



# ANNUAL REPORT 2019



Sazgar Engineering Works Limited

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

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## Vision

Dynamic, Quality Conscious and Ever Progressive

## Mission

- To be market leader in providing safe, economical, durable, comfortable and environment friendly means of transportation of international quality at competitive prices
- To achieve market leadership in automotive wheel-rims of all types and sizes
- Grow through innovation of new products and
- Give higher return to the stakeholders.

## Corporate Strategy

Achieve optimal performance in production and sale; continuously add value added products at competitive prices by maintaining "quality" as core element; focus on customers' satisfaction regarding sale, spares and service; explore new markets and enhance customers base; ensure right usage of company's resources; create employment opportunities; protect the interest of stakeholders; and be a part of the country's development.

## COMPANY INFORMATION

### BOARD OF DIRECTORS

Mrs. Saira Asad Hameed  
Chairperson/Non-Executive Director

Mr. Mian Asad Hameed  
Chief Executive

Mr. Saeed Iqbal Khan  
Executive Director

Mr. Mian Muhammad Ali Hameed  
Executive Director

Mr. Mian Zafar Hameed  
Non-Executive Director

Mrs. Sana Suleyman  
Non-Executive Director

Mr. Humza Amjad Wazir  
Non-Executive Director

Mr. Ahsan Ejaz  
Independent Director

Mr. Anwar Ali  
Independent Director

### COMPANY SECRETARY

Mr. Arshad Mahmood - FCA

### CHIEF FINANCIAL OFFICER

Mr. Muhamad Atif Rao

### REGISTERED OFFICE

88 - Ali Town, Thokar Niaz Baig,  
Raiwind Road, Lahore.  
[www.sazgarautos.com](http://www.sazgarautos.com)

### SHARE REGISTRAR

Corp Tec Associates (Pvt.) Limited  
503-E, Johar Town, Lahore.  
Ph# 042-35170336-37  
Fax# 042-35170338

### FACTORY

18-KM Raiwind Road, Lahore.

### AUDIT COMMITTEE

Mr. Ahsan Ejaz  
Chairman

Mr. Anwar Ali  
Member

Mrs. Sana Suleyman  
Member

Mr. Arshad Mahmood  
Secretary

### HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Anwar Ali  
Chairman

Mr. Saeed Iqbal Khan  
Member

Mr. Humza Amjad Wazir  
Member

Mr. Arshad Mahmood  
Secretary

### AUDITORS

H.Y.K & Co.  
Chartered Accountants

### BANKERS

Allied Bank Limited  
National Bank of Pakistan  
Bank Alfalah Limited  
Habib Bank Limited  
Summit Bank Limited  
NIB Bank Limited  
Meezan Bank Limited  
United Bank Limited  
Bank Al - Habib Limited  
MCB Islamic Bank Limited



## CHAIRPERSON'S REVIEW REPORT

This review report has been prepared in compliance with Section 192(4) of the Companies Act, 2017 on the overall performance of the Board of Directors (the Board) of **Sazgar Engineering Works Limited** (the Company) and effectiveness of the role played by the Board in achieving the Company's objectives.

The Board performance has been evaluated in accordance with the mechanism set by the Board for this purpose and overall results are satisfactory. The financial performance of the Company has been suppressed by the negative impact of the uncertain economic conditions, however, the Company has been successful in achieving the sales revenue above Rs. 3.00 Billion. The Company is also committed to continue setting up of project for the manufacturing/ assembly of four wheeler vehicles.

The Board has been constituted with a balance of executive, non-executive and independent directors with requisite skills, competencies, knowledge, experience and gender diversity with reference to the Company's operations.

The Board exercised all its powers in deciding the significant matters; Four (4) Board meetings were held during the year in timely manner and sufficient time was spent by the Board to decide the matters. The directors actively participated in the process of decision making and provided their valuable contribution. Board committees have functioned in accordance with their terms of reference diligently.

The Board ensures that the vision, mission and overall corporate strategy of the Company has been prepared and adopted and adequate resources are arranged to achieve the desired business targets.

The Board continuously monitors the performance of management as well as appropriateness of the financial accounting and reporting frame work of the Company. The Board ensures that periodical and annual financial

statements are prepared, reviewed and audited by the external auditors in timely manner.

The Board ensures that the company is in compliance of its statutory obligations and good corporate governance practices, system of risk identification, risk management and related internal controls is sound in design and is implemented effectively with continuous monitoring. The Company is committed in discharging its Corporate Social Responsibility. Research and development work is continuously carried on for the innovation of new products and or to make the production and existing products more efficient to maintain or expand its market share.

I would like to place on record my appreciation for the untiring efforts, teamwork and dedication shown by the Company's employees during the year under review.

I would also like to express my gratitude to the valued shareholders, customers, suppliers and financial institutions for their continued support to the Company.

**Lahore**

**September 24, 2019**

**Mrs. Saira Asad Hameed**  
(Chairperson)

## DIRECTORS' REPORT

The directors of your company are pleased to present the 28<sup>th</sup> Annual Report along with the audited financial statements of the Company for the year ended 30<sup>th</sup> June 2019:

### BUSINESS OVERVIEW:

The Company is principally engaged in the manufacturing and sale of Auto Rickshaws, Tractor Wheel Rims and home appliances during the financial year 2018-19.

Presently, the auto sector is facing lot of challenges. The input costs have increased due to constant devaluation of Pak Rupee, rising rate of borrowing & inflation. The Company had no option except to increase the prices of its products to compensate the incremental cost of production and sale.

The change in taxation laws has further slowed down the business transactions resulting in contraction of size of economy.

Despite the constant efforts of Government for restoring the confidence of business community, the economic conditions are passing through a difficult time.

The aforementioned factors have adversely affected the sales revenue and profitability of the Company without any exception. Sales revenue has dropped by 18.89% whereas profitability has declined by 56.08% compared with corresponding period of last year.

### FINANCIAL RESULTS:

	2019 (Rupees)	2018 (Rupees)
Profit before taxation	111,844,513	254,678,642
Provision for taxation	29,847,355	68,673,624
Profit after taxation	81,997,158	186,005,018
Other comprehensive income/(loss) for the year	5,345,702	(2,428,937)
Un appropriated Profit brought forward	741,695,967	558,119,886
Profit available for appropriation	829,038,827	741,695,967
Appropriations	-	-
Un appropriated profit carried forward	829,038,827	741,695,967

### Sales Revenue:

The overall net sales revenue of the Company has decreased by 18.89% from Rupees 3,968.22 million to Rupees 3,218.52 million during the period under review.

**Segment wise:** The net sale of Auto Rickshaws has decreased from Rupees 3,335.89 million to Rupees 2,697.04 million reflecting a decline of 19.15%. The net sale of automotive parts has declined by 19.01 % from Rupees 617.63 million to Rupees 500.20 million. The net sales of home appliances has decreased from Rupees 14.68 million to Rupees 9.38 million compared with the corresponding period of last year.

The sale of auto rickshaw also includes an export sale of Rupees 11.05 million showing a decrease of 78.98% as compared to the last financial year export of Rupees 52.58 million. During the year, Company exported Auto Rickshaws to Afghanistan, Angola, Cambodia and Japan.

During the year, the company sold 15,845 units of Auto Rickshaws as compared to 21,978 units sold in the last financial year. The uncertain economic and political conditions adversely affected the overall business activities throughout the country. The curtailment in purchasing power of the people forced them to limit themselves within the basic necessities of their lives. The customers of auto rickshaws belong to lower income group of the Society, therefore, they have been badly affected by the negative impact of the prevailing economic conditions.

During the period, the tractor industry could not continue its growing momentum as of last year. The closure of MTL for more than a month on account of maintenance further adversely affected the demand of tractor wheel rims. During the year, production of tractors has dropped by 30.59% as compared to previous year.

Due to lower production, the tractor industry placed reduced orders on the company which negatively affected its sales volumes.

The sale of home appliances has decreased due to their lower demand in the market.

### Gross Profit:

Company's gross profit has decreased from Rupees 444.91 million to Rupees 330.72 million showing a



decline of Rupees 114.19 million compared with the corresponding period of last year. The gross profit ratio has also declined from 11.21% to 10.28%.

#### **Finance Cost:**

Finance cost has increased from Rs. 4.90 million to Rs. 24.29 million showing an increase of Rs. 19.40 million. The increase is mainly on account of financial charges on long term loans obtained for four wheeler project and higher utilization of short term borrowing during the year.

#### **Profit Before Taxation:**

Company's profit before taxation has decreased from Rupees 254.68 million to Rupees 111.84 million showing a decline of Rupees 142.83 million compared with the corresponding period of last year.

#### **Earnings Per Share:**

The Earnings per share of the Company has decreased from Rs. 8.62 to Rs. 3.80 as compared to corresponding period of last year showing a reduction in profits available for distribution to shareholders.

#### **Production:**

During the year, the company produced 15,887 units of Auto Rickshaws reflecting a decline of 26.86% compared with 21,722 units produced during the corresponding period of last year. The plant capacity utilization during the year was 79.44%.

Whereas the production of tractor wheel rim was 73,395 compared with 106,593 during the same corresponding period of last year showing a decrease of 31.14%.

#### **RISKS AND UNCERTAINTIES:**

##### **Risks:**

The company is exposed to a large number of internal and external risks. Risk is the chance of happening of an event that can prevent the company from achieving its objectives.

All Risks cannot be eliminated, these can be managed, mitigated and transferred to third party.

The board of directors has overall responsibility to establish and oversee the Company's Risk Management framework.

The board has established Risk Management Policies for the governance of risks and determination of company's level of risk tolerance. The board reviews annually to ensure that the management has maintained a sound system of risk identification, risk management and related internal controls to safeguard the assets, resources, reputation and interest of the company and shareholders. The system is subject to continuous monitoring for its further improvement.

The following are some of principal risks being faced by the company:

##### **Law and Order Position:**

The Company is carrying a major market share of auto rickshaw sale in Karachi, therefore, significance of law and order position in the city is sensitive for the company. Any deterioration in law and order position, if any, in Karachi may adversely affect the sale of auto rickshaws. However, the Company is hopeful that the law enforcing agencies will continue their efforts to bring peace in the country and particularly in Karachi. Further, the Company is increasing and strengthening its sales network in other cities that would help to mitigate any adverse effect of the situation.

##### **Availability and Prices of Raw Material:**

Due to closure of Pakistan Steel Mill, the production of tractor wheel rims and sheet metal components of auto rickshaw is dependent on the availability of imported steel in the International market, therefore, any hurdle in its availability and volatility of its prices may adversely affect the production, input cost and supply of tractor wheel rims and sheet metal components of auto rickshaw.

Further any failure or hurdle in supply of critical parts of auto rickshaws, which are procured from single source, may disturb the production of auto rickshaws. To avoid such kind of situation, company carries higher level of stocks of those parts and continuously monitor the supply chain and keeps close contact with the supplier to solve any issue at an early stage.

##### **Currency Devaluation:**

Material devaluation of Pak Rupee, if any, may deteriorate the profitability of the Company. The company has a planning of availing the hedging and forward cover booking of foreign currency facility upon its availability (if it is feasible).



## **Economic & Political conditions:**

Overall stable economic and political conditions in the country have a significant influence on the company's success. Any instability may have adverse effects on the company's revenue and profitability.

## **General Market Conditions:**

The product range of the company in auto rickshaw category is very successful and contributes to it in advantageous position compared with the competitors. Any aggressive pricing policy, introduction of new products and aggressive change in after sales policy by competitors may result in lower revenue, lower profitability or lower market share of the company.

The company carries out continuous monitoring of competitors in order to recognize these risks at an early stage. Depending on the situation, product-specific and possible regionally different measures are taken to support the weaker markets.

## **Regulatory and Taxation Policy:**

The automotive industry is subject to various governmental regulations. Any adverse and sudden change in the Governments' taxation and regulatory policy may have considerable impact on the company's future business.

## **Sudden break down of Plant & Equipment:**

Any sudden break down of manufacturing plant and equipments may lead to stoppage of production and can create a risk in achieving the desired business targets. In order to secure and enhance the long term future viability of production facilities, the equipments are continually maintained and modernized.

The natural disasters are out of control of the company. However, the company takes appropriate precautionary measures, as far as possible, and also arrange insurance policies.

## **Financial Risks:**

These risks have been stated in note 40 to the audited financial statements.

## **Warranty cases:**

Warranty cases could arise if the quality of the products does not meet the requirements and regulations are not complied with or support is not provided in the

required form in connection with product problems and product care. Possible claims with such risks are examined and if necessary appropriate measures are taken for the affected products. The company works continuously to maintain the product quality at required level to supply the best possible products to the customers.

## **Uncertainties:**

- Volatility in prices of raw materials.
- New government's taxation and regulatory policies.
- Pak Rupee parity against foreign currencies.
- Law and order situation in the country.
- Supply of electricity to the industry.
- Political and economic stability.
- Inflation Rate.
- Borrowing profit rate.

## **MATERIAL CHANGES:**

No material changes or commitments affecting the financial position of the company have taken place between the end of the financial year and the date of the Report except as disclosed in the Directors' Report and financial statements.

## **CASH DIVIDEND:**

The Board of Directors, at their meeting held on September 24, 2019 has not recommended a cash dividend keeping in view the requirement of funds for the setting up of new project for the manufacturing/assembly of four wheeler vehicles.

## **FUTURE OUTLOOK:**

Pressure on Pak Rupee, rising inflationary trend and constant increase in borrowing cost are big challenges for the businesses, which they have to face in the coming year. The reduced purchasing power of the people has limited them to their basic necessities of lives.

Although the Government is taking remedial measures but is unable to restore the confidence of businesses as well as general public. Therefore, more corrective measures are required to be taken to boost the economic activities in the country.

Your company is closely monitoring the situation and also in touch with all stakeholders to pass through this difficult time in a successful manner.



## Three Wheeler Vehicles:

Three wheeler vehicle has become a basic requirement of people to fulfil their transportation needs at affordable price. The growing population is increasing demand of three wheelers day by day. Further three wheeler is also playing a key role in employment generation. Every three wheeler is a "Karobar" for a family. It is hoped that adverse effect of current economic conditions will soon start to minimize and will help to boost the business transactions.

The Company will continue its policy of Research and Development to innovate new products as well as to improve the quality of existing products to remain ahead of the competition.

Looking ahead your Company expects a substantial revenue and profitability from this segment of business, **INSHA ALLAH.**

## Automotive Parts:

The fiscal budget 2019-20 does not have any adverse effect on Tractor industry, therefore, this sector is achieving its stability. It is expected that the company will receive substantial orders of tractor wheel rims which will positively affect on the Company's revenue and profitability in the following financial year.

## Exports:

Your Company is receiving lot of inquiries of three wheelers from various countries. The company is committed to increase exports as it is need of the hour and can help in earning foreign exchange for the country.

## BUSINESS EXPANSION:

### Passenger and Off-Road Vehicles:

The Company is in the process of setting up of a new project for the manufacturing /assembly of passenger cars and off-road vehicles in a technical collaboration with a renowned Chinese Automobile manufacturer under the brand name "BAIC".

Initially the cost of project was estimated at Rs. 1,760 million excluding the value of land which is already owned by the Company. However, due to impact of constant devaluation of Pak Rupee, the company estimates the revised project cost at Rs. 2,100 (excluding value of land) million at exchange rate of Rs. 160.00/USD. Any upward or downward fluctuation in

exchange rate may affect the project cost accordingly.

## Completion progress:

The Building and Civil work is near to completion. LCs' have been established for the import of plant & machinery. Some partial shipments have arrived and their erection and installation have been started. Hiring of human resource for technical and marketing department has also been initiated. The dealers' network has also been identified and is in the process of finalization.

However, due to unavoidable circumstances, the estimated date of completion of project has been revised from December 31, 2019 to June 30, 2020.

The principle risks associated with this project are given below:

- Any adverse change in regulatory policies specifically auto development policy 2016-21.
- Product acceptability by the customers.
- Devaluation of Pak Rupee.
- Large number of competitors.
- Higher inflation and borrowing profit rate.
- Availability of energy and its rising cost.

## CORPORATE SOCIAL RESPONSIBILITY:

Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large. During the year, the company carried out the following activities under CSR:

### Health:

Company made contribution of Rs. 300,000/- to various hospitals that provide free of cost medical facilities to the poor or deserving people of the society.

### Education:

Company donated a sum of Rs. 200,000/- to the institutions which are not only looking after the poor children but are also providing them education free of cost.

### Financial Assistance:

Company spent Rs. 402,600/- on the welfare of deceased's workers families to meet their household and children's education expenses.

#### **Hajj Sponsorship:**

This year Company sent three employees on Hajj which provided them great spiritual satisfaction. The Company spent Rs. 1,369,278/- during the year.

#### **Employment of Disabled persons:**

Company creates employment opportunities for disabled persons to make them respectable and self sufficient in the society. Presently company has employed 27 disabled persons.

#### **Clean Drinking Water:**

Clean water is important for the health of workers. Company provides its workers clean filtered drinking water to keep them healthy and safe from different diseases.

#### **Workforce Training:**

Workforce development is very significant for the progress of industrial sector. The Company is committed for human resource development for the automotive sector. The new appointees are trained before they are sent to production line. Measures are also taken to improve their skills and performance.

#### **Safety:**

The Company takes different safety measures to safe guard its man - force and working environment. Company provides safety goggles, Gloves, safety shoes, welding shields, etc, to its workers. Work places are cleaned properly to avoid slips and fall. Hazardous materials are stored in designated area. The Company also takes measures to avoid the occurrence of accidents. First aid facility, fire extinguishers, dedicated Company owned Ambulance Service has been made available for the emergency situation.

#### **Environment Protection:**

Wastages and scraps are properly managed and disposed off. Company's production scrap is also used as input material for making new components and in this way does not pollute the environment.

#### **Contribution To National Exchequer:**

Being a responsible citizen, your company has made a contribution of Rs. 739.55 Million to National Exchequer during the year in form of income tax, sales

tax, custom duties and excise as compared to 914.09 million of last financial year. The decline is due to decrease in production and sales volumes.

#### **DIRECTORS' REMUNERATION POLICY:**

The Policy has been designed to enable the Company to attract, motivate and retain the executive and non-executive directors and to govern the Company successfully and to encourage the value addition.

#### **Remuneration of Executive Directors including Chief Executive:**

The level of remuneration be appropriate and commensurate with the role and level of responsibilities, qualification, experience, expertise, industrial practices and trends in the market to attract and retain the Executive Directors including Chief Executive who are needed to govern the Company successfully and to encourage the value addition without compromising their independence.

The Executive Directors and the Chief Executive of the Company are not entitled for the meeting attending fee.

#### **Remuneration of Non-Executive Directors including Independent Directors:**

No Remuneration is paid to non-executive directors except the meeting attending fee.

The Board determines the amount of meeting attending fee to encourage the non-executive directors for spending their valuable time for the preparation of and their active participation in the meeting of the Board of Directors or Committees.

#### **COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE:**

The board is committed to the principles of good corporate governance. The board is pleased to confirm that the Company is in compliance with Corporate and Financial Reporting Framework of the Code of Corporate Governance as are applicable for the current year and states that:

- **Presentation of Financial Statements** The financial statements, prepared by the management of the company, present its state of affairs fairly, the results of its operations, cash flows and changes in equity;

- **Books of Account** Proper books of account of the company have been maintained;
- **Accounting Policies** Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgement;
- **Compliance with International Financial Reporting Standards (IFRS)** International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and departure there from (if any) has been adequately disclosed and explained;
- **Internal Control System** The system of internal control is sound in design and has been effectively implemented and is being monitored continuously. The review will continue in future for the improvement in controls;
- **Going Concern** There are no significant doubts upon the Company's ability to continue as a going concern;
- **Best Practices of Corporate Governance** There has been no material departure from the best practices of corporate governance, as are applicable to the Company for the year ended June 30, 2019.
- **Financial Data of Last Years** Key operating and financial data of last six years is annexed as per annexure "A"

**Outstanding Statutory Dues** The outstanding statutory dues are given in notes to the financial statements.

**Significant Plans and Decisions:** To explore new business opportunities in automobile sector.

**Code of Business Conduct:** The Company has prepared a "Code of Business Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures. It has also been placed on the company's web site.

#### Composition of Board:

The total number of directors are (9) nine as per the following:

- Male : (7) seven
- Female : (2) two

The composition of board is as follows:

- Executive directors including Chief Executive:**  
Mr. Mian Asad Hameed  
Mr. Saeed Iqbal Khan  
Mr. Mian Muhammad Ali Hameed
- Non-Executive Directors:**  
Mrs. Saira Asad Hameed  
Mrs. Sana Suleyman  
Mr. Mian Zafar Hameed  
Mr. Humza Amjad Wazir
- Independent Directors:**  
Mr. Ahsan Ejaz  
Mr. Anwar Ali

#### Committees of the Board:

The Board Committees and their members have been stated on page number 02 of the Annual Financial Statements.

**Attendance in Board and Committees' Meetings:** The number of board and committees' meetings held during the year and attendance by each director is given below:

	Board	Audit Committee	HR&R Committee
Total Meetings Held	4	5	1
Meetings Attended by the Directors:			
Mr. Mian Asad Hameed	4	N/A	N/A
Mr. Mian Zafar Hameed	4	N/A	N/A
Mr. Saeed Iqbal Khan	4	N/A	0
Mr. Mian Muhammad Ali Hameed	4	N/A	N/A
Mrs. Saira Asad Hameed	4	N/A	N/A
Mr. Ahsan Ejaz	4	5	N/A
Mrs. Sana Suleyman	3	4	N/A
Mr. Anwar Ali	4	5	1
Mr. Humza Amjad Wazir	4	N/A	1

- Leave of absence was granted to the Directors who could not attend the Board Meeting.

**Directors' Training Programs during the year:** The Company is in compliance of certification of Directors Training Programme. Out of nine, five directors have acquired the Directors' Training Programme (DTP) from SECP approved Institutions whereas three directors fall under the exemption criteria of Listed Companies (Code of Corporate Governance) Regulations 2017.

**Pattern of Shareholding:** The pattern of shareholding is annexed as per annexure "B" and "B/1".



**Trading in Company's Shares by** Directors, executives and their spouses and minor children during the year: Purchase, sale of Shares and change in beneficial ownership:

Directors:	Purchase	Sale
Mr. Mian Zafar Hameed	-	1,000

## PERFORMANCE EVALUATION OF BOARD, COMMITTEES AND INDIVIDUAL DIRECTORS:

The board has put in place a mechanism for the performance evaluation of its own, its committees and individual directors.

During the year, HR&R Committee has undertaken the evaluation process. The results were placed before the board for its consideration and action for necessary improvement wherever it has been identified.

## AUDITORS:

The present auditors retire and being eligible offers themselves for reappointment. The Audit Committee and the Board of Directors also recommended for their reappointment.

## EMPLOYEES RELATIONS:

The management and employees relationship is very cordial and it is hoped that both will work with the same spirit to achieve the desired goals of the Company.


## ACKNOWLEDGEMENT:

We would like to place on record our appreciation for the untiring efforts, teamwork and dedication shown by the Company's employees during the year under review.

We would also like to express our gratitude to our valued shareholders, customers, suppliers and financial institutions for their continued support to the Company.

**Lahore:**  
**September 24, 2019**

For and on behalf of the Board

  
**Mian Asad Hameed**  
(Chief Executive)

  
**Saeed Iqbal Khan**  
(Director)



## ڈائریکٹران کی رپورٹ

کمپنی کے ڈائریکٹران 30 جون 2019ء کو مکمل ہونے والے سال کیلئے آڈٹ شدہ مالی گوشواروں کے ہمراہ کمپنی کی اٹھائیسویں (28) سالانہ رپورٹ بخوشی پیش کرتے ہیں۔ کاروبار کا مجموعی جائزہ:

مالی سال 2018-19 کے دوران کمپنی بنیادی طور پر آئوٹرکش، ٹریکٹرویل ریمز اور ہوم اپلائنسز کی پیداوار اور فروخت میں مصروف عمل رہی ہے۔

موجودہ دور میں، آئوٹرکش کو بہت سارے چیلنجز کا سامنا ہے۔ پاک روپے کی قدر میں مسلسل کمی، سود اور مہنگائی کی بڑھتی ہوئی شرح کی وجہ سے پیداواری لاگت میں اضافہ ہوا ہے۔ کمپنی کے پاس اس کے سوا کوئی اور راستہ نہیں تھا کہ اپنی مصنوعات کی پیداوار اور فروخت کی اضافی لاگت کو پورا کرنے کے لئے اپنی مصنوعات کی قیمتیں بڑھائے۔

ٹیکس کے قوانین میں تبدیلی نے کاروباری لین دین کو مزید سست کر دیا ہے جس کے نتیجے میں معیشت کا حجم کم ہو گیا ہے۔

کاروباری برادری کے اعتماد کو بحال کرنے کے لئے حکومت کی مسلسل کوششوں کے باوجود معاشی حالات ایک مشکل وقت سے گزر رہے ہیں۔

مذکورہ بالا عوامل نے کسی رعایت کے بغیر کمپنی کی فروخت، آمدنی اور منافع کو بری طرح متاثر کیا ہے۔ آمدنی فروخت میں 18.89 فی صد کمی ہوئی جبکہ گزشتہ سال کے مقابلہ میں منافع میں 56.08 فی صد کمی ہوئی۔

### مالیاتی نتائج:

2018	2019	
(روپے)	(روپے)	
254,678,642	111,844,513	منافع قبل از ٹیکس
68,673,624	29,847,355	ٹیکس کا تخمینہ
186,005,018	81,997,158	منافع بعد از ٹیکس
(2,428,937)	5,345,702	کمپنی کی دوسری سالانہ آمدن (نقصان)
558,119,886	741,695,967	گزشتہ غیر مختص شدہ منافع (Brought Forward)
741,695,967	829,038,827	منافع جو مختص کرنے کے لئے دستیاب ہے
-	-	تخصیصات
741,695,967	829,038,827	برآوردہ غیر مختص شدہ منافع (Carried Forward)

### سیلز آمدنی:

اس سال کمپنی کی مجموعی سالانہ سیلز آمدنی 18.89 فی صد کمی کے ساتھ پچھلے مالیاتی سال کے مقابلہ میں 3,968.22 ملین روپے سے کم ہو کر اس سال 3,218.52 ملین روپے ہو گئی ہے

### حصہ دار سیلز آمدنی:

اس سال آئوٹرکش کی مجموعی سیلز پچھلے سال کے مقابلہ میں 3,335.89 ملین روپے سے کم ہو کر 2,697.04 ملین روپے ہو گئی ہے جو کہ 19.15 فی صد کمی کو ظاہر کرتی ہے۔ آئوٹومٹیو پارٹس کی مجموعی سیلز پچھلے سال کے مقابلہ میں 617.63 ملین روپے سے کم ہو کر 500.20 ملین روپے ہو گئی ہے جو کہ 19.01 فی صد کمی کو ظاہر کرتی ہے۔ ہوم اپلائنسز کی مجموعی سیلز پچھلے سال کے مقابلہ میں 14.68 ملین روپے سے کم ہو کر 9.38 ملین روپے ہو گئی ہے۔



آئو رکشہ کی فروخت میں 11.05 ملین روپے کی برآمدات شامل ہیں جو کہ پچھلے مالی سال کی برآمدات 52.58 ملین روپے سے 78.98 فیصد کمی کو ظاہر کرتی ہیں۔ اس سال کے دوران کمپنی نے افغانستان، انڈونیشیا اور جاپان کو رکشہ برآمد کئے۔

کمپنی نے پچھلے مالی سال جس نے 21,978 آئو رکشہ فروخت ہوئے تھے کے مقابلہ میں اس سال 15,845 آئو رکشہ فروخت کئے۔ غیر ملکی معاشی اور سیاسی حالات نے پورے ملک میں مجموعی طور پر کاروباری سرگرمیوں کو بری طرح متاثر کیا ہے۔ لوگوں کی قوت خرید میں کمی نے انہیں اپنی زندگی کی بنیادی ضرورتوں تک محدود رہنے پر مجبور کر دیا ہے۔ آئو رکشہ کے صارفین کا تعلق موسمیاتی کے کم آمدن والے گروپ سے ہے لہذا وہ موجودہ معاشی صورت حال کے منفی اثر سے بری طرح متاثر ہوئے ہیں۔

اس عرصہ کے دوران، ٹریکٹر انڈسٹری پچھلے سال کی طرح اپنی بڑھتی ہوئی رفتار کو جاری نہیں رکھ سکی۔ مرمتی کام کی مد میں ایک ماہ سے زائد عرصہ تک ایم ٹی ایل کی بندش نے مزید ویل رمز کی طلب کو بری طرح متاثر کیا۔ سال کے دوران پچھلے سال کے مقابلہ میں ٹریکٹروں کی پیداوار میں 30.59 فی صد کمی ہوئی ہے۔

پیداوار میں کمی کی وجہ سے ٹریکٹر انڈسٹری نے کمپنی کو کم آرڈر دیئے جس نے اس کی فروخت حجم کو بری طرح متاثر کیا۔

مارکیٹ طلب میں نمایاں کمی کی وجہ سے ہوم اپلائنسز کی فروخت میں کمی ہوئی ہے۔

#### مجموعی منافع:

کمپنی کا مجموعی منافع 114.19 ملین روپے کی کمی کے ساتھ پچھلے سال کے مقابلہ میں 444.91 ملین روپے سے کم ہو کر 330.72 ملین روپے ہو گیا ہے۔ مجموعی منافع کا تناسب بھی 11.21 فیصد سے کم ہو کر 10.28 فیصد ہو گیا ہے۔

#### قرضوں کی لاگت:

قرضوں کی لاگت 19.40 ملین روپے کے اضافے کے ساتھ 4.90 ملین روپے سے بڑھ کر 24.29 ملین روپے ہو گئی ہے۔ سال کے دوران یہ اضافہ بنیادی طور پر فوری پراجیکٹ کے لئے طویل مدتی قرضوں کے حصول کی مد میں اور مختصر مدت کے قرضوں کی سہولت کے زیادہ استعمال کی وجہ سے ہے۔

#### قبل از ٹیکس منافع:

کمپنی کا قبل از ٹیکس منافع 142.83 ملین روپے کی کمی کے ساتھ پچھلے سال کے مقابلہ میں 254.68 ملین روپے سے کم ہو کر 111.84 ملین روپے ہو گیا ہے۔

#### آمدنی فی حصص:

کمپنی کی فی حصص آمدنی پچھلے سال کے مقابلہ میں 8.62 روپے فی حصص سے کم ہو کر 3.80 روپے فی حصص ہو گئی ہے جو کہ حصص داران کے لئے دستیاب منافع میں نمایاں کمی کو ظاہر کرتی ہے۔

#### پیداوار:

سال کے دوران آئو رکشہ کی پیداوار کی تعداد 26.86 فی صد کمی کے ساتھ پچھلے سال کے مقابلہ میں 21,722 سے کم ہو کر اس سال 15,887 رہی۔ سال کے دوران 79.44 فی صد پلانٹ کی صلاحیت کو بروئے کار لایا گیا۔

جبکہ ٹریکٹر ویل رزم کی پیداوار اس سال 31.14 فی صد کمی کے ساتھ پچھلے سال 106,593 کے مقابلہ میں 73,395 رہی۔



خطرات اور غیر یقینی صورت حال:

خطرات:

کمپنی کو بڑی تعداد میں اندرونی اور بیرونی خطرات کا سامنا ہے۔ خطرہ ایک واقعہ کے رونما ہونے کا موقع ہے جو کمپنی کو اپنے مقاصد حاصل کرنے میں روک سکتا ہے۔ تمام خطرات ختم نہیں کئے جاسکتے، ان کا انتظام کیا جاسکتا ہے، کم کئے جاسکتے ہیں اور تیسری پارٹی کو منتقل کئے جاسکتے ہیں۔

یورڈ آف ڈائریکٹران کی مجموعی ذمہ داری ہے کہ کمپنی کے خطرات کے انتظامی ڈھانچہ کا قیام اور نگرانی کرے۔

خطرات کی گورننس اور کمپنی کی سطح پر خطرات کو برداشت کرنے کی حد کا تعین کرنے کے لئے بورڈ نے خطرات کی انتظامی پالیسیوں کا قیام کر دیا ہے۔ یورڈ سالانہ جائزہ لینے ہوئے یقین حاصل کرتا ہے کہ حصص داران اور کمپنی کے مفاد اور شہرت، وسائل، اثاثہ جات کو محفوظ کرنے کیلئے انتظامیہ نے خطرات کی نشاندہی، خطرات کا انتظام اور اس کے متعلق انٹرل کنٹرول کا مضبوط انتظام بنا رکھا ہے۔ نظام کو مزید بہتر بنانے کے لئے اس کی مسلسل نگرانی کی جارہی ہے۔

کمپنی کو درپیش چند بنیادی خطرات درج ذیل ہیں۔

امن و امان کی صورت حال:

کراچی میں آٹو رکشہ کی فروخت کا نمایاں مارکیٹ شیئر کمپنی کے پاس ہے اس لئے شہر میں امن و امان کی صورت حال کی اہمیت کمپنی کے لئے بہت حساس ہے۔ اگر کراچی میں امن و امان کی صورت حال میں کسی بھی قسم کی ابتری ہوتی ہے تو اس سے آٹو رکشہ کی فروخت پر برا اثر پڑ سکتا ہے تاہم کمپنی کو امید ہے کہ قانون نافذ کرنے والے ادارے بالعموم پورے ملک میں اور خاص طور پر کراچی میں امن لانے کی اپنی کوششیں جاری رکھیں گے۔ مزید یہ کہ کمپنی اپنی فروخت کا نیٹ ورک دوسرے شہروں میں بڑھا اور مضبوط کر رہی ہے جو کہ حالات پر کسی بھی قسم کے برے اثرات کو کم کرنے میں مددگار ہوگا۔

خام مال کی قیمت اور دستیابی:

پاکستان ٹیل میل بند ہونے کی وجہ سے ٹریکٹر ویل رمز اور آٹو رکشہ کے لوہے کے پرزہ جات کی پیداوار کا انحصار درآمدی لوہے کی بین الاقوامی مارکیٹ میں دستیابی پر ہے اس لئے اسکی دستیابی میں کسی بھی قسم کی رکاوٹ اور اس کی قیمتوں میں اتار چڑھاؤ آٹو رکشہ کے لوہے کے پرزہ جات اور ٹریکٹر ویل رمز کی پیداوار، ان کی لاگت اور فراہمی پر برا اثر کر سکتی ہے۔

مزید آٹو رکشہ کے اہم پرزہ جات جو واحد ذریعے سے خریدے جاتے ہیں کی فراہمی میں کوئی رکاوٹ یا ناکامی آٹو رکشہ کی پیداوار متاثر کر سکتی ہے۔ اس صورت حال سے بچنے کیلئے کمپنی ان پرزہ جات کا اونچی سطح کا شک جمع کر لیتی ہے اور فراہمی کے سلسلے کی مسلسل نگرانی کرتی ہے اور سپلائرز کے ساتھ قریبی رابطے میں رہتی ہے تاکہ ابتدائی مقام پر ہی مسئلے کو حل کیا جاسکے۔

روپے کی قدر میں کمی:

پاکستانی روپے کی قیمت میں اگر کوئی نمایاں کمی ہوتی ہے تو یہ کمپنی کے منافع کو کم کر سکتی ہے۔ کمپنی کا منصوبہ ہے کہ وہ غیر ملکی کرنسی کی ہجنگ (hedging) اور فارورڈ کوریجنگ (forward cover booking) کی دستیابی اگر سودمند ہو تو اس سے استفادہ کیا جائے۔

اقتصادی اور سیاسی حالات:

ملک میں مجموعی طور پر مستحکم اقتصادی اور سیاسی حالات کمپنی کی کامیابی پر اہم اثر رکھتے ہیں۔ کسی بھی قسم کا عدم استحکام کمپنی کی آمدن اور منافع پر برا اثر ڈال سکتا ہے۔

عام مارکیٹ کے حالات:

آٹو رکشہ کی کینٹیلری میں کمپنی کی پیداواری صلاحیت بہت کامیاب ہے اور ٹریڈوں کے مقابلہ میں اس کو فائدہ مند برتری حاصل ہے۔ حریفوں کی جانب سے قیمتوں میں کوئی بھی جارحانہ کمی، نئی مصنوعات کا تعارف اور بعد از فروخت پالیسی میں جارحانہ تبدیلی کمپنی کی کم آمدن، کم منافع اور مارکیٹ حصہ داری میں کمی کے نتیجہ کی صورت میں ہو سکتی ہے۔



کمیٹی حریفوں پر مسلسل نظر رکھے ہوئے ہے تاکہ ان خطرات کی ابتدائی مراحل پر پہچان ہو سکے۔ ممکنہ علاقائی، مخصوص پیداواری اشیاء کے حالات کے مد نظر کمزور منڈیوں کی سپورٹ کے لئے مختلف اقدامات کئے جاتے ہیں۔

ریگولیٹری اور ٹیکس پالیسی:

آٹوموٹو انڈسٹری پر بہت سے حکومتی قوانین نافذ العمل ہیں۔ ان قوانین یا ٹیکس پالیسی میں کوئی بھی منفی یا اچانک تبدیلی کمیٹی کے مستقبل کے کاروبار پر گہرے اثرات مرتب کر سکتی ہے۔

پلانٹ اور آلہ جات میں اچانک خرابی:

پلانٹ اور آلہ جات میں اچانک خرابی پیداوار میں رکاوٹ کا باعث بن سکتی ہے اور کاروبار کے مطلوبہ اہداف کو حاصل کرنے میں خطرہ پیدا کر سکتی ہے۔ اس صورت حال سے بچنے کے لئے اور مستقبل میں

پیداواری صلاحیت کو بڑھانے کے لئے پلانٹ اور آلہ جات کی مسلسل دیکھ بھال کی جاتی ہے اور ان میں جدت لائی جاتی ہے۔

قدرتی آفات کمیٹی کے اختیارات سے باہر ہیں۔ تاہم کمیٹی احتیاطی تدابیر اور ممکنہ اقدامات اختیار کرتی ہے اور انسورنس پالیسیوں کا اہتمام بھی کرتی ہے۔

مالیاتی خطرات:

یہ خطرات تصحیح شدہ مالیاتی گوشواروں کے نوٹ 40 میں بیان کر دیے گئے ہیں۔

دارنٹی مقدمات:

دارنٹی مقدمات نمودار ہو سکتے ہیں اگر اشیاء معیار پر پورا نہ اترتی ہوں اور قوانین کی پاسداری نہ کی جاتی ہو یا اشیاء کی دیکھ بھال اور اشیاء میں نقص کے مسائل کے لئے مطلوبہ سپورٹ فراہم نہ کی جاتی ہو۔ ایسے خطرات کے ساتھ ممکنہ دعوؤں کی جانچ پڑتال کی جاتی ہے اور اگر ضروری ہو تو متاثرہ اشیاء کے لئے مناسب اقدامات کیے جاتے ہیں۔ کمیٹی گا کہوں کو کمزور ترین اشیاء فراہم کرنے کے لئے اشیاء کی کوالٹی کو مطلوب سطح پر رکھنے کے لئے مسلسل کام کرتی ہے۔

غیر یقینی صورت حال:

خام مال کی قیمتوں میں اتار چڑھاؤ

نئی حکومت کی ٹیکس اور قوانینی پالیسیاں

غیر ملکی کرنسی کے مقابلہ میں پاکستانی روپے کی قدر

ملک میں قانون اور امن وامان کی صورت حال

انڈسٹری کو بھلی کی فراہمی

سیاسی اور اقتصادی استحکام

افراط زر کی شرح

قرضوں پر منافع کی شرح

نمایاں تبدیلیاں:

سوائے ان تبدیلیوں کے جو کہڈائریکٹران کی رپورٹ اور مالی گوشواروں میں ظاہر کر دی گئی ہیں کوئی نمایاں تبدیلی یا معاہدہ جو کہ کمیٹی کی مالی پوزیشن پر اثر انداز ہو سکے، مالی گوشواروں اور رپورٹ کی تاریخ کے دوران نہیں ہوا ہے۔

نقد منقسمہ منافع:

فورویئرڈنگ ڈیاں بنانے کے لئے سنے پروجیکٹ کے قیام کے لئے فنڈ کی ضروریات کو مد نظر رکھتے ہوئے بورڈ آف ڈائریکٹرز نے 24 ستمبر 2019 کو اپنے منعقدہ اجلاس میں نقد منافع منقسمہ کی -فارش نہیں کی ہے۔



### مستقبل پر نقطہ نظر:

پاکستانی روپے پر دباؤ، مہنگائی کے بڑھتے ہوئے رجحان اور قرضوں کی لاگت میں مستقل اضافہ کا رد بار کے لئے ایک بڑا چیلنج ہے جس کا سامنا آنے والے سال میں کرنا پڑے گا۔ لوگوں کی قوت خرید میں کمی ہونے سے انہیں اپنی بنیادی ضروریات زندگی تک محدود کر دیا ہے۔ اگرچہ حکومت اصلاحی اقدامات کر رہی ہے لیکن کاروباری لوگوں کے ساتھ ساتھ عام لوگوں کا اعتماد بحال کرنے میں ناکام رہی ہے۔ لہذا ملک میں معاشی سرگرمیوں کو فروغ دینے کے لئے مزید اصلاحی اقدامات کرنے کی ضرورت ہے۔ آپ کی کمپنی اس مشکل وقت کو کامیاب انداز میں گزارنے کے لئے صورت حال پر کڑی نگرانی کر رہی ہے اور تمام اسٹیک ہولڈرز کے ساتھ رابطے میں بھی ہے۔

### تھری ویلر گاڑیاں:

لوگوں کو مناسب قیمت پر اپنی نقل و حمل کی ضروریات کو پورا کرنے کے لئے تھری ویلر گاڑی بنیادی ضرورت بن گئی ہے۔ بڑھتی ہوئی آبادی تھری ویلر کی طلب میں دن بدن اضافہ کر رہی ہے مزید تھری ویلر روزگار پیدا کرنے میں بھی کلیدی کردار ادا کر رہی ہے۔ ہر تھری ویلر ایک خاندان کے لئے کاروبار ہے۔ امید ہے کہ موجودہ معاشی حالات کا ضمنی اثر جلد ہی کم ہونا شروع ہو جائے گا اور کاروباری لین دین کے فروغ میں مدد ملے گی۔ کمپنی مقابلہ میں آگے رہنے کے لئے نئی مصنوعات کی ایجاد کرنے اور اپنی موجودہ مصنوعات کی کوالٹی کو بہتر کرنے کے لئے اپنی تحقیق اور ترقی کے طریقہ کار کو جاری رکھے گی۔

مستقبل پر نظر رکھتے ہوئے آپ کی کمپنی کاروبار کے اس حصہ سے نمایاں فروخت اور منافع کی توقع اللہ کے فضل و کرم سے رکھتی ہے۔

### آٹوموبیل پارٹس:

مالی بجٹ 2019-20 کا فریکٹر انڈسٹری پر کوئی منفی اثر نہیں پڑا لہذا یہ شعبہ اپنے استحکام کو حاصل کر رہا ہے یہ توقع کی جاتی ہے کہ کمپنی کو فریکٹر ویل رمز کے کافی آرڈر موصول ہوں گے جو اگلے مالی سال میں کمپنی کی آمدن اور منافع پر مثبت اثر ڈالیں گے۔

### برآمدات:

آپ کی کمپنی کو مختلف ممالک سے تھری ویلرز کے متعلق اٹکوارڈریڈ مل رہی ہیں۔ کمپنی برآمدات بڑھانے کے لئے پرعزم ہے کیونکہ یہ اس وقت کی ضرورت ہے اور یہ ملک کے لئے زرمبادلہ کمانے میں معاون ثابت ہو سکتی ہے۔

### کاروبار میں توسیع:

#### مسافر اور آف-روڈ گاڑیاں:

کمپنی معروف چائینیز آٹوموبیل صنعت کار کے ساتھ تکنیکی تعاون سے "BAIC" برانڈ کے ساتھ مسافر کاروں اور آف-روڈ گاڑیاں تیار کرنے اہلانے کے لئے ایک نئے پروجیکٹ پر کام کر رہی ہے۔ ابتدائی اندازے کے مطابق اراضی کی قیمت کے علاوہ جو کہ کمپنی کی پہلے سے ملکیت ہے منصوبے کی اندازاً لاگت 1,760 ملین روپے تھی۔ تاہم پاکستانی روپے کی قدر میں مسلسل کمی کی وجہ سے کمپنی نے اس منصوبے کی لاگت 2,100 ملین روپے (ارضی کی قیمت کے علاوہ) 160.00 روپے فی امریکی ڈالر زرمبادلہ کی شرح سے دوبارہ تخمینہ لگایا ہے۔ شرح تبادلہ میں ادھر پائیچے کوئی بھی تبدیلی کا متعلقہ اثر منصوبہ کی لاگت پر پڑ سکتا ہے۔

### تکمیلی کارکردگی:

تعمیراتی اور رسول کام مکمل ہونے کے قریب ہے پلانٹ اور مشینری کی خریداری کے لئے لیٹراف کریڈٹ جاری ہو گئے ہیں کچھ جزوی شیمنس پہنچ چکی ہیں اور ان کی تنصیب کا کام شروع کر دیا گیا ہے مینیکل اور مارکیٹنگ ڈیپارٹمنٹ کے لئے لوگوں کی خدمات حاصل کرنے کا کام بھی شروع کر دیا گیا ہے ڈیلرز کے میٹ ورک کی نشاندہی بھی کی جا چکی ہے اور حتی تکمیل کے عمل میں ہے۔

تاہم، ناگزیر حالات کی وجہ سے، منصوبے کی تکمیل کی متوقع تاریخ کا جائزہ لے کر اسے 31 دسمبر 2019 سے بڑھا کر 30 جون 2020 کر دیا گیا ہے۔



اس منصوبے کے ساتھ منسلک بنیادی خطرات ذیل میں دیئے جاتے ہیں۔

قانونی پالیسیوں خاص طور پر آٹو ڈیولپمنٹ پالیسی 2016-21 میں کوئی بھی منفی تبدیلی

گاہک کی جانب سے مصنوعات کی قبولیت

پاکستان روپے کی قدر میں کمی

زیادہ تعداد میں خریدوں کا ہونا

افراط زر اور قرض پر منافع کی شرح میں اضافہ

توانائی کی دستیابی اور اس کی بڑھتی ہوئی لاگت

ادارے کی سماجی ذمہ داری:

کمپنی کی سماجی ذمہ داری ہے کہ وہ اپنے ملازمین، ان کے اہل خانہ، اپنے ارد گرد کے لوگوں اور اپنے معاشرے کے لوگوں کے رہنے کے معیار کو بلند کرنے کیلئے اقدامات جاری رکھے۔ اس سال کمپنی نے

سماجی ذمہ داری کے تحت مندرجہ ذیل خدمات سر انجام دیں:

صحت:

کمپنی نے -/300,000 روپے مختلف ہسپتالوں کو دیئے جو کہ معاشرے کے غریب یا مستحق لوگوں کو مفت طبی سہولیات فراہم کرتے ہیں۔

تعلیم:

کمپنی نے ان اداروں کو -/200,000 روپے دیئے جو کہ نہ صرف غریب بچوں کی دیکھ بھال کرتے ہیں بلکہ ان کو بلا معاوضہ تعلیم بھی فراہم کرتے ہیں۔

مالی معاونت:

کمپنی نے -/402,600 روپے اپنے مرحوم ملازمین کے اہل خانہ کی علاج و بہبود اور ان کے بچوں کی تعلیم کے لیے خرچ کئے۔

جج سپانسر شپ:

اس سال کمپنی نے 3 ملازمین جج پریسیج جس سے ان کو روحانی تسکین حاصل ہوئی۔ اس سال کمپنی نے -/1,369,278 روپے خرچ کئے۔

معذور افراد کے لیے روزگار:

کمپنی معذور افراد کے لیے روزگار کے مواقع پیدا کرتی ہے تاکہ وہ معاشرے کے باعزت اور خود مختار افراد بن سکیں۔ اس وقت کمپنی میں 27 معذور افراد کام کرتے ہیں۔

پینے کا صاف پانی:

پینے کا صاف پانی ملازمین کی صحت کے لیے اہم ہے۔ کمپنی اپنے ملازمین کو صاف اور فلٹر شدہ پینے کا پانی مہیا کرتی ہے تاکہ وہ صحت مند اور مختلف بیماریوں سے محفوظ رہیں۔

افراد کی قوت کی تربیت:

انڈسٹریل سیکٹر کی ترقی کے لئے افرادی قوت کی نشوونما بہت اہمیت رکھتی ہے۔ کمپنی آٹوموٹیو سیکٹر کے لئے انسانی وسائل کی ترقی کے لئے کام کرتی ہے۔ نئی تقرریوں کو پیداواری لائن پر بھیجنے سے پہلے تربیت دی

جاتی ہے افرادی قوت کی مہارت اور کارکردگی کو بہتر بنانے کے لئے اقدامات کئے جاتے ہیں۔

حفاظت:

کمپنی اپنی افرادی قوت اور کام کرنے کے ماحول کی حفاظت کے لئے مختلف اقدامات کرتی ہے کمپنی اپنے ملازمین کو حفاظتی جوتے، دستانے، حفاظتی جوتے، ویلڈنگ شیلڈ وغیرہ مہیا کرتی ہے۔ کام کرنے کی جگہ کو مناسب طریقے سے صاف کیا جاتا ہے تاکہ مچھلن اور گرنے سے بچا جاسکے خطراتی مواد کو ان کی مقررہ جگہوں پر رکھا جاتا ہے کمپنی حادثات کے نمودار ہونے سے بچاؤ کے لئے اقدامات کرتی ہے ایمر جنسی حالات سے نمٹنے کے لیے ابتدائی طبی امداد کی سہولت، آگ بجھانے کے آلات، وقف شدہ کمپنی کی ملکیتی ایمرجنسی سروس دستیاب ہوتی ہیں۔

ماحولیاتی حفاظت:

ضیاعیات اور کنزرویشن کو مناسب طریقے سے سنبھالا اور تصرف میں لایا جاتا ہے۔ کمپنی کی پیداوار کا کثرتن مواد کی صورت میں نئے پرزے بنانے میں بھی استعمال ہوتا ہے۔ جس کی وجہ سے ماحول آلودہ نہیں ہوتا۔



قومی خزانے میں شراکت:

ایک ذمہ دار شہری کی حیثیت سے آپ کی کمپنی نے اکم ٹیکس، سیکرٹیکس، کسٹم ڈیوٹی اور ایکسائز کی مد میں پچھلے سال 914.09 ملین روپے کے مقابلہ میں اس سال 739.55 ملین روپے جمع کرائے ہیں ٹیکسوں میں کمی پیداوار اور فروخت میں کمی کی وجہ سے ہے۔

ڈائریکٹران کے مشاہرہ کی پالیسی:

یہ پالیسی کمپنی کو اس قابل بنانے کے لئے ڈیزائن کی گئی ہے جس سے وہ ایگزیکٹو اور نان-ایگزیکٹو ڈائریکٹران کو متوجہ کرے، ان کی حوصلہ افزائی کرے اور ان کو اپنے پاس برقرار رکھے اور کمپنی کو کامیاب طریقے سے چلانے اور اس کی قدر میں اضافہ کی حوصلہ افزائی کرے۔

ایگزیکٹو ڈائریکٹران بشمول چیف ایگزیکٹو کا مشاہرہ:

مشاہرہ کا درجہ، ایگزیکٹو ڈائریکٹران بشمول چیف ایگزیکٹو جن کی کمپنی کو کامیاب طریقے سے چلانے کے لئے ضرورت ہے کے لئے، پرکشش اور برقرار رکھنے کا باعث ہو، مارکیٹ کے رقابت، صنعتی طریقہ کار، مہارت، تجربہ، تعلیم، ذمہ داریوں کے درجہ اور کردار کے مطابق اور مناسب ہو اور جو ان کی آزادی پر کھوٹے کئے بغیر ویلویو ایڈیشن کی حوصلہ افزائی کرے۔

کمپنی کے ایگزیکٹو ڈائریکٹران اور چیف ایگزیکٹو مینٹل اینڈنگ فیس کے لئے مستحق نہیں ہیں۔

نان-ایگزیکٹو ڈائریکٹران بشمول آزاد ڈائریکٹران کا مشاہرہ:

مینٹل اینڈنگ فیس کے علاوہ نان-ایگزیکٹو ڈائریکٹران کو کوئی مشاہرہ ادا نہیں کیا جاتا ہے۔

بورڈ آف ڈائریکٹران اور کمیٹیوں کے اجلاسوں میں نان-ایگزیکٹو ڈائریکٹران کی سرگرم نمائندگی اور ان کی تیاری کے لئے اپنا قیمتی وقت صرف کرنے پر ان کی حوصلہ افزائی کے لئے بورڈ مینٹل اینڈنگ فیس کی رقم کا تعین کرتا ہے۔

کوڈ آف کارپوریٹ گورننس کی تعمیل:

بورڈ اچھے کارپوریٹ گورننس کے اصولوں پر عمل پیرا ہے۔ بورڈ بخوشی تصدیق کرتا ہے کہ کمپنی موجودہ نافذ العمل کوڈ آف کارپوریٹ گورننس کے کارپوریٹ اور فنانشل رپورٹنگ فریم ورک کی تعمیل میں ہے اور بیان کرتا ہے کہ:

مالی گوشواروں کی عکاسی:

کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی گوشوارے، اس کے معاملات، اس کی کاروباری سرگرمیوں کے نتائج، کشش قوت اور ایکویٹی (Equity) میں تبدیلی کی مصفاہ عکاسی کرتے ہیں۔

اکاؤنٹس کی کتابیں:

کمپنی نے باضابطہ طور پر اکاؤنٹس کے کھاتوں کو برقرار رکھا ہے۔

اکاؤنٹنگ پالیسیاں:

ان مالیاتی گوشواروں کی تیاری میں مخصوص اکاؤنٹنگ پالیسیوں کی مستقل بنیادوں پر بیرونی کی گئی ہے۔ اور اکاؤنٹنگ کے تخمینے معقول اور دانش مندانہ رائے پر مبنی ہیں۔

انٹرنیشنل فنانشل رپورٹنگ سٹینڈرڈ کی پیروی:

ان مالیاتی گوشواروں کی تیاری میں فنانشل رپورٹنگ کے بین الاقوامی معیاری، جہاں تک وہ پاکستان میں قابل اطلاق ہیں، پیروی کی گئی ہے اور اگر کہیں انحراف ہوا ہے تو اس کو مناسب طریقے سے ظاہر اور بیان کیا گیا ہے۔

انٹرنل کنٹرول سسٹم:

انٹرنل کنٹرول کا نظام اپنے ڈیزائن کے اعتبار سے مستحکم ہے اور اس کا موثر اطلاق اور نگرانی مسلسل کی جارہی ہے۔ کنٹرول میں بہتری کے لئے مستقبل میں بھی نگرانی جاری رہے گی۔



کام جاری رکھنے کی اہلیت:

بطور ادارہ کمپنی کے کام جاری رکھنے کی اہلیت پر کوئی نمایاں شک نہیں ہے۔

کارپوریٹ گورننس کے اصول:

کارپوریٹ گورننس کے رجسٹرڈ اصول جن کا اطلاق کمپنی کے مالی سال بھرتہ 30 جون 2019 پر لاگو ہوتا ہے سے انحراف نہیں کیا گیا ہے۔

پچھلے چھ سالوں کا فنانشل ڈیٹا:

گزشتہ چھ سال کا اہم کاروباری اور مالیاتی ڈیٹا اس سالانہ رپورٹ کے ساتھ منسلک (Annexure A) ہے۔

واجب الادا قانونی واجبات:

واجب الادا قانونی محصولات مالیاتی گوشواروں کے نوٹس میں دیے گئے ہیں۔

اہم فیصلے اور منصوبے:

گازپوں کے شعبہ میں کاروبار کے نئے مواقعوں کو تلاش کرتے رہنا۔

کاروبار کا ضابطہ اخلاق:

کمپنی نے کاروبار کا ضابطہ اخلاق تیار کیا ہے اور یقین دہانی کی گئی ہے کہ اس سے متعلقہ پالیسیوں اور طریقہ کار کو پوری کمپنی میں پھیلا یا جائے۔ اس کو کمپنی کی ویب سائٹ پر بھی آویزاں کیا گیا ہے۔

بورڈ کی ساخت:

ڈائریکٹران کی کل تعداد (9) نو ہے جو کہ درج ذیل ہے۔

الف۔ مرد (7) سات

ب۔ عورت (2) دو

بورڈ کی ساخت مندرجہ ذیل ہے۔

الف۔ چیف ایگزیکٹو اور ایگزیکٹو ڈائریکٹران:

جناب میاں اسد حمید

جناب سعید اقبال خان

جناب میاں محمد علی حمید

ب۔ نان ایگزیکٹو ڈائریکٹران

محترمہ سائرہ اسد حمید

محترمہ ثناء بلیمان

جناب میاں ظفر حمید

جناب حمزہ امجد وزیر

پ۔ آزاد ڈائریکٹران

جناب احسن اعجاز

جناب انوار علی

بورڈ کمیٹیاں:

بورڈ کمیٹیاں اور ان کے ممبران سالانہ مالیاتی گوشوارے کے صفحہ نمبر 02 پر درج شدہ ہیں۔



بورڈ اور کمیٹی کے اجلاس میں حاضری:

اس سال کے دوران بورڈ اور کمیٹیوں کے منعقدہ اجلاس کی تعداد کی تفصیل اور ہر ڈائریکٹر کی حاضری درج ذیل ہے:

بورڈ	آڈٹ کمیٹی	ہیومن ریسورس اینڈ ریسرچ نیریشن کمیٹی
4	5	1
کل تعداد اجلاس		
4	لاگو نہیں	لاگو نہیں
4	لاگو نہیں	لاگو نہیں
4	لاگو نہیں	0
4	لاگو نہیں	لاگو نہیں
4	لاگو نہیں	لاگو نہیں
4	5	لاگو نہیں
3	4	لاگو نہیں
4	5	1
4	لاگو نہیں	1

جناب حمزہ امجد وزیر

وہ ڈائریکٹر جو میٹنگ میں شرکت نہیں کر سکے ان کی غیر موجودگی کی رخصت قبول کی گئی ہے۔

سال کے دوران ڈائریکٹر ٹریننگ پروگرام:

کمپنی سرٹیفیکیشن آف ڈائریکٹر ٹریننگ پروگرام کی بیرونی میں ہے۔

نو (9) میں سے پانچ (5) ڈائریکٹر ان نے ایس ای سی پی کے منظور شدہ اداروں سے ڈائریکٹر ٹریننگ پروگرام حاصل کیا ہے جبکہ تین (3) ڈائریکٹر ان کو سسٹم مینیجر (کوڈ آف کارپوریٹ گورننس) ریکولیشنز 2017 کے تحت استثناء حاصل ہے

شیئر ہولڈنگ کی ترتیب:

شیئر ہولڈنگ کی ترتیب بطور Annexure B اور Annexure B/1 لف ہے۔

کمپنی کے حصص میں تجارت:

سال کے دوران ڈائریکٹر ان، ایگزیکٹوز اور ان کی بیویوں اور تابع بچوں کی طرف سے حصص میں تجارت۔

حصص کی خرید و فروخت اور ان میں تبدیلی:

ڈائریکٹر: خرید حصص فروخت حصص

1,000

جناب میاں ظفر حمید

بورڈ، کمیٹیوں اور انفرادی ڈائریکٹر ان کی کارکردگی کی جانچ پڑتال:

بورڈ نے اپنی کمیٹیوں اور انفرادی ڈائریکٹر ان کی کارکردگی کی جانچ پڑتال کے لئے ایک طریقہ کار اختیار کیا ہے۔

اس سال کے دوران، ہیومن ریسورس اینڈ ریسرچ نیریشن کمیٹی نے جانچ پڑتال کا عمل کیا ہے۔ نتائج کو بورڈ کے غور و خوض اور کارروائی کے لئے پیش کیا گیا تاکہ اگر کہیں بہتری کے لئے نشاندہی کی گئی ہے تو عمل میں لائی جاسکے۔



آڈیٹرز:

موجودہ آڈیٹرز ریٹائر ہوئے ہیں اور اہلیت کی بنیاد پر انہوں نے اپنے آپ کو دوبارہ تقرری کے لئے پیش کیا ہے۔ آڈٹ کمیٹی اور بورڈ آف ڈائریکٹران نے بھی ان کی دوبارہ تقرری کے لئے تجویز کیا ہے۔

ملازمین سے تعلقات:

انتظامیہ اور ملازمین کے تعلقات بہت خوشگوار ہیں اور یہ امید کی جاتی ہے کہ دونوں کمپنی کے مطلوبہ مقاصد کے حصول کے لئے ایک ہی جذبے کے ساتھ کام کریں گے۔


اظہار تشکر:

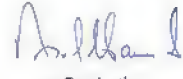
ہم اپنی کمپنی کے ملازمین کی ان تھک کوششوں، ٹیم ورک اور لگن جس کا اظہار انہوں نے موجودہ سال کے دوران کیا ہے کے شکر گزار ہیں۔ ہم اپنے معزز حصص داران، گاہکوں، سپلائرز اور مالی اداروں کے کمپنی کے ساتھ مسلسل تعاون کرنے پر بھی شکر گزار ہیں۔

لاہور:

24 ستمبر 2019

بورڈ آف ڈائریکٹرز کی جانب سے

  
سعید اقبال خان  
ڈائریکٹر

  
میاء اسد حمید  
چیف ایگزیکٹو



## SUMMARY OF LAST SIX YEARS' FINANCIAL RESULTS

ANNEXURE-A

Description	2019	2018	2017	2016	2015	2014
<b>R U P E E S</b>						
<b>Profit &amp; Loss Account:</b>						
Turnover	3,218,523,838	3,968,217,110	3,618,144,493	2,873,866,541	2,473,657,974	2,105,849,488
Gross Profit	330,722,331	444,912,891	379,481,004	288,686,425	234,215,035	208,540,462
Operating Profit	132,481,095	247,993,771	202,980,483	149,453,460	104,654,299	90,089,120
Profit before taxation	111,844,513	254,678,642	204,113,745	153,957,796	99,655,475	87,627,820
Profit after taxation	81,997,158	186,005,018	142,821,941	107,669,738	73,682,904	60,441,273
<b>Statement of Financial Position</b>						
Paid up share capital	215,668,420	215,668,420	179,723,680	179,723,680	179,723,680	179,723,680
Accumulated Profit	829,038,827	741,695,967	594,064,626	509,691,079	437,195,803	402,542,633
Fixed Capital Expenditure	998,187,948	708,814,230	533,057,992	244,653,763	250,828,978	259,271,383
Other long term assets	28,215,108	21,119,673	17,256,294	14,894,352	11,414,241	8,490,522
Net current assets / (liabilities)	388,941,345	387,033,041	361,809,654	548,424,835	461,424,514	408,993,285
Long term liabilities	370,637,154	159,602,557	138,335,634	118,558,191	106,748,250	94,488,877
<b>Significant Ratios:</b>						
Gross profit ratio %	10.28	11.21	10.49	10.05	9.47	9.90
Profit/(loss) before tax ratio %	3.48	6.42	5.64	5.36	4.03	4.16
Fixed assets turnover ratio %	322.44	559.84	678.75	1,174.67	986.19	812.22
Price earning ratio - times	62.75	33.04	41.36	6.26	11.27	12.49
Return on capital employed % (Before I & Tax)	9.36	22.20	22.25	18.50	14.46	13.31
Return on equity ratio (after Tax)	7.85%	19.43%	18.46%	15.62%	11.94%	10.38%
Market value per share (PSX) Rs.	219.85	284.98	273.93	31.25	38.50	35.00
Break up value per share	48.44	44.39	43.05	38.36	34.33	32.40
Long term Debt : Equity ratio	35 : 65	17 : 83	18 : 82	17 : 83	17 : 83	16 : 84
Current ratio	1.70 : 1	1.79 : 1	1.73 : 1	2.48 : 1	2.26 : 1	2.38 : 1
Interest cover ratio - times	5.60	53.02	115.06	56.39	14.39	14.47
Cash Dividend %						
Interim Dividend	-	-	12.50	10.00	10.00	10.00
Final Dividend	-	-	0.00	15.00	10.00	10.00
Scrip Dividend %	-	-	20.00	-	-	-
Earnings per share Rs.	3.80	8.62	6.62	4.99	3.42	2.80

Note:

Earnings Per Share, consequently Price Earning ratio, has been adjusted to reflect the effect of bonus shares.



# SAZGAR ENGINEERING WORKS LIMITED

FORM-34

ANNEXURE - B

THE COMPANIES ACT, 2017 (SECTION 227 (2)(f))  
PATTERN OF SHARE HOLDING AS ON JUNE 30, 2019  
SAZGAR ENGINEERING WORKS LIMITED

Registration Number: 0025184

NUMBER OF SHAREHOLDERS	SHARE HOLDING		TOTAL SHARES HELD	PERCENTAGE %
	FROM	TO		
307	1	100	11,688	0.05%
179	101	500	50,657	0.23%
67	501	1,000	48,816	0.23%
212	1,001	5,000	423,593	1.96%
21	5,001	10,000	138,477	0.64%
17	10,001	15,000	213,505	0.99%
4	15,001	20,000	65,201	0.30%
6	20,001	25,000	134,145	0.62%
2	25,001	30,000	58,550	0.27%
1	35,001	40,000	38,500	0.18%
2	45,001	50,000	96,200	0.45%
1	50,001	55,000	54,145	0.25%
1	60,001	65,000	61,455	0.28%
2	70,001	75,000	149,292	0.69%
1	85,001	90,000	89,572	0.42%
1	90,001	95,000	90,068	0.42%
1	170,001	175,000	173,167	0.80%
1	365,001	370,000	368,291	1.71%
1	945,001	950,000	949,552	4.40%
1	1,075,001	1,080,000	1,078,800	5.00%
1	1,105,001	1,110,000	1,108,300	5.14%
1	1,210,001	1,215,000	1,214,000	5.63%
1	1,225,001	1,230,000	1,228,733	5.70%
1	1,275,001	1,280,000	1,275,427	5.91%
1	1,360,001	1,365,000	1,361,330	6.31%
1	2,060,001	2,065,000	2,061,600	9.56%
1	3,535,001	3,540,000	3,538,389	16.41%
1	5,485,001	5,490,000	5,485,389	25.43%
<b>836</b>			<b>21,566,842</b>	<b>100%</b>

CATEGORIES OF SHAREHOLDERS	NUMBER OF SHARES HELD	% OF SHARE HOLDING
I Directors, Chief Executive Officer, Their Spouse And Minor Children	14,301,497	66.31%
II Associated Companies, Undertakings & Related Parties	-	-
III NIT and ICP	-	-
IV Banks, Development Financial Institutions, Non Banking Financial Institutions	11,200	0.05%
V Insurance Companies	-	-
VI Modarabas and Mutual Funds	21,875	0.10%
VII Shareholders Holding 10%	11,527,938	53.45%
VIII General Public		
a. Local	6,995,761	32.44%
b. Foreign	-	-
IX Others (to be specified)		
Joint Stock Companies	236,509	1.10%

  
**Mian Asad Hameed**  
(Chief Executive)

  
**Saeed Iqbal Khan**  
(Director)



## ANNEXURE - B/1 PATTERN OF SHAREHOLDING

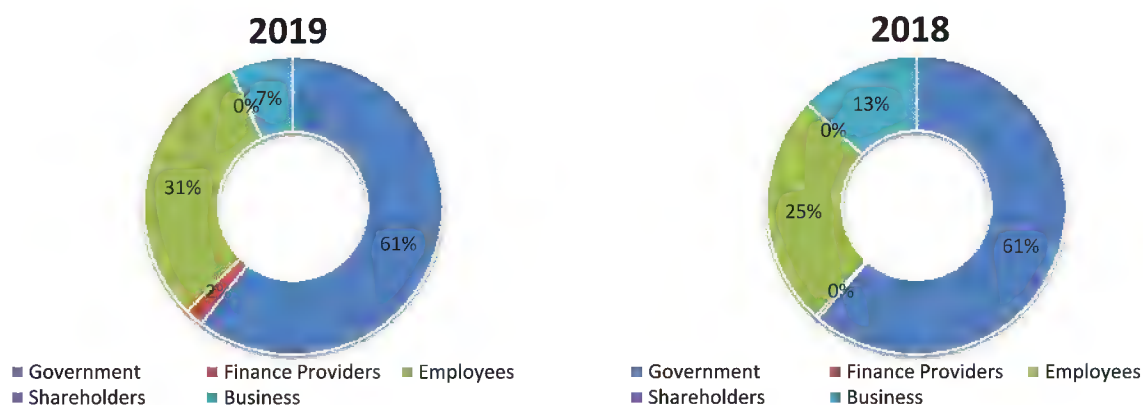
CATEGORIES OF SHAREHOLDERS	NUMBER OF SHAREHOLDERS	NUMBER OF SHARES HELD
<b>I Associated Companies Undertakings &amp; Related Parties</b>	<b>Nil</b>	<b>-</b>
<b>II Mutual Funds</b>	<b>Nil</b>	<b>-</b>
<b>III Directors, Chief Executive, Their Spouse And Minor Children</b>	<b>14</b>	<b>14,301,497</b>
i. Mr. Mian Asad Hameed	1	9,023,778
ii. Mr. Mian Zafar Hameed	1	11,000
iii. Mr. Mian Muhammad Ali Hameed	1	2,504,160
iv. Mr. Saeed Iqbal Khan	1	965,617
v. Mrs. Saira Asad Hameed	1	1,361,330
vi. Mrs. Sana Suleyman	1	14,280
vii. Mr. Ahsan Ejaz	1	1,190
viii. Mr. Humza Amjad Wazir	1	662
ix. Mr. Anwar Ali	1	655
x. Mrs. Amina Humza Wazir W/o Mr. Humza Amjad Wazir	1	23,750
xi. Mrs. Naghmana Saeed W/o Mr. Saeed Iqbal Khan	1	368,291
xii. Mrs. Amberen Zafar Hameed W/o Mian Zafar Hameed	1	1,492
xiii. Mrs. Navin Anwar Ali W/o Mr. Anwar Ali	1	1,492
xiv. Mr. Muhammad Suleyman Khan spouse of Mrs. Sana Suleyman	1	23,800
<b>IV Executives</b>	<b>1</b>	<b>14,927</b>
<b>V Public Sector Companies and Corporation</b>	<b>Nil</b>	
<b>VI Banks, Development Financial Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas, Pension Funds</b>	<b>2</b>	<b>33,075</b>
<b>VII Shareholders Holding Five Percent or More Voting Interests</b>	<b>7</b>	<b>18,351,968</b>
i. Mr. Mian Asad Hameed	1	9,023,778
ii. Mr. Mian Muhammad Ali Hameed	1	2,504,160
iii. Mr. Munaf Ibrahim	1	2,061,600
iv. Mrs. Saira Asad Hameed	1	1,361,330
v. Mr. Umair Amanullah	1	1,214,000
vi. Mrs. Amina Wadalawala	1	1,108,300
vii. Mr. Abdul Sameer	1	1,078,800

**Mian Asad Hameed**  
(Chief Executive)

**Saeed Iqbal Khan**  
(Director)

## STATEMENT OF VALUE ADDITION AND ITS DISTRIBUTION

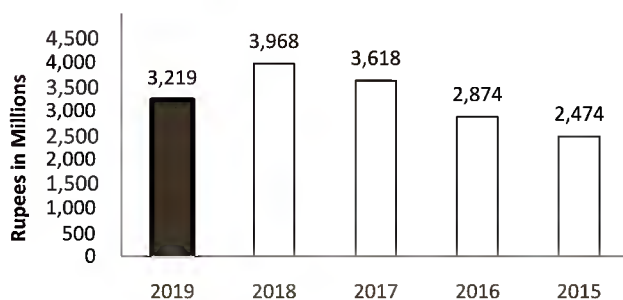
	June 30, 2019	%	June 30, 2018	%
<b>Rupees</b>				
<b>VALUE ADDITION</b>				
Gross Sales	3,780,417,991		4,653,779,664	
Other Operation Income	3,656,208		11,580,630	
<b>Total Income</b>	<b>3,784,074,199</b>		<b>4,665,360,294</b>	
Addition of material and services and other expenses	2,576,500,589		3,236,459,641	
<b>TOTAL VALUE ADDITION</b>	<b>1,207,573,610</b>		<b>1,428,900,653</b>	
<b>VALUE DISTRIBUTION</b>				
<b>To Government</b>				
Worker Welfare Fund	2,193,740		4,823,328	
Sales Tax	561,894,153		685,562,554	
Income Tax & Custom Duties	166,506,627		186,862,576	
	<b>730,594,520</b>	61%	<b>877,248,458</b>	61%
<b>To Employees</b>				
Workers' profits participation fund	6,080,459		13,799,050	
Employees remuneration	364,608,683		346,952,368	
	<b>370,689,142</b>	31%	<b>360,751,418</b>	25%
<b>To Finance Providers</b>				
Finance Cost	24,292,790	2%	4,895,759	0.3%
<b>To Shareholders</b>				
Dividend	-	0%	-	0%
<b>Retained in Business</b>				
Un-appropriated Profit	81,997,158	7%	186,005,018	13%
<b>TOTAL VALUE DISTRIBUTION</b>	<b>1,207,573,610</b>	<b>100%</b>	<b>1,428,900,653</b>	<b>100%</b>



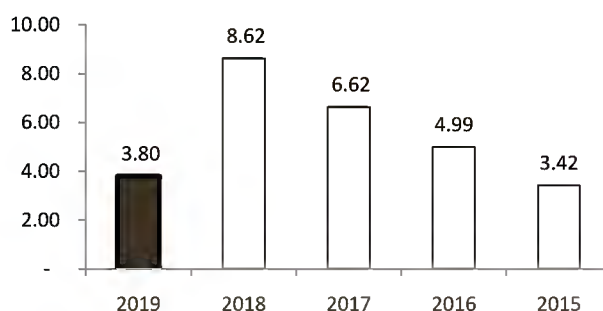


## FINANCIAL PERFORMANCE

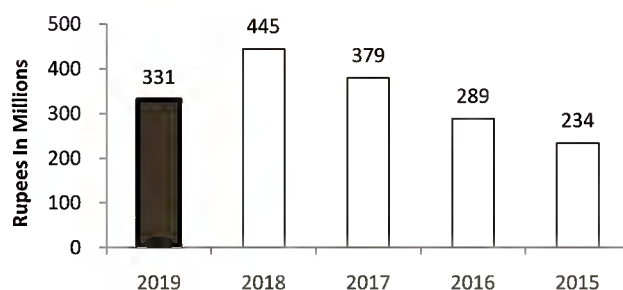
### Turnover



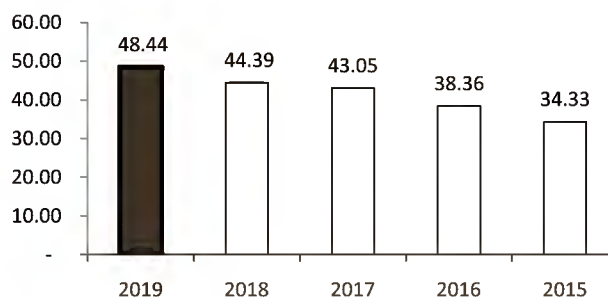
### Earnings per share Rs.



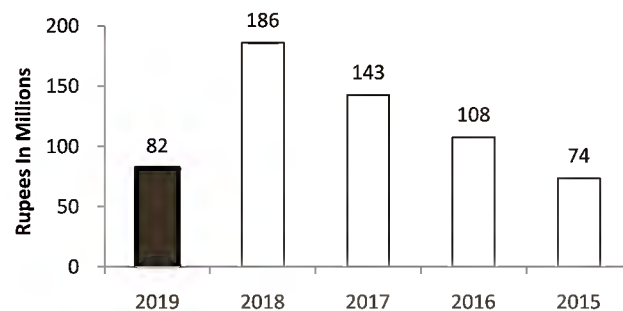
### Gross Profits



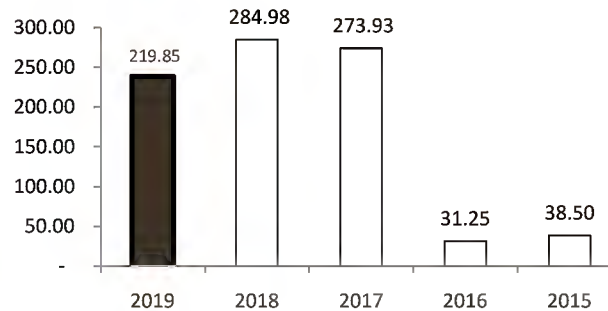
### Break up value per share Rs.



### Net profit After tax



### Market value per share (PSX) Rs.





**Independent Auditor's Review Report to the Members of Sazgar Engineering Works Limited**

**Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2017**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of **Sazgar Engineering Works Limited** (the Company) for the year ended June 30, 2019 in accordance with the requirements of regulation 40 of the Regulations.

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 and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. 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. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

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 June 30, 2019.



H.Y.K and Co.

Chartered Accountants

Lahore: September 24, 2019

Engagement Partner: Muhammad Yousaf

Lahore Office:  
321 Upper Mall Lahore.  
Phone: 042 3578 9330-31  
Fax: 92 42 35789182

[www.hyk.com.pk](http://www.hyk.com.pk) | [info@hyk.com.pk](mailto:info@hyk.com.pk)

Islamabad Office:  
Office # 24, 2nd Floor, Zaki Center  
I-8 Markaz Islamabad.  
Phone: 051 486 1246, Fax: 92 51 486 1247

**STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE)  
REGULATIONS, 2017**

**NAME OF COMPANY: SAZGAR ENGINEERING WORKS LIMITED  
YEAR ENDING: JUNE 30, 2019**

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

1. The total number of directors are (9) nine as per the following:

- a. Male: (7) seven
- b. Female: (2) two

2. The composition of board is as follows:

a)	Independent Directors	Mr. Ahsan Ejaz, Mr. Anwar Ali
b)	Other Non-Executive Directors	Mrs. Saira Asad Hameed, Mr. Mian Zafar Hameed, Mrs. Sana Suleyman, Mr. Humza Amjad Wazir
c)	Executive Directors	Mr. Mian Asad Hameed, Mr. Saeed Iqbal Khan, Mr. Mian Muhammad Ali Hameed

3. The directors have confirmed that none of them is serving as a director on more than five 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. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

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 Chairperson and, in her absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.

8. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9. Directors' Training program requirements have been complied with. During the year, Mr. Anwar Ali, Independent Director, obtained the certification under Directors' Training Program.

10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

11. CFO and CEO duly endorsed the financial statements before approval of the board.

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

S.No.	Name of Committees	Name of Members and Chairman
a)	Audit Committee	Chairman: Mr. Ahsan Ejaz Members: Mrs. Sana Suleyman , Mr. Anwar Ali
b)	HR and Remuneration Committee	Chairman: Mr. Anwar Ali Members: Mr. Saeed Iqbal Khan, Mr. Humza Amjad Wazir

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:

Committee	Frequency
Audit Committee	Quarterly, Yearly
HR and Remuneration Committee	Yearly, as and when require

15. The board has set up an effective internal audit function.

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 ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.


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 have been complied with.

For and on behalf of the Board

Lahore:  
September 24, 2019

  
**Mian Asad Hameed**  
 (Chief Executive)

  
**Saeed Iqbal Khan**  
 (Director)



## Independent Auditor's Report to the Members of Sazgar Engineering Works Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the annexed financial statements of **Sazgar Engineering Works Limited** (the Company), which comprise the statement of financial position as at **June 30, 2019**, and the statement of profit or loss and other 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 profit or loss and other 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 **June 30, 2019** and of the profit and other 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 year. 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.

S. No.	Key audit matters	How the matters were addressed in our audit
1	<b>Revenue recognition</b>  Refer notes 3.13, 4.2 and 26 to the financial statements. The Company generates revenue from sales of goods to domestic as well as export customers. We identified revenue recognition as key audit matter as it is one of the key performance indicators of the Company and because of the potential risk that revenue	Our audit procedures to assess the recognition of revenue, amongst others, included the following: <ul style="list-style-type: none"> <li>Obtaining an understanding of and assessing the design and operating effectiveness of controls designed to ensure that revenue is recognized in the appropriate accounting period;</li> <li>Assessing the appropriateness of the Company's accounting policies for revenue recognition and</li> </ul>

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	<p>transactions may not be recognized in the appropriate period.</p>	<p>compliance of those policies with applicable accounting standards;</p> <ul style="list-style-type: none"> <li>• Comparing a sample of revenue transactions recognized during the year with the sale invoices, delivery challan and other relevant underlying documentation;</li> <li>• Comparing, on a sample basis, specific revenue transactions recorded before and after the reporting date with underlying documentation to assess whether revenue has been recognized in the appropriate accounting period; and</li> <li>• Obtained confirmations from debtors on sample basis.</li> <li>• Inspecting credit notes issued to record sales returns subsequent to year end, if any.</li> <li>• Reviewing the adequacy of disclosure as required under applicable financial reporting framework.</li> </ul>
2	<p><b>Capitalization of Property, Plant and Equipment and Capital Work in Progress</b></p> <p>Refer notes 3.3 and 15 to the financial statements.</p> <p>The Company has made significant capital expenditure on four-wheeler projects. We identified capitalization of property, plant and equipment as key audit matter because there is a risk that amounts being capitalized may not meet the capitalization criteria.</p>	<p>Our audit procedures to assess the capitalization of property, plant and equipment and Capital Work in Progress, amongst others, include the following,</p> <ul style="list-style-type: none"> <li>• Understanding the design and implementation of management controls over capitalization and performing tests of control over authorization of capital expenditure and accuracy of its recording in the system;</li> <li>• Testing on sample basis, the costs incurred on assets with supporting documentation and contracts</li> <li>• Assessing the nature of costs incurred for the capital assets through testing, on sample basis, of amounts recorded and considering whether the expenditure meets the criteria for capitalization as per the accounting policy and applicable accounting standards; and</li> <li>• Inspecting supporting documents for the date of capitalization when asset was ready for its intended use to assess whether depreciation commenced and further capitalization of costs ceased from that date and assessing the useful</li> </ul>

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		<p>life assigned by management including testing the calculation of related depreciation.</p> <ul style="list-style-type: none"> <li>Ensured the adequacy of the related disclosures and assessed these are in accordance with the applicable financial reporting standards and the Companies Act, 2017.</li> </ul>
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#### Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's 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 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 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.

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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 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 profit or loss and other 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) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is MR. Muhammad Yousaf.

H.Y.K and Co.  
Chartered Accountants  
Lahore

Date: September 24, 2019

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## STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2019

	Note	June 30, 2019 Rupees	June 30, 2018 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital	6.1	500,000,000	500,000,000
Issued, subscribed and paid-up share capital	6.2	215,668,420	215,668,420
Revenue reserve - Un-appropriated Profit		829,038,827	741,695,967
		<b>1,044,707,247</b>	<b>957,364,387</b>
<b>LIABILITIES</b>			
<b>NON CURRENT LIABILITIES</b>			
Long term financing	7	201,669,995	-
Deferred Liabilities	8	168,967,159	159,602,557
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	515,981,079	485,425,032
Unclaimed dividend		1,496,234	1,621,865
Profit accrued on loans and other payables	10	15,695,208	2,849,361
Short term borrowings	11	-	-
Current portion of long term liabilities	12	22,401,560	-
		<b>555,574,081</b>	<b>489,896,258</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	14	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,970,918,482</b>	<b>1,606,863,202</b>
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, Plant and Equipment	15	998,079,388	708,803,655
Intangible Assets	16	108,560	10,575
<b>LONG TERM LOANS AND ADVANCES</b>			
	17	24,895,253	18,120,968
<b>LONG TERM DEPOSITS</b>			
	18	3,319,855	2,998,705
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools	19	2,992,529	3,765,161
Stock-in-trade	20	645,847,730	477,786,294
Trade debts	21	115,605,575	97,613,278
Loans & advances	22	16,220,005	13,396,450
Trade deposits and short term prepayments	23	48,610,555	136,474,876
Other receivables	24	109,271,671	112,568,437
Cash and bank balances	25	5,967,361	35,324,803
		<b>944,515,426</b>	<b>876,929,299</b>
<b>TOTAL ASSETS</b>		<b>1,970,918,482</b>	<b>1,606,863,202</b>

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

  
**MIAN ASAD HAMEED**  
 CHIEF EXECUTIVE

  
**SAEED IQBAL KHAN**  
 DIRECTOR

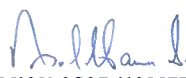
  
**MUHAMMAD ATIF RAO**  
 CHIEF FINANCIAL OFFICER



## STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED JUNE 30, 2019

	Note	June 30, 2019 Rupees	June 30, 2018 Rupees
Sales - Net	26	3,218,523,838	3,968,217,110
Cost of sales	27	2,887,801,507	3,523,304,219
<b>Gross Profit</b>		<b>330,722,331</b>	444,912,891
Distribution cost	28	93,465,103	95,040,742
Administrative expenses	29	93,313,934	74,670,096
Other operating expenses	30	11,462,199	27,208,282
		<b>198,241,236</b>	196,919,120
		<b>132,481,095</b>	247,993,771
Other income	31	3,656,208	11,580,630
<b>Operating profit before finance cost</b>		<b>136,137,303</b>	259,574,401
Finance cost	32	24,292,790	4,895,759
<b>Profit before taxation</b>		<b>111,844,513</b>	254,678,642
Taxation	33	29,847,355	68,673,624
<b>Profit after taxation</b>		<b>81,997,158</b>	186,005,018
<b>Earnings per share - Basic and diluted</b>	34	<b>3.80</b>	8.62

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**MIAN ASAD HAMEED**  
CHIEF EXECUTIVE



**SAEED IQBAL KHAN**  
DIRECTOR



**MUHAMMAD ATIF RAO**  
CHIEF FINANCIAL OFFICER

**STATEMENT OF OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2019**

	Note	June 30, 2019 Rupees	June 30, 2018 Rupees
<b>PROFIT AFTER TAXATION FOR THE YEAR</b>		<b>81,997,158</b>	186,005,018
<b>OTHER COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>		-	-
<b>Items that will not be reclassified subsequently to profit or loss</b>			
- Remeasurement of post employment benefit obligation	8.1.6	5,345,702	(2,428,937)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>87,342,860</b>	183,576,081

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



**MIAN ASAD HAMEED**  
CHIEF EXECUTIVE



**SAEED IQBAL KHAN**  
DIRECTOR



**MUHAMMAD ATIF RAO**  
CHIEF FINANCIAL OFFICER

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED JUNE 30, 2019**

	Share Capital Rupees	Un-appropriated Profit Rupees	Total Rupees
Balance as at June 30, 2017	179,723,680	594,064,626	773,788,306
Transaction with owner, recognize directly in equity			
Issuance of bonus shares @ 20% (20 shares for every 100 ordinary shares held)	35,944,740	(35,944,740)	-
<b>Total Transaction with owner, recognized directly in equity</b>	<b>35,944,740</b>	<b>(35,944,740)</b>	<b>-</b>
Comprehensive Income for the year			
Profit after taxation	-	186,005,018	<b>186,005,018</b>
Other Comprehensive Loss	-	(2,428,937)	<b>(2,428,937)</b>
<b>Total comprehensive income for the year ended June 30, 2018</b>	<b>-</b>	<b>183,576,081</b>	<b>183,576,081</b>
Balance as at June 30, 2018	<u>215,668,420</u>	<u>741,695,967</u>	<u>957,364,387</u>
Balance as at June 30, 2018	215,668,420	741,695,967	957,364,387
Comprehensive Income for the year			
Profit after taxation	-	81,997,158	<b>81,997,158</b>
Other Comprehensive Income	-	5,345,702	<b>5,345,702</b>
<b>Total comprehensive income for the year ended June 30, 2019</b>	<b>-</b>	<b>87,342,860</b>	<b>87,342,860</b>
Balance as at June 30, 2019	<u>215,668,420</u>	<u>829,038,827</u>	<u>1,044,707,247</u>

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

  
**MIAN ASAD HAMEED**  
 CHIEF EXECUTIVE

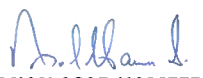
  
**SAEED IQBAL KHAN**  
 DIRECTOR

  
**MUHAMMAD ATIF RAO**  
 CHIEF FINANCIAL OFFICER

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

		June 30, 2019	June 30, 2018
	Note	Rupees	Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	35	142,592,435	257,764,374
Finance cost paid		(11,446,943)	(2,139,819)
Income tax paid/deducted at source		(47,774,133)	(86,795,075)
Employees retirement benefit - Gratuity Paid		(3,745,443)	(3,723,134)
Workers Profit Participation Fund Paid		(24,793,863)	-
<b>Net cash generated from operating activities</b>		<b>54,832,053</b>	<b>165,106,346</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Property, Plant and Equipment Purchased		(310,314,270)	(195,864,642)
Increase in long term security deposits		(321,150)	(611,568)
Proceeds from sale of Property, Plant and Equipment		2,500,000	-
<b>Net cash used in investing activities</b>		<b>(308,135,420)</b>	<b>(196,476,210)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from long term financing		224,071,555	-
Proceeds from short term borrowings		1,654,161,655	129,453,550
Repayment of short term borrowings		(1,654,161,654)	(129,453,550)
Repayment of finance lease		-	(56,310)
Dividend Paid		(125,631)	(551,913)
<b>Net cash generated from / (used in) financing activities</b>		<b>223,945,925</b>	<b>(608,223)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(29,357,442)</b>	<b>(31,978,087)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		<b>35,324,803</b>	<b>67,302,890</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	36	<b>5,967,361</b>	<b>35,324,803</b>

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

  
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 CHIEF EXECUTIVE

  
**SAEED IQBAL KHAN**  
 DIRECTOR

  
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 CHIEF FINANCIAL OFFICER



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

### 1 LEGAL STATUS AND NATURE OF BUSINESS

Sazgar Engineering Works Limited was incorporated in Pakistan on September 21, 1991 as a Private Limited Company and converted into a Public Limited Company on November 21, 1994. The Company is listed on the Pakistan Stock Exchange Limited. The Company is engaged in the manufacture and sale of automobiles, automotive parts and household electric appliances. The registered office of the company is situated at 88- Ali Town, Thokar Niaz Baig, Raiwind Road, Lahore. The three wheeler, wheel rim and household electric appliances manufacturing facility is located at 18 K.m Raiwind Road, Lahore and four wheeler manufacturing facility, which is under construction, is situated at Mouza Bhai kot, near tablighi ijtama, Raiwind, Lahore.

### 2 BASIS OF PREPARATION

#### 2.1 Statement of Compliance

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 (IFR 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 IFR Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

#### 2.2 Basis of Measurement

These financial statements have been prepared under the historical cost convention except for the recognition of employees retirement benefits at present value.

#### 2.3 Functional and Presentation Currency

These financial statements are presented in Pak Rupee, which is the functional and presentation currency of the Company.

#### 2.4 New accounting standards, IFRIC interpretations, amendments to the published approved accounting standards and Companies Act, 2017 that are effective in current year:

Certain standards, amendments and interpretations of approved accounting standards are effective for accounting periods beginning on July 01, 2018 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these financial statements, except for the following:

**2.4.1** The company has adopted IFRS-15 "Revenue from contract with customer" which is effective for accounting period beginning on or after July 01, 2018 as notified by the SECP. IFRS 15 introduces a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognize revenue representing the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The details are mentioned in Note No. 4.

**2.4.2** IFRIC 22, 'Foreign currency transactions and advance consideration'. This IFRIC addresses foreign currency transactions or parts of transactions where there is consideration that is denominated or priced in a foreign currency. The interpretation provides guidance for when a single payment/receipt is made as well as for situations where multiple payments/receipts are made. The guidance aims to reduce diversity in practice. The Company's accounting treatment is already in line with this interpretation.

**2.4.3** IFRS 9 'Financial Instruments' - This standard replaces the guidance in IAS 39 'Financial Instruments: Recognition and Measurement'. It includes requirements on the classification and measurement of financial assets and liabilities derecognition of financial instruments, impairment of financial assets and hedge accounting; it also includes an expected credit losses impairment model that replaces the current incurred loss impairment model. The details are mentioned in Note No. 4.

The adoption of the above standards, amendments and interpretations have no material impact on the Company's financial statements, except for increased disclosures in certain cases as mentioned in note no 4.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

### 2.5 New accounting standards, IFRIC interpretations and amendments to the published approved accounting standards that are not effective in current year and have not been early adopted by the Company:

The following standards, amendments to the approved accounting standards and interpretations that are mandatory for the companies having accounting periods beginning on or after July 01, 2019 but are considered not to be relevant or to have any significant effect on the Company's operations:

Standards or Interpretation		Effective date
IFRS-3	Business Combinations (Amendments)	January 01, 2020
IFRS-9	Financial instruments (Amendments)	January 01, 2019
IFRS-16	Leases	January 01, 2019
IFRIC 23	Uncertainty Over Income Tax Treatments	January 01, 2019
IAS 1	Presentation of Financial Statements-Definition of Material	January 01, 2020
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors-Definition of Material	January 01, 2020
IAS 12	Income Taxes: Income tax consequences of payments on financial instruments	January 01, 2019
IAS 19	Plan Amendment, Curtailment or Settlement (Amendments)	January 01, 2019
IAS 23	Borrowing Costs - Borrowing costs eligible for capitalization	January 01, 2019
IAS 28	Long-term Interests in Associates and Joint Ventures (Amendments)	January 01, 2019
Amendments to references to the Conceptual Framework in IFRS standards		January 01, 2020

The above standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements except for the increased disclosures in certain cases.

### 3 SIGNIFICANT ACCOUNTING POLICIES

The Significant accounting policies adopted in the preparation of these financial statements are set out below and have been consistently applied to all the years presented.

#### 3.1 Employee benefits

##### Defined benefit plan

Defined benefit plan is a post-employment benefit plan other than the defined contribution plan.

The Company operates an unfunded gratuity scheme for all its permanent employees. The provision is made on the basis of actuarial valuation by using the projected unit credit method. In calculating the Company's obligation in respect of a plan, any actuarial gains and losses are recognized immediately in the statement of other comprehensive income.

#### 3.2 Compensated Absences

The Company accounts for compensated absences of its employees on un-availed balance of leave in the period in which the leave is earned.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

### 3.3 Property, Plant and Equipment-Owned

Operating fixed assets except freehold land and capital work in progress are stated at cost less accumulated depreciation and impairment losses, if any. Land and capital work in progress are stated at cost. Cost in relation to self manufactured assets includes direct cost of materials, labour and applicable manufacturing overheads. Cost of tangible fixed assets consists of historical cost, borrowing cost pertaining to the construction/erection period and directly attributable cost of bringing the assets to working condition.

Depreciation on all property, plant and equipment except freehold land is charged by applying the reducing balance method in accordance with the rates specified in note no. 15.1 of these financial statements, whereby the cost of an asset is written off over its estimated useful life. Depreciation on additions is charged from the month in which the asset is available for use while no depreciation is charged in the month in which the asset is disposed off.

The assets' residual values and useful lives are reviewed at each financial year end, and adjusted if impact on depreciation is significant.

Normal maintenance and repairs are charged to statement of profit or loss as and when incurred. Major renewals and replacements are capitalized 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.

Disposal of an asset is recognized when significant risks and rewards, incidental to the ownership of the assets have been transferred to the buyer. Gain or Loss on disposal of Property, Plant and Equipment is determined by comparing the carrying amount of the assets with the realized sale proceeds and is recognized in the current year's statement of profit or Loss.

### 3.4 Impairment of fixed assets

The company assesses at each statements of financial position date whether there is any indication that a fixed asset may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying value exceeds recoverable amount, assets are written down to the recoverable amount.

### 3.5 Intangible Assets

The Intangible Assets are stated at cost less accumulated amortization and identified impairment loss, if any. The cost of intangible assets is amortized over a period of five (5) years using the straight line method.

Amortization on additions to the intangible assets is charged from the month in which an asset is capitalized and / or is available for use, while no amortization is charged for the month in which the asset is disposed off. The amortization expense is charged to the statement of profit or Loss.

International Accounting Standard (IAS) 38 "Intangible Assets" requires review of amortization period and the amortization method at least at each financial year end. Accordingly the management assesses at each statement of financial position date the assets' residual values and useful lives in addition to considering any indication of impairment, and adjustments are made if impact on amortization is significant.

### 3.6 Loan, advances and Prepayments

These are recognized at cost, which is fair value of the consideration given. However, an assessment is made at each statement of financial position date to determine whether there is an indication that assets may be impaired. If such indication exists, the estimated recoverable amount of that asset is determined and any impairment loss is recognized for the difference between the recoverable amount.

### 3.7 Assets subject to finance lease

Lease that substantially transfers all the risks and rewards, incidental to the ownership of an asset to the company is classified as finance lease.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Assets under finance lease are stated at lower of present value of minimum lease payments under the lease agreements and the fair value of assets at the inception of the lease. The aggregate amount of obligation relating to these assets are accounted for at net present value of liabilities. Depreciation on these assets is charged in line with normal depreciation policy adopted for assets owned by the Company.

### 3.8 Taxation

#### Current and Prior Year

Provision for current year's taxation is determined in accordance with the prevailing law of taxation on income enacted by the statement of financial position date and is based on current rates of taxation being applied on the taxable income for the year, after taking into account, tax credits and rebates available, if any and taxes paid under the Final tax regime. The tax charge also includes adjustments, where necessary, relating to prior years which arise from assessments finalized during the year.

#### Deferred

Deferred tax is accounted for using the statement of financial position liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable income. Deferred tax is calculated by using the tax rates enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profit will be available and the credits can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax is charged or credited in the statement of profit or loss, except in case where the item to which the deferred tax asset or liability pertains, is recorded in other comprehensive income or equity, the corresponding deferred tax charge is also recognized in other comprehensive income or equity.

### 3.9 Trade debts and other receivables

These are recognized and carried at the original invoice amounts, being the fair value, less an allowance for uncollectible amounts, if any. The Company applies the IFRS 9 simplified approach to measure the expected credit losses (ECL) which uses a lifetime expected loss allowance for trade debts.

### 3.10 Store, spares and loose tools

These are valued at weighted average cost except items in transit which are valued at cost comprising invoice value and other charges paid thereon.

The company reviews the carrying amount of stores, spares and loose tools on a regular basis and provision is made for obsolescence if there is any change in usage pattern and physical form. Impairment, if any, is also made for slow moving items identified as surplus to the requirements of the company.

### 3.11 Stock-in-trade

Stock in trade is valued at the lower of weighted average cost and net realizable value. The average cost in relation to work in process and finished goods represents direct costs of raw materials, labour and appropriate portion of overheads. Net realizable value signifies the estimated selling price in the ordinary course of business less costs necessarily to be incurred in order to make the sale.

The company reviews the carrying amount of stock in trade on a regular basis and as appropriate, inventory is written down to its net realizable value or provision is made for obsolescence if there is any change in its usage pattern and physical form.

Cost of work in process and finished goods include direct material, labour and appropriate portion of manufacturing expenses.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

### 3.12 Foreign currency translation

Transactions in foreign currencies are translated into Pak rupees using the exchange rate prevailing at the dates of transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Pak rupees at the rates of exchange approximating those prevalent at the statement of financial position date. All exchange differences are charged to statement of profit or loss.

### 3.13 Revenue recognition

Revenue is recognized when or as performance obligations are satisfied by transferring control of a promised goods or service to a customer under contract.

### 3.14 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are charged to statements of profit or loss in the period in which they are incurred.

### 3.15 Segment reporting

Segment information is presented on the same basis as that used for internal reporting purposes by the Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments. On the basis of its internal reporting structure, a reportable segment is identified where it becomes a distinguishable component that is engaged in providing an individual product or service or a group of related products or services within a particular economic environment and that is subject to risks and returns that are different from those of other segments. Expenses which cannot be directly allocated activity-wise, are apportioned on appropriate basis as required by Chief Operating Decision Maker.

### 3.16 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of cash flow statement, cash and cash equivalent consists of cash in hand, balances with banks and short term running finance facilities.

### 3.17 Trade and accrued liabilities

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

### 3.18 Provisions

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

Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provisions are reversed.

### 3.19 Financial instruments

Financial assets and financial liabilities are recognized in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument. All the financial assets are derecognized at the time when the Company loses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognized at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gains or losses on de-recognition of the financial assets and financial liabilities are taken to the statement of profit or loss.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

### 3.19.1 Financial assets

The Company classifies its financial assets in the following measurement categories:

- a) Amortized cost where the effective interest rate method will apply;
- b) Fair value through statement of profit or loss;
- c) Fair value through statement of other comprehensive income.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the statement of profit or loss or statement of other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

#### Recognition and derecognition

Regular purchases and sales of financial assets are recognized on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

#### Measurement

At initial recognition, the Company measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. In the case of a financial asset at fair value through statement of profit or loss (FVTPL), the Transaction costs of financial assets carried at FVTPL are expensed in the statement of profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

#### Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

##### (i) Amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in statement of profit or loss and presented in other operating income/(expenses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

##### (ii) Fair value through statement of other comprehensive income (FVTOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through statement of other comprehensive income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in statement of profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in statement of other comprehensive income is reclassified from equity to statement of profit or loss and recognized in other income/expenses. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other income/expenses and impairment expenses are presented as separate line item in the statement of profit or loss.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

### (iii) Fair value through statement of profit or loss (FVTPL)

Assets that do not meet the criteria for amortized cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognized in the statement of profit or loss and presented in operating gains/(losses) in the period in which it arises.

#### De-recognition of financial assets

Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

#### Impairment of financial assets

The Company assesses on a forward looking basis the Expected Credit Losses (ECL) associated with its debt instruments carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Following are financial instruments that are subject to the ECL model:

- Trade debts
- Loans, advances, deposits, prepayments and other receivables
- Cash and bank balances

For trade debts, the Company applies the simplified approach, which requires expected lifetime losses to be recognized from initial recognition of the receivables. The Company recognizes in statement of profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

#### Write-off

The Company write off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery.

### 3.19.2 Financial Liabilities

#### Classification, initial recognition and subsequent measurement

The Company classifies its financial liabilities in the following categories:

- At fair value through statement of profit or loss; and
- Other financial liabilities

The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of other financial liabilities, also include directly attributable transaction costs. The subsequent measurement of financial liabilities depends on their classification, as follows:

#### (i) Fair value through statement of profit or loss

Financial liabilities at fair value through statement of profit or loss include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as being at fair value through statement of profit or loss. The Company has not designated any financial liability upon recognition as being at fair value through statement of profit or loss.

#### (ii) Amortized cost

After initial recognition, other financial liabilities which are interest bearing are subsequently measured at amortized cost, using the effective interest rate method. Gain and losses are recognized in the statement of profit or loss, when the liabilities are derecognized as well as through effective interest rate amortization process.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

### De-recognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender with substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition 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 profit or loss.

### 3.19.3 Offsetting of financial assets and financial liabilities

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

### 3.20 Research and Development

Expenditure on research activities, undertaken with the prospect of gaining new technical knowledge and understanding, is recognized in the statement of profit or loss as an expense as incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalized if the product or process is technically and commercially feasible and the company has sufficient resources to complete development. The expenditure capitalized includes the cost of materials, direct labour, an appropriate proportion of overheads and other directly attributable expenditure. Other development expenditure is recognized in the statement of profit or loss as an expense as incurred.

Expenditure on development activities, capitalized during the year, are classified under "Intangible Assets".

### 3.21 Earning Per Share

The Company presents Earning Per Share (EPS) data for its ordinary shares, EPS is calculated by dividing the profit attributable to ordinary shareholders of the Company by the weighted average number of shares outstanding during the year.

### 3.22 Dividends

Dividend distribution to the shareholders is recognized as a liability in the period in which it is approved.

### 3.23 Warranty Expenses

Warranty expenses are recorded as and when valid claims are received from customers.

## 4 CHANGES IN ACCOUNTING POLICIES

This note explains the impact of the adoption of IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from Contracts with Customers" on the Company's financial statements that have been applied w.e.f July 1, 2018:

### 4.1 IFRS - 9 Financial Instruments

IFRS 9 "Financial Instruments" (IFRS 9) replaces IAS 39 "Financial Instruments: Recognition and Measurement" (IAS 39). IFRS 9 introduces the following new requirements;

- a) the classification and measurement of financial assets and financial liabilities
- b) impairment for financial assets
- c) hedge accounting

IFRS 9 permits either a full retrospective or a modified retrospective approach for adoption. The Company has adopted the standard using the modified retrospective approach for classification, measurement and impairment. This means that the cumulative impact, if any, of the adoption is recognized in unappropriated profit as of July 1, 2018 and comparatives are not restated. However, the adoption of IFRS 9 did not have any impact on opening retained earnings as on July 1, 2018. Accordingly,



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

the comparative information is presented as per the requirements of IAS 39. Details of these new requirements as well as their impact on the Company's financial statements are described below:

### a) Classification and measurement of financial assets and financial liabilities

The new standard requires the Company to assess the classification of financial assets on its statement of financial position in accordance with the cash flow characteristics of the financial assets and the relevant business model that the Company has for a specific class of financial assets.

IFRS 9 no longer has an "Available-for-sale" (AFS) classification for financial assets. The new standard has different requirements for debt or equity financial assets.

Debt instruments should be classified and measured either at:

- Amortized cost, where the effective interest rate method will apply;
- Fair value through statement of other comprehensive income, with subsequent recycling to the statement of profit or loss upon disposal of the financial asset (FVTOCI); or
- Fair value through statement of profit or loss (FVTPL)

Investments in equity instruments, other than those to which consolidation or equity accounting apply, should be classified and measured either at:

- Fair value through statement of other comprehensive income, with no subsequent recycling to the statement of profit or loss upon disposal of the financial asset; or
- Fair value through statement of profit or loss.

The Company has no impact on these financial statements for the adoption of IFRS 9 except measurement requirements and policy amendments in accordance with the IFRS-9. Assessment of the impact of the measurement requirements for adoption of IFRS 9 as of July 1, 2018 is as follows:

Head of Accounts	Measurement category		Carrying amount	
	Original	New	Original	New
	(IAS 39)	(IFRS 9)	Rupees	Rupees

### NON CURRENT LIABILITIES

Long term financing

Deferred Liabilities

Amortized cost	Amortized cost	-	-
		159,602,557	159,602,557

### CURRENT LIABILITIES

Trade and other payables

Unclaimed dividend

Profit accrued on loans and other payables

Short term borrowings

Current portion of long term liabilities

		485,425,032	485,425,032
		1,621,865	1,621,865
Amortized cost	Amortized cost	2,849,361	2,849,361
		-	-
		-	-

### NON CURRENT ASSETS

Long term loans and advances

Long term deposits

Held to maturity	Amortized cost	18,120,968	18,120,968
		2,998,705	2,998,705

### CURRENT ASSETS

Trade debts

Loans & advances

Trade deposits and short term prepayments

Other receivables

Cash and bank balances

		97,613,278	97,613,278
		13,396,450	13,396,450
Loans and receivables	Amortized cost	136,474,876	136,474,876
		112,568,437	112,568,437
		35,324,803	35,324,803

### b) Impairment of financial assets

IFRS 9 introduces the Expected Credit Loss (ECL) model, which replaces the incurred loss model of IAS 39 whereby an allowance for doubtful debt was required only in circumstances where a loss event has occurred. By contrast, the ECL model requires the



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

Company to recognize an allowance for doubtful debt for all financial assets carried at amortized cost (including, for example, trade debts and other receivables), as well as debt instruments classified as financial assets carried at fair value through statement of other comprehensive income, since initial recognition, irrespective whether a loss event has occurred.

For trade receivables and other receivables, the Company applies IFRS 9 simplified approach to measure the expected credit losses (loss allowance) which uses a life time expected loss allowance while general 3-stage approach for other financial assets i.e. to measure ECL through loss allowance is an amount equal to 12-month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition.

### c) Hedge accounting

IFRS 9 requires that hedge accounting relationships are aligned with its risk management objectives and strategy and to apply a more qualitative and forward-looking approach to assessing hedge effectiveness. There is no impact of the said change on these financial statements as there is no hedge activity carried on by the Company.

## 4.2 IFRS-15 Revenue from Contracts with Customers

The Company has applied IFRS 15 "Revenue from Contracts with Customers" for determining its revenue recognition policy. IFRS 15 "Revenue from Contracts with Customers" (IFRS 15) replaces IAS 18 "Revenue" and IAS 11 "Construction Contracts" and related interpretations. IFRS 15 is applicable on the Company with effect from July 1, 2018. IFRS 15 addresses revenue recognition for contracts with customers as well as treatment of incremental costs incurred in acquiring a contract with a customer.

IFRS 15 introduces a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognize revenue representing the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The new standard is also based on the principle that revenue is recognized when control of a good or service transfers to a customer, The single five-step model is as follows;

Step 1: Identify the contract(s) with a customer.

Step 2: Identify the performance obligations in the contract.

Step 3: Determine the transaction price.

Step 4: Allocate the transaction price to the performance obligations in the contract.

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

Under IFRS 15, an entity recognizes when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. The application of IFRS 15 has no material impact on the financial statements of the Company.

## 4.3 The following policies have been changed due to adoption of IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from Contracts with Customers" w.e.f July 1, 2018:

	Notes
a) Trade debts	3.9
b) Revenue recognition	3.13
c) Financial instruments	3.19

## 5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with approved accounting standards. These standards require 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. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are as follows:



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

a)	Liability in respect of staff retirement benefits.	Notes 3.1
b)	Useful life of depreciable Property, Plant and Equipment and amortizable Intangible assets.	3.3 & 3.5
c)	Taxation	3.8
d)	Stock in trade	3.11
e)	Contingencies and Commitments	14

Estimates and judgments are continually evaluated and are based on historic experience and other factors including expectation of future events that are believed to be reasonable under the circumstances.

### 6 SHARE CAPITAL

#### 6.1 AUTHORIZED SHARE CAPITAL

June 30, 2019 Number	June 30, 2018 Number		Note	June 30, 2019 Rupees	June 30, 2018 Rupees
50,000,000	50,000,000	Ordinary shares of Rupees 10 each		500,000,000	500,000,000

#### 6.2 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

7,163,000	7,163,000	Ordinary shares of Rupees 10 each fully paid in cash		71,630,000	71,630,000
14,403,842	14,403,842	Ordinary shares of Rupees 10 each allotted as bonus shares	6.2.1	144,038,420	144,038,420
21,566,842	21,566,842			215,668,420	215,668,420

6.2.1 No bonus shares issued by the company during the year ( June 30, 2018: 3,594,474 bonus shares of Rs. 10 each) .

### 7 LONG TERM FINANCING

#### DIMINISHING MUSHARAKAH - Islamic banking

MCB Islamic Bank Limited.

Meezan Bank Limited

	7.1	31,700,000	-
	7.2	192,371,555	-
		224,071,555	-
Less: Amount due within twelve months, shown under current portion of long term liabilities	12	22,401,560	-
		201,669,995	-

7.1 The total amount of facility available from the MCB Islamic Bank Limited under Diminishing Musharakah arrangement is Rs.275.00 million (June 30, 2018: 275.00million)for the acquisition of four wheeler Plant & Machinery and repayable in equal quarterly installments in arrears which commenced from December 2019. The maximum period of financing facility is six years, including one year grace period. The profit margin is charged at the rate of six month KIBOR plus 1.35% with floor of 7.00% and Cap of 18.00% (June 30, 2018: 1.35% with floor of 7.00% and Cap of 18.00%). This facility is secured against paripassu charge over fixed assets of the company of Rs.275.00 million with 25% margin (June 30, 2018: Rs.275.00 million with 25% margin) and over all present and future current assets of Rs. 275.00 million (June 30, 2018: Rs.375.00 million). The un-utilized amount of this facility as at statement of financial position date is Rs. 241.26 million (June 30, 2018: Rs. 275.00 million).

7.2 The total amount of facility available from the Meezan Bank Limited under Diminishing Musharakah arrangement is Rs.370.00 million (June 30, 2018: 370.00 million)for the acquisition of Plant & Machinery of four wheeler and repayable in equal quarterly installments in arrears which commenced from December 2019. The maximum period of financing facility is six years, including one year grace period . The profit margin is charged at the rate of six month KIBOR plus 1.75% with floor of 7.00% and Cap of 15.00% (June 30, 2018: KIBOR plus 1.75% with floor of 7.00% and Cap of 15.00%). This facility is secured against paripassu charge over fixed assets of the company amounting to Rs. 493.33 million (June 30, 2018: Rs. 493.33 million) and personal guarantees of some of the directors. The un-utilized amount of this facility as at statement of financial position date is Rs. 177.63.00 million (June 30, 2018: Rs. 370.00 million).



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

	Note	June 30, 2019 Rupees	June 30, 2018 Rupees
<b>8 DEFERRED LIABILITIES</b>			
Employee benefits obligation	8.1	159,833,484	139,269,648
Deferred taxation	8.2	9,133,675	20,332,909
		<u>168,967,159</u>	<u>159,602,557</u>
<b>8.1 Employee benefits obligation</b>			
<b>8.1.1 Movement in the present value of defined benefit obligations</b>			
Present value of defined benefit obligations 1st July		139,269,648	116,308,552
Current Service Cost		17,289,258	15,385,652
Interest cost on defined benefit obligation		12,365,723	8,869,641
Benefits due but not paid (payables)		(219,902)	-
Benefits paid		(3,525,541)	(3,723,133)
Actuarial (gain) / losses from changes in financial assumptions		(8,795,143)	435,488
Experience Adjustments		3,449,441	1,993,449
		<u>159,833,484</u>	<u>139,269,648</u>
<b>8.1.2 Movement in the net liability recognized in the statement of financial position</b>			
Net liability as at 1st July		139,269,648	116,308,552
Expense recognized in the statement of profit or loss	8.1.3	29,654,981	24,255,293
Liability discharged during the year		(3,525,541)	(3,723,134)
Benefit Payable transferred to Short Term Liability		(219,902)	-
Re-measurement recognized in other comprehensive income	8.1.6	(5,345,702)	2,428,937
Net liability as at June 30		<u>159,833,484</u>	<u>139,269,648</u>
<b>8.1.3 Expense recognized in the statement of profit or loss</b>			
Current service cost		17,289,258	15,385,652
Interest cost		12,365,723	8,869,641
		<u>29,654,981</u>	<u>24,255,293</u>
<b>8.1.4 Distribution of expense recognized in the statement of profit or loss</b>			
The expense is recognized in the following line items in the statement of profit or loss under the head salaries, wages and other benefits.			
Cost of sales		22,915,205	18,727,673
Administrative expenses		6,053,441	4,958,753
Distribution cost		686,335	568,867
		<u>29,654,981</u>	<u>24,255,293</u>
<b>8.1.5 Year end sensitivity analysis(± 100 Bps) on Defined Benefit Obligation</b>	June 30, 2019		
Discount Rate + 100 bps		147,815,689	
Discount Rate - 100 bps		173,874,629	
Salary Increase + 100 Bps		174,236,447	
Salary Increase - 100 Bps		147,298,078	
<b>8.1.6 Re-measurement recognized in Other Comprehensive Income</b>			
Actuarial (gain) / losses from changes in financial assumptions		(8,795,143)	435,488
Experiences adjustments		3,449,441	1,993,449
Total re-measurement recognized in Other Comprehensive Income		<u>(5,345,702)</u>	<u>2,428,937</u>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

### 8.1.7 Expected Benefit Payments for the Next 10 Years and Beyond

	Less than one Year	From 1 to 2 Year	From 2 to 5 Year	From 5 to 10 Year	More Than 10 Years	Total
	Rupees					
As At June 30, 2019						
Defined Benefit Obligations	31,451,103	23,808,369	56,348,339	134,422,247	4,593,598,968	4,839,629,026

8.1.8 The amount of expected expense of gratuity benefit in 2019-20 will be Rs. 40,326,313/- as per the actuary's report.

8.1.9 The average duration of defined benefit obligation (unfunded) is 8 years (June 30, 2018, 9 Years).

### 8.1.10 Principal actuarial assumptions

The company has carried out actuarial valuation as at June 30, 2019 under the 'Projected Unit Credit Actuarial Cost Method'. The main assumptions used for actuarial valuation are as follows:

Note	June 30, 2019 Rupees	June 30, 2018 Rupees
Discount rate for year end Obligation	14.25 % p.a.	9.00 % p.a.
Discount rate for interest cost in statement of profit or loss	9.00 % p.a.	7.75 % p.a.
Expected rate of future salary increase for the year 2020 (2019)	5.00 % p.a.	8.00 % p.a.
Expected rate of future salary increase from 2021 onward	13.25 % p.a.	8.00 % p.a.
Next Salary is increased at	July 01, 2019	July 01, 2018
Mortality rates	SLIC 2001-2005	SLIC 2001-2005
Withdrawal Rates	Setback 1 Year Age-Based (Per Appendix)	Setback 1 Year Age-Based (per appendix)
Retirement assumption	60 Years	60 Years

### 8.2 Deferred taxation

Taxable temporary differences arising from:

Accelerated depreciation for tax purposes	18,525,715	20,332,909
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Deductible temporary differences arising from:

Minimum tax u/s 113 of Income Tax Ordinance, 2001	(9,392,040)	-
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### 9 TRADE AND OTHER PAYABLES

Creditors		393,155,423	388,475,670
Advances from trade customers - Contract Liability	9.1	14,826	7,785,912
Accrued & Other liabilities		38,998,350	49,089,050
Murabaha Payable: (Islamic banking)			
Meezan Bank Limited	9.2	45,884,998	-
Habib Bank Limited	9.3	17,147,823	-
MCB Islamic Bank Limited	9.4	2,041,907	-
United Bank Limited	9.5	-	-
Allied Bank Limited	9.6	-	-
Sales tax payable		6,270,121	-
Income tax deducted at source		4,151,262	10,285,150
Payable towards:			
Workers' Profit Participation Fund	9.7	6,080,459	24,793,863
Workers' Welfare Fund	9.8	2,235,910	4,995,387
		515,981,079	485,425,032

9.1 These represent advance received from customers in respect of sale of vehicles and parts. All the opening balance of advance has been recognized as revenue during the year.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

- 9.2 The total amount of the facility available from the Meezan Bank Limited under Murabaha arrangement is Rs.200.00 million (June 30, 2018: Rs. 200.00 Million) for a maximum period of 180 days (June 30,2018: 180 Days). The profit margin is charged at the rate of preceding day respective KIBOR plus 1.25% (June 30, 2018: 1.25%). This facility is secured against paripassu charge over fixed assets (Land, Building and Machinery) of the company amounting to Rs. 268.00 million (June 30, 2018: Rs. 268.00 Million) with 25% margin (June 30, 2018: 25%), paripassu charge over current assets of the company amounting to Rs. 200.00 million (June 30, 2018: Rs. 200.00 Million) and personal guarantees of some of the directors. The un-utilized amount of this facility as at statement of financial position date is Rs. 154.11 million (June 30, 2018: Rs. 200.00 Million).
- 9.3 The total amount of the facility available from the Habib Bank Limited - Islamic Banking under Murabaha arrangement is Rs.160.00 million (June 30, 2018: Rs. 90.00 million) for a maximum period of 120 days (June 30,2018: 120 days). The profit margin is charged at the rate of matching KIBOR plus 1.10% (June 30, 2018: 2.00%). This facility is secured against first paripassu charge of Rs. 214.00 million (June 30, 2018: Rs. 214.00 million) over fixed assets of the company and over current assets Rs. 160.00 million (June 30, 2018: Rs. 90.00 million) of the company. The un-utilized amount of this facility as at statement of financial position date is Rs. 142.85 million (June 30, 2018: Rs. 90.00 million).
- 9.4 The total amount of the facility available from the MCB Islamic Bank Limited under Murabaha arrangement is Rs.275.00 million (June 30, 2018: Rs. 275.00 million) for a maximum period of 180 days (June 30,2018: 180 days). This is a sublimit of Diminishing Musharakah. The profit margin is charged at the rate of matching KIBOR plus 1.15% (June 30, 2018: 1.15%). This facility is secured against first paripassu charge of Rs. 275.00 million (June 30, 2018: Rs. 275.00 million) over fixed assets of the company with 25% margin (June 30, 2018: 25%) and over current assets Rs. 275.00 million (June 30, 2018: Rs. 375.00 million) of the company. The un-utilized amount of this facility as at statement of financial position date is Rs. 241.26 million (June 30, 2018: Rs. 275.00 million).
- 9.5 The total amount of the facility available from the United Bank Limited under Murabaha arrangement is Rs.200.00 million (June 30, 2018: Rs. 200.00 million) for a maximum period of 180 days (June 30,2018: 180 days). The profit margin is charged at the rate of matching KIBOR plus 1.10% (June 30, 2018: 1.10%). This facility is secured against first paripassu charge of Rs. 200.00 million (June 30, 2018: Rs. 200.00 million) over fixed assets of the company with 25% margin (June 30, 2018: 25%), first paripassu charge over current assets Rs. 200.00 million (June 30, 2018: Rs. 200.00million) of the company with Nil margin (June 30, 2018: 25%) and personal guarantees of some of the directors. The un-utilized amount of this facility as at statement of financial position date is Rs. 200.00 million (June 30, 2018: Rs. 200.00 million).
- 9.6 The total amount of facility available from Allied Bank Limited under Murabaha arrangement is Rs. 135.00 million (June 30, 2018: FATR of Rs.90.00 million) for a maximum period of 180 days (June 30,2018: 180 days). The profit margin is charged at the rate KIBOR plus 1.10% (June 30, 2018: 2.00%). This facility is secured against paripassu charge over fixed assets Rs. 185.00 million (June 30, 2018: Rs. 185.00 million), paripassu charge over current assets Rs. 110.00 million (June 30, 2018: Rs. 110.00 million) of the company and personal guarantees of some of the directors. The un-utilized amount of this facility as at statement of financial position date is Rs. 90.00 million (June 30, 2018: Rs. 90.00 million).

9.7 **Workers' Profit Participation Fund**

Balance at beginning of the year  
Charged during the year

Payment made during the year

Note

	June 30, 2019	June 30, 2018
	Rupees	Rupees
	24,793,863	10,994,813
	6,080,459	13,799,050
	30,874,322	24,793,863
	(24,793,863)	-
	6,080,459	24,793,863



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

			June 30, 2019 Rupees	June 30, 2018 Rupees
9.8	<b>Workers' Welfare Fund</b>			
	Balance at beginning of the year		4,995,387	4,316,877
	Charged during the year		2,235,910	4,995,387
	Adjustment for prior years		(42,170)	(172,059)
	Charged to Statement of Profit or Loss	30	2,193,740	4,823,328
			7,189,127	9,140,205
	Payment made during the year		(4,953,217)	(4,144,818)
			2,235,910	4,995,387
10	<b>PROFIT ACCRUED ON LOANS AND OTHER PAYABLES</b>			
	Short term borrowing - secured		1,386,227	2,849,361
	Long term borrowing - secured		14,172,320	-
	Profit on Murabaha Payable		136,661	-
			15,695,208	2,849,361
11	<b>SHORT TERM BORROWINGS</b>			
	<b>Secured</b>			
	<b>Running Musharakah arrangements - Islamic Banking</b>			
	Habib Bank Limited	11.1	-	-
	MCB Islamic Bank Limited	11.2	-	-
	United Bank Limited	11.3	-	-
	Meezan Bank Limited	11.4	-	-
	Allied Bank Limited	11.5	-	-
	<b>Istisna arrangements - Islamic Banking</b>			
	Meezan Bank Limited	11.6	-	-
			-	-

- 11.1** The total amount of the facility available from the Habib Bank Limited - Islamic Banking under Running Musharakah arrangement is Rs.160.00 million (June 30, 2018: Rs. 50.00 million). This facility is a sub-limit of the murabaha facility of Rs. 160.00 million (June 30, 2018: Rs. 90.00 million) (Note No. 9.3). The profit margin is charged at the rate of matching KIBOR plus 1.10% (June 30, 2018: 2.00%). This facility is secured against first paripassu charge of Rs. 214.00 million (June 30, 2018: Rs. 214.00 million) over fixed assets of the company and over current assets Rs. 160.00 million (June 30, 2018: Rs. 90.00 million) of the company. The un-utilized amount of this facility as at statement of financial position date is Rs. 142.85 million (June 30, 2018: Rs. 90.00 million).
- 11.2** The total amount of the facility available from the MCB Islamic Bank Limited under Running Musharakah arrangement is Rs.275.00 million (June 30, 2018: Rs. 275.00 million). This facility is a sub-limit of the murabaha facility of Rs. 275.00 million (June 30, 2018: Rs. 275.00 million) (Note No. 9.4). The profit margin is charged at the rate of matching KIBOR plus 1.15% (June 30, 2018: 1.15%). This facility is secured against first paripassu charge of Rs. 275.00 million (June 30, 2018: Rs. 275.00 million) over fixed assets of the company with 25% margin (June 30, 2018: 25%) and over current assets Rs. 275.00 million (June 30, 2018: Rs. 375.00 million) of the company. The un-utilized amount of this facility as at statement of financial position date is Rs. 241.26 million (June 30, 2018: Rs. 275.00 million).
- 11.3** The total amount of the facility available from the United Bank Limited under Murabaha arrangement is Rs.200.00 million (June 30, 2018: Rs. 200.00 million). This facility is a sub-limit of the murabaha facility of Rs. 200.00 million (June 30, 2018: Rs. 200.00 million) (Note No. 9.5) The profit margin is charged at the rate of matching KIBOR plus 1.10% (June 30, 2018: 1.10%). This facility is secured against first paripassu charge of Rs. 200.00 million (June 30, 2018: Rs. 200.00 million) over fixed assets of the company with 25% margin (June 30, 2018: 25%), first paripassu charge over current assets Rs. 200.00 million (June 30, 2018: Rs. 200.00 million) of the company with Nil margin (June 30, 2018: 25%) and personal guarantees of some of the directors. The un-utilized amount of this facility as at statement of financial position date is Rs. 200.00 million (June 30, 2018: Rs. 200.00 million).
- 11.4** The total amount of facility available from the Meezan Bank Limited under Running Musharakah arrangement is Rs. 60.00 million (June 30, 2018: Rs. 60.00 million). This facility is a sub-limit of the murabaha facility of Rs. 200.00 million (June 30, 2018: Rs. 200.00 million) (Note No. 9.2). The profit margin is charged on quarterly basis at the rate of respective KIBOR plus 1.25% (June 30, 2018:



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

1.25%) per annum. This facility is secured against paripassu charge over fixed assets (Land, Building and Machinery) of the company amounting to Rs. 268.00 million (June 30, 2018: Rs. 268.00 million) with margin of 25% (June 30, 2018: 25%), paripassu charge over current assets of the company amounting to Rs. 200.00 million (June 30, 2018: Rs. 200.00 million) and personal guarantees of some of the directors. The un-utilized amount of this facility as at statement of financial position date is Rs. 60.00 million (June 30, 2018: Rs. 60.00 million).

11.5 The total amount of facility available from the Allied Bank Limited under Business Musharakah arrangement is Rs. 45.00 million (June 30, 2018: Rs. 45.00 million). This facility is a sub-limit of murabaha facility of Rs. 135.00 million (June 30, 2018: Rs. 90.00 million) (Note No. 9.6). The profit margin is charged on three months basis at the rate of respective KIBOR plus 1.10% (June 30, 2018: 2.00%) per annum. This facility is secured against paripassu charge over fixed assets Rs. 185.00 million (June 30, 2018: Rs. 185.00 million) of the company, paripassu charge over current assets Rs. 110.00 million (June 30, 2018: Rs. 110.00 million) and personal guarantees of some of the directors. The un-utilized amount of this facility as at statement of financial position date is Rs. 45.00 million (June 30, 2018: Rs. 45.00 million).

11.6 The total amount of facility available from the Meezan Bank Limited under Istisna arrangement is Rs. 40.00 million (June 30, 2018: Rs. 40.00 million) for a maximum period of 180 days (June 30, 2018: 180 days). This facility is a sub-limit of murabaha facility of Rs. 200 million (June 30, 2018: Rs. 200.00 million) (Note No. 9.2). The profit margin is charged at the rate of preceding day respective KIBOR plus 1.25% (June 30, 2018: 1.25%) per annum. This facility is secured against paripassu charge over fixed assets (Land, Building and Machinery) of the company amounting to Rs. 268.00 million (June 30, 2018: Rs. 268.00 million) with 25% margin (June 30, 2018: 25%), paripassu charge over current assets of the company amounting to Rs. 200.00 million (June 30, 2018: Rs. 200.00 million) and personal guarantees of some of the directors. The un-utilized amount of this facility as at statement of financial position date is Rs. 40.00 million (June 30, 2018: Rs. 40.00 million).

### 12 CURRENT PORTION OF LONG TERM LIABILITIES

Note

June 30, 2019	June 30, 2018
Rupees	Rupees
22,401,560	-
22,401,560	-

Current portion of Diminishing Musharakah - Islamic banking

7

### 13 PROVISION FOR TAXATION

Balance at beginning

Add: Provision for the Year

-Current Year

-Prior Year

Less: Payment/Adjustment during the year

Balance at closing

-	-
40,997,011	72,893,882
49,579	(2,526,084)
(41,046,590)	(70,367,798)
-	-

### 14 CONTINGENCIES AND COMMITMENTS

#### 14.1 Contingencies

14.1.1 The Director General (HQ)/Adjudicating Officer of Punjab Employees Social Security Institution (PESSI) has passed an order against the company and sustained the demand created by Deputy Director (Admin) of Rs. 6,547,688/- as on June 12, 2019. The company filed an appeal against the said order before The Honorable Labour Court, Lahore and has been granted a stay order. The appeal is still pending. In the opinion of the legal advisor, favorable outcome of the appeal is expected; hence no provision is made in these financial statements.

14.1.2 The Honorable Lahore High Court, Lahore has decided the case in favor of PESSI against the appeal filed by the company with respect to the notification issued by the Government of Punjab (Labour & Human Resource Department) for enhancing the monthly wage ceiling from Rs. 18,000/- to 22,000/-. The estimated effect of this notification on financial statements of the company is Rs. 506,470/-. The company challenged the order by filing an Intra Court Appeal (ICA) before the Honorable Lahore High Court, Lahore as on July 04, 2019, and has been granted a stay order. The appeal is still pending. In the opinion of the legal advisor, favorable outcome of the appeal is expected; hence no provision is made in these financial statements.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

- 14.1.3 The Sindh Revenue Board (SRB) retrospectively restored sales tax on renting of immovable property services vide Sindh Sales Tax on Services (Amendment) Act, 2018, Therefore Landlord of Company's Karachi office has claimed sales tax on rent services of Rs. 257,064/- for the tax year 2016, 2017 and 2018. The Company has challenged the law by filing a writ petition in Honorable Sindh High Court, Karachi and has been granted a stay order as on December 31, 2018. In the opinion of the lawyer, the outcome of the case is expected in favour of the company, hence no provision is made in these financial statements.
- 14.1.4 ACIR initiated proceedings under section 122 (5A) of Income Tax Ordinance 2001 for tax year 2017 and created a tax demand of Rs. 11,385,589/- as on September 26, 2018. The company filed an appeal against this order with CIR (Appeals) and also file a writ petition in Honourable Lahore High Court, Lahore for obtaining a stay order against recovery of said amount. The Honourable Lahore high court, Lahore has granted a stay order against recovery of tax demand till the decision of CIR (Appeals). The proceedings of CIR (Appeals) are still pending, In the opinion of tax consultant, favorable outcome of the appeals is expected, hence no provision is made in these financial statements.
- 14.1.5 ACIR initiated proceedings under section 124/129/221 of Income Tax Ordinance 2001 for tax year 2008 and rejected the refund of Rs. 1,432,320/-. The company filed an appeal against this order with CIR (Appeals) as on June 30, 2016, proceedings are still pending. In the opinion of tax consultant, favorable outcome is expected, hence no provision is made in these financial statements.
- 14.1.6 ACIR initiated proceedings under section 3(1A) of Sales Tax act 1990 for tax period July-Sep 2015 and created sales tax demand of Rs. 9,392,789/- as on June 06, 2016 . The company filed an appeal against this order with CIR (A) and CIR (A) vacated the order of ACIR. However ACIR filed an appeal with ATIR, proceedings are still pending. In the opinion of tax consultant, favorable outcome is expected, hence no provision is made in these financial statements.
- 14.1.7 The appeal filed by the company with ATIR against the order of CIR (Appeals) for tax demand of Rs. 545,930/- for tax year 2003 as on November 12, 2009 under section 122 (5A) is still pending. In the opinion of the tax consultant, favorable outcome of the appeal is expected, hence no provision is made in these financial statements.
- 14.1.8 DCIR initiated proceedings under section 122 (5A) for tax year 2009 and created a tax demand of Rs. 5,318,163/- as on March 31, 2015 . The company filed an appeal against this order with CIR (Appeals) and got relief up to Rs.5.32 million. For remaining tax demand of Rs. 121,899/-, company file an appeal with ATIR. Further, the DCIR has also filed an appeal with ATIR against the Relief of Rs. 5,318,163/- given by the CIR (A) In the opinion of tax consultant, favorable outcomes of the appeals are expected, hence no provision is made in these financial statements.
- 14.1.9 DCIR initiated proceedings under section 122 (1)/122 (5A) for tax year 2013 and 2007 and created a tax demand of Rs. 6,845,112/- and Rs. 16,554,680/- as on January 31, 2013 and April 25, 2014 respectively. The company filed appeals against these orders with CIR (Appeals) and got relief of Rs. 4,365,419/- and Rs. 15,940,450/- respectively. For remaining tax demand of Rs.2,479,693/- and Rs. 614,230/- company has filed appeals with ATIR. The appeals are still pending. Further in 2017, the DCIR has also filed an appeal to ATIR against the relief of Rs. 4,365,419/- given by CIR (A) for tax year 2013. In the opinion of tax consultant, favorable outcomes of the appeals are expected, hence no provision is made in these financial statements.
- 14.1.10 DCIR passed an order under section 11 (2) of Sales Tax Act, 1990 for the tax period from July-2011 to June-2012 and created a demand of Rs. 192,568,536/- as on May 30, 2018, . The company filed an appeal against this order with CIR (Appeals). Further, The Company has been granted a stay order from ATIR till the decision of CIR (Appeals). The proceedings of CIR (Appeals) are still pending and in the opinion of the tax consultant, favorable outcome of the appeal is expected, hence no provision is made in these financial statements.
- 14.1.11 DCIR . passed an order under section 11 (2) of Sales Tax Act, 1990 for the tax period from July-2013 to June-2014 and created a demand of Rs. 7,418,949/- as on September 28, 2017. The company filed an appeal against this order with CIR (Appeals) and has been granted a stay order. The proceedings are still pending and in the opinion of the tax consultant, favorable outcome of the appeal is expected, hence no provision is made in these financial statements.
- 14.1.12 Through the Finance Act, 2017, Section 5A of the Income Tax Ordinance, 2001 was amended, Through the revised provision income tax shall be charged at the rate of seven and a half percent of accounting profit before tax on every public company, other than a scheduled bank or a modaraba, that derives profit for a tax year but does not distribute at least forty percent of its after tax profits within six months of the end of the tax year through cash or bonus shares. However, for the financial year ended June 30, 2018, the management has assessed its cash requirement for the setting up a project of manufacturing/assembly of passenger



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

and off-road vehicles and has not made an announcement of dividend which has attracted the provisions of Section 5 (A) of Income Tax Ordinance 2001. The company has challenged the legality and constitutionality of section 5 (A) of Income Tax Ordinance 2001 by filing a Constitutional petition in the Lahore High Court as on July 03, 2018, the said writ petition is pending before the Learned Court. In the opinion of the lawyer, favorable outcome of the appeal is expected, hence provision of Rs.19.10 Million is not made in these financial statements.

### 14.2 Commitments

14.2.1 Commitments in respect of outstanding letters of credit for raw material amount to Rs. 134.258 Million (June 30, 2018: Rs. 254.96 Million).

14.2.2 Commitments in respect of capital expenditures amount to Rs. 146.519 Million (June 30, 2018: Rs. 161.40 Million).

### 15 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets - Tangible  
Capital work in progress

Note

June 30, 2019	June 30, 2018
Rupees	Rupees
348,588,354	346,844,374
649,491,034	361,959,281
<b>998,079,388</b>	<b>708,803,655</b>

### 15.1 OPERATING FIXED ASSETS - Tangible

2019										Rupees
Particulars	Cost			As at 30-06-2019	Rate %	Depreciation			As at 30-06-2019	W.D.V. as at 30-06-2019
	As at 01-07-2018	Additions/ (Deletions)	Transfer			As at 01-07-2018	For the Year	Adjustment		
Freehold land	195,551,940	-	-	195,551,940	-	-	-	-	-	195,551,940
Building and Civil Works on freehold land	88,273,401	-	-	88,273,401	5 to 10	55,974,833	3,151,481	-	59,126,314	29,147,087
Building and Civil Works on leasehold land	2,509,800	-	-	2,509,800	10	595,451	191,435	-	786,886	1,722,914
Plant and Machinery	216,194,790	2,675,527	-	218,870,317	10	136,464,681	8,071,725	-	144,536,406	74,333,911
Electric Fittings	9,189,359	-	-	9,189,359	10	5,878,755	331,060	-	6,209,815	2,979,544
Furniture and Fittings	2,311,633	684,830	-	2,996,463	10	1,552,061	136,357	-	1,688,418	1,308,045
Office Equipment	6,141,575	1,005,580	-	7,147,155	10	2,621,572	417,541	-	3,039,113	4,108,042
Electric Installations	3,300,450	1,931,500	-	5,231,950	10	1,867,026	234,573	-	2,101,599	3,130,351
Vehicles	63,904,961	16,336,000	-	76,059,961	20	35,579,155	7,382,160	-	39,753,440	36,306,521
		(4,181,000)	-					(3,207,875)		
Total 2019	587,377,908	22,633,437	-	605,830,345		240,533,534	19,916,331	-	257,241,991	348,588,354
		(4,181,000)	-					(3,207,875)		

2018										Rupees
Particulars	Cost			As at 30-06-2018	Rate %	Depreciation			As at 30-06-2018	W.D.V. as at 30-06-2018
	As at 01-07-2017	Additions/ (Deletions)	Transfer			As at 01-07-2017	For the Year	Adjustment		
Freehold land	107,692,008	87,859,932	-	195,551,940	-	-	-	-	-	195,551,940
Building and Civil Works on freehold land	88,273,401	-	-	88,273,401	5 to 10	52,477,770	3,497,063	-	55,974,833	32,298,568
Building and Civil Works on leasehold land	2,509,800	-	-	2,509,800	10	382,745	212,706	-	595,451	1,914,349
Plant and Machinery	205,692,696	10,502,094	-	216,194,790	10	128,019,721	8,444,960	-	136,464,681	79,730,109
Electric Fittings	9,189,359	-	-	9,189,359	10	5,510,910	367,845	-	5,878,755	3,310,604
Furniture and Fittings	2,311,633	-	-	2,311,633	10	1,467,664	84,397	-	1,552,061	759,572
Office Equipment	4,481,242	1,660,333	-	6,141,575	10	2,338,228	283,344	-	2,621,572	3,520,003
Electric Installations	3,300,450	-	-	3,300,450	10	1,707,756	159,270	-	1,867,026	1,433,424
Vehicles	60,145,461	2,700,500	1,059,000	63,904,961	20	28,088,972	6,959,836	530,347	35,579,155	28,325,806
		-	-					-		
Assets subject to Finance Lease	483,596,049	102,722,859	1,059,000	587,377,908		219,993,766	20,009,421	530,347	240,533,534	346,844,374
		-	-					-		
Vehicles	1,059,000	-	(1,059,000)	-	20	471,608	58,739	(530,347)	-	-
		-	-					-		
	1,059,000	-	(1,059,000)	-		471,608	58,739	(530,347)	-	-
Total 2018	484,655,049	102,722,859	-	587,377,908		220,465,374	20,068,160	530,347	240,533,534	346,844,374
		-	-					(530,347)		



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

15.2 Depreciation for the year has been allocated as follows:

	Note	June 30, 2019 Rupees	June 30, 2018 Rupees
Cost of sales	27	11,867,169	12,889,803
Distribution cost	28	3,089,976	1,482,494
Administrative expenses	29	4,959,186	5,695,863
		<b>19,916,331</b>	<b>20,068,160</b>

### 15.3 CAPITAL WORK-IN-PROGRESS

#### Tangible

##### Plant and machinery

Opening balance	22,888,612	4,545,261
Additions made during the year	240,961,454	23,209,201
	<b>263,850,066</b>	<b>27,754,462</b>
Transferred to Plant & Machinery	-	4,865,850
	<b>263,850,066</b>	<b>22,888,612</b>

#### Civil works

Opening balance	338,580,335	262,481,902
Additions made during the year	46,719,382	76,098,433
	<b>385,299,717</b>	<b>338,580,335</b>
Transferred to operating fixed assets	-	-
	<b>385,299,717</b>	<b>338,580,335</b>

#### Intangible

Opening balance	490,334	490,334
Additions made during the year	-	-
	<b>490,334</b>	<b>490,334</b>
Transferred to Intangible Assets	149,083	-
	<b>341,251</b>	<b>490,334</b>
	<b>649,491,034</b>	<b>361,959,281</b>

15.4 Particulars of Company's Immovable Fixed Assets:

SR No.	PARTICULARS	LOCATION	NATURE	AREA OF LAND (In Acres)
1	Manufacturing Facility of Three Wheeler, Appliances and Automotive Parts	18 K.M Raiwind Road, Lahore.	OWNED	5.46
2	Four Wheeler Manufacturing Facility - Under Construction	Mouza Bhai Kot, Near Tablighi Ijtama, Raiwind, Lahore	OWNED	36.92
3	Warranty Center, Karachi	B-66, State Avenue S.I.T.E, Karachi	LEASED	0.36

15.5 The detail of property, plant and equipment disposed off is as follows:

Particulars	Cost	Net Book Value	Sale Price	Gain / (Loss)	Mode of Disposal	Particulars of Purchaser
	Rupees					
Honda Civic	2,410,500	661,738	1,450,000	788,262	Negotiation	Mr. Zohaib Rafiq, House no. 623, Huma Block, Iqbal Town, Lahore
Honda Civic	1,666,000	257,381	1,000,000	742,620	Negotiation	Mr. Muhammad Ahmed Khan, House No. 324 A-1, Johar Town, Lahore
Honda - 125	104,500	54,006	50,000	(4,005)	Negotiation	Mr. Mazhar Mansoor, House no. 91 & 92, Block C, Shershah Colony, Raiwind Road, Lahore.
June 30, 2019	<b>4,181,000</b>	<b>973,125</b>	<b>2,500,000</b>	<b>1,526,877</b>		
June 30, 2018	-	-	-	-		



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

### 16 INTANGIBLE ASSETS

Particulars	Cost			Amortization			(Rupees)
	As at 01-07-2018	Additions/ (deletion)	As at 30-06-2019	As at 01-07-2018	For the Year	As at 30-06-2019	Book Value as at 30-06-2019
Intangible Assets	4,208,839	149,083	4,357,922	4,198,264	51,098	4,249,362	108,560
<b>Jun-19</b>	<b>4,208,839</b>	<b>149,083</b>	<b>4,357,922</b>	<b>4,198,264</b>	<b>51,098</b>	<b>4,249,362</b>	<b>108,560</b>
Jun-18	4,208,839	-	4,208,839	4,158,020	40,244	4,198,264	10,575

16.1 Intangible assets include cost incurred on patents, copyrights, trade marks and designs.

16.2 The amortization cost is included in cost of sales.

### 17 LONG TERM LOANS AND ADVANCES - SECURED

Loans and advances - considered good, to:

	Note	June 30, 2019 Rupees	June 30, 2018 Rupees
Executives		7,853,925	6,287,425
Non-Executives		33,064,873	23,876,495
		<b>40,918,798</b>	<b>30,163,920</b>
Less: Amount due within twelve months, shown under current portion of loans and advances	22	16,023,545	12,042,952
		<b>24,895,253</b>	<b>18,120,968</b>

Reconciliation of carrying amount of loans and advances to executives and non-Executives:

	Opening balance as at July 01, 2018	Disbursements / Transfer	Repayments / Transfer	Closing Balance as at June 30, 2019
Executives	6,287,425	2,385,000	818,500	7,853,925
Non-Executives	23,876,495	25,437,462	16,249,084	33,064,873
<b>June 30, 2019</b>	<b>30,163,920</b>	<b>27,822,462</b>	<b>17,067,584</b>	<b>40,918,798</b>
<b>June 30, 2018</b>	<b>25,178,073</b>	<b>22,107,238</b>	<b>17,121,391</b>	<b>30,163,920</b>

These loans and advances have been granted under staff loan and advances policy to facilitate the employees for purchase of house and meeting other household payments. These are secured against the gratuity payable to employees. These are interest free loans which are repayable within maximum fourteen years. The maximum amount of loan outstanding to executives at the end of any month during the year was Rs. 8,448,925 (2018: Rs. 6,511,455). Receivable from executives of the Company does not include any amount receivable from Directors or Chief Executive. The carrying values of these loans are neither past due nor impaired. The credit quality of these financial assets can be assessed with reference to no default in recent history.

### 18 LONG TERM DEPOSITS

Deposit with Pakistan Steel Mill	400,000	400,000
Utilities and others	2,919,855	2,598,705
	<b>3,319,855</b>	<b>2,998,705</b>

18.1 Long term deposits are given in the normal course of business and do not carry any interest or mark-up.

### 19 STORES, SPARES AND LOOSE TOOLS

Stores	2,614,622	3,411,001
Spares	351,994	348,910
Loose tools	25,913	5,250
	<b>2,992,529</b>	<b>3,765,161</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

	Note	June 30, 2019 Rupees	June 30, 2018 Rupees
<b>20 STOCK-IN-TRADE</b>			
Raw materials and components		448,907,241	336,012,742
Work-in-process		28,239,219	11,921,639
Finished goods		178,368,962	137,357,025
Less:			
Provision for slow moving items	20.1	(9,667,692)	(7,505,112)
Provision for Loss of Stock	20.2	-	-
		<b>645,847,730</b>	<b>477,786,294</b>
<b>20.1 Provision for slow moving items</b>			
Balance at the beginning of the year		7,505,112	4,163,512
Charged during the year	27	2,162,580	3,341,600
Balance at the closing of the year		<b>9,667,692</b>	<b>7,505,112</b>
<b>20.2 Provision for Loss of Stock</b>			
Balance at the beginning of the year		-	5,889,077
Charged during the year		-	-
Reversal during the year		-	(5,889,077)
Balance at the closing of the year		<b>-</b>	<b>-</b>
<b>21 TRADE DEBTS - Unsecured</b>	21.1	<b>115,605,575</b>	<b>97,613,278</b>
<b>21.1 Classification:</b>			
Considered Good		115,605,575	97,613,278
Considered Doubtful		9,641,805	9,647,305
		<b>125,247,380</b>	<b>107,260,583</b>
Less: Provision for expected credit losses	21.2	(9,641,805)	(9,647,305)
		<b>115,605,575</b>	<b>97,613,278</b>
<b>21.2 Provision for Expected Credit losses (ECL)</b>			
Balance at the beginning of the year		9,647,305	8,099,517
Charged during the year		-	5,558,488
		<b>9,647,305</b>	<b>13,658,005</b>
Reversal during the year	21.2.1	(5,500)	(4,010,700)
Balance at the closing of the year		<b>9,641,805</b>	<b>9,647,305</b>
<b>21.2.1 Amount recovered during the year.</b>			
<b>22 LOANS &amp; ADVANCES</b>			
Advances - considered good			
- Current portion of loans and advances	17	16,023,545	12,042,952
- To employees for incurring business expenses		3,961	17,480
- To suppliers-unsecured		192,499	1,336,018
		<b>16,220,005</b>	<b>13,396,450</b>

**22.1** These amount given in the normal course of business and do not carry any interest or mark-up.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

	Note	June 30, 2019 Rupees	June 30, 2018 Rupees
<b>23 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS</b>			
Contract securities		400,000	400,000
Prepaid expenses		1,132,262	1,325,907
Letter of credit margin		19,935,002	2,054,248
Letter of credit in process		27,143,291	132,694,721
		<b>48,610,555</b>	<b>136,474,876</b>
<b>23.1</b> These amount given in the normal course of business and do not carry any interest or mark-up.			
<b>24 OTHER RECEIVABLES</b>			
Advance income tax - net		107,271,671	105,497,345
Advance Sales tax		2,000,000	7,071,092
		<b>109,271,671</b>	<b>112,568,437</b>
<b>25 CASH AND BANK BALANCES</b>			
Cash in hand		175,176	183,080
Balance with banks			
In current accounts - Conventional banking		2,992,544	25,922,932
In current accounts - Islamic banking		2,774,642	9,218,791
In saving accounts - Islamic banking	25.1	24,999	-
		<b>5,967,361</b>	<b>35,324,803</b>
<b>25.1</b> This carry profit at the rates ranging from 0.10% to 0.20% (June 30, 2018: Nil) per annum.			
<b>26 SALES - NET</b>			
Gross sales	26.1	4,211,272,674	4,868,817,143
Less: Sales tax		561,894,153	685,562,554
Sales returns		364,310,305	126,235,781
Commission		66,544,378	88,801,698
		<b>992,748,836</b>	<b>900,600,033</b>
		<b>3,218,523,838</b>	<b>3,968,217,110</b>
<b>26.1</b> This includes Rs. 11.05 million (June 30, 2018: Rs. 52.58 million) on account of export sales.			
<b>27 COST OF SALES</b>			
Raw materials and components consumed		2,451,348,991	2,959,418,435
Salaries, wages and other benefits	27.1	275,782,776	284,281,883
Stores, spares and loose tools consumed		41,485,641	48,062,243
Power and fuel charges		62,729,654	63,144,281
Repair and maintenance		56,004,913	87,883,913
Other expenses		10,714,001	8,546,620
Provision for slow moving items	20.1	2,162,580	3,341,600
Depreciation	15.2	11,867,169	12,889,803
Amortization	16	51,098	40,244
		<b>2,912,146,823</b>	<b>3,467,609,022</b>
Opening work-in-process		11,921,639	13,548,770
		<b>2,924,068,462</b>	<b>3,481,157,792</b>
Closing work-in-process		28,239,219	11,921,639
Cost of goods manufactured		<b>2,895,829,243</b>	<b>3,469,236,153</b>
Opening finished goods		137,357,026	191,425,091
		<b>3,033,186,269</b>	<b>3,660,661,244</b>
Cost of finished goods purchased during the year		32,984,200	-
		<b>3,066,170,469</b>	<b>3,660,661,244</b>
Closing finished goods		178,368,962	137,357,025
		<b>2,887,801,507</b>	<b>3,523,304,219</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

	Note	June 30, 2019 Rupees	June 30, 2018 Rupees
27.1 Salaries, wages and other benefits include Rs.22,915,205 (June 30,2018: Rs. 18,727,673) in respect of retirement benefits.			
<b>28 DISTRIBUTION COST</b>			
Salaries and other benefits	28.1	26,761,665	18,212,012
Freight and octroi		49,042,133	58,143,571
Traveling & conveyance		4,342,779	7,015,367
Packing material consumed		3,259,403	4,606,886
Advertisement and sale promotion		1,684,001	1,068,064
Insurance		404,026	401,165
Rent, rates and taxes		3,626,289	2,877,552
After sales service		950,299	983,121
Printing & Stationery		304,532	250,510
Depreciation	15.2	3,089,976	1,482,494
		<b>93,465,103</b>	<b>95,040,742</b>
28.1 Salaries and other benefits include Rs. 686,335 (June 30, 2018: Rs. 568, 867) in respect of retirement benefits.			
<b>29 ADMINISTRATIVE EXPENSES</b>			
Salaries and other benefits	29.1	62,064,242	44,458,473
Electricity, gas and water charges		361,966	295,083
Communication expenses		5,393,274	6,258,843
Vehicle running expenses		4,331,463	3,550,445
Legal and professional		3,244,708	1,623,523
Traveling and conveyance		1,916,354	2,281,371
Fee and subscription		4,123,095	2,754,690
Insurance		365,849	452,239
Rent, rates and taxes		1,142,122	940,081
Printing and stationery		2,107,019	2,105,340
Entertainment		1,642,276	2,363,372
Office supplies		266,006	252,048
Miscellaneous expenses		1,396,374	1,638,725
Depreciation	15.2	4,959,186	5,695,863
		<b>93,313,934</b>	<b>74,670,096</b>
29.1 Salaries and other benefits include Rs. 6,053,441 (June 30,2018: Rs. 4,958,753 ) in respect of retirement benefits.			
<b>30 OTHER OPERATING EXPENSES</b>			
Tax Consultancy Services		2,236,500	1,455,000
Auditors' remuneration	30.1	951,500	865,000
Exchange loss		-	707,416
Provision for doubtful debts		-	5,558,488
Contribution towards:			
Workers' profit participation fund	9.7	6,080,459	13,799,050
Workers' welfare fund	9.8	2,193,740	4,823,328
		<b>11,462,199</b>	<b>27,208,282</b>
<b>30.1 Auditors remuneration</b>			
H.Y.K & Co.			
Statutory audit		715,000	650,000
Half yearly review		171,500	150,000
Workers' Profit Participation Fund audit		20,000	20,000
Certificate fee		45,000	45,000
		<b>951,500</b>	<b>865,000</b>
		<b>951,500</b>	<b>865,000</b>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

	Note	June 30, 2019 Rupees	June 30, 2018 Rupees
<b>31 OTHER INCOME</b>			
Income from financial assets			
Exchange Gain		157,889	-
Income from non Financial Assets			
Gain on sale of fixed asset		1,526,877	-
Reversal of provision for doubtful Debts		5,500	4,010,700
Reversal of provision for loss of stock		-	5,889,077
Miscellaneous Income		1,965,942	1,680,853
		<u>3,656,208</u>	<u>11,580,630</u>
<b>32 FINANCE COST</b>			
Profit on:			
Long term finances - Islamic banking		14,172,320	-
Short term borrowings - secured - Islamic Banking		5,002,372	177,031
Profit on Murabaha - Islamic Banking		3,112,698	1,470,354
Interest on Workers' Profit Participation Fund		1,490,471	2,679,986
Financial charges on finance lease - Islamic Banking		-	965
Bank charges and others		514,929	567,423
		<u>24,292,790</u>	<u>4,895,759</u>
<b>33 TAXATION</b>			
Current			
For the Year	33.1	40,997,011	72,893,882
Prior Year	33.2	49,579	(2,526,084)
Deferred			
For the Year	33.4	(11,199,235)	(1,694,174)
		<u>29,847,355</u>	<u>68,673,624</u>
<b>33.1</b>	The Company computes tax expense based on the generally accepted interpretation of the tax laws to ensure that the sufficient provision for the purpose of taxation is available. Provision for the current year has been made on the basis of minimum tax on turnover and final tax regime under Income Tax Ordinance, 2001.		
<b>33.2</b>	This amount relates to adjustment of provision for taxation of previous year.		
<b>33.3</b>	The income tax assessments of the company have been finalized up to tax year 2018, except as mentioned in note 14.1. The Provision for taxation is considered adequate to discharge the expected liability for current year.		



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

	Note	June 30, 2019	June 30, 2018
		Rupees	Rupees
<b>33.4 Tax charge reconciliation</b>			
Profit before taxation		111,844,513	254,678,642
Tax charge on accounting profit at applicable tax rate 29% (30%: 2018) as per Income Tax Ordinance, 2001		32,434,909	76,403,593
Tax effect of amounts that are:			
- allowable deductions for tax purposes		163,572	(871,588)
Tax effect of profit attributable to presumptive income		(2,621,162)	(3,742,374)
Effect of presumptive tax		100,239	511,904
Tax effect due to reversal of prior year's WWF		(12,229)	(51,618)
Tax Credit for Investment u/s 65B		(267,553)	(1,050,209)
Adjustment of prior year taxation		49,579	(2,526,084)
Taxation for the year		29,847,355	68,673,624
<b>34 EARNINGS PER SHARE - BASIC AND DILUTED</b>			
<b>Basic earnings per share</b>			
Profit after taxation for the year	Rupees	81,997,158	186,005,018
Weighted average number of ordinary shares outstanding during the year	Number	21,566,842	21,566,842
Basic earnings per share - Rupees	Rupees	3.80	8.62
<b>34.1 Diluted earnings per share</b>			
A diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at June 30, 2019 and June 30, 2018 which would have any effect on earning per share if the option to convert is exercised.			
<b>35 CASH GENERATED FROM OPERATIONS</b>			
Profit before taxation		111,844,513	254,678,642
Adjustment for non cash charges and other items:			
Depreciation		19,916,331	20,068,160
Amortization		51,098	40,244
Provision of staff retirement gratuity		29,654,981	24,255,293
Finance cost		24,292,790	4,895,759
Other income		(3,656,208)	(11,580,630)
		70,258,992	37,678,826
Working capital changes	35.1	182,103,505	292,357,468
Increase in long term loans and advances		(32,736,785)	(31,341,283)
Cash generated from operations		(6,774,285)	(3,251,811)
		142,592,435	257,764,374



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

	Note	June 30, 2019 Rupees	June 30, 2018 Rupees
<b>35.1 Working capital changes</b>			
(Increase)/decrease in current assets			
Store, spares and loose tools		772,632	(1,036,430)
Stock-in-trade		(168,061,436)	76,227,734
Trade debts		(17,986,797)	(21,521,988)
Loans and advances		(2,823,555)	(2,599,691)
Trade deposits and short term prepayments		87,864,321	(103,367,560)
Other receivables		-	100,000
<b>Increase in current liabilities</b>			
Trade and other payables		67,498,050	20,856,652
		<b>(32,736,785)</b>	<b>(31,341,283)</b>

### 36 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include:

Cash and bank balances	25	5,967,361	35,324,803
		<b>5,967,361</b>	<b>35,324,803</b>

### 37 TRANSACTIONS WITH RELATED PARTIES

The related party comprises of non-executive directors and key management personnel. The detail of related party transactions is given below:

The detail is given below;

#### Non-Executive Director (s)

Meeting fee	815,000	995,000
Bonus shares	-	2,326,160

#### Key Management Personnel

Remuneration, Allowances and benefits	53,488,800	54,384,870
Bonus shares	-	20,982,550

In addition to above, The some of key management personnel of the company are also provided with company maintained car for official and personal use.

### 38 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in these financial statements for the year for remuneration, including certain benefits to the Chief Executive, Directors and Other Executives of the Company are as follows:

Particulars	(Rupees)									
	Chief Executive		Executive Directors		Non Executive Directors		Executives		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Managerial Remuneration	22,800,000	13,800,000	15,000,000	11,400,000	-	-	46,558,800	34,616,160	84,358,800	59,816,160
Bonus & Leave encashment	1,425,000	450,000	937,500	425,000	-	-	2,597,425	2,688,290	4,959,925	3,563,290
Meeting Fee	-	-	-	-	815,000	995,000	-	-	815,000	995,000
<b>Total</b>	<b>24,225,000</b>	<b>14,250,000</b>	<b>15,937,500</b>	<b>11,825,000</b>	<b>815,000</b>	<b>995,000</b>	<b>49,156,225</b>	<b>37,304,450</b>	<b>90,133,725</b>	<b>64,374,450</b>
Number of persons	1	1	2	2	6	6	14	12	23	21

The Chief Executive, executive directors and some of the executives of the company are also provided with company maintained car for official and personal use.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

### 39 SEGMENT REPORTING

Management monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM). Segment performance is generally evaluated based on certain key performance indicators including business volume and gross profit.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The management has determined the operating segments and segment wise assets and liabilities based on the reports reviewed by the CODM that are used to make strategic and business decisions.

#### i) AUTO-RICKSHAW

This segment relates to the sale of auto-rickshaw assembled by the company.

#### ii) AUTOMOTIVE PARTS

This segment relates to the sale of automotive parts manufactured by the company.

#### iii) HOUSEHOLD APPLIANCES

This segment relates to the sale of household appliances.

#### iv) AUTOMOBILES - FOUR WHEELER

This segment relates to the project of four wheeler automobiles.

	Auto rickshaw		Automotive parts		Household appliances		Automobiles - Four Wheeler		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Segment revenue -Net	2,697,040,522	3,335,894,636	500,196,485	617,634,311	9,380,848	14,688,163	11,905,983	-	3,218,523,838	3,968,217,110
Segment operating results	151,425,817	258,955,088	11,654,068	14,548,652	1,286,109	1,948,136	(23,610,701)	(1,114,823)	140,755,293	274,337,053
Segment assets	796,322,599	522,814,697	369,627,198	318,527,903	15,603,816	12,065,789	658,967,615	588,089,358	1,840,521,229	1,441,497,747
Unallocated assets	-	-	-	-	-	-	-	-	130,397,252	165,365,455
Total assets									1,970,918,481	1,606,863,202
Segment liabilities	593,428,782	544,247,978	77,561,300	90,494,461	-	-	3,536,773	-	674,526,855	634,742,439
Unallocated liabilities	-	-	-	-	-	-	-	-	251,684,380	14,756,376
Total liabilities									926,211,235	649,498,815
Capital expenditure	1,592,823	14,862,927	-	-	-	-	308,721,450	187,167,566	310,314,273	202,030,493
Depreciation and amortization	14,175,645	13,678,325	5,783,000	6,420,499	8,784	9,580	-	-		
Non-cash charges other than depreciation and amortization	21,980,151	18,836,060	9,817,536	8,413,213	19,874	17,031	-	-		

### 40 FINANCIAL INSTRUMENTS

#### 40.1 Concentration of credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties failed completely to perform as contracted. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

	Note	June 30, 2019 Rupees	June 30, 2018 Rupees
<b>FINANCIAL ASSETS</b>			
Long term deposits	18	3,319,855	2,998,705
Trade debts	21	115,605,575	97,613,278
Loans and advances	17 & 22	41,115,258	31,517,418
Trade deposits	23	48,610,555	136,474,876
Cash and bank balances	25	5,967,361	35,324,803
		<b>214,618,604</b>	<b>303,929,080</b>
The maximum exposure to credit risk for trade debts on geographical basis:			
Pakistan		115,605,575	97,613,278
		<b>115,605,575</b>	<b>97,613,278</b>
The maximum exposure to credit risk for trade debts at the reporting date by type of parties was:			
Corporate customers		88,372,112	61,944,690
Distributor		-	-
Dealers & customers		20,579,314	24,845,198
Others		6,654,149	10,823,390
		<b>115,605,575</b>	<b>97,613,278</b>
The aging of trade debts at the reporting date was:			
Not past due		58,259,806	43,329,008
Past Due 0-30 days		23,573,671	11,427,523
Past due 31-120 days		13,381,017	16,444,727
Past due more than 120 days		20,391,081	26,412,020
		<b>115,605,575</b>	<b>97,613,278</b>

The trade debts provision for ECL has been disclosed in note 21.2 of these financial statements.

### 40.2 Foreign exchange risk management

Foreign currency risk arises mainly where payable exist due to transactions with foreign undertakings. Payable exposed to foreign currency risks are identified as either creditors or bills payable. The Company considers hedging if it is feasible. However the banks are not allowing any hedging and forward booking of foreign currency at the moment.

### 40.3 Capital Risk Management

The Company's objective when managing capital is to safe guard the company's ability to continue as a going concern so that it can provide returns for shareholders and benefits for other stakeholders; and to maintain a strong capital base to support the sustained development of its business. The company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the company may adjust the amount of dividend paid to shareholders or issue new shares.

### 40.4 Fair value of financial instruments

The carrying value of all the financial instruments i.e. financial assets and liabilities reflected in the financial statements approximate their fair values. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. International Financial Reporting Standard 13, 'Fair Value Measurements' requires the company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

The level in the fair value hierarchy within which the fair value measurement is categorized in its entirety shall be determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. Currently there are no financial assets or financial liabilities which are measured at their fair value in the statement of financial position.

### 40.5 Market Risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market prices. Market risk comprises of three types of risk: Currency risk, interest rate risk and price risk.

#### 40.5.1 Currency Risk

Currency risk is the risk that fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The company is exposed to currency risk on import of raw materials and finished goods being denominated in US dollars. The Company's exposure to foreign currency risk for US Dollars is on account of outstanding letter of credits of Rs. 280.78 million (June 30, 2018: Rs. 254.96 million).

#### 40.5.2 Interest / profit rate Risk

Interest rate risk is the risk that fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest / profit rates. Financial liabilities include balance of Rs. 224.07 Million (June 30, 2018: Rs. Nil) which is subject to interest / profit rate risk.

##### 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 statement of profit or loss. Therefore a change in interest rates at the reporting date would not affect statement of profit or loss.

##### Cash Flow Sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date, with all other variables remaining constant, the net income for the year would have been lower or higher by Rs. 2.241 million (2018: Nil).

#### 40.5.3 Price Risk

Price risk is 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/profit 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. At present, the company is not exposed to price risk as there are no investments in marketable securities.

#### 40.5.4 Liquidity risk

Liquidity risk reflects an enterprise's inability in raising funds to meet commitments. The company follows an effective cash management planning policy to ensure availability of funds and to take appropriate measures for new requirements.

The following are the contractual maturities of financial liabilities, including estimated interest payments.

		JUNE - 2019					(Rupees)
	Carrying Amount	Contractual Cash Flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Trade and other payables	515,981,079	515,981,079	515,981,079	-	-	-	-
Mark-up & profit accrued on loans and other payables	15,695,208	15,695,208	15,695,208	-	-	-	-
Short term borrowing	-	-	-	-	-	-	-
	<b>531,676,287</b>	<b>531,676,287</b>	<b>531,676,287</b>	-	-	-	-



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

	JUNE - 2018						(Rupees)
	Carrying Amount	Contractual Cash Flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Trade and other payables	485,425,032	485,425,032	485,425,032	-	-	-	-
Mark-up & profit accrued on loans and other payables	2,849,361	2,849,361	2,849,361	-	-	-	-
Short term borrowing	-	-	-	-	-	-	-
	488,274,393	488,274,393	488,274,393	-	-	-	-

### 41 PLANT CAPACITY AND ACTUAL PRODUCTION

#### Installed Capacity

Auto rickshaw (8 hours single shift basis)

#### Automotive parts

The capacity of the plant and machinery relating to automotive parts is indeterminable due to the versatility of production.

#### Actual Production

Auto Rickshaw

Automotive Parts

Wheel Rims

June 30, 2019	June 30, 2018
Numbers	Numbers
20,000	20,000

Under utilization of capacity was due to lower demand of Auto Rickshaw during the year.

### 42 NUMBER OF EMPLOYEES

Number of permanent employees at the year end

Average number of permanent employees during the year

827	807
832	821

### 43 DISCLOSURE REQUIREMENT FOR THE COMPANIES LISTED ON ISLAMIC INDEX

As per the requirements of the fourth schedule to the Companies Act, 2017, shariah compliant companies and the companies listed on Islamic Index shall disclose the following:

43.1 Loans/advances obtained as per Islamic mode	Disclosed in Note no. 7, 9, 11
43.2 Shariah compliant bank deposits/bank balances	Disclosed in Note no. 25.
43.3 Profit earned from shariah compliant bank deposits/bank balances	Rs. 258/- profit earned during the year, included in misc income note no 31
43.4 Revenue earned from a shariah compliant business segment	Disclosed in Note no. 26.
43.5 Gain/loss or dividend earned from shariah compliant investments	No investment made during the year.
43.6 Exchange gain earned from actual currency	Disclosed in Note no. 31.
43.7 Profit paid on Islamic mode of financing	Disclosed in Note no. 32
43.8 Relationship with shariah compliant banks	Disclosed in Note no. 7, 9, 11
43.9 Profits earned or interest paid on any conventional loan or advance.	No profit earned or interest paid to any conventional bank during the year.

### 44 CORRESPONDING FIGURES

Corresponding figures are re-arranged, wherever necessary, for the purpose of comparison. However, no such significant re-arrangements have been made in these financial statements.

### 45 DATE OF AUTHORIZATION FOR ISSUE:

The Board of Directors of the Company has authorized these financial statements for issue on September 24, 2019.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**46 GENERAL**

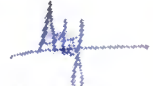
The figures have been rounded off to the nearest rupees.



**MIAN ASAD HAMEED**  
**CHIEF EXECUTIVE**



**SAEED IQBAL KHAN**  
**DIRECTOR**



**MUHAMMAD ATIF RAO**  
**CHIEF FINANCIAL OFFICER**



## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 28<sup>th</sup> Annual General Meeting of **Sazgar Engineering Works Limited** will be held at All Seasons Wedding & Banquet Hall, Lala Zar Commercial Market, Thokar Niaz Baig, Opp Yasir Broast, 0.5 KM-Raiwind Road, Lahore on Saturday, October 26, 2019 at 11:00 A.M. to transact the following businesses:

### ORDINARY BUSINESSES:

1. To receive, consider and adopt the Audited Annual Financial Statements of the Company for the year ended 30<sup>th</sup> June, 2019 together with the Directors' Report, Auditors' Report and Chairperson's Review Report.
2. To appoint Auditors and to fix their remuneration for the year ending June 30, 2020. The present auditors M/s H.Y.K & Co. Chartered Accountants, retire and being eligible, offer themselves for re-appointment. The Audit Committee and the Board of Directors have recommended their re-appointment.

By order of the Board

Lahore  
October 04, 2019

  
**Arshad Mahmood**  
(Company Secretary)

### Notes:

- a. The share transfer books of the company will remain closed from October 19, 2019 to October 26, 2019 (both days inclusive). Transfers received in order at the share registrar office M/s Corp Tec Associates (Pvt.) Ltd., 503-E, Johar Town, Lahore at the close of business on 18<sup>th</sup> October, 2019 will be treated in time for entitlement to attend the Annual General Meeting.
- b. A member entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend the meeting and vote for his/her behalf. Proxies in order to be effective must be received at the Share Registrar Office duly stamped and signed not less than 48 hours (working days only) before the time of holding of the meeting.  
  
**CDC Account Holders will further have to follow the guidelines as laid down in Circular 1 dated January 26, 2000 issued by Securities and Exchange Commission of Pakistan for attending the meeting and appointment of proxies.**
- c. Members are requested to promptly communicate the change in their addresses, if any, to the Company's share registrar.
- d. In accordance with the provision of section 223 (7) of the Companies Act 2017, the financial statements and reports of the Company for the year ended June 30, 2019 have been placed on the Company's web site [www.sazgarautos.com](http://www.sazgarautos.com) for the information of shareholders.

### e. Consent for Video Conference Facility

Pursuant to the provisions of the Companies Act, 2017, members can avail video conference facility to participate in this Annual General Meeting provided the Company receives consent from the members holding in aggregate 10% or more shareholding, residing in a city, at least seven (7) days prior to the date of meeting. Subject to the fulfillment of the above conditions, members shall be informed of the venue along with complete information necessary to access the facility. Format of request form has been placed on the Company's website.

- f. Pursuant to the Securities and Exchange Commission of Pakistan's notification S.R.O 470(I)/2016 dated 31 May, 2016, the shareholders of the Company in EOGM of the Company held on 18<sup>th</sup> March 2017 had accorded their consent for transmission of annual reports including audited annual financial statements, notices of annual general meetings and other information contained therein of the Company through CD or DVD or USB instead of transmitting the same in hard copies. Accordingly, the Company has sent its Annual Report 2019 in the form of CD. The shareholders who wish to receive hard copy of the Annual Report 2019 may send their requests to the Company Secretary / Share Registrar as per the Standard Request Form which is available on the website of the Company. The Company will supply hard copies of the aforesaid document to the shareholders free of cost, within one week of such request. The shareholders who intend to receive the annual report including the notice of meeting through e-mail are requested to provide their written consent on the Standard Request Form available on the Company's website.



## تشکیل نیابت داری

میں / ہم \_\_\_\_\_  
 ساکن \_\_\_\_\_  
 بحیثیت رکن (ممبر) سازگار انجینئرنگ ورکس لمیٹڈ  
 مقرر کرتا / کرتی ہوں / کرتے ہیں مسماۃ \_\_\_\_\_  
 ساکن \_\_\_\_\_  
 کو یا ان کی غیر حاضری میں مسماۃ \_\_\_\_\_  
 ساکن \_\_\_\_\_

جو کہ خود بھی سازگار انجینئرنگ ورکس لمیٹڈ کا / کے رکن ہے کہ وہ بطور میرا / ہمارا اختیار نامہ سازگار انجینئرنگ ورکس لمیٹڈ کے اٹھائیسویں سالانہ اجلاس عام میں جو بروز ہفتہ ۲۶ اکتوبر ۲۰۱۹ کو صبح 11:00 بجے آل سیزن اینڈ بینکٹ ہال لالہ زاکر شریل مارکیٹ ٹھوکر چوک بریکس یا سروسٹ رائیونڈ روڈ لاہور میں منعقد ہو رہا ہے۔ یا اسکے ملتوی شدہ اجلاس میں شرکت کرے اور وہ میری / ہماری جگہ میری / ہماری طرف سے حق رائے دہی استعمال کرے۔

مورخہ \_\_\_\_\_ ۲۰۱۹ کو میرے / ہمارے دستخط سے جاری ہو۔

فولیو نمبر	سی ڈی سی شرکت کنندہ I.D نمبر	سی ڈی سی / زلی کھاتہ نمبر	حصص کی تعداد
			پانچ روپے کی رسیدی ٹکٹ پر دستخط

گواہ نمبر ۱	گواہ نمبر ۲
دستخط _____	دستخط _____
نام _____	نام _____
کمپیوٹرائزڈ قومی شناختی کارڈ نمبر _____	کمپیوٹرائزڈ قومی شناختی کارڈ نمبر _____
پتہ _____	پتہ _____

## نوٹ

1. پراکسی کے لئے کچھنی کارکن ہونا ضروری ہے۔
2. دستخط کی ممانعت کمپنی میں رجسٹرڈ نمونہ دستخط کے ساتھ ہونا ضروری ہے۔
3. اگر پراکسی اسی رکن کی طرف جاری کی گئی ہے جس کے / کی حصص منٹرل ڈیپازٹری کمپنی آف پاکستان لمیٹڈ میں جمع ہیں۔ تو پراکسی کے ہمراہ ممبر کا I.D نمبر اور CDC اکاؤنٹ / ذیلی اکاؤنٹ نمبر بشمول تصدیق شدہ کمپیوٹرائزڈ شناختی کارڈ یا بالک اشعار کے پاسپورٹ کی فوٹو کاپی لانا لازمی ہے۔ کارپوریٹ ارکان کے نمائندہ ارکان اس مقصد کیلئے درکار دستاویزات ساتھ لے کر آئیں۔
4. پراکسی اجلاس کے وقت اپنا اصل کمپیوٹرائزڈ شناختی کارڈ یا اصل پاسپورٹ مہیا کرے گا / گی۔
5. مناسب طور پر مکمل شدہ پراکسی کے دستاویز اجلاس سے کم از کم 48 گھنٹے قبل کمپنی کے شیئر رجسٹرار آفس کو موصول ہو جانا چاہیے۔



## FORM OF PROXY

I / We \_\_\_\_\_  
of \_\_\_\_\_  
a member of **SAZGAR ENGINEERING WORKS LIMITED**  
hereby appoint Mr. / Mrs. / Ms. \_\_\_\_\_  
of \_\_\_\_\_  
or failing him Mr. / Mrs. / Ms. \_\_\_\_\_  
of \_\_\_\_\_

Who is / are also member/s of **Sazgar Engineering Works Limited** to act as my / our proxy and to vote for me/us and on my/our behalf at the 28th Annual General Meeting of the shareholders of the Company to be held on Saturday October 26, 2019 at 11:00 A.M. at All Season & Banquet Hall, Lala Zar Commercial Market, Thokar Chowk, Opp Yasir Broast, Raiwind Road, Lahore and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019

Folio No.	CDC Participant ID No.	CDC Account/ Sub-Account No.	No. of shares held	Signature over Revenue Stamp of Rupees 5/-

### Witness 1

Signature \_\_\_\_\_  
Name \_\_\_\_\_  
CNIC No. \_\_\_\_\_  
Address \_\_\_\_\_  
\_\_\_\_\_

### Witness 2

Signature \_\_\_\_\_  
Name \_\_\_\_\_  
CNIC No. \_\_\_\_\_  
Address \_\_\_\_\_  
\_\_\_\_\_

- Notes:
1. The proxy must be a member of the Company.
  2. The signature must tally with the specimen signature/s registered with the Company.
  3. If a proxy is granted by a member who has deposited his/her shares in Central Depository Company of Pakistan Limited, the proxy must be accompanied with participant's ID number and CDC account/sub-account number alongwith attested photocopies of Computerized National Identity Card or the Passport of the beneficial owner. Representatives of corporate members should bring the documents required for such purpose.
  4. The proxy shall produce his / her original (CNIC) or original passport at the time of the meeting.
  5. The instrument of Proxy properly completed should be deposited at the Share Registrar Office of the Company not less than 48 hours before the time of holding the meeting.



## **Sazgar Engineering Works Limited**

Registered Office: 88 Ali Town, Thokar Niaz Baig, Raiwind Road, Lahore.

Tel: 042-35297861-62, 35291573-74, Fax: 042-35297863

Factory: 18 Km, Raiwind Road, Lahore. Tel: 042- 35330300-2, Fax: 042-35330329

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