,327,016) receivable from the Government in respect of export rebates.

## 15 CASH AND CASH EQUIVALENTS

Cash at bank - current accounts  
Cash in hand  
Term Depository Receipts (TDRs)

NOTE	2022	2021
RUPEES		
	411,182,439	367,460,788
	3,112,914	1,523,676
15.1	300,075,000	437,075,000
	714,370,353	806,059,464

15.1 Represents term deposit receipts upto maturity of three months with a commercial bank under conventional banking relationships, carrying profit at the rates ranging from 7.70% to 12.5% (2021: 6.5% to 7.7%) per annum having maturity upto July 31, 2022.

## 16 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2022	2021
(Number of Shares)	
44,309,250	14,309,250
95,690,750	85,690,750
	30,000,000
28,000,000	10,000,000
44,309,250	44,309,250
123,690,750	95,690,750
168,000,000	140,000,000

### Opening Balance

Ordinary shares of Rs. 10 issued against cash  
Ordinary shares of Rs. 10 issued as bonus shares

### Movement during the year

Ordinary shares of Rs. 10 issued against cash  
Ordinary shares of Rs. 10 issued as bonus shares

### Closing balance

Ordinary shares of Rs. 10 issued against cash  
Ordinary shares of Rs. 10 issued as bonus shares

NOTE	2022	2021
RUPEES		
	443,092,500	143,092,500
	956,907,500	856,907,500
	-	300,000,000
16.1	280,000,000	100,000,000
	443,092,500	443,092,500
	1,236,907,500	956,907,500
	1,680,000,000	1,400,000,000

16.1 During the year, the company has announced a dividend in terms of bonus shares equals to 20% (2021: nil) of the ordinary share capital as at 30 June 2021.

## 17 REVALUATION SURPLUS ON PROPERTY, PLANT AND EQUIPMENT

Revaluation surplus on:

- Land
- Building
- Plant and machinery
- Moulds

Less: Related deferred tax liability

NOTE	2022	2021
RUPEES		
	406,581,652	297,894,243
	489,103,154	437,738,480
	806,251,528	761,009,183
	129,981,519	129,981,519
	1,425,336,201	1,328,729,182
21.2	(418,993,406)	(390,007,824)
	1,006,342,793	938,721,358
	1,412,924,445	1,236,615,601



	NOTE	2022	2021
		RUPEES	
Less: Transfer to retained earnings net of tax in respect of:			
Incremental depreciation		(335,623,291)	(294,864,122)
Surplus realized on disposal of related assets		(84,818,196)	(84,818,196)
Surplus realized on impairment of related assets		(22,231,926)	(2,031,400)
		970,251,032	854,801,883

## 18 LONG-TERM LIABILITIES

Loan from financial institutions - Secured	18.1	1,711,241,598	1,206,727,630
Accrued mark-up on long term loans		58,448,351	18,296,184
Accrued mark-up on deferred grant		43,098,330	
		1,812,788,279	1,225,023,814
Less: current portion shown under current liabilities:			
- Long term loan		(199,527,017)	(324,492,096)
- Accrued markup on long term loan		(58,448,351)	(18,296,184)
- Accrued markup on deferred grant		43,098,330	
		1,511,714,581	882,235,534
Lease liabilities - rented premises		120,111,948	157,532,930
Less: current maturity shown under current liabilities	18.2	(28,287,876)	(21,914,160)
		91,824,072	135,618,770
		1,603,538,653	1,017,854,304

### 18.1 Loan from financial institutions - secured

Samba Bank Limited	18.1.1	157,307,362	380,337,550
PAIF Investment Company Limited	18.1.2	378,073,157	225,400,332
Pak Oman Investment Company Limited	18.1.3	93,406,596	168,681,318
Meezan Bank Limited	18.1.4	452,136,215	246,152,738
National Bank Limited	18.1.4	476,665,631	82,056,822
United Bank Limited	18.1.4	187,974,681	-
Habib Metropolitan Bank Limited	18.1.4	166,203,247	121,584,000
		1,913,766,889	1,224,212,760
Less: Deferred grant	20	(202,525,291)	(17,485,130)
Less: Current portion shown under current liabilities		(199,527,017)	(324,492,096)
		1,511,714,581	882,235,534

**18.1.1** The Company has obtained term finance under refinance scheme for payment of wages and salaries to the workers and employees of business concerns to the tune of Rs. 390 million (2021: Rs. 390 million). This facility carries markup at 3 months KIBOR plus 2% per annum till grant of refinance from State Bank of Pakistan (SBP), and afterwards SBP rate + 2% per annum payable quarterly whereas the principal is repayable in eight equal quarterly instalments starting from February 2021. This also includes term loan of Rs. 60.08 million (2021: Rs. 100 million) obtained under SBP LTFF facility and carries markup rates ranges from 5% to 6% (SBP rate+spread) per annum. The facility is secured against first joint pari passu charge on the fixed assets of the Company.

**18.1.2** This represents loan amounting to Rs. 200 million obtained under Temporary Economic Refinance Facility (TERF) Scheme for retirement of import documents of plant and machinery. This carries mark-up at the rate of 3% (SBP rate+bank spread) per annum and repayable in 29 equal quarterly instalments with a grace period of 24 months. This loan is carried at amortized cost using effective rate of 3 months KIBOR plus spread. The difference between cash received and present value of cash outflow upon initial recognition has been recognized as deferred grant in accordance with IAS 20. This also includes term loan of Rs. 200 million obtained under SBP LTFF facility and carries markup rates ranges from 4.5% to 5% (SBP rate+spread) per annum. These facilities are secured against first joint pari passu charge on the fixed assets of the Company.

**18.1.3** This represents loan obtained from Pak Oman Investment Company Limited bearing mark up at the rates ranging from 9.20% per annum to 15.64% per annum (2021: 8.72% per annum to 9.04% per annum). These are repayable in quarterly instalments up to April 2024. This is secured by joint pari passu charge on the fixed assets.

**18.1.4** These represent loans obtained from various banks amounting to Rs. 1,400 million obtained during the year under Temporary Economic Refinance Facility (TERF) Scheme for retirement of import documents of plant and machinery. These carry mark-up at the rates ranges from 2.25% to 3.25% (SBP rate+bank spread) per annum and repayable in 29 equal quarterly instalments with a grace period of 24 months. These loans are carried at amortized cost with effective rate of 3 months KIBOR plus spread. The difference between cash received and present value of cash outflow upon initial recognition has been recognized as deferred grant in accordance with IAS 20. These are secured against first joint pari passu charge on the fixed assets of the Company.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

## 18.2 Lease liabilities - rented premises (land and buildings)

This represents liability recognized against right-of-use assets (i.e. rented premises). The effective interest rate used as the discounting factor (i.e. incremental borrowing rate) 15.91% (2021: 15.91%). The amount of future payments and the year during which they will become due are:

	NOTE	2022	2021
		RUPEES	
Year ending 30 June			
2022		-	43,339,760
2023		28,287,876	37,082,997
2024		29,552,859	29,540,943
2025		31,888,098	31,888,098
2026 onwards		116,104,564	116,104,564
		205,833,397	257,956,362
Less: Future finance charges		(85,721,449)	(100,423,432)
		120,111,948	157,532,930
Less: Current maturity shown under current liabilities		(28,287,876)	(21,914,160)
		91,824,072	135,618,770

### 18.2.1 Minimum Lease Payments (MLP) and their Present Value (PV) are as follow:

	2022		2021	
	MLP	PV of MLP	MLP	PV of MLP
	RUPEES		RUPEES	
Due not later than 1 year	28,287,876	3,974,323	43,339,760	21,914,160
Due later than 1 year but not later than 5 years	177,545,521	116,137,625	98,512,038	68,253,875
Due later than 5 years	-	-	116,104,564	67,384,895
	205,833,397	120,111,948	257,956,362	157,532,930

### 18.2.2 Set out below are the carrying amounts of lease liabilities and the movements during the year:

	NOTE	2022	2021
		RUPEES	
Opening balance		157,532,930	142,150,766
Addition		-	32,578,856
Reversal		(11,393,831)	-
IFRS 16 adjustment		-	-
Mark-up on lease liabilities - rented premises	33	21,982,400	21,992,398
		168,131,499	196,722,020
Lease rentals paid		(48,019,551)	(39,189,090)
Closing balance		120,111,948	157,532,930

### 18.2.3 This includes lease liability amounting Rs. 122.695 million (2021: Rs. 130.78) payable to Mian Iftikhar Ahmed - Chairman of the Company, in respect of rented premises (land and building).

### 18.2.4 Lease term of the leases is between 2 to 10 years (2021: 2 to 10 years).

## 19 LOAN FROM DIRECTOR

	NOTE	2022	2021
		RUPEES	
Opening Balance		692,433,562	620,000,000
Obtained during the year		620,000,000	-
		150,000,000	620,000,000
		770,000,000	620,000,000
IFRS-9 discounting impact		(77,566,438)	-
Closing balance	19.1	692,433,562	620,000,000



- 19.1 This represents loan from director (Mian Iftikhar Ahmed) of the company. The loan is repayable on demand from director but not prior to 30 June 2023. The loan is discounted at market rate i.e. 3 months kibar plus 1%.

## 20 DEFERRED GRANT

This represents deferred grant recognized on loan received from Samba Bank Limited under SBP refinance scheme for payment of wages and salaries to the workers and employees of business concerns and from National Bank Limited, United Bank Limited, Habib Metropolitan Bank Limited, Meezan Bank Limited and PAIR Investment Company Limited under SBP (TERF) scheme at below market interest rate for the retirement of import documents against plant and machinery (as described in Note 18.1.2).

Movement during the year is as follows:

	NOTE	2022	2021
		RUPEES	
Opening balance as at 01 July		17,485,130	-
Amount recognized as deferred grant during the year		250,339,490	37,680,309
Amount recognized as income during the year	32	(65,299,329)	(20,195,179)
Closing balance as at 30 June		202,525,291	17,485,130
Less: current portion		66,740,284	14,516,327
Closing balance		135,785,007	2,968,803

## 21 DEFERRED TAX

Credit / (debit) balances arising in respect of timing differences relating to:

### Taxable Temporary Differences

Accelerated tax depreciation allowance		523,857,187	439,866,362
Surplus on revaluation on property, plant and equipment		268,011,121	230,266,490
Impact of IFRS-9 on director loan		23,272,724	-
		815,141,032	670,132,852

### Deductible Temporary Differences

Provision against slow moving stock		(5,588,869)	(4,773,097)
Provision for claims		(15,256,831)	(11,370,812)
Allowance for expected credit losses		(47,214,377)	(29,613,383)
Lease liabilities - rented premises - net		(12,039,760)	(7,609,613)
Minimum tax		(78,907,140)	-
		(158,986,977)	(53,366,905)
		656,154,055	616,765,947

### 21.1 Reconciliation of deferred tax liabilities, net

Opening balance		616,765,947	488,412,885
Tax expense / (income) recognized in statement of comprehensive income	34	1,643,478	77,192,193
Tax expense / (income) recognized in OCI	21.2	37,744,630	51,160,869
Closing balance		656,154,055	616,765,947

### 21.2 Reconciliation of deferred tax liability for surplus on property, plant and equipment is as follows:

Deferred tax on revaluation adjustment during the year		20,326,730	67,018,638
Deferred tax on revaluation surplus due to increase in effective tax rate		17,417,900	(15,857,768)
		37,744,630	51,160,870

## 22 SHORT-TERM FINANCES - SECURED

Short-term finances aggregating to Rs.8.123 billion (2021: Rs. 5.22 billion) are available from commercial banks under mark up arrangements. The mark up is charged at the rates ranging from 3% per annum to 16.74% per annum (2021: 3.00% per annum to 8.89% per annum). The aggregate running finances are secured by joint pari passu charge on the current and fixed assets of the Company.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

## 23 TRADE AND OTHER PAYABLES

	NOTE	2022	2021
		RUPEES	
Trade creditors		1,186,987,711	540,911,962
Accrued liabilities		273,855,895	191,056,408
Payable to provident fund		6,546,340	5,856,590
Workers' profit participation fund	23.1	36,812,028	61,013,216
Provision for claims	23.2	50,850,000	42,772,659
Workers' welfare fund	23.3	38,143,838	25,498,663
Income tax withheld		30,163,813	14,869,663
Other liabilities		19,272,022	11,103,993
		1,642,431,647	892,093,152

### 23.1 Workers' profit participation fund

Opening balance	61,013,216	20,414,471
Contribution and interest for the year	36,812,028	62,489,658
Late payment surcharge	1,982,620	-
	99,587,864	82,904,129
Payment made during the year	(62,975,836)	(21,890,913)
Closing balance	36,812,028	61,013,216

23.2 This represents refund liability arising due to right of return of customers.

### 23.3 Workers' welfare fund

Opening balance	25,498,663	7,802,683
Provision for the year	12,645,175	25,498,663
	38,143,838	33,301,346
Payment made during the year	-	(7,802,683)
Closing balance	38,143,838	25,498,663

## 24 CURRENT PORTION OF LIABILITIES

Current portion of loan from financial institution	199,527,017	324,492,096
Current portion of deferred grant	66,740,284	14,518,327
Current portion of lease liabilities	28,287,876	21,914,160
	294,555,177	360,922,583

## 25 ACCRUED MARK-UP

Short term finances	197,932,593	51,803,560
Long term finances	101,546,681	18,296,184
	299,479,274	70,099,744

## 26 CONTINGENCIES AND COMMITMENTS

### Contingencies

26.1 The Company received a notice under section 122(5A) of the Ordinance dated 08 February 2018 for the tax year 2013 on account of minimum tax credits amounting to Rs. 50.7 million claimed under section 113(2)(C) of the Ordinance. The taxpayer filed a writ petition against the said notice in the Honorable Lahore High Court (LHC). The double bench of the Honorable LHC has decided the case in favor of the Company. Being aggrieved, the tax department has filed a reference against the said order before the Honorable Supreme Court of Pakistan which is pending for adjudication. Management of the Company expects a favorable outcome of the case therefore no provision has been made in these financial statements.

26.2 Original Assessment for the Tax Year 2016 was amended by the Additional Commissioner Inland Revenue (Addl. CIR) by invoking Section 122(5A) of the Ordinance; wherein the income of the Company was re-assessed by making certain additions.

The tax impact of the above order was Rs. 8.05 million. Being aggrieved, the Company has filed an appeal before CIR-A, who vide his order has deleted the demand of 7.1 million and the balance demand of 0.96 million has been remanded back for de novo consideration. Being aggrieved, the tax department has filed an appeal before ATIR. Management is confident of the favorable outcome of the case hence no provision in this regard has been made in the financial statements.

- 26.3** The Company is defending an order dated 31 December 2015 under section 122(5A) of the Ordinance for the tax year 2010, wherein income of the Company has been re-assessed and financial expenses amounting to Rs. 29.89 million have been added back to the income on the ground that the borrowed funds have been utilized for the purpose of capitalization and not wholly and exclusively for deriving business income. Tax impact of the above amounts to Rs. 10.46 million. The matter is pending for adjudication before ATIR. The management is confident of the favorable outcome of the case, hence no provision in this regard has been made in the financial statements.
- 26.4** A suit for recovery of Rs. 2.217 million was filed by the Company against one of its customers, the customer has filed a counter claim amounting to Rs. 10.018 million. The case is pending with the Honorable Lahore Session Court. No liability against the Company has been determined so far. Management expects a favorable outcome in this regard, hence no provision has been recorded in these financial statements.
- 26.5** The Company had claimed tax credits under section 113(2)(C) pertaining to tax years 2005 to 2008 in the tax year 2010. The same was disallowed by the Department on the sole ground that section 113 of Ordinance "Minimum Tax on Income of Certain Persons" was omitted vide Finance Act, 2008, and no provision regarding the availability of minimum tax credits was reinserted. The financial impact of this amounts to Rs. 27.03 million. The matter has been decided by Appellate Tribunal Inland Revenue in favour of the Company. Being aggrieved, the department has filed a reference before Honorable LHC which is pending for adjudication. In the opinion of the management, a favorable outcome of the case is expected therefore, no provision has been made in these financial statements.
- 26.6** The Company was not charging further tax w.e.f. 01 July 2015 on the primary ground that it falls within the ambit of Rule 58S & 58T of Sales Tax Special Procedure Rules, 2007, wherein the Company is bound to charge only Extra Tax on its net local sales to dealers and distributors. The Deputy Commissioner Inland Revenue (DCIR) issued orders dated 21 February 2017 under section 11(2) of the ST Act by charging sales tax, default surcharge, and penalty amounting to Rs. 62.19 million on account of non-chargeability of further tax on sales made to unregistered persons. Being aggrieved the Company filed an appeal before CIR-A, who upheld the orders issued by the DCIR. Being aggrieved, the Company preferred an appeal before ATIR and ATIR vide its order dated 11 August 2017 provided complete relief to the Company. The department has filed a reference before the Honorable Lahore High Court (LHC), which is pending for adjudication. Subsequently, vide its letter dated 17 October 2019, the department also confronted further tax issue for the tax years from July 2015 till October 2015 and July 2016 till June 2019, involving an amount to the tune of Rs. 258.62 million. Since the matter was already sub-judice before Honorable LHC, therefore, the Company challenged the notice on the same plea. The honourable LHC has remanded back the case to taxation officer for denovo consideration vide order dated April 1, 2022.
- 26.7** The Company had received an order dated 31 May 2015 under section 122(5A) of the Income Tax Ordinance, 2001 (the "Ordinance") for the tax year 2013, wherein the income of the company was re-assessed and certain expenses were added back to the income for the year. Being aggrieved, the Company filed an appeal before Commissioner Inland Revenue (Appeals) (CIR-A), who vide his order dated 27 November 2017 had granted relief to the Company on some points. Both the Company and Federal Board of Revenue filed cross-appeals against the said order before Appellate Tribunal Inland Revenue (ATIR). ATIR while hearing the appeal filed by Company has decided it in favour of the company vide order dated 31-03-2022. Whereas adjudication of the appeal filed by department is yet to be made, the tax impact of this pending appeal aggregates to Rs.16 million which has not been recognized in the financial statement as the management is hopeful for a decision in its favour.
- 26.8** The company received a show cause notice from Punjab Revenue Authority under section 57 (2) of the Punjab Sales Tax on Services (Withholding) Rules, 2015 for the tax years 2017 & 2018 involving an amount of Rs. 16.12 million against the short withholding payment of Punjab Sales Tax on Services. The company has filed a writ petition against the said show cause notice in the Honorable Lahore High Court (LHC). The Court through the writ NO.26/2021 granted an interim stay order. The petition is still pending before the Honorable LHC for adjudication. The Management expects a favorable outcome of the case, therefore no provision has been recorded in these financial statements.
- 26.9** Commitments from various banks against letter of credit and letter of guarantees are Rs. 1,684.52 million (2021: 1,875 million) and Rs. 178.34 million (2021: Rs. 96.01 million) respectively.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

## 27 REVENUE FROM CONTRACT WITH CUSTOMERS-NET

	NOTE	2022	2021
RUPEES			
Local sales	27.2	22,529,354,952	18,435,698,377
Less: discounts		(361,608,910)	(656,804,757)
Less: sales tax		(3,565,352,241)	(2,926,541,862)
		18,602,393,801	14,852,351,758
Export sales	27.3	1,857,839,041	1,349,714,933
		20,460,232,842	16,202,066,691

27.1 All revenue is recognized at point in time.

27.2 The above include sales amounting to Rs.14.3 million (2021: 10.3 million) against defective tyres and tubes.

27.3 This amount includes rebate on export of Rs.38.43 million (2021: Rs.20.67 million).

## 28 COST OF SALES

Raw material consumed	28.1	14,245,872,401	10,061,059,972
Packing material consumed		354,667,200	305,390,323
Salaries, wages and other benefits	28.2	1,203,182,799	1,130,901,973
Transportation expense		59,590,855	40,225,630
Fuel and power		1,994,506,217	1,315,186,941
Telephone and postage		1,037,494	719,463
Insurance		13,717,969	8,601,570
Repair and maintenance		323,295,839	384,963,349
Vehicle running and maintenance		17,631,876	13,336,376
Rent, rates and taxes		2,067,948	4,296,542
Printing and stationery		3,758,039	2,925,035
Fees and subscription		135,196	315,771
Provision for slow moving stock - stores and spares	12.2	606,099	1,637,470
Provision for slow moving stock - stock in trade	11.1	-	725,957
Depreciation - owned assets	6.3	282,360,734	272,536,526
Depreciation - right-of-use assets	7	18,602,474	15,066,320
Miscellaneous expenses		9,368,081	3,614,942
		18,530,401,221	13,581,504,160
Add: work-in-process - opening	12	252,440,107	163,572,580
		18,782,841,328	13,765,076,740
Less: work-in-process - closing	12	(383,694,234)	(252,440,107)
Cost of goods manufactured		18,389,147,094	13,512,636,633
Add: Finished goods - opening	12	974,174,228	647,888,132
		19,363,321,322	14,360,524,765
Add: Finished goods purchased		612,504,114	344,954,937
Less: Finished goods - closing	12	(1,759,156,475)	(974,174,228)
Cost of goods sold		18,216,668,961	13,731,305,474



**28.1 Raw material consumed**

	NOTE	2022	2021
RUPEES			
Opening inventory	12	1,974,219,996	852,974,776
Add: Purchases		14,377,994,685	11,190,912,002
Add: Freight and octroi inward		11,803,146	11,393,190
		16,364,017,827	12,055,279,968
Less: Closing inventory	12	(2,118,145,426)	(1,974,219,996)
		14,245,872,401	10,081,059,972

**28.2** Salaries, wages and other benefits include Rs. 12.53 million (2021 Rs. 11.79 million) in respect of provident fund contribution by the employer.

**29 SELLING AND DISTRIBUTION EXPENSES**

Salaries, allowances and other benefits	29.1	202,576,308	169,652,247
Telephone, telex and postage		1,221,983	1,863,526
Entertainment		935,155	681,770
Travel and transport		239,693,669	202,225,641
Other export expenses		109,962,563	43,515,639
Advertisement		98,228,337	150,108,397
Sales promotion		1,272,315	906,245
Rent expense		620,041	1,039,176
Insurance		837,707	-
Fuel and electricity		1,038,065	421,719
Repair and maintenance		11,921,443	676,527
Depreciation - owned assets	6.3	16,523,631	6,103,997
Depreciation - right-of-use assets	7	1,539,881	2,741,072
Miscellaneous expenses		1,064,588	1,135,483
		687,455,706	581,071,639

**29.1** Salaries, allowances and other benefits include Rs. 5.96 million (2021: Rs. 5.30 million) in respect of provident fund contribution by the employer.

**30 ADMINISTRATIVE AND GENERAL EXPENSES**

Salaries, allowances and other benefits	30.1	182,628,633	171,028,952
Directors' remuneration		4,100,000	1,700,000
Printing and stationery		3,614,781	1,330,612
Telephone, telex and postage charges		3,883,649	3,047,599
Depreciation - owned assets	6.3	19,535,038	19,057,124
Depreciation - right-of-use assets	7	17,925,795	12,380,390
Amortization of intangible assets	8	3,314,318	3,477,928
Insurance		11,399,079	8,569,170
Vehicle running and maintenance		15,118,233	8,059,772
Traveling and conveyance		4,409,265	3,605,875
Entertainment		4,176,018	2,465,477
Rent, rates, taxes and fees		595,819	1,759,718
Auditor's remuneration	30.2	2,470,000	1,368,500
Legal and professional charges		6,764,545	4,709,931
Fee and subscription		4,331,789	1,455,667
Utilities charges		6,183,341	6,658,948
Support services		8,589,871	9,725,403
Repair and maintenance		15,661,994	17,027,499
Allowance for expected credit loss	13.1	45,968,117	17,532,524
Miscellaneous expenses		2,508,366	1,364,383
		363,176,651	296,325,472

**30.1** Salaries, allowances and other benefits include Rs. 4.39 million (2021 : Rs. 3.85 million) in respect of provident fund contribution by the employer.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

## 30.2 Auditor's remuneration

Statutory audit  
Special audit  
Half year review  
Certifications  
Out of pocket expenses

Less: Fee of special audits and certifications for IPO

NOTE	2022	2021
	RUPEES	
	1,800,000	1,100,000
	-	750,000
	420,000	400,000
	300,000	550,000
	150,000	137,000
	2,470,000	2,937,000
1.2	-	(1,568,500)
	2,470,000	1,368,500

## 31 OTHER OPERATING EXPENSES

Workers' profit participation fund  
Workers' welfare fund  
Impact of IFRS-9 on receivables from employees  
Impairment on moulds

23.1	36,612,028	61,013,216
	12,645,175	25,498,663
	12,380,528	-
	3,978,830	-
	65,616,561	86,511,879

## 32 OTHER OPERATING INCOME

Gain on disposal of property, plant and equipment  
Grant income on SBP refinance scheme for payroll financing  
Grant income on TERF for import of plant and machinery  
Profit on TDRs  
Miscellaneous income  
Impact of discounting of IFRS-9 on director loan  
De-recognition of lease liability and right of use asse

20	10,955,736	11,857,040
	14,516,327	20,195,179
	50,783,002	-
	32,585,598	6,041,104
	2,751,116	3,510,755
	77,566,438	-
	537,738	-
	189,695,955	41,604,078

## 33 FINANCE COST

Mark up on  
- long term loan  
- due to deferred grant  
- short term finances under mark up arrangements  
- lease liabilities - rented premises  
- mark-up on provident fund loan  
- Late payment surcharge-WPPF  
Bank charges

23.1	71,560,695	75,912,228
	43,098,330	-
	491,537,586	211,285,148
	21,992,400	21,992,398
	1,103,498	-
	1,962,620	1,476,442
	18,593,846	17,525,770
	649,848,973	328,191,986

## 34 TAXATION

Current  
- For the year  
- Prior period

Deferred  
- Relating to origination of temporary difference

21.1	297,080,562	277,769,886
	(51,867,463)	14,039,830
	245,213,099	291,809,716
	1,643,478	77,192,193
	246,856,577	369,001,909

34.1 The numerical reconciliation between the average tax rate and applicable tax rate has not been presented in these financial statements as the total income of the company attracts minimum tax under section 113 of the Income Tax Ordinance, 2001 and its export sales fall under final tax regime.

**35 EARNINGS PER SHARE - BASIC AND DILUTED**

Profit after taxation (Rupees)  
 Weighted average number of ordinary shares at the end of the year (numbers)  
 Earnings per share - (basic / diluted) (Rupees)

NOTE	2022	2021
	RUPEES	
	420,305,168	851,262,410
	168,000,000	168,000,000
	2.50	5.07

**36 REMUNERATION OF DIRECTORS AND CHIEF EXECUTIVE**

The aggregate amount charged in the financial statements for the year against remuneration and all the benefits to Directors, Chief Executive and executives of the Company is as follows:

	DIRECTORS		CHIEF EXECUTIVE		Executives	
	2022	2021	2022	2021	2022	2021
	RUPEES					
Managerial remuneration	10,422,800	27,994,667	37,166,667	37,166,667	241,509,482	205,562,020
Provident fund	-	-	-	24,000,000	-	8,635,638
	10,422,800	27,994,667	37,166,667	37,166,667	253,564,757	214,197,658
Number of persons	1	2	1	1	68	48

- 36.1 The Chief Executive, directors and certain executives have also been provided with company-maintained cars. Two executive directors have been provided remuneration while 4 other directors have been provided with meeting fees aggregating to Rs. 1.7 million.

**37 RELATED PARTY TRANSACTIONS**

The related parties comprise of shareholders, directors of the Company, employees benefit funds and key management employees. The Company carries out transactions with its related parties in the normal course of business. Significant related party transactions, other than remuneration of directors which is disclosed in note 36, are as follows:

NAME OF RELATED PARTY	RELATIONSHIP WITH THE COMPANY	%AGE OF SHAREHOLDING	NATURE OF TRANSACTIONS	2022	2021
Mian Itikhar Ahmed	Chairman	48%	Rent of head office	23,958,000	21,780,000
			Loan from director	150,000,000	620,000,000
			Mark up on loan	40,418,233	13,964,099
			Land purchased	-	40,113,198
Mian Faisal Itikhar	Chief Executive Officer	16%	Land purchased	-	11,880,000
Staff provident fund	Other related parties		Contribution to staff provident fund	22,877,858	20,935,770

**38 CAPACITY AND ACTUAL PRODUCTION**

	2022		2021	
	ACTUAL PRODUCTION	PRODUCTION CAPACITY	ACTUAL PRODUCTION	PRODUCTION CAPACITY
Tyres / Tyre Sets	6,825,903	8,107,500	6,575,604	8,100,000
Tubes - packed	28,716,429	31,552,500	28,406,516	31,200,000
	35,542,332	39,660,000	34,982,120	39,300,000

Production capacity working is based on 300 days.

- 38.1 Under utilization of available capacity is mainly due to normal maintenance/temporarily shut down and changes in production pattern.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

## 39 NUMBER OF EMPLOYEES

### Factory

Number of employees as at reporting date  
Average number of employees during the year

### Total Number of Employees

Number of employees as at reporting date  
Average number of employees during the year

	2022	2021
	RUPEES	
	2,947	2,834
	2,813	2,615
	3,167	3,038
	3,027	2,810

## 40 FINANCIAL RISK MANAGEMENT OBJECTIVES

### 40.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programmed focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

Risk management is carried out by the Company's finance department under policies approved by the Board of Directors. The Company's finance department evaluates and hedges financial risks.

#### (a) Market risk

##### (i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies. The Company is exposed to foreign currency exchange risk in respect of commitments against Letter of Credits in foreign currency and foreign currency exposure in US Dollars on trade payables in respect of import of raw materials. The management does not view hedging as being financially feasible.

At 30 June 2022, if the Company's functional currency had weakened / strengthened by 10% against the US Dollar with all the other variables held constant, the profit before taxation for the year would have been higher / lower by Rs. 15.93 million (2021: Rs. 17.44 million), mainly as a result of foreign exchange gains / losses on translation of financial assets denominated in US Dollars.

##### (ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to equity price risk as it does not have any exposure in equity securities.

##### (iii) Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Borrowings obtained at variable rates expose the Company to cash flow interest rate risk.

At the reporting date, the interest rate profile of the Company's interest bearing financial instruments was:

#### Floating rate instruments

##### Financial liabilities

Long-term finances  
Short-term finances

#### Fixed rate instruments

##### Financial liabilities

Lease liabilities - rented premises

	2022	2021
	RUPEES	
	1,711,241,598	1,206,727,630
	7,215,101,096	4,111,847,806
	8,926,342,694	5,318,575,436
	120,111,948	157,532,930

#### Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect profit or loss of the Company.

#### Cash flow sensitivity analysis for variable rate instruments

If interest rates on long term loan and finances under mark-up arrangement, at the year end date, had been 100 basis points

higher / lower with all other variables held constant, profit before taxation for the year would have been Rs. 65.72 million (2021: Rs. 54.59 million) higher / lower, mainly as a result of higher / lower interest expense on floating rate borrowings.

**(b) Credit risk**

Credit risk represents the risk of financial loss being caused if counter party fails to discharge an obligation. Credit risk of the Company arises from deposits with banks and financial institutions, as well as credit exposures to OEM (Original Equipment Manufacturers) customers, including outstanding receivables and committed transactions. The management assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board of directors. For banks and financial institutions, only independently rated parties with a strong credit rating are accepted.

The carrying values of financial assets are as under:

Trade debts, loans and other receivables  
Long term deposits  
Bank balances

	2022	2021
	<b>RUPEES</b>	
Trade debts, loans and other receivables	4,490,275,356	3,449,653,367
Long term deposits	31,591,435	31,880,839
Bank balances	411,182,439	367,460,788
	<b>4,933,049,230</b>	<b>3,848,994,994</b>

The credit quality of financial assets can be assessed by reference to external credit ratings or the historical information about counter party defaults as shown below:

**Geographically:**

**Trade debts**

Local  
Europe  
Asia  
Africa  
South America

Local	4,127,500,168	3,129,818,520
Europe	41,595,787	61,920,024
Asia	94,328,291	78,991,154
Africa	23,723,116	33,237,490
South America	10,912,609	-
	<b>4,298,059,971</b>	<b>3,303,967,188</b>

**Sales**

Company has made export sales in following regions, which have been made through advances and cash against documents:

Europe  
Asia  
Africa  
South America

Europe	390,889,652	226,594,736
Asia	1,287,491,580	684,274,130
Africa	127,452,249	438,848,067
South America	52,005,560	-
	<b>1,857,839,041</b>	<b>1,349,714,933</b>

Categorically, sales comprises of Products:

**Products:**

-Tyres and tubes  
-Others- trading

-Tyres and tubes	19,855,581,273	15,921,376,686
-Others- trading	604,651,569	280,680,005
	<b>20,460,232,842</b>	<b>16,202,066,691</b>

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The letters of credit and other forms of credit insurance are considered integral part of trade receivables and considered in the calculation of impairment.

As at 30 June 2022	UPTO 180 DAYS	180 to 365 DAYS	1 TO 2 YEARS	OVER 2 YEARS	TOTAL
Expected credit loss rate	0.60% to 31.38%	40.22%	72.24%	99.82%	
Estimated total gross carrying amount at default	4,162,680,896	61,013,230	34,759,058	48,001,120	4,306,454,304
Expected credit loss	59,803,219	24,537,206	25,109,336	47,912,611	157,362,372

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

As at 30 June 2021	UPTO 180 DAYS	180 to 365 DAYS	1 TO 2 YEARS	OVER 2 YEARS	TOTAL
Expected credit loss rate	0.60% to 31.38%	20.20%	88.20%	100.00%	
Estimated total gross carrying amount at default	3,292,042,375	49,301,760	32,333,498	41,683,810	3,415,361,443
Expected credit loss	31,232,922	9,958,459	28,519,064	41,683,810	111,394,255

## Bank balances

Credit risk from balances with banks and financial institutions is managed by the Company's finance department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Finance Committee. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments. The credit quality of Company's bank balances can be assessed with reference to external credit ratings as follows:

BANK	SHORT TERM	LONG TERM	RATING AGENCY	2022	2021
Albaraka Bank (Pakistan) Limited	A-1	A+	PACRA	2,314,756	4,091,676
Allied Bank Limited	A-1+	AAA	PACRA	-	26,244,582
Bank Alfalah Limited	A-1+	AA+	PACRA	15,654,938	35,753,842
The Bank of Khyber	A-1	A	PACRA	24,460	24,860
Habib Bank Limited	A-1+	AAA	JCR-VIS	128,539,348	102,665,938
Habib Metropolitan Bank Limited	A-1+	AA+	PACRA	15,953,064	4,281,750
Industrial & Commercial Bank Of China Limited	P-1	A-2	Moody's	1,741,502	46,974,574
MCB Bank Limited	A-1	APACRA	42,257,258	25,735,701	25,735,701
National Bank of Pakistan	A-1+	AAA	JCR-VIS / PACRA	553,338	1,653,128
Standard Chartered Bank (Pakistan) Limited	A-1+	AAA	PACRA	448,761	88,275
Summit Bank Limited	A-3	BBB-	PACRA	48,938	48,938
United Bank Limited	A-1+	AAA	AAA,JCR-VIS	37,643,943	2,878,925
Samba Bank Limited	A-1	AA	PACRA	-	34,221,861
Faysal Bank Limited	A-1+	AA	PACRA	144,821,433	29,700,450
JS Bank Limited	A-1+	AA-	PACRA	-	51,403,000
Meezan Bank	A-1+	AAA	JCR-VIS	19,015,000	1,200,000
Soneri Bank	A-1+	AA-	PACRA	184,884	185,290
Bank Islamic Limited	A-1	A+	PACRA	514,940	310,000
Dubai Islamic Bank Limited	A-1+	AA	JCR-VIS	1,467,878	-
				411,182,439	367,460,788

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly, the credit risk is minimal.

## (c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company manages liquidity risk by maintaining sufficient cash and bank balances and the availability of funding through an adequate amount of committed credit facilities. The Company follows an effective cash management and planning policy to ensure availability of funds and to take appropriate measures for new requirements.

All of the following financial liabilities are exposed to profit / mark-up rate risk except trade and other payables.



ON DEMAND

WITHIN 1 YEAR

OVER 1 YEAR

TOTAL

RUPEES

The following are the contractual maturities of financial liabilities as at 30 June 2022:

Loan from financial institutions	-	199,527,017	1,652,793,247	1,852,320,264
Lease liabilities - rented premises	-	28,287,876	177,545,521	205,833,397
Short term finances - secured	-	7,215,101,096	-	7,215,101,096
Trade and other payables	-	1,530,965,628	-	1,530,965,628
Accrued mark-up	-	299,479,274	-	299,479,274
	-	9,273,360,891	1,830,338,768	11,103,699,659

The following are the contractual maturities of financial liabilities as at 30 June 2021:

Loan from financial institutions	-	324,492,096	900,531,718	324,492,096
Lease liabilities - rented premises	-	43,339,760	214,616,602	43,339,760
Short term finances - secured	-	4,111,847,806	-	4,111,847,806
Trade and other payables	-	562,567,047	-	562,567,047
Accrued mark-up	-	51,803,560	-	51,803,560
	-	5,094,050,269	1,115,148,320	5,094,050,269

#### 40.2 Fair values of financial assets and liabilities

The carrying value of financial assets and liabilities reflected in the financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

#### 40.3 Financial instruments by categories

##### Financial assets

	2022		TOTAL
	CASH AND CASH EQUIVALENTS	AMORTIZED COST	
Long term deposits	-	31,591,435	31,591,435
Long term receivables	-	28,535,632	28,535,632
Trade debts	-	4,298,059,971	4,298,059,971
Advances, deposits, prepayments and other receivable	-	736,800,810	736,800,810
Cash and cash equivalents	714,370,353	-	714,370,353
	714,370,353	5,094,987,848	5,809,358,201

##### Financial liabilities

	2022		TOTAL
	FINANCIAL LIABILITIES AT AMORTIZED COST		
Loan from financial institutions			1,852,320,264
Lease liabilities - rented premises			205,833,397
Mark up accrued on loans			299,479,274
Trade and other payable			1,530,965,628
Short term finances			7,215,101,096
			11,103,699,659

##### Financial assets

	2021		TOTAL
	CASH AND CASH EQUIVALENTS	AMORTIZED COST	
Long term deposits	-	31,880,839	31,880,839
Advance to employees	-	4,903,160	4,903,160
Trade debts	-	3,303,967,189	3,303,967,189
Advances, deposits, prepayments and other receivable	-	34,291,924	34,291,924
Cash and bank balances	806,059,464	-	806,059,464
	806,059,464	3,375,043,111	4,181,102,575

##### Financial liabilities

	2021		TOTAL
	FINANCIAL LIABILITIES AT AMORTIZED COST		
Loan from financial institutions			1,225,023,814
Lease liabilities - rented premises			257,958,362
Mark up accrued on loans			51,803,560
Trade and other payable			562,567,047
Short term finances			4,111,847,806
			6,209,198,589

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

## 41 CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may issue new shares or sell assets to reduce debt. Consistent with others in the industry and the requirements of the lenders the Company monitors the capital structure on the basis of gearing ratio based on long term borrowing. Total capital is calculated as 'equity' as shown in the statement of financial position plus long term finances. The gearing ratio as at year ended 30 June 2022 and 30 June 2021 are as follows:

	2022	2021
	RUPEES	
Long term finances	1,711,241,596	1,206,727,630
Total equity - excluding surplus on revaluation	5,885,535,390	5,721,988,953
Total capital	7,596,776,986	6,928,716,583
Gearing ratio	23%	17%

## 42 CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	2022		2021	
	LONG TERM LOAN OBTAINED FROM FINANCIAL INSTITUTIONS	LEASE LIABILITIES	LOAN FROM DIRECTORS	Total
As at 30 June 2021	1,225,023,814	157,532,930	620,000,000	2,002,556,744
Changes from financing activities				(335,152,195)
Repayments during the year	(287,132,644)	(48,019,551)		
Acquisition during the year	1,053,675,903	-	150,000,000	1,203,675,903
Total changes from financing cashflows	1,991,567,073	109,513,379	770,000,000	2,871,080,452
<b>Other changes</b>				
Additions/new lease/reversal	-	(11,393,831)	-	(11,393,831)
Impact of discounting	-	-	(77,566,438)	(77,566,438)
Interest expense	23,746,497	21,992,398	40,418,233	86,157,128
Deferred grant	(202,525,291)	-	-	(202,525,291)
As at 30 June 2022	1,812,768,279	120,111,946	732,851,796	2,665,752,020

## 43 CORRESPONDING FIGURES

Corresponding figures have been rearranged / reclassified, wherever considered necessary for the purposes of better and fair presentation, however, no significant rearrangement / reclassifications has been made.

Description	Reclassified from	Reclassified to	Note	Amount in Rupees
Reclassification of deferred grant	Non current liabilities	Current liabilities	20	14,516,327

## 44 STAFF PROVIDENT FUND

	2022	2021
	RUPEES	
Size of fund	155,472,242	129,793,071
Percentage of investments made	80.02%	83.25%
Fair value of investments	856,796	108,049,280
Cost of investments made	115,009,743	103,109,466

44.1 Breakup of investments in terms of amount and percentage of the size of provident fund are as follows:

	2022			2021		
	COST	FAIR VALUE	%AGE OF FUND SIZE	COST	FAIR VALUE	%AGE OF FUND SIZE
	RUPEES					
Savings Accounts	-	0.00%	-	-	-	0.00%
Loan to Panther Tyres Limited	-	-	-	-	-	-
-Albaraka Bank (Pakistan) Limited	824,706	856,796	0.55%	828,649	853,074	0.66%
-Special Musharaka Certificates	-	-	0.00%	85,000,000	89,332,916	68.83%
	824,706	856,796	80.02%	85,828,649	90,185,990	83.25%

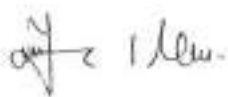
44.2 Investments out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

#### 45 SUBSEQUENT EVENT


The Board of Directors in their meeting held on September 7, 2022 have proposed a final cash dividend for the year ended June 30, 2022 of PKR 1 per share (2021: PKR 2 per share), amounting to PKR 168 million (2021: PKR 280 million) for approval of the members at the Annual General Meeting to be held on October 25, 2022. These financial statements do not reflect this dividend.

#### 46 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors on September 07, 2022.



Chief Executive Officer



Director



Chief Financial Officer

# PATTERN OF SHAREHOLDING

Shareholdings			
No. of Shareholders	From	To	Total Shares Held
286	1	100	11,190
451	101	500	172,488
1343	501	1,000	905,136
1668	1,001	5,000	3,583,262
279	5,001	10,000	2,005,120
99	10,001	15,000	1,244,382
45	15,001	20,000	809,575
33	20,001	25,000	775,069
17	25,001	30,000	481,836
12	30,001	35,000	394,313
14	35,001	40,000	511,960
13	40,001	45,000	564,167
16	45,001	50,000	778,506
6	50,001	55,000	313,472
6	55,001	60,000	357,600
3	60,001	65,000	187,771
1	65,001	70,000	66,000
5	70,001	75,000	362,420
1	75,001	80,000	76,494
4	85,001	90,000	355,841
5	95,001	100,000	498,846
3	100,001	105,000	309,800
2	105,001	110,000	218,243
2	110,001	115,000	225,294
4	115,001	120,000	474,438
1	125,001	130,000	128,500
1	130,001	135,000	131,500
2	140,001	145,000	289,006
1	145,001	150,000	150,000
1	165,001	170,000	166,000
1	170,001	175,000	172,000
2	175,001	180,000	359,238
2	190,001	195,000	384,000
1	200,001	205,000	204,000
1	210,001	215,000	214,429
1	225,001	230,000	228,500
1	235,001	240,000	236,000
2	245,001	250,000	500,000
1	260,001	265,000	264,426
1	265,001	270,000	270,000
1	270,001	275,000	271,000
1	295,001	300,000	295,900
2	330,001	335,000	664,719
1	340,001	345,000	342,600
1	355,001	360,000	358,800
2	385,001	390,000	774,954
1	390,001	395,000	390,600
1	410,001	415,000	411,541



Shareholdings			
No. of Shareholders	From	To	Total Shares Held
1	440,001	445,000	443,000
1	450,001	455,000	454,500
1	465,001	470,000	468,600
1	470,001	475,000	473,500
2	510,001	515,000	1,028,108
1	625,001	630,000	628,200
1	900,001	905,000	903,452
1	910,001	915,000	910,807
1	1,000,001	1,005,000	1,002,000
1	1,205,001	1,210,000	1,209,935
1	2,065,001	2,070,000	2,066,999
1	2,480,001	2,485,000	2,483,358
1	3,435,001	3,440,000	3,435,500
1	4,475,001	4,480,000	4,478,558
1	5,120,001	5,125,000	5,123,075
1	13,195,001	13,200,000	13,200,000
1	26,095,001	26,100,000	26,400,000
1	80,395,001	80,400,000	80,399,472
4,366			168,000,000

Categories of Shareholders	No. of Shareholders	Shares Held	Percentage
Directors, Chief Executive Officer, and their spouse and minor children	11	123,632,300	73.5907%
Associated Companies, undertakings and related parties. (Parent Company)	0	0	0.0000%
NT and ICP	2	179,246	0.1067%
Banks Development Financial Institutions, Non Banking Financial Institutions.	4	2,036,252	1.2121%
Insurance Companies	7	8,074,816	4.8064%
Mudarabas and Mutual Funds	24	11,450,130	6.8156%
Shareholders holding 10% or more	2	106,991,472	63.6854%
General Public			
a. Local	4,255	19,107,632	11.3736%
b. Foreign	4	29,000	0.0173%
Others (to be specified)			
- Joint Stock Companies	30	1,702,895	1.0136%
- Leasing Company	1	1,200	0.0007%
- Pension Funds	7	1,217,641	0.7248%
- Others	21	568,868	0.3386%

# CATEGORIES OF SHAREHOLDING REQUIRED UNDER CODE OF CORPORATE GOVERNANCE

AS ON JUNE 30, 2022

Sl. No.	Name	No. of Shares Held	Percentage
<b>Associated Companies, Undertakings and Related Parties (Name Wise Detail):</b>			
		-	-
<b>Mutual Funds (Name Wise Detail)</b>			
1	CDC - TRUSTEE PAKISTAN CAPITAL MARKET FUND	319	0.0002
2	CDC - TRUSTEE ALHAMRA ISLAMIC STOCK FUND	250,000	0.1488
3	CDC - TRUSTEE ATLAS STOCK MARKET FUND	1,209,935	0.7202
4	CDC - TRUSTEE MEEZAN ISLAMIC FUND	513,508	0.3057
5	CDC - TRUSTEE ATLAS ISLAMIC STOCK FUND	910,807	0.5421
6	CDC - TRUSTEE NBP STOCK FUND	4,478,558	2.6658
7	CDC - TRUSTEE NBP BALANCED FUND	64,200	0.0382
8	CDC - TRUSTEE APF-EQUITY SUB FUND	44,550	0.0265
9	CDC - TRUSTEE NBP ISLAMIC SARMAYA IZAFI FUND	514,600	0.3063
10	CDC - TRUSTEE APIF - EQUITY SUB FUND	117,438	0.0699
11	CDC - TRUSTEE MCB PAKISTAN ASSET ALLOCATION FUND	4,656	0.0028
12	CDC - TRUSTEE ALFALAH GHP STOCK FUND	1,290	0.0008
13	CDC - TRUSTEE ABL STOCK FUND	473,500	0.2818
14	CDC - TRUSTEE NBP SARMAYA IZAFI FUND	70,200	0.0418
15	CDC - TRUSTEE UBL ASSET ALLOCATION FUND	37,000	0.0220
16	CDC-TRUSTEE AL-AMEEN ISLAMIC RET. SAV. FUND-EQUITY SUB FUND	700	0.0004
17	CDC - TRUSTEE UBL RETIREMENT SAVINGS FUND - EQUITY SUB FUND	387,800	0.2308
18	CDC - TRUSTEE ABL PENSION FUND - EQUITY SUB FUND	32,000	0.0190
19	CDC - TRUSTEE NBP ISLAMIC STOCK FUND	2,066,999	1.2304
20	CDC - TRUSTEE AWT STOCK FUND	12,500	0.0074
21	CDC - TRUSTEE NBP ISLAMIC ACTIVE ALLOCATION EQUITY FUND	109,243	0.0650
22	CDC - TRUSTEE UBL DEDICATED EQUITY FUND	14,000	0.0083
23	CDC - TRUSTEE ATLAS ISLAMIC DEDICATED STOCK FUND	87,896	0.0523
<b>Directors and their Spouse and Minor Children (Name Wise Detail):</b>			
1	MIAN IFTIKHAR AHMED	80,399,472	47.8568
2	MIAN FAISAL IFTIKHAR	26,592,000	15.8286
3	MRS. SAMINA IFTIKHAR	16,635,500	9.9021
4	MR. JAVED MASUD	132	0.0001
5	MR. IQBAL AHMED KHAN	132	0.0001
6	MR. ASAD SULTAN CHAUDHARY	132	0.0001
7	MR. ZAHID MAHMUD	132	0.0001
8	MRS. FARZANA JAVED W/O JAVED MASUD	2,400	0.0014
9	MRS. ASMA ASAD W/O ASAD SULTAN CHAUDHARY	2,400	0.0014
<b>Executives:</b>		110,400	0.0657
<b>Public Sector Companies &amp; Corporations:</b>		-	-
<b>Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:</b>		11,378,340	6.7228%
<b>Shareholders holding five percent or more voting interest in the listed company (Name Wise Detail)</b>			
1	MIAN IFTIKHAR AHMED	80,399,472	47.8568
2	MIAN FAISAL IFTIKHAR	26,592,000	15.8286
3	MRS. SAMINA IFTIKHAR	16,635,500	9.9021



All trades in the shares of the listed company, carried out by its Directors, Executives and their spouses and minor children shall also be disclosed:

S.NO.	NAME	SALE	PURCHASE	BONUS
1	MIAN IFTIKHAR AHMED			13,399,912
2	MIAN FAISAL IFTIKHAR			4,432,000
3	MRS. SAMINA IFTIKHAR		2,773,500	2,323,000
4	MR. JAVED MASUD	(12,000)	500	2,022
5	MR. IQBAL AHMED KHAN			22
6	MR. ASAD SULTAN CHAUDHARY			22
7	MR. ZAHID MAHMUD			22
8	MRS. FARZANA JAVED W/O JAVED MASUD			400
9	MRS. ASMA ASAD W/O ASAD SULTAN CHAUDHARY			400
10	MR. MOHSIN MUZAFFAR BUTT		3,500	900
11	MR. GHULAM ABBAS	(22,500)		4,500

# NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 39th Annual General Meeting (AGM) of Panihar Tyres Limited (the "Company") will be held on Tuesday, October 25, 2022, at 12:30 p.m. at the Faletti's Hotel, 24-Egerton Road, Lahore, to transact the following business:

## ORDINARY BUSINESS:

1. To confirm the minutes of the last Annual General Meeting (AGM) held on September 30, 2021.
2. To receive and adopt the company's audited financial statements for the year ended June 30, 2022, with the Auditors' Report and Directors' Reports thereon.
3. To consider and approve the cash dividend for the year ended June 30, 2022, at the rate of 10%, i.e., Rupee 1.0 per share as recommended by the Board of Directors; and
4. To appoint auditors and to fix their remuneration. The members are hereby notified that the Board of Directors and the Board Audit Committee have recommended the name of EY Ford Rhodes, Chartered Accountants, for re-appointment as auditors of the company for the year ending June 30, 2023.
5. To transact such other business as may be placed before the meeting with the permission of the Chairman.

By Order of the Board

Lahore: October 04, 2022

Mohsin Muzaffar Butt  
Company Secretary

## Notes:

### 1. Closure of Share Transfer Books

The Share Transfer Books of the Company will remain closed from October 19, 2022, to October 25, 2022 (both days inclusive). Transfers / CDS transactions IDs received at the Company's Share Registrar, M/s Corplink (Pvt.) Limited, Wing Arcade, 1-K Commercial, Model Town, Lahore, PABX No (92-42)35916714 and Email shares@corplink.com.pk at the close of business on October 18, 2022, will be treated in time for the above entitlement of cash dividend and to attend and vote at the AGM.

### 2. Proxy

Members of the company entitled to attend and vote at the company meeting may appoint another member as their proxy to exercise his rights to attend, speak and vote at the meeting. A proxy form is attached to this notice. The proxy form must be signed by the appointer or attorney duly authorized in writing, or if the appointer is a company, it must be signed by an officer or attorney duly authorized.

A company may authorize an individual to act as its representative at the meeting by resolution of its board. The authorized individual shall be entitled to exercise the same powers on behalf of the company he represents. The proxies must be lodged with the company not later than forty-eight hours before the time for holding the AGM.

A member or proxy shall authenticate his/her identity by showing the original CNIC/passport at the time of attending the meeting.



### 3. Participate in the AGM Through Video Link

The entitled shareholders whose names appear in the Books of the Company by the close of business on October 18, 2022, who are interested in attending the AGM through an online platform are requested to get themselves registered with the Company Secretary Office by providing the following details at the earliest but not later than 48 hours before the time of AGM at corporate@pathertyres.com by providing the following information:

Name of the Member	CNIC No.	Folio / CDC Account No	Cell No.	Email Address

Upon receipt of the above information from interested shareholders, the Company will send the login details to their email addresses. The Company will convene the meeting through Zoom Cloud Meetings\* which can be downloaded from Google Play or Apple App store. Our shareholders are therefore requested to download the application ahead of the meeting. On the AGM day, shareholders can log in and participate in the AGM proceedings through their smartphones or computer devices from any convenient location.

The login facility will be opened 30 minutes before the meeting to enable the participants to join the forum after the identification and verification process.

The entitled shareholders (whose name appeared in the Books of the Company by the close of business on October 18, 2022, along with the details mentioned above may send their comments/suggestions for the proposed Agenda items to the above email address at least 48 hours before the meeting

### 4. Withholding Tax on Dividend

The withholding tax rates on the amount of dividend are as under:

- |  |     |
|--|-----|
| a) Rate of tax deduction appearing in Active Taxpayer List (ATL)     | 15% |
| b) Rate of tax deduction not appearing in Active Taxpayer List (ATL) | 30% |

To enable the Company to make tax deduction on the amount of cash dividend @15% instead of 30%, all the shareholders whose names are not entered into the Active Taxpayers List (ATL) provided on the website of FBR, even though they are filers, are advised to make sure that their names are entered into ATL before the date of approval of the cash dividend, at the Annual General Meeting on October 25, 2022, otherwise, tax on their cash dividend will be deducted @ 30% instead of 15%.

In the case of a Joint account, each holder is to be treated individually as appearing in ATL or not appearing in ATL. Tax will be deducted based on the shareholding of each joint holder as may be notified by the shareholder, in writing as follows, to our Share Registrar, or if not so notified, each joint holder shall be assumed to have an equal number of shares.

Company Name	Folio / CDC A/C No.	Total No. of Shares	Principal Shareholder		Joint Holder(s)	
			Name and CNIC No.	Shareholding Proportion (No.of Shares)	Name and CNIC No.	Shareholding Proportion (No.of Shares)

The Corporate shareholders with CDC accounts must update their National Tax Number (NTN) with their respective participants. The shareholders, while sending NTN or NTN certificates, as the case may be, must quote the company name and their respective Folio numbers.

With holding tax exemption from dividend income shall only be allowed if a copy of a valid tax exemption certificate is made available to our Share Registrar, Corplink Private Limited, Wings Arcade, 1-k Commercial, Model Town, Lahore. Members are requested to submit their Notarized Declarations (CZ-50) as per Zakat & Ushr Ordinance, 1980 if they want to claim exemption towards non-deduction of zakat on cash dividend.

# NOTICE OF ANNUAL GENERAL MEETING

## 5. Placement of Financial Statements

By section 223 (6) of the Companies Act, 2017, the audited financial statements of the Company for the year ended June 30, 2022, together with the Chairman's Review Report, Directors' Report, and Auditor's Report, have been sent to the stakeholders of the company by post or electronically. By section 223(7), the above mention statements/reports have been available on the company's website.

## 6. Information Required from Shareholders

Shareholders are requested to report/update the following information & documents with their respective CDS participants, if not earlier reported/updated:-

- a. Change in their addresses.
- b. According to the requirement of Section 242 of the Companies Act 2017, any dividend payable in cash declared by a listed company shall only be paid electronically directly into the bank account designated by the entitled shareholder.
  - i. Accordingly, shareholders who have not yet reported/updated their International Bank Account Number (IBAN) are requested to furnish the information on a priority basis. In case of non-submission of IBAN of 24 digits, the Company will withhold the payment of dividends under the Companies (Distribution of Dividends) Regulations, 2017.
  - ii. According to the CDC record, accounts of some shareholders are grouped under IFA, meaning the CDC account is inactive for any reason. The shareholders are requested to regularize the accounts with CDC and enable us to pay dividends timely through electronic mode.

## 7. As per Circular No. 05 of 2020 dated March 16, 2020, read with Circular No. 4 of 2021 dated February 15, 2021; the shareholders may contact the Company at either of the following:

Company: Email: corporate@panthertyres.com

WhatsApp/Mobile: 0301-7539619

Registrar: Email: shares@corplink.com.pk

WhatsApp/Mobile: 0300-9417476



**FORM OF PROXY  
PANTHER TYRES LIMITED  
39<sup>th</sup> ANNUAL GENERAL MEETING**

The Company Secretary  
Panther Tyres Limited  
97-B, Aziz Avenue, Jail Road  
Lahore

I/We \_\_\_\_\_

Of (Residence / Registered Office)

Being a member of Panther Tyres Limited hereby appoint (Name & CNIC) \_\_\_\_\_

Of (Residence) \_\_\_\_\_

As a proxy to attend, speak and vote on my / our behalf at the Annual General Meeting of the Company to be held on the 25th day of October 2022 at 12:30 pm and at any adjournment thereof.

**Appointer detail:**

CNIC / CUIN: \_\_\_\_\_

CDC Participant ID No. \_\_\_\_\_

CDC Account / Sub-Account No. \_\_\_\_\_

Rs. 50/-  
Revenue  
Stamp

\_\_\_\_\_  
Signature and Stamp\*

Date:

**Notes:**

1. The proxy form should be signed by the appointer or attorney duly authorized in writing, or if the appointer is a company, it must be signed by an officer or attorney duly authorized.
2. A company may authorize an individual to act as its representative at the meeting by resolution of its board.
3. The proxies must be lodged with the company not later than forty-eight hours before the time for holding the AGM.
4. All members, through the proxy, shall authenticate their identity by showing the original CNIC/passport at the time of attending the meeting.

\*in case the appointer is a company



Affix  
Correct  
Postage

Company Secretary  
Panther Tyres Limited  
97-B, Aziz Avenue  
Jail Road,  
Lahore  
UAN: +92-42-111554444



## اطلاع برائے سالانہ اجلاس عام

کی طرف سے تمام اختیارات کا حامل ہوگا۔ ہر کسی فارم اجلاس شروع ہونے سے اڑتالیس گھنٹے قبل کھینی کو مل جانا چاہیے۔

اجلاس میں شرکت کے موقع پر ممبر یا نائب اپنے اصل شناختی کارڈ یا پاسپورٹ دکھا کر اپنی شناخت کروائے گا۔

### 3۔ سالانہ اجلاس میں وی بی پی کا فنڈز کے ذریعے شرکت کی سہولت

وہ اہل شیئر ہولڈرز جن کے نام 18 اکتوبر 2022 کو کاروبار کے اختتام تک کھینی کی کتاب میں ظاہر ہوں گے، جو آن لائن پلیٹ فارم کے ذریعے AGM میں شرکت کے خواہشمند ہیں، ان سے درخواست کی جاتی ہے کہ وہ مندرجہ ذیل تفصیلات AGM کے وقت سے کم از کم 48 گھنٹے پہلے [corporate@pathertyres.com](mailto:corporate@pathertyres.com) پر فراہم کر کے کھینی سیکرٹری کے دفتر میں خود کو رجسٹرڈ کروائیں۔

ممبر کا نام	CNIC نمبر	فولیو/ICDC کا ڈنٹ نمبر	موبائل نمبر	ای میل ایڈریس
دیکھی رکھنے والے شیئر ہولڈرز سے بلا معلومات کی وصولی پر، کھینی لاگ ان کی تفصیلات ان کے ای میل چوں پر بھیج دے گی۔ کھینی زوم کلاؤڈ میٹنگز کے ذریعے اجلاس بلائے گی جسے کوگل پلے یا ایپل ایپ اسٹور سے ڈاؤن لوڈ کیا جاسکتا ہے۔ اس لیے ہمارے شیئر ہولڈرز سے درخواست ہے کہ وہ اجلاس سے پہلے ایپلی کیشن ڈاؤن لوڈ کر لیں۔ AGM کے دن، کسی بھی سہولت کے مقام سے اپنے اسٹارٹ فونز یا کمپیوٹرز یا ٹیبلس کے ذریعے لاگ ان اور AGM کی کارروائی میں شرکت کر سکتے ہیں۔				

لاگ ان کی سہولت اجلاس سے 30 منٹ پہلے کھول دی جائے گی تاکہ شرکاء کو شناخت اور تصدیق کے عمل کے بعد فورم میں شامل ہونے کے قابل بنایا جاسکے۔

اہل شیئر ہولڈرز (جن کا نام 18 اکتوبر 2022 کو کاروبار کے اختتام پر کھینی کی کتاب میں ظاہر ہوا)، مذکورہ تفصیلات کے ساتھ، مجوزہ ایجنڈا آؤٹ لائن کے لیے اجلاس سے کم از کم 48 گھنٹے پہلے تک اپنے تھمرے احتجاجاً یا ای میل ایڈریس پر بھیج سکتے ہیں۔

### 4۔ منافع منقسمہ پر Withholding Tax

منافع منقسمہ کی رقم پر وہ ہولڈنگ ٹیکس کی شرحیں مندرجہ ذیل ہیں:

- a۔ ایکویٹی سیکر فہرست (ATL) میں ظاہر ہونے والوں کے لئے ٹیکس ڈیڈکشن کی شرحیں 15%
  - b۔ ایکویٹی سیکر فہرست (ATL) میں ظاہر ہونے والوں کے لئے ٹیکس ڈیڈکشن کی شرحیں 30%
- کھینی کو بیش ڈیویڈنڈ کی رقم پر 30% کی بجائے 15% ٹیکس کٹوتی کرنے کے قابل بنانے کے لیے، وہ تمام شیئر ہولڈرز جن کے نام ایف بی آر کی ویب سائٹ پر فراہم کردہ ایکویٹی ٹیکس و ہولڈنگ کی فہرست (ATL) میں درج نہیں ہیں، حالانکہ وہ قائم کر دیں۔ گواہیت کی جاتی ہے کہ اس بات کو یقینی بنائیں کہ 25 اکتوبر 2022 کو ہونے والے سالانہ عام اجلاس میں نقد ڈیویڈنڈ کی منظوری کی تاریخ سے پہلے ان کے نام ATL میں درج کیے گئے ہیں، بصورت دیگر، ان کے بیش ڈیویڈنڈ پر 15% کی بجائے 30% ٹیکس منہا کیا جائے گا۔

مشترک کارڈنٹ کی صورت میں، ہر ایک ہولڈر کو انفرادی طور پر ATL میں ظاہر ہونے یا ATL میں ظاہر ہونے کے طور پر خیال کیا جائے گا۔ ٹیکس کی کٹوتی ہر مشترک ہولڈر کے شیئر ہولڈر کی بنیاد پر کی جائے گی جیسا کہ شیئر ہولڈر کی طرف سے مندرجہ ذیل تحریری طور پر ہمارے شیئر رجسٹر کو مطلع کیا جائے گا، یا اگر مطلع نہیں کیا گیا ہے تو، ہر مشترک ہولڈر کے پاس حصص کی برابر تعداد کا فرض کیا جائے گا۔

بذریعہ نوٹس بذراطلاع کیا جاتا ہے کہ مختصر ٹائز لمیٹڈ (کھینی) کا اثالیسواں (39واں) سالانہ اجلاس عام بروز منگل مورخہ 25 اکتوبر 2022 بمقام قلیبیٹ ہوٹل 124 بکریں روڈ لاہور میں بوقت ساڑھے بارہ بجے دوپہر مندرجہ ذیل امور کی انجام دہی کیلئے منعقد ہو رہا ہے۔

### عمومی امور

- 1۔ 30 ستمبر 2021 کو منعقدہ گزشتہ سالانہ اجلاس عام (AGM) کی کارروائی کی توثیق کرنا۔
  - 2۔ کھینی کے آڈٹ شدہ مالیاتی حسابات برائے سال ختمہ 30 جون 2022 مع ڈائریکٹرز اور آڈیٹر کی رپورٹس کی وصولی، غور و خوض اور ان کی منظوری۔
  - 3۔ بورڈ آف ڈائریکٹرز کی جانب سے سٹارٹ کر دی گئی منقسمہ منافع کی ادائیگی 1 روپے فی شیئر (10 فیصد) کی منظوری دینا۔
  - 4۔ کھینی کے آڈیٹر کا تقرر اور ان کا مشاہرہ مقرر کرنا۔ اس حوالے سے ارکان کو اطلاع دی جاتی ہے کہ بورڈ آف ڈائریکٹرز اور بورڈ آڈٹ کھینی نے میسرز ای وائے فورڈ روڈز چارٹڈ اکاؤنٹنٹس کی سال ختمہ 30 جون 2023 کیلئے وہ پارہ بطور تقرری کی۔ قیام کی ہے۔
  - 5۔ صاحب صدر کی اجازت سے کوئی دیگر امور جو اجلاس میں رکھے جاسکتے ہیں سرانجام دینا۔
- بلگم پور  
حصن مظفر  
کھینی سیکرٹری  
لاہور 4 اکتوبر 2022

## ضروری گذارشات

### 1۔ حصص منتقلی کتاب کی پیش

کھینی کے حصص منتقلی کی کتابیں 19 اکتوبر 2022 تا 25 اکتوبر 2022 تک بند رہیں گی (شمول دو دن دن)۔ اس سلسلے میں جو منتقلی ہمارے شیئر رجسٹر کے دفتر میسرز کارپ لنک پرائیویٹ لمیٹڈ ڈنگ آر کیڈ 1 - K کمرشل، ماڈل ٹاؤن لاہور P A B X No. (92-42)35916714 اور ای میل [shares@corplink.com.pk](mailto:shares@corplink.com.pk) پر 18 اکتوبر 2022 کے کاروباری دن کے اختتام تک وصول ہو جائے گی، اور مقبول الیہ کو سالانہ اجلاس عام (اسے جی ایم) میں شرکت، منقسمہ منافع اور ووٹ کے استحقاق کیلئے بروقت تصور کی جائے گی۔

### 2۔ حاضری بذریعہ نائب (Proxy)

ایسا ممبر جو سالانہ اجلاس عام میں شرکت اور رائے دہی کا اہل ہوگا وہ کسی دوسرے شخص کو تحریری طور پر اپنا نمائندہ مقرر کر کے اجلاس عام میں شرکت، خطاب اور رائے دہی کا اختیار دے سکتا ہے۔ ہر کسی فارم نوٹس ہڈا کے ساتھ لف ہے۔ ہر کسی فارم پر تقرری کرنے والے شخص یا اس کے تحریری طور پر مجاز ممبر کے دخل خط ہوں گے۔ اگر تقرری کرنے والا ایک کارپوریٹ ادارہ ہے تو ہر کسی فارم پر مجاز ممبر یا مجاز ممبر کے دخل خط اور کھینی کی مہر ہونی۔

کھینی کا ممبر ہونے کے ناطے کارپوریٹ ادارہ بورڈ کی قرارداد کے ذریعے مقرر کردہ کسی فرد کو اجلاس میں شرکت کے اپنا نمائندہ مقرر کر سکتا ہے۔ اس طرح سے مقرر ہونے والا فرد اس ادارے

	جوائنٹ شیئرز ہولڈرز		پرنسپل شیئرز ہولڈرز			
اکاؤنٹ نام	فولیو ای ڈی سی	شیئرز کی تعداد	نام اور شناختی کارڈ نمبر	شیئرز ہولڈنگ تاسب	نام اور شناختی کارڈ	شیئرز ہولڈنگ کا تاسب
اکاؤنٹ نمبر	(شیئرز کی تعداد)	نمبر	(شیئرز کی تعداد)			

کردہ نقد رقم میں قابل ادا ہوگی کوئی بھی ڈیویڈنڈ فقط حقدار شیئرز ہولڈرز کے نامزد کردہ بینک اکاؤنٹ میں براہ راست الیکٹرانک طور پر ادا کیا جائے گا۔

i- اس کے مطابق، جن شیئرز ہولڈرز نے ابھی تک اپنا انٹرنیشنل بینک اکاؤنٹ نمبر (IBAN) رپورٹ آپ ڈیٹ نہیں کیا ہے، ان سے درخواست کی جاتی ہے کہ وہ تازہ ترین بنیادوں پر معلومات فراہم کریں۔ 24 ہندسوں کا IBAN جمع نہ کرنے کی صورت میں، کمپنی کمپنیز (ڈسٹری بیوشن آف ڈیویڈنڈز) ریگولیشنز، 2017 کے تحت ڈیویڈنڈ کی ادائیگی روک دے گی۔

ii- CDC ریکارڈ کے مطابق، کچھ شیئرز ہولڈرز کے اکاؤنٹس IFA کے تحت کرپ کے گئے ہیں، یعنی CDC اکاؤنٹ کسی بھی وجہ سے غیر فعال ہے۔ شیئرز ہولڈرز سے درخواست کی جاتی ہے کہ وہ ای ڈی سی کے ہاں اکاؤنٹس کو ریگولرائز کریں اور ہمیں الیکٹرانک موڈ کے ذریعے بروقت منافع کی ادائیگی کے قابل بنائیں۔

**7- 16، 18، 20، 2020 کے سرکل نمبر 05، 15، 19، 2021 کے سرکل نمبر 04 کے مطابق شیئرز ہولڈرز مندرجہ ذیل میں سے کسی پر بھی کمپنی سے ادائیگی کر سکتے ہیں۔**

کمپنی ای سیل corporate@panthertyres.com  
 واٹس ایپ نمبر 0301-7539619  
 رجسٹرڈ ایمیل shares@corplink.com.pk  
 واٹس ایپ نمبر 0300-9417476

ای ڈی سی اکاؤنٹ رکھنے والے کارپوریٹ شیئرز ہولڈرز کیلئے ضروری ہے کہ وہ اپنے شرکاء کے ساتھ اپنے پیشگی نمبرز اپ ڈیٹ کریں۔ این ٹی این یا این ٹی این سرٹیفکیٹ بھیجئے وقت شیئرز ہولڈرز کو کمپنی کا نام اور اپنے متعلقہ فولیو نمبروں کا حوالہ دینا ہوگا۔

منافع محترمہ انکم سے دو ہولڈنگ ٹیکس میں استثنیٰ کی اجازت فقط اس صورت میں ہوگی اگر کارآمد ٹیکس ایکزیسیشن سرٹیفکیٹ ہمارے شیئرز رجسٹر اور کارپورٹ ایکس پرائیویٹ لیٹڈ، ونگز آر کیڈ، K-1 کراشل، ماڈل ٹاؤن، لاہور کو فراہم کیا گیا ہے۔

انکان سے درخواست ہے کہ اگر وہ نقد منافع محترمہ پر ذکوۃ کی کوئی نہ کرنے کے بارے استثنیٰ کا دعویٰ کرنا چاہتے ہیں تو، ذکوۃ ایڈمزسٹریٹرز آرڈیننس 1980 کے مطابق اپنے نوٹرائزڈ ڈیکلیریشن (CZ-50) جمع کرائیں۔

### 5- مالیاتی گوشواروں کی دستیابی

کمپنی ایکٹ 2017 کی سشن (6) 223 کے مطابق کمپنی کے 30 جون 2022 کو ختم ہونے والے سال کے آڈٹ شدہ مالیاتی گوشوارے مع جیٹر میں کی جائزہ رپورٹ، ڈائریکٹرز اور آڈیٹرز رپورٹس، کمپنی کے اسٹیک ہولڈرز کو بذریعہ پوسٹ یا الیکٹرونک طریقے سے بھیجی جائیگی ہیں، کمپنی کی ویب سائٹ www.panthertyres.com پر دستیاب ہے۔ مذکورہ بالا گوشوارے رپورٹس کمپنی کی ویب سائٹ پر دستیاب کر دیے گئے ہیں۔

### 6- حصص داران سے درکار معلومات

ممبران سے درخواست کی جاتی ہے کہ وہ مندرجہ ذیل معلومات اور دستاویزات معاہدے متعلقہ سی ڈی ایس پارٹیشنس رپورٹ آپ ڈیٹ کریں، اگر پہلے رپورٹ آپ ڈیٹ نہیں کیا گیا:

- a- اپنے پتے میں تبدیلی
- b- کمپنیز ایکٹ 2017 کے سیشن 242 کے تقاضے کے مطابق، اسٹیک ہولڈر کمپنی کی طرف سے اعلان



## پراکسی فارم

ہیتھرسٹارز لمیٹڈ

39 واں سالانہ اجلاس عام

کمپنی سیکریٹری

ہیتھرسٹارز لمیٹڈ

97-B عزیز اوی نیو، جنیل روڈ لاہور

پچاس روپے کی نکلٹ چسپاں کریں۔

میں / ہم

ساکن / رجسٹرڈ آفس

ساکن

بلور ممبر ہیتھرسٹارز لمیٹڈ جناب / شناختی کارڈ نمبر

کو اپنی جگہ مورخہ 25 اکتوبر 2022 بوقت 12:30 بجے دوپہر یا کسی دیگر تاریخ پر ملتوی ہونے والے کمپنی کے سالانہ اجلاس میں شرکت، خطاب اور رائے دی کیلئے اپنا نمائندہ مقرر کرتا ہوں / کرتے ہیں۔

ممبر کے دستخط / مہر

دستخط کیلئے مورخہ

مقررہ کرنے والے کی تفصیل

قومی شناختی کارڈ نمبر / کمپنی رجسٹریشن نمبر

سی ڈی سی پارٹنیشن آئی ڈی نمبر (مکمل)

سی ڈی سی اکاؤنٹ / ذیلی اکاؤنٹ نمبر (مکمل)

ضروری ہدایات:

- 1۔ پراکسی فارم پر تقرر کنندہ یا باہرئی کی طرف سے دستخط کیے جائیں جو باقاعدہ طور پر مجاز ہو، یا اگر تقرر کنندہ ایک کمپنی ہے، اس پر کسی ایسے افسر یا باہرئی کا دستخط ہونا ضروری ہے جو بااختیار ہو۔
- 2۔ ایک کمپنی اپنے بورڈ کی قرارداد کے ذریعے کسی فرد کو اجازت دے سکتی ہے کہ وہ اجلاس میں اس کے نمائندہ کے طور پر کام کرے۔
- 3۔ پراکسیز کو AGM کے انعقاد کے وقت سے اڑتالیس گھنٹے پہلے کمپنی کے پاس درج کرایا جانا چاہئے۔
- 4۔ تمام اراکین، پراکسی کے ذریعے، اجلاس میں شرکت کے وقت اصل CNIC / پاسپورٹ دکھا کر اپنی شناخت کی تصدیق کریں گے۔  
\* اس صورت میں جب تقرر کنندہ کمپنی ہے۔



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