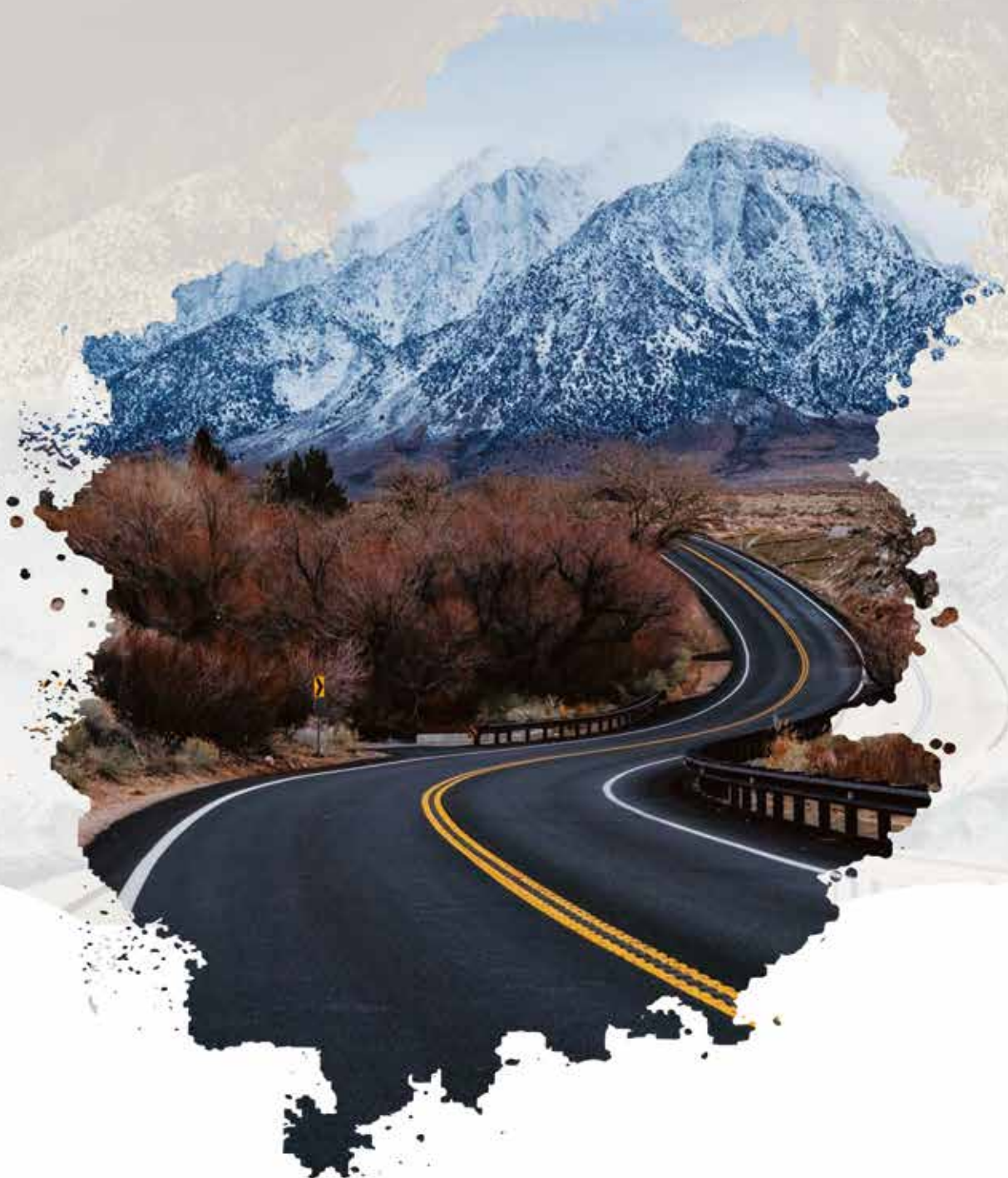




# PANTHER

TYRES

Annual Report 2021



TAKING THE WHEELS OF LIFE TO  
NEW HEIGHTS



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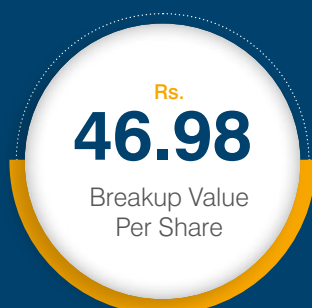
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# PTL BY NUMBERS 2021

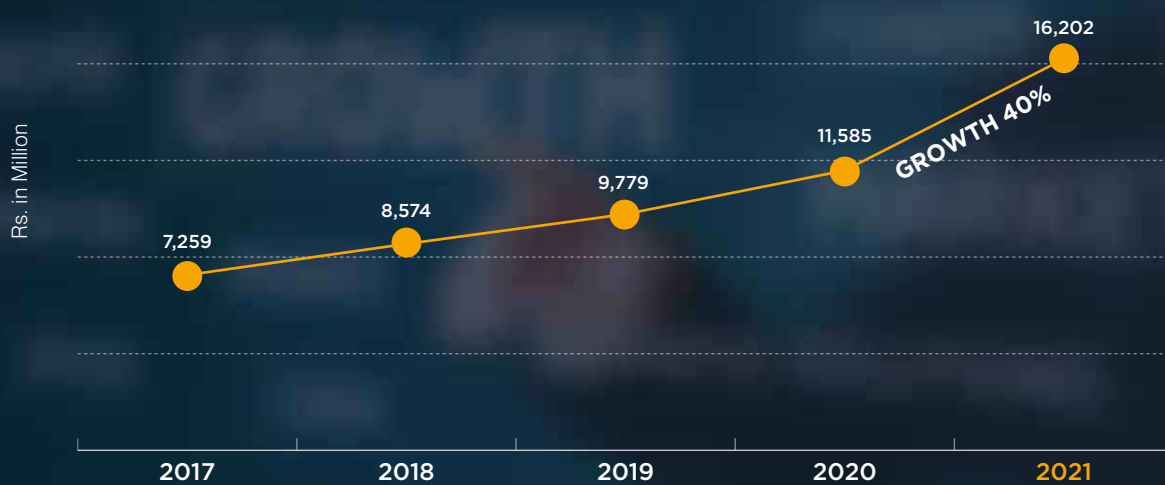


## KEY RATIOS

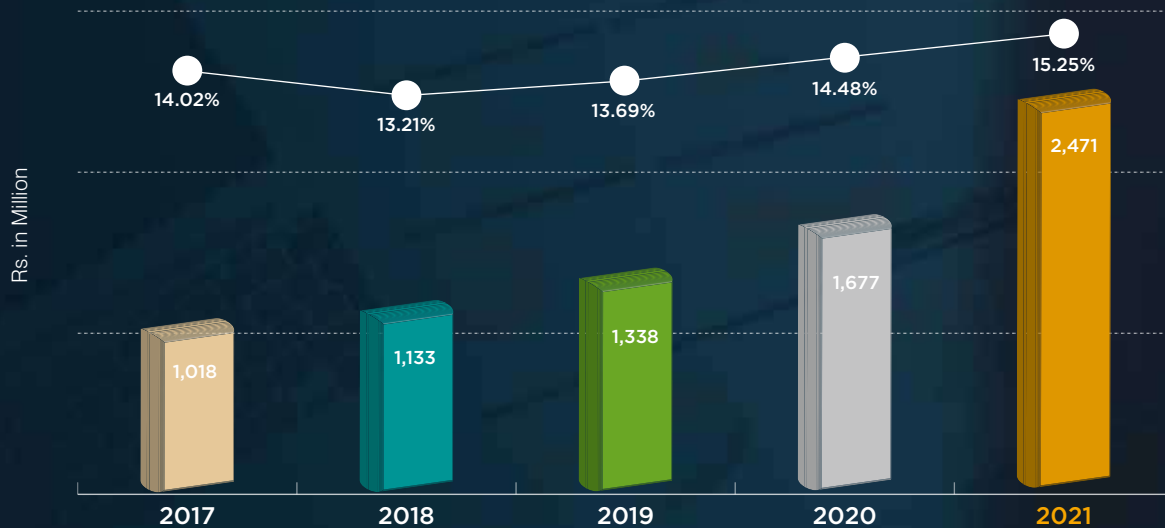




## GROWTH IN SALES



## GROSS PROFIT





## VISION

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



## MISSION

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



# CORPORATE OBJECTIVES

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





## CORE CORPORATE VALUES

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

## BUSINESS PRINCIPLES

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



# CODE OF CONDUCT, CULTURAL VALUES & ETHICAL PRINCIPLES

## BASIC PRINCIPLE

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

## WORK ENVIRONMENT

### Positive Environment

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

### Safety & Security of Employees

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

### Alcohol & Drugs Abuse

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

### Employee Privacy

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

### Protection against Harassment of Women

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

## PROFESSIONAL CONDUCT

### Protection and Proper Use of the Company's Property

All employees are bound to protect the trade secrets, proprietary or confidential information like customer lists,

pricing data, financial data, marketing plans, methods, processes, manuals, formulae, compositions, systems, techniques, inventions, machines, computer programs and research projects. This information will not be disclosed to irrelevant people, during the job or after leaving the company. They are also bound to return all documents and property of the Company.

### Conflicts of Interest

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

### Political Contributions

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

### Confidentiality of Information

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

## DEALING WITH CUSTOMERS

### Gifts and Other Business Courtesies

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

### Business Courtesies

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

## CULTURE

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

# CORE VALUES



## Customer Focused

Commitment  
Quality and Consistency  
Customer Satisfaction  
Fair Practice



## Ethics and Integrity

Honesty  
Integrity  
Transparency  
Professional Conduct



## Entrepreneurship

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



## Innovation

Creative Solutions  
Cutting Edge Innovations  
Process Automation  
Improving upon Industry Benchmarks



## Excellence

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



# COMPANY PROFILE

## HISTORY & OVERVIEW

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

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





business partners. To take the benefit of this huge network, in April 2018, the Company ventured into the trading business of automobile lubricants and spare parts.

The Company started exporting "Made in Pakistan" wheelbarrow tyres and tubes to European markets as early as in 1996 and continuously won the export trophy from FPCCI for 10 years in the tyre & tube category. Since then, the Company continued exploring new markets for its products and gradually established footprint in other parts of the world. Currently, the Company is exporting tyres and tubes to different countries including Turkey, Poland, Macedonia, Egypt, Bangladesh, UAE, Afghanistan, Nigeria, Kenya, Sudan, Ethiopia, Algeria, Yemen and Somalia.

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



# COMPANY KEY BRANDS & PRODUCT PORTFOLIO

## EARTH MOVER VEHICLES (OTR)



## TRACTOR TYRES



## MOTORCYCLE TYRES





## TBB/COMMERCIAL TYRES



## RICKSHAW / LOADER TYRES



## AUTO PARTS AND LUBRICANTS



# MARKET PORTFOLIO

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

## OEM SALES

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

## REPLACEMENT MARKET SALES

Replacement market is the secondary market for tyre manufacturers. The replacement market comprises

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

## EXPORT SALES

The Company exports motorcycle, tractor, rickshaw, LCV and truck and bus bias tyres and tubes to replacement market of around 12 countries in the world. The Company has been awarded EU E-8 marked certification in 2018 for export to European countries for motorcycle, rickshaw and tractor tyres.





# OEM CUSTOMERS

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

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

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

# GEOGRAPHICAL PRESENCE



## Registered Office

Panther House, Jail Road, Lahore



## Production Plant

Sheikhupura Road, Sheikhupura



## Regional Sales offices

Multan | Faisalabad | Sukkur | Rawalpindi | Karachi

# INTERNATIONAL BUSINESS



Turkey	Poland	Egypt	Bangladesh	UAE
Afghanistan	Kenya	Sudan	Ethiopia	Algeria
Yemen	Somalia	Syria	Malawi	Macedonia
Brazil	Iraq			

# SWOT ANALYSIS

## STRENGTHS



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

## WEAKNESSES



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



## OPPORTUNITIES



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

## THREATS



- Rising trend of energy prices
- Continuous increase in raw material cost and disruption of supply
- Instability of local currency
- Influx of smuggled products
- Under Invoicing
- Political Uncertainty

# COMPANY INFORMATION

## BOARD OF MANAGEMENT

### Executive Directors

Mian Faisal Iftikhar - **CEO**  
Zahid Mahmud

### Independent Directors

Asad Sultan Chaudhary  
Javed Masud  
Iqbal Ahmed Khan

### Non - Executive Directors

Mian Iftikhar Ahmed - **Chairman of the Board**  
Ms. Samina Iftikhar

### Audit Committee Members

Javed Masud - **Chairman**  
Asad Sultan Chaudhary  
Iqbal Ahmed Khan

### HR Committee Members

Asad Sultan Chaudhary - **Chairman**  
Iqbal Ahmed Khan  
Mian Faisal Iftikhar

## CHIEF FINANCIAL OFFICER

Ghulam Abbas FCA FCMA

## COMPANY SECRETARY

Mohsin Muzaffar Butt FCA CIA

## HEAD OF INTERNAL AUDIT

Mohsin Muzaffar Butt FCA CIA



## AUDITORS

EY Ford Rhodes, Chartered Accountants

## REGISTERED OFFICE

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

## SHARE REGISTRAR

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

## FACTORY ADDRESS

29.5 KM, Lahore Sheikhpura Road, Sheikhpura

## BANKERS

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

## WEBSITE

[www.panthertyres.com](http://www.panthertyres.com)



# COMPANY ORGANOGRAM







# AWARDS & RECOGNITION



## AWARDS:

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





## ACHIEVEMENTS:

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

## CERTIFICATIONS:

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

# HOW WE EVOLVED



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



Introduced the first  
locally produced  
Motor Cycle Tyres &  
Tubes



Became the  
first Butyl Tube  
manufacturer in  
Pakistan



Launch of Bicycle  
Tyres & Tubes



First manufacturer of  
Rikshaw/TUK-TUK  
Tyres & Tubes in  
Pakistan



First-ever ISO 9001  
Certification by the  
Company



Implementation of  
SAP ECC 6.0



PACRA Corporate  
Long Term Entity  
Rating of A-, and  
Short-Term rating  
of A2



Awarded EU E8 -  
mark certification for  
export to European  
countries

Started trading  
of Auto Parts &  
Lubricants



Became the second  
manufacturer of TBB  
Tyres in Pakistan





Start of export of wheelbarrow tyres and tubes to the European markets



Conversion into a Public Limited Company



Became the second manufacturer of LCV Tyres in Pakistan with the launch of LT Vehicle Tyres



Became the second manufacturer of Tractor Tyres in Pakistan with the launch of Tractor Tyres



Renaming of the Company as Panther Tyres Limited



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



First Company in Pakistan for manufacturing of OTR tyres.



Successful completion of the Company's Initial Public Offering

# BOARD PROFILE



## MIAN IFTIKHAR AHMED

Chairman

---

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

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

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



## MIAN FAISAL IFTIKHAR

Chief Executive Officer

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

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

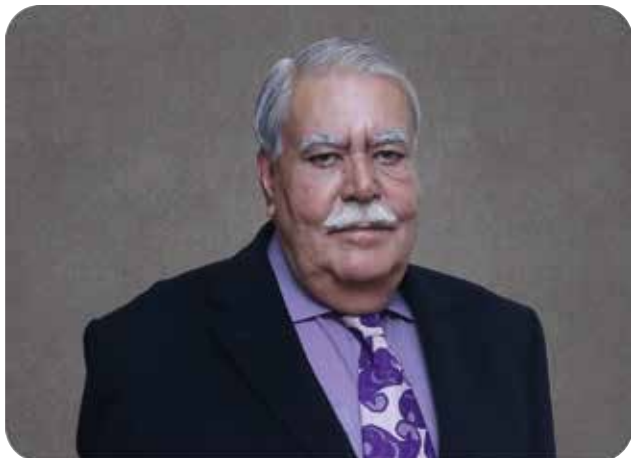


## SAMINA IFTIKHAR

Non-Executive Director

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

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



## MR. JAVED MASUD

Independent Director

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

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

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

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



## ASAD SULTAN CHAUDHARY

Independent Director

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

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

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





## ZAHID MEHMUD

Executive Director

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

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

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



## IQBAL AHMAD KHAN

Independent Director

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

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

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

# LEADERSHIP TEAM



**Mr. Ghulam Abbas**

Chief Financial Officer

Mr. Abbas is a value focused finance leader with a capability of solving complex & challenging financial issues. He has provided significant input in organizational growth through his leadership traits and deep insight into business operations. He is largely credited for his immaculate work for spearheading and successfully completing the IPO of the Company despite the Pandemic related challenges.

He is a seasoned professional, having a rich experience of more than 16 years at senior management positions in large size listed companies. During his career he has worked on Strategy, Corporate finance, IPOs, Financial Modeling, BP&E, Costing, Budgeting and Taxation. He has been a member of multiple senior teams and committees which devised strategies and future plans for organizations he previously served. He has hands-on experience of working at sophisticated ERP systems like SAP ECC6, Oracle and Microsoft Dynamics GP.

Mr. Ghulam Abbas is associated with the Company since February 2012. He is a fellow member of The Institute of Chartered Accountants of Pakistan (ICAP) and The Institute of Cost & Management Accountants of Pakistan (ICMAP). He is also a graduate of the Management Development Program of Lahore University of Management Sciences (LUMS). He was bestowed with Professional Excellence award by ICMA Pakistan in 2019 and recognized as a top 100 corporate leaders of Pakistan in 2020. He holds many honorary leadership positions of local and international organizations.

He is a Certified Director and has attended the Directors Training Program as prescribed by the SECP under Listed Companies (Code of Corporate Governance) Regulations, 2017.



**Mr. Mohsin Muzaffar Butt**

Company Secretary & Head of Internal Audit

As the Corporate Secretary, he is regarded as the man behind the introduction of efficient corporate administration environment in the Company. After the initial public offering of the Company, he successfully created a culture of statutory and regulatory compliance in the organization. Being the CS, he is responsible for high level responsibilities including governance structures/mechanisms, corporate conduct/planning, investors' relations and strategic communication on behalf of the Company.

He specializes in corporate practices, management costing, internal auditing and finance in SAP environment. Besides this, he is equally well versed with risk management, controls and fraud detection aspects of the Internal Audit profession.

He started his career in the Internal Audit function of a local company in Pakistan, and later went on to serve as a financial controller and Group Internal Auditor in large local and multi-national corporates in diverse economies of the world like UAE, Iraq and Canada.

He is a Fellow Chartered Accountant of ICAP Pakistan besides being a Certified Internal Auditor from IIA, USA. He has also attended the Directors Training Program at Lahore University of Management Sciences, Pakistan.



### **Muhammad Riaz**

General Manager Operations

He is a seasoned professional having a rich experience of more than two decades relating to production, plant and technology. He has been associated with Panther Tyres since 2003 and has performed at various positions in planning, production, operations and project management departments.

He is duly acknowledged for helping the management in the materialization of the Company's dream of developing and offering the most diversified product portfolio in Pakistan. He is known as a frontrunner in the introduction of new technologies in the Company and also regularly adding new products in the business line. He is also a quality savvy person and has inculcated this philosophy throughout the plant operations of the Company, where he also introduced some of the best manufacturing practices thereby helping the Company to achieve ISO certifications for eight years in a row. Under his able leadership, the Company also managed to get EU e-mark certification, which has certified the Company's products for export to the European countries.

He is an engineer by profession, with specialization in Tyre and Rubber Technology. He is also an alumni of Lahore University of Management Sciences from where he completed the Management Development Program. He has also successfully completed various trainings/workshops from many local and foreign training establishments.



### **Syed Aon Mehdi**

National Sales Manager

As the business head in Panther Tyres, he has been responsible for bringing manifold increase in the product line with high turnover and better cash flows product range. Being a consistent out-performer, he has made his mark in every entity wherever he has served during his twenty years professional career.

Besides being a winner of LAT (Leadership, Accountability and Teamwork) Award at Shell, he is also credited for business turnaround at Coca Cola Center Region and at Pepsi Cola International; where he respectively doubled the market share in the base town and renewed annual agreements with international key accounts. While being with Pakistan's largest telecom operator-PTCL, he greatly improved the standards & performance of the customer service centers.

Starting as a Sales Officer in Paktel, he expanded his professional horizon as the sales & marketing manager at Coca-Cola Beverages Pakistan and then as the National Key Account Manager at Pepsi Cola International. Later he served as the Regional Sales Manager at Shell Pakistan Limited and then as the General Manager Customer Care at Pakistan Telecommunication Company Limited. He also has held senior level positions in Punjab Industrial Estates Development & Management Corporation and Water & Power Development Authority of Pakistan.

He holds Master of Business Administration (MBA) degree from Lahore University of Management Sciences (LUMS) and Master of Science in Psychology degree from International Islamic University of Pakistan.





## **Syed Faisal Karim**

General Manager HR & Admin

He is an experienced HR professional with over twenty-four years of experience with leading multi-national and domestic large corporations across multiple sectors, such as Aviation, Construction, Fertilizers and Manufacturing sectors in Pakistan and the Gulf region.

At Panther Tyres, he is credited for successfully designing and implementing SAP based HCM modules besides introducing the organization-wide systematic Performance Appraisal and Variable Reward mechanisms. At his earlier assignment with Berger Paints Pakistan Limited, he successfully oversaw the introduction of the Company's Corporate Social Responsibility initiatives due to which the Company was able to get the coveted CSR Award for three years in a row. He is also known for implementing a rigorous Performance Improvement Plan (PIP) for the identification of low performers and introducing defined procedures to enhance their capability. Earlier, in a multinational company having operations in Qatar, Saudi Arabia and Pakistan, he managed recruitment from six countries and successfully reduced the recruitment time from weeks to days. At Qatar Airways, he established and managed HR department for its subsidiaries having manpower exceeding 5000 employees from 63 nationalities. At Fatima Group of Pakistan, he set a unique record of recruiting over 200 middle and higher management employees per year for the group companies.

He holds a Masters degree in Business Administration, besides holding two Bachelor degrees in Science and Computer Sciences. He also holds a diploma in Human Resources Management.



## **Muhammad Mohsin Bhatti**

Deputy General Manager Marketing & Sales (Parts & Lubes)

Mr. Mohsin has over twenty years of practical experience in increasingly responsible positions including Sales Management, Brand & Marketing Strategy development, Integrated Marketing Communication Strategies, New Product Developments and launches, Brand Activation and Structuring of modern Marketing Departments.

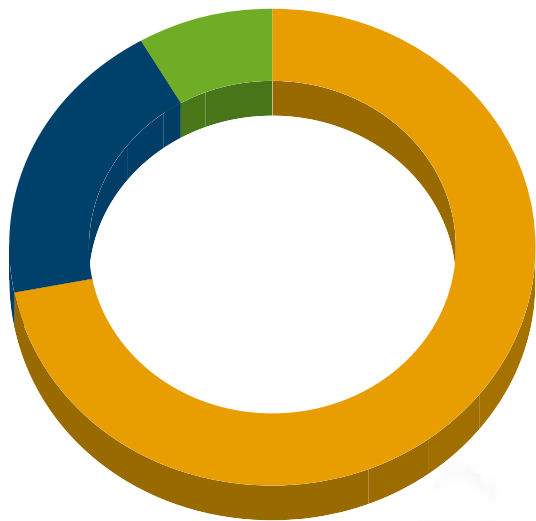
At Panther, he is responsible for the development of annual marketing plans, planning, execution and monitoring of sales promotional activities, hiring, training and management of sales team, management & development of distributors/dealers' network and their events.

At his previous job with Berger Paints Pakistan Limited, he worked as Head of Marketing and National Sales Manager for Auto Refinish Paints division. He also successfully launched and managed an inspirational color center for premium brand positioning by the name of Berger Color Vogue in Lahore. There, he also founded and managed Berger Call Center for customers' complaints & queries. Earlier at Jotun Pakistan, a leading Norwegian paint company, he handled customer trade discounts and company profitability, while building cross-functional teams. At Kansai Paints, he successfully handled corporate marketing in Pakistan and in MENA region, where he was also responsible for corporate brand communication and coordination thereof with different agencies in MENA.

He holds an MBA degree in Marketing management from the University of Dallas, Texas, USA, besides the degree of Masters in Public Health and Bachelors' in Pharmacy from reputable local institutions of Pakistan. He has also attended many professional development training programs around the World about Brand Management, Leadership & Management Principles, Team Building and Sales & Marketing management.

# OWNERSHIP STRUCTURE

OUR OWNERSHIP STRUCTURE  
AS ON JUNE 30, 2021



72%

Directors/Sponsors/  
Senior Management

19.7%

Institutions  
& Others

8.3%

Public &  
Executives

# CEO's Message



Apart from Human loss, COVID-19 pandemic has been an unprecedented economic shock for the world economy. Global output was reduced in all countries—big and small, rich and poor.

Even in these trying times, Panther tyres continued to meet the market demands, while safeguarding the interest of employees, stakeholders and pursued its journey of product innovation and expansion.

During the year, the company maintained its legacy of product innovation by introducing largest and heaviest Earthmover tyres for the first time in Pakistan. By doing so, we continued our journey to explore uncharted territories by keeping the momentum to move high while embracing the new challenges and setting the wheels of economy up and running.



The image is a full-page background featuring a scenic landscape. A paved road with a white center line leads from the bottom center towards the horizon. The road is flanked by green grass and some trees. In the background, there are rolling green hills under a sky with soft, white and grey clouds. The left side of the image has a torn paper or watercolor-like edge effect, where the landscape elements blend into a white background. Overlaid on the road in the lower right is the text "REPORTS OF THE DIRECTORS" in a bold, white, sans-serif font.

# **REPORTS OF THE DIRECTORS**

# CHAIRMAN'S REVIEW



## Dear Shareholder

Aslam o Alaikum

It gives me immense pleasure to write to you as the chairman of Panther Tyres Limited and I am compelled to start the message by extending my sincerest gratitude to all of you for trust that you all have reposed on the Company by subscribing to its shares in the IPO process recently held in February 2021. All the board members including leadership team of the Company are humbled by your overwhelming response and are determined to deliver as per your expectations.

This listing is an important milestone achieved by the sponsors of the Company against their long term plan of making the company a professional run business, independent of sponsors. The Company is already a step ahead in terms of having sound internal control system, management information systems and corporate structure. The Company has already embraced its digital transformation to SAP which is the latest state of the art information system available on this planet. This system will not only improve the financial decision making but also enhance the internal controls and governance system of the Company.

## INDUSTRY OVERVIEW

Tyre industry of Pakistan has shown a promising growth in the last few years on the back of the consistent double digit growth of automobile industry barring the Covid-19 period. Replacement market size is also growing as increased number of vehicles sold by OEMs in previous years now resorting to the secondary market for the replacement of old tyres. Realizing this fact, the local industry is strategizing to not only maintain its market share but also eyeing to increase it by import substitutions. The local tyre industry with decades long experience has now been able to produce good quality tyres at reasonable costs due to higher productivity and increased efficiency. That is why, it is now posing real challenge to the international brands. On the other hand, the Government is contemplating stringent measures against smuggling and under invoicing which, if implemented in true spirit, would create a big room for the local manufacturers. If we take the holistic view of the overall tyre market, local industry currently catering tyre and tube demand to the extent of 35% only, remaining 65% demand is being catered by the imported tyres of various origins. So, there is huge potential for local players to diversify the business and look into other opportunities of the industry.

## BUSINESS PERFORMANCE

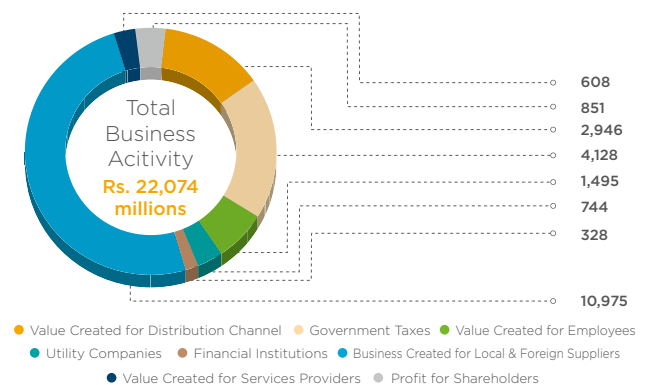
I am pleased to share that your company has performed extremely well during the year ended June 30, 2021 and posted a sales of Rs.16,202 million as against sales of Rs.11,584 million reported in last year. The net profits of the Company remained at Rs.851 million as compared to that of Rs.252 million earned in last year. These results are in line with our forecast that we made at the start of the year and shared with all of you during the road shows of IPO. The

board has decided and recommended to distribute 33% of the profit earned during the year to its shareholders by way of cash dividend of Rs.2 per share and retained remaining profit into the business to support the ongoing expansion project. In addition to this, 20% bonus shares have also been recommended to be issued to you out of the share premium account.

## ECONOMIC CONTRIBUTIONS

I feel proud to share that your Company has supported the national economy by creating healthy business activity all across its supply chain and distribution channel. During the year, the Company generated business activity of Rs.22 billion that includes sales tax and margins of distribution chain. The segment wise distribution of this business activity is explained in below chart.

**BUSINESS ACTIVITY GENERATED 2020-21**  
Rs. in Million



The Company contributed Rs.4.13 billion to national exchequer in the form of sales tax, income tax, custom duties and other levies which is equivalent to 25% of the net sales of the Company and 5 times of the profits of the Company. Similarly, the Company created value of Rs.2.95 billion for its business partners in distribution channel. Similarly, value created for the employees aggregates to Rs.1.5 billion. In short, the Company created value to its stakeholders many fold of what it has earned at the bottom line.



## EXPANSION PROGRESS

During the year Company operated at an average capacity of 89% which is the optimal capacity and mandated the increase in installed capacity. So, to increase the installed capacity of different segments in order to meet the growing business requirements, the board approved the expansion plan of Rs.3.07 billion. The work on the project is swiftly progressing, new land has already acquired, civil work has started, all the relevant LCs have established. Machinery has started arriving and being worked upon to put to operations. The first phase of the expansion will be completed by September 30, 2021 which will support the Company's sales plan for the year 2021-22. Second phase of expansion is expected to be completed by March 31, 2022 whereas the third phase which is related to infrastructure development and back-end process enhancement is expected to be online by June 30, 2022.

## CREDIT RATING

The Company believes in transparency and credibility of financial information. In line with this philosophy, the board has engaged the Pakistan Credit Rating Agency Limited (PACRA) to evaluate the financial strength and governance system of the company. After applying its standard procedures and due diligence, PACRA has awarded Panther Tyres Limited a credit rating of A & A1 for long term and short-term tenures respectively. Year-end review of this rating based on the audited financials for the year 2020-21 will start soon after the publishing of this annual report.

## REGULATORY CHANGES

The Government has extended valuable support to tyre industry in last couple of years. Initially duties of many raw materials were reduced and now in recent budget regulatory duties (RD) on certain categories of tyre import have been increased. RD @15% has been slapped on the OTR tyre which has recently been introduced by Company. Moreover, duty draw back rates have been revised upward by 1% to 2.4% and export facilitation scheme has been introduced. These measures together will increase the competitiveness of the company not only in local market but also on export front.

## REVIEW OF THE PERFORMANCE OF THE BOARD AND OVERALL GOVERNANCE SYSTEM

I hereby confirm that your Board of Directors is cognizant of your Company's obligations to be compliant with the Listed Companies (Code of Corporate Governance) Regulations 2019 and the Companies Act 2017. In this regard, the

Board has developed Governance Framework to meet the regulatory and statutory requirements to achieve effective self and co-regulation.

The composition of the Company's Board of Directors is in line with the requirements as governed by the Companies Act 2017, Code of Corporate Governance and other best practices adopted worldwide. The Company has diverse and competent Board of Directors which hold to the Company's vision and mission with the ultimate goal of serving the interest of stakeholders. The board members have skill sets relating to engineering, sales & marketing, banking & finance and operations. These skill sets complement one another for best decision making at board level.

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

## WORDS OF GRATITUDE

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



**Mian Iftikhar Ahmed**  
Chairman



## کریڈٹ ریٹنگ

کمپنی مالی معاملات کی شفافیت اور ساکھ پر یقین رکھتی ہے۔ اس فلسفے کے مطابق بورڈ نے پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) کی خدمات حاصل کیں کہ وہ کمپنی کی مالیاتی طاقت اور گورننس سسٹم کا جائزہ لے۔ ایجنسی نے اپنے معیارات کے تحت نہایت عرق ریزی سے کام کرنے کے بعد پیٹنٹر ٹائز لمیٹڈ کو طویل المدتی اور قلیل المدتی مدت کے لیے با ترتیب A اور A1 کی کریڈٹ ریٹنگ سے نوازا۔ سال 2020-21 کے آڈٹ شدہ مالیاتی حسابات کی بنیاد پر اس ریٹنگ کا سال کے آخر میں جائزہ اس سالانہ رپورٹ کی اشاعت کے فوراً بعد شروع ہوگا۔

## ریگولیٹری تبدیلیاں

حکومت نے ٹائز سازی کی صنعت کو پچھلے دو سال میں نہایت اہم اسپورٹ فراہم کی ہے۔ ابتدائی طور پر بہت سے خام مال پر ڈیوٹیوں میں کمی کی گئی تھی اور اب حالیہ بجٹ میں ٹائزوں کی درآمد کے مخصوص زمروں پر ریگولیٹری ڈیوٹیوں (RD) میں اضافہ کیا گیا ہے۔ کمپنی کی طرف سے حال ہی میں متعارف کروائے جانے والے اوٹی آر (OTR) ٹائز پر پندرہ فیصد کے حساب سے ریگولیٹری ڈیوٹی عائد کی گئی۔ مزید برآں ڈیوٹی ڈرا بیک ریٹس بھی 1% سے بڑھا کر 2.4% تک کر دیا گیا جیسا کہ برآمدی سہولت اسکیم متعارف کروائی گئی ہے۔ ان اقدامات سے نہ صرف مقامی مارکیٹ بلکہ برآمدی محاذ پر بھی کمپنی کی مسابقت میں اضافہ ہوگا۔

## بورڈ کی کارکردگی اور مجموعی گورننس نظام کا جائزہ

میں اس بات کی تصدیق کرتا ہوں کہ آپ کا بورڈ آف ڈائریکٹرز لنڈیکمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشن 2019 اور کمپنیز ایکٹ 2017 کے مطابق اپنی ذمہ داریوں کا علم رکھتا ہے۔ اس حوالے سے بورڈ نے ریگولیٹری اور قانونی تقاضوں کو پورا کرنے کے لیے گورننس فریم ورک تیار کیا ہے۔ کمپنی کے بورڈ آف ڈائریکٹرز کی تشکیل کمپنیز ایکٹ 2017، کوڈ آف کارپوریٹس گورننس اور دنیا بھر اس حوالے سے اپنائے جانے والے بہترین طریقہ کار کے مطابق ہے۔ کمپنی کے پاس متنوع اور قابل بورڈ آف ڈائریکٹرز ہے جو اسٹیک ہولڈرز کے مفاد کی نگہبانی کرنے کے حتمی مقصد کے ساتھ کمپنی کے وژن اور مشن پر قائم ہے۔ بورڈ ممبران کے پاس انجینئرنگ، سبزی اینڈ مارکیٹنگ، بینکنگ، فنانس اور آپریشن سے متعلق تمام مہارتیں موجود ہیں۔ یہ مہارتیں بورڈ کی سطح پر بہترین فیصلہ سازی کے لیے ایک دوسرے کی معاون ہوتی ہیں۔

مجموعی طور پر بورڈ اچھی طرح کام کر رہا ہے اور کمپنی کے مالیاتی اور غیر مالیاتی مقاصد کے حصول میں ان کا کردار بہت اہم رہا ہے۔ وہ بجا طور پر بہتر آپریشنل کارکردگی، لاگت کو معقول بنانے، مصنوعات اور مارکیٹ میں تنوع اور صارفین کے ساتھ مضبوط تعلقات کو برقرار رکھنے کے ذریعے تمام اسٹیک ہولڈرز کے لیے پائیدار اقدار پیدا کرنے پر توجہ مرکوز کر رہے ہیں۔ انہوں نے اس بات کو یقینی بنایا ہے کہ ادارے کا موثر انتظام اس طرح سے کیا جائے جس سے اسے اپنے مقاصد کے حصول میں مدد ملے اور اسٹیک ہولڈرز کے مفاد کا تحفظ بھی ملے اور یہ بھی یقینی بنایا جائے کہ انتظامیہ ایمانداری، دیانتداری اور اعلیٰ ترین اخلاقی اور قانونی معیارات کے مطابق اپنے کاروبار کو چلائے۔ مجھے یقین ہے کہ کمپنی کی ترقیاتی سمت واضح اور مناسب ہے۔ مزید برآں مجموعی کارپوریٹ حکمت عملی اور کارپوریٹ مقاصد کے حصول کی ترقی اور جائزہ لینے کے لیے اپنائے گئے طریقہ کار قابل ستائش ہیں جو موجودہ سال کے مالیاتی نتائج سے صحیح معنوں میں ظاہر ہوتے ہیں۔

## اظہار تشکر

آخر میں، میں ملازمین کی محنت، قیادت کی ٹیم کے دانشمندانہ اور بصیرت افروز نقطہ نظر، صارفین کی سرپرستی، کمپنی کے قرض دہندگان اور سپلائرز کے مسلسل اعتماد کو خلوص نیت سے تسلیم کرتا ہوں۔ اس کے ساتھ ساتھ میں کمپنی کے وژن اور مشن کو پورا کرنے میں ہر اسٹیک ہولڈر کی بھرپور حمایت چاہتا ہوں۔



میاں افتخار احمد

چیرمین

## چیمبر مین جائزہ رپورٹ

محترم شیئر ہولڈرز  
اسلام علیکم!

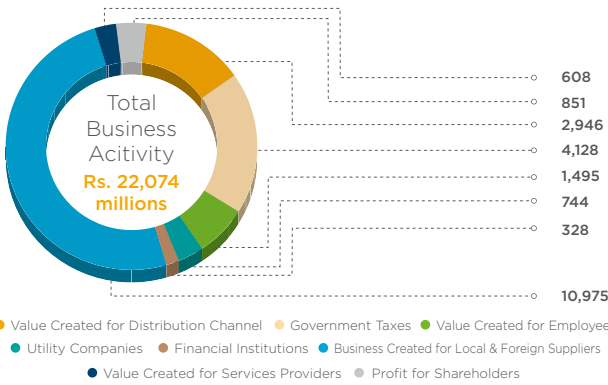
دوران حاصل ہونے والے منافع کا 33 فیصد اپنے شیئرز ہولڈرز میں 2 روپے فی شیئر کے حساب سے نقد منافع کے ذریعے تقسیم کرنے کا فیصلہ کیا گیا اور باقی منافع کو کمپنی کے جاری توسیعی منصوبے میں لگانے کی سفارش کی ہے۔ اس کے علاوہ شیئرز پر بیمہ اکاؤنٹ میں سے 20 فیصد بونس شیئرز بھی آپ کو جاری کرنے کی سفارش کی گئی ہے۔

### معاشی اعانت

مجھے یہ بتاتے ہوئے فخر محسوس ہوتا ہے کہ آپ کی کمپنی نے اپنے سپلائی چین اور ڈسٹری بیوشن چینل میں صحت مند کاروباری سرگرمی پیدا کر کے قومی معیشت کو سہارا دیا ہے۔ سال کے دوران کمپنی نے 22 ارب روپے کی کاروباری سرگرمی پیدا کی جس میں سیلونیکس اور ڈسٹری بیوشن چینل کے مارجن شامل ہیں۔ اس کاروباری سرگرمی کی سیکٹ وارتقسیم کی وضاحت نیچے چارٹ میں دی گئی ہے

### BUSINESS ACTIVITY GENERATED 2020-21

Rs. in Million



کمپنی نے سیلونیکس، انکم ٹیکس، کسٹمز ڈیوٹیوں اور دیگر لیویز کی شکل میں قومی خزانے میں 4.13 ارب روپے جمع کروائے۔ یہ رقم کمپنی کی مصنوعات کی فروخت کے 25 فیصد اور کمپنی کے منافع کے 5 گنا کے مساوی ہے۔ اسی طرح کمپنی نے ڈسٹری بیوشن چینل میں اپنے کاروباری شراکت کاروں کے لیے 2.95 ارب روپے مالیت بنائی۔ اسی طرح ملازمین کے لیے بنائی گئی مالیت 1.5 ارب روپے ہے۔ مختصر یہ کہ کمپنی نے اپنے اسٹیک ہولڈرز کے لیے بہت ہی قدریں پیدا کی ہیں جو اس نے ٹیگسٹ پر کمائی ہیں۔

### توسیع کی پیش رفت

رواں برس کے دوران کمپنی نے اوسطاً 89 فیصد کی صلاحیت سے کام کیا جو بہترین صلاحیت ہیا اور نصب صلاحیت میں اضافے کو لازمی قرار دیا گیا۔ چنانچہ بڑھتی ہوئی کاروباری ضروریات کو پورا کرنے کے لیے مختلف شعبوں کی تصفیعی صلاحیت بڑھانے کے لیے بورڈ نے 3.07 ارب روپے کے توسیعی منصوبے کی منظوری دی۔ اس منصوبے پر کام تیزی سے آگے بڑھ رہا ہے۔ نئے زمین کی خریداری پہلے ہی ہو چکی تھی اور اس پر تعمیراتی کام شروع ہو گیا، تمام متعلقہ LCSز ہو چکی ہیں۔ مشینری بیچنا شروع ہو گئی ہیا اور انہیں آپریشنل کرنے کے لیے کام ہو رہا ہے۔ توسیع کا پہلا مرحلہ 30 ستمبر 2021 تک مکمل ہو جائے گا جو سال 2021-22 کے لیے کمپنی کے سیلونیکس کی معاونت کرے گا۔ توسیع کا دوسرا مرحلہ 31 مارچ 2022 تک مکمل ہونے کی توقع ہے جبکہ تیسرا مرحلہ جو بنیادی ڈھانچے کی ترقی اور بیک اینڈ پرائسز میں اضافے سے متعلق ہے 30 جون 2022 تک آن لائن ہونے کی توقع ہے۔

مجھے منتظر ٹائز لمیٹڈ کے چیمبر مین کی حیثیت سے آپ کو لکھتے ہوئے بے حد خوشی ہو رہی ہیا اور میں اپنے پیغام سے قبل اپنے دل کی گہرائیوں سے آپ کا شکریہ ادا کرتا ہوں کہ آپ نے حال ہی میں فروری 2021 میں منعقدہ آئی پی او کے عمل میں کمپنی کے حصص کی کثیت لے کر کمپنی پر اپنے اعتماد کا اظہار کیا۔ بورڈ کے تمام اراکین بشمول کمپنی کی قیادت، آپ کے اس اعتماد پر شکر گزاری کے جذبات رکھتے ہیں اور آپ کی توقعات پر پورا اترنے کے لیے پرعزم ہیں۔

اسٹاک مارکیٹ میں لسننگ، ایک ایسا سنگ میل ہے جس کے ذریعے کمپنی کے اسپانسرز نے ایک طویل المدتی منصوبے کے تحت کمپنی کو اسپانسرز سے آزاد اور پیشہ ورانہ طور پر چلنے والا کاروباری ادارہ بنایا ہے۔ کمپنی پہلے ہی اپنے مضبوط انٹرئل کنٹرول سسٹم، مینجمنٹ انفارمیشن سسٹم اور کارپوریٹ ڈھانچے کی وجہ سے ایک قدم آگے ہے۔ کمپنی پہلے ہی SAP کے ذریعے ڈیجیٹل تبدیلی کو قبول کر چکی ہے۔ SAP اس روئے ارض پر دستیاب جدید ترین معلوماتی نظام ہے۔ اس نظام سے نہ صرف مالی فیصلہ سازی میں بہتری آئے گی بلکہ اس کے ذریعے کمپنی کے اندرونی کنٹرول اور گورننس کے نظام کو بھی بہتر بنایا جائے گا۔

### صنعت کا جائزہ

پاکستان کی ٹائز انڈسٹری نے گزشتہ چند سالوں میں آٹوموبائل صنعت کی مستقل دو ہندسوں کی ترقی کی وجہ سے امیرافزا برصورتی کا مظاہرہ کیا ہے۔ ریتیلیٹ منٹ مارکیٹ (Replacement Market) کا حجم بھی بڑھ رہا ہے کیونکہ پچھلے سالوں میں او ای ایم (OEM) کی جانب سے فروخت کی جانے والی گاڑیوں کی بڑھتی ہوئی تعداد پرانے ٹائزوں کی تبدیلی کے لیے سیکنڈری مارکیٹ کو بحال کر رہی ہے۔ اس حقیقت کو محسوس کرتے ہوئے مقامی صنعت نہ صرف اپنا مارکیٹ شیئر برقرار رکھنے کے لیے حکمت عملی بن رہی ہے بلکہ درآمدی متبادلوں کے ذریعے اسے بڑھانے پر بھی نظر رکھے ہوئے ہے۔ کئی دہائیوں کے طویل تجربے کے ساتھ مقامی ٹائز صنعت اب زیادہ پیداواری صلاحیت اور بڑھتی ہوئی کارکردگی کی وجہ سے مناسب لاگت پر اچھے معیار کے ٹائز بنانے میں کامیاب رہی ہے۔ یہی وجہ ہے کہ اب یہ بین الاقوامی برانڈز کے لیے حقیقی چیلنج پیدا کر رہی ہے۔ دوسری جانب حکومت اسٹیلنگ اور انڈر انوائسنگ کے خلاف سخت اقدامات پر غور کر رہی ہے۔ اس پر اگر حقیقی جذبے کے تحت عمل درآمد کیا جائے تو مقامی مینوفیکچررز کے لیے ایک بڑی گنجائش پیدا ہوگی۔ اگر ہم مجموعی ٹائز مارکیٹ کا جامع جائزہ لیں تو مقامی صنعت اس وقت ٹائز اور ٹیوب کی طلب کو صرف 35 فیصد تک پورا کر رہی ہے۔ باقی 65 فیصد طلب درآمدی ٹائزوں سے پوری کی جا رہی ہے۔ اس حوالے سے مقامی صنعتکاروں کے لیے کاروبار کو متنوع بنانے اور نئے مواقع پر غور کرنے کے وسیع امکانات ہیں۔

### کاروباری کارکردگی

مجھے آپ کو بتاتے ہوئے بے حد خوشی ہو رہی ہے کہ 30 جون 2021 کو ختم ہونے والے سال میں آپ کی کمپنی نے بہترین کارکردگی کا مظاہرہ کیا ہے اور گزشتہ سال کی 11,584 ملین روپے کی مصنوعات کی فروخت کے مقابلے میں 16,202 ملین روپے کی مصنوعات فروخت کی ہیں۔ کمپنی نے اس سال 851 ملین روپے خالص منافع کمایا جو پچھلے سال 252 ملین روپے تھا۔ یہ نتائج ہماری پیش گوئی کے مطابق ہیں جو ہم نے سال کے آغاز میں کی تھی اور آئی پی او کے روڈ شو کے دوران آپ سب کے ساتھ شیئرز کی تھی۔ بورڈ نے سال کے

# DIRECTORS' REPORT TO THE SHAREHOLDERS

**Your directors feel pleasure in this first ever formal correspondence with you on the occasion of presenting annual report together with audited financial results of the Company for the year ended June 30, 2021.**

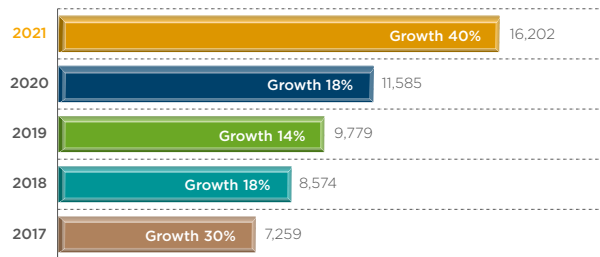
## ECONOMIC OVERVIEW OF THE COUNTRY

Pakistan economy has witnessed V-shaped recovery post covid and posted an unexpected growth rate of 3.9% as against initial estimate of 1.5% released by IMF. It fared much better than many other emerging markets during the corona virus pandemic which has caused the entire world economy to shrink. Many emerging markets witnessed 5-10% contraction in growth rate while Pakistan came out of it by just losing less than 1% and the economy bounced back on pre-covid level in just a year time. Accommodative monetary policy, introduction of refinancing facilities, targeted fiscal support and other financial initiatives created extra impetus for the resumption of economic activity post-lockdown. Moreover, Ministry of commerce and Ministry of Industries and Production has played a pivotal role in creating an enabling environment for industrial growth in the country. We expect that with all the stabilization policies in place and the economy moving along the reforms agenda, the country's macroeconomic indicators are expected to improve further in foreseeable future and economy will be strongly positioned to embark upon the target GDP rate of 4.8%.

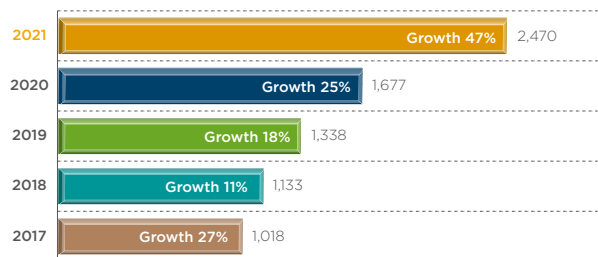
## FINANCIAL PERFORMANCE

The Company continued its momentum of growth and managed to pocket 40% increase in its top line by closing the year at Rs.16,202 million. This growth is in line with company's performance for the last five years where it has showcased top line growth at a CAGR of 22%. All business segments from OEM and replacement market have contributed equally to this growth. The Company is not only successfully managing organic growth of its existing markets but also topping it by regularly adding new products to its portfolio. During the last year, the Company successfully manufactured and supplied truck bus bias tyre (TBB) and now in current year the company successfully managed to produce the largest and the heaviest tyre of Pakistan in OTR category and became the first and the only company in this segment. The additions of these new products would help the Company to maintain its growth spree in the years to come as well.

### SALES Rs. in Million



### GROSS PROFIT Rs. in Million



Exports sales of the Company have also increased from Rs.878 million to Rs.1,350 million posting a growth of 54%. This growth has been achieved by adding new export markets and also new products to export portfolio. Some new countries have recently been added which will augment the exports of the Company in the years to come.

The higher sales translated into higher gross profits which have increased by 47% to Rs.2,470 million. Higher capacity utilization and stringent control on overheads has resulted into this increase in gross margins from 14.48% to 15.25%. These healthy margins helped the Company to close the bottom line at Rs.851 million as against Rs.251 million posted in the last year.

Selling and distribution expenses during the year under review have increased from Rs.414 million to Rs.581 million, this increase is in line with Company's policy to invest more on brand equity to embark upon future growth requirements of the Company.

Financial charges for the year have decreased from Rs.598 million to Rs.328 million mainly due to reduction in policy

rate. Moreover, the average utilization of working capital limits also remained low due to the availability of operational liquidity and IPO funds.

## CHANGES IN FINANCIAL POSITION

Financial position of the Company remained at strong footings throughout year. The Company generated Rs.1,951 million cash from operations prior to working capital changes, whereas to support the enhance working capital requirements Rs.2,464 million has been invested therein. Further, Rs.1,860 million has been invested in plant and machinery in line with expansion plan. Out of this CAPEX, Rs.300 million machinery is operational and hence has been transferred to Fixed Assets whereas assets aggregating to Rs.1,474 million are still under the installation process and hence grouped under Capital Work in Progress.

During the year, the Company received disbursement of Rs.975 million against long term loans which mainly pertain to financing under TERF and LTFF arrangements. Currently, working capital limits of Rs.5,220 million are available from various banks and financial institutions against which

limits to the tune of Rs.4,112 were utilized as the close of financial year. The long term and short term loans are mainly secured against joint pari passu charge on the current and fixed assets of the Company. Since Panther Tyres Limited is well regarded in the market as credible and consistent player; all our trade creditors have full faith in our financial management. Further, the Board of Directors are satisfied that due to efficient and effective financial management system in place, there are no short or long term financial constraints in the foreseeable future.

## CAPACITY EXPANSION

During the year the Company has undertaken major expansion plan wherein capacities of almost all segments of productions are being increased especially relating to tractor, TBB and OTR segments. This expansion is progressing according to pre-determined time lines. The first phase of the expansion will be completed by September 30, 2021 which will support the Company's sales plan for the year 2021-22. Second phase of expansion is expected to be completed by March 31, 2022 whereas the third phase which is related to infrastructure development and back-end process enhancement is expected to be online by June 30, 2022.

Following is the status of expansion cost incurred till June 30, 2021:

Description of Asset	Funds Required	Allocation%age	Expenditure incurred till 30 June 2021
Freehold land & development expenditure	127,200,000	4%	103,567,491
Building and civil works	395,060,230	13%	118,540,445
Plant & machinery including duties and other expenses	2,543,913,609	83%	1,244,109,199
Total	3,066,173,839	100%	1,466,217,135

## FUTURE OUTLOOK

With the improvement in economic activity of the country, the auto industry is expected to grow, particularly in tractors, car, commercial vehicle and motorcycle segment, leading to an increase in demand for our products in the coming years. Replacement market size is also growing as increased number of vehicles sold by OEMs in previous years now resorting to the secondary market for the replacement of old tyres. On the other hand, the company is exploring new export markets to maintain the current growth momentum of export sales.

Regular investment in technology, manpower and R&D has helped the company to strongly position itself in the local market. However, being highly dependent on imported raw materials, the Company may face challenge due to rupee devaluation and increase in prices of key

materials in the international markets. Nevertheless, the company's management has strategies in place to sail through these harmless challenges. The company has projected strong demand of its products in the motorcycle and tractor segment and has also continued the journey of diversification of its business portfolio by entering into the manufacturing of TBB and OTR tyres segment. This will help the company materialize its growth plans. Improvement in agriculture sector and ongoing healthy activities in construction & allied industries will positively affect sales of tractors and the company is expected to receive increased orders of tyres from tractor assemblers in the year ahead.

Management at Panther is geared up to deliver strong profitable growth by driving a robust investment strategy and through strength of our brands in meeting the needs of our customers. In this regard, sound business plans are outlined, brainstormed and developed to cultivate strategies for overall success of the Company.



## DIVIDEND & APPROPRIATION

Taking into consideration the current capital and equity investment plans; the board has proposed the final cash dividend of PKR 2.00 per share along with 20% bonus shares subject to the approval of shareholders in the upcoming Annual General Meeting scheduled to be held on September 30, 2021.

## PRINCIPLE ACTIVITY OF THE COMPANY

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

## COMPOSITION OF THE BOARD

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

a) Male	6
b) Female	1

### Composition:

Independent Directors	3
Non-Executive Directors	2
Executive Directors	2

## BOARD OF DIRECTORS

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

Directors	Status	20-Aug-20	14-Sep-20	14-Oct-20	10-Dec-20	25-Jan-21	12-Apr-21
Mian Iftikhar Ahmed – Chairman	Non-Executive Director	√	√	√	√	√	√
Mian Faisal Iftikhar - CEO	Executive Director	√	√	√	√	√	√
Samina Iftikhar	Non-Executive Director	Leave	√	√	√	Leave	√
Asad Sultan Chaudhry	Independent Director	√	Leave	√	Leave	√	√
Javed Masud	Independent Director	√	Leave	√	Leave	√	√
Iqbal Ahmad Khan	Independent Director	√	Leave	√	Leave	√	√
Zahid Malik	Executive Director	N/A	Appointed	Leave	√	√	√

## AUDIT COMMITTEE

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

During the year, the Audit Committee of the board hold 1 meeting after Post IPO.

Directors	Status	Date: 12-Apr-2021 (Post-IPO)
Javed Masud	Independent Director	√
Asad Sultan Chaudhry	Independent Director	√
Iqbal Ahmad Khan	Independent Director	√

## HUMAN RESOURCE COMMITTEE

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

Directors	Status	Date: 30-June-2021 (Post-IPO)
Asad Sultan Chaudhry - Chairman	Independent Director	✓
Iqbal Ahmad Khan	Independent Director	✓
Mian Faisal Iftikhar	Executive Director	✓

## TRAINING OF THE BOARD AND LEADERSHIP TEAM

The Company takes keen interest in the professional development of its Board members and management team and has carried out necessary trainings as per the requirements of the Code of Corporate Governance and ensures that all the Directors of the Board comply with the requirements of Directors Training Certification.

The Board has arranged Director's Training program for the following:

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

## CHANGES IN NATURE OF BUSINESS

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

## AUDITORS

The present auditors, M/s EY Ford Rhodes, Chartered Accountants will retire at the conclusion of the upcoming Annual General Meeting and being eligible, offer themselves for re-appointment. The Audit Committee of the Company has suggested and the Board has approved & recommended their reappointment to the shareholders as auditors of the Company for the year ending on June 30, 2022.

## RELATED PARTY TRANSACTIONS

The Company has made disclosures about related party transactions in its financial statements annexed with this annual report. Such disclosure is in line with the

requirements of the 4th Schedule to the Companies Act, 2017 and applicable International Financial Reporting Standards.

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

## STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

The requirement of the Code of Corporate Governance set out by the Pakistan Stock Exchange in their listing regulations relevant for the year ended 30 June 2021 were duly complied with. A statement to this effect is attached with the report.

## STATEMENT OF CORPORATE FINANCIAL REPORTING FRAMEWORK

The Company has complied with all the requirements of the Code of Corporate Governance as required by the listing regulations.

Accordingly, the Directors are pleased to confirm the following:

1. The financial statements together with the notes thereon have been drawn up in conformity with the Companies Act, 2017. These statements present fairly the Company's state of affairs, the result of its operations, cash flow and changes in equity.
2. The principal business activity of the Company is manufacturing and sales of tyres and tubes for vehicles.
3. Proper books of accounts have been maintained by the Company.
4. Appropriate accounting policies have been consistently applied in the preparation of financial statements which conform to the International Accounting Standards as applicable in Pakistan.
5. The accounting estimates, wherever required are based on reasonable and prudent judgment.
6. International financial reporting standard, as applicable in Pakistan, have been followed in preparation of financial statements.

7. The system of internal control is sound in design and has been effectively implemented.
8. There are no significant doubts upon the Company's ability to continue as a going concern.
9. There has been no material departure from the best practices of corporate governance, as detailed in the Listing Regulations.

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

## CREDIT RATINGS

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

## SUBSEQUENT EVENTS

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

## RISK MANAGEMENT POLICY

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

## ADEQUACY OF INTERNAL FINANCIAL CONTROL

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

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

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

## QUALIFICATION OF CFO AND HEAD OF INTERNAL AUDIT

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

## PATTERN OF SHAREHOLDING

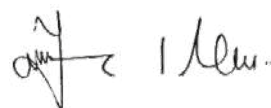
Pattern of shareholding of the Company in accordance with the Companies Act, 2017 as at June 30, 2021 is annexed to this report.

## ACKNOWLEDGEMENT

Directors of your Company take pleasure in expressing their sincere gratitude and appreciation for outstanding commitment and contribution of all the employees and continued trust and reliance placed in the Company by its bankers, customers and suppliers. The Board is also thankful to the shareholders of the Company who invested in the IPO and reposed their confidence in the management of the Company and assures to deliver best of their abilities.



**Mian Iftikhar Ahmed**  
Chairman



**Mian Faisal Iftikhar**  
Chief Executive Officer



## انٹرنل فنانشل کنٹرول

بورڈ آف ڈائریکٹران نے انٹرنل فنانشل کنٹرول کا ایک موثر نظام قائم کیا ہے۔ جس کے تحت آپریشنز کو موثر بنانا، کمپنی کے اثاثہ جات کی حفاظت، قابل اطلاق قوانین اور قواعد و ضوابط کی تعمیل اور قابل اعتماد مالیاتی رپورٹنگ کو یقینی بنانا ہے۔ پیٹنٹر ٹائز کا آزاد انٹرنل آڈٹ فنکشن باقاعدگی کے ساتھ مالیاتی کنٹرول کے نفاذ کی تنقیص اور نگرانی کرتا ہے جبکہ آڈٹ کمیٹی سہ ماہی بنیادوں پر انٹرنل کنٹرول فریم ورک اور مالیاتی گوشواروں کے موثر ہونے کا جائزہ لیتی رہتی ہے۔

## بورڈ کی طرف سے وٹن، مشن اور مجموعی کاروباری حکمت عملی کی منظوری

بورڈ آف ڈائریکٹران نے آپ کی کمپنی کے وٹن، مشن اور مجموعی کارپوریٹ حکمت عملی کا بغور جائزہ لیا ہے اور اس کی منظوری دی ہے۔ بورڈ کا خیال ہے کہ یہ اس نظریے سے مطابقت رکھتا ہے جس کے تحت پیٹنٹر ٹائز کو بنایا گیا تھا۔ ہم اس بات کو یقینی بناتے ہیں کہ ہمارا وٹن اور مشن ہماری مجموعی کارپوریٹ حکمت عملی اور ہر سطح پر ہم جو کچھ بھی کرتے ہیں اس میں ہمارے مستقبل کے سفر کی سمت کا تعین کرے۔ پورا ادارہ اس مقصد سے جڑا ہوا ہے اور یہ ہمارے روزمرہ کے معاملات کی انجام دہی میں فیصلہ سازی کی اہم کسوٹی کے طور پر کام کرتی ہے۔

## چیف فنانشل آفیسر اور ہیڈ آف انٹرنل آڈٹ کی اہلیت

چیف فنانشل آفیسر اور ہیڈ آف انٹرنل آڈٹ، کارپوریٹ گورننس کے ضابطہ میں متعین کردہ مطلوبہ اہلیت اور تجربہ رکھتے ہیں۔

## شیئر ہولڈنگ کا پیٹرن

کمپنیز ایکٹ 2017 کے مطابق 30 جون 2021 تک کمپنی کا شیئر ہولڈنگ کا پیٹرن اس رپورٹ کے ساتھ منسلک ہے۔

## اظہار تشکر

آپ کی کمپنی کے تمام ڈائریکٹران اپنے ملازمین کے شاندار عزم اور تعاون، بینکاروں، صارفین اور سپلائرز کی طرف سے کمپنی پر اعتماد کے اظہار اور انحصار کے لیے تہہ دل سے شکر گزار ہیں۔ بورڈ اپنے شیئر ہولڈرز کا بھی شکر گزار ہے جنہوں نے آئی پی او میں سرمایہ کاری کی اور کمپنی کی انتظامیہ پر اپنے اعتماد کا اظہار کیا۔ بورڈ اس عزم کا اعادہ کرتا ہے کہ وہ اپنی بہترین صلاحیتوں کو کمپنی کے مفاد میں استعمال کریں گے۔

V. Akh

میاں افتخار احمد

چیئر مین

میاں فیصل افتخار

چیف ایگزیکٹو آفیسر

1۔ مالیاتی گوشوارے اور اس پر موجود نوٹس (notes) کو کمپنیز ایکٹ 2017 کے مطابق تیار کیا گیا ہے۔ یہ بیانات ممکن حد تک کمپنی کے معاملات کی صورتحال، اس کے آپریشنز کے نتائج، کیش فلو اور ایکویٹی میں تبدیلیوں کو ظاہر کرتے ہیں۔

2۔ کمپنی کی بنیادی کاروباری سرگرمی کا ڈیڑھ لے ٹائزوں اور ٹیوبوں کی تیاری اور فروخت ہے۔

3۔ کمپنی میں اکاؤنٹس کو صحیح طریقے سے بنایا اور رکھا جاتا ہے۔

4۔ مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا مستقل اطلاق کیا گیا ہے۔ جو پاکستان میں لاگو ہونے والے بین الاقوامی اکاؤنٹنگ معیارات کے مطابق ہیں۔

5۔ اکاؤنٹنگ کے تخمینہ جات، جہاں بھی ضرورت ہو عقلی معیارات کے مطابق ہوتے ہیں۔

6۔ مالیاتی گوشواروں کی تیاری میں بین الاقوامی مالیاتی رپورٹنگ معیار، جیسا کہ پاکستان میں لاگو ہوتا ہے، پر عمل کیا گیا ہے۔

7۔ کمپنی کے انٹرنل کنٹرول کے نظام کا ڈیزائن ٹھوس بنیادوں پر استوار ہے اور اسے نہایت موثر طریقے سے لاگو کیا گیا ہے۔

8۔ Going Concern کے طور پر کمپنی کے جاری رہنے پر کوئی خاص شک و شبہ نہیں۔

9۔ کارپوریٹ گورننس کے بہترین طریقوں سے کوئی اہم انفریق نہیں کیا گیا۔ جیسا کہ لسٹنگ ریگولیشنز میں تفصیل سے بیان کیا گیا ہے۔

پچھلے چھ برسوں کے کلیدی آپرینٹنگ اور مالیاتی اعداد و شمار اس رپورٹ کیساتھ منسلک ہیں۔

## کریڈٹ ریٹنگ

انتظامیہ مالی معلومات کی شفافیت اور سادگی پر یقین رکھتی ہے۔ اس فلسفے کے مطابق کمپنی نے پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ کی خدمات کمپنی کی مالیاتی طاقت اور کارکردگی کا جائزہ لینے کے لیے حاصل کیں۔ اپنے معیارات کے مطابق عرق ریزی سے کام کرنے کے بعد ایجنسی نے پیٹنٹر ٹائز لمیٹڈ کو طویل المدتی اور قلیل المدتی مدت کے لیے بالترتیب A1 اور A کے کریڈٹ ریٹنگ سے نوازا۔

## مابعد واقعات

مالی سال کے اختتام اور اس رپورٹ کی تاریخ کے درمیان کمپنی کی مالیاتی پوزیشن کو متاثر کرنے والی کوئی اہم تبدیلیاں نہیں ہوئیں۔

## رِسک مینجمنٹ پالیسی

کمپنی کی ایک واضح رِسک مینجمنٹ پالیسی ہے۔ جو خطرات کی شناخت اور انتظام کے لیے ایک طریقہ کار پیش کرتی ہے۔ جس میں کمپنی کے کاروبار پر اس طرح کے خطرات کے منفی اثرات کو کم سے کم کرنے کے لیے ایک متبادل میکانزم کی تنقیص اور وضع کرنا شامل ہے۔ یہ پالیسی ادارے کے وسیع خطرے کے انتظام کے رہنما خطوط فراہم کرتی ہے۔ جو تمام اہم خطرے کے شعبوں اور ان کی روک تھام کم سے کم اقدامات کا احاطہ کرتی ہے۔

رواں مالی سال میں بورڈ کی چھ میٹنگز ہوئیں جن میں ڈائریکٹران کی حاضری کی تفصیل ذیل میں ہے:

ڈائریکٹران	عہدہ	20 اگست 2020	14 ستمبر 2020	14 اکتوبر 2020	10 دسمبر 2020	25 جنوری 2021	12 اپریل 2021
میاں افتخار احمد چیئر مین	نان ایگزیکٹو ڈائریکٹر	✓	✓	✓	✓	✓	✓
میاں فیصل افتخاری ای او	ایگزیکٹو ڈائریکٹر	✓	✓	✓	✓	✓	✓
ثمینہ افتخار	نان ایگزیکٹو ڈائریکٹر	✓	✓	✓	✓	✓	✓
اسد سلطان چودھری	انڈیپنڈنٹ ڈائریکٹر	✓	✓	✓	✓	✓	✓
جاوید مسعود	انڈیپنڈنٹ ڈائریکٹر	✓	✓	✓	✓	✓	✓
اقبال احمد خان	انڈیپنڈنٹ ڈائریکٹر	✓	✓	✓	✓	✓	✓
زاہد ملک	ایگزیکٹو ڈائریکٹر	N/A	✓	✓	✓	✓	✓

## آڈٹ کمیٹی

انٹرنل آڈٹ فنکشن ڈیپارٹمنٹ کے ذریعے انٹرنل کنٹرول فریم ورک کو موثر طریقے سے نافذ کیا گیا ہے۔ کمپنی کے انٹرنل کنٹرول کا نظام بہت عمدہ انداز سے بنایا گیا ہے اور اسے موثر رکھنے کے لیے مسلسل جائزہ لیا جاتا رہتا ہے۔

رواں برس آئی پی او کے بعد بورڈ کی آڈٹ کمیٹی کا ایک اجلاس منعقد ہوا۔

ڈائریکٹران	عہدہ	مورخہ 12 اپریل 2021 (Post-IPO)
جاوید مسعود	انڈیپنڈنٹ ڈائریکٹر	✓
اسد سلطان چودھری	انڈیپنڈنٹ ڈائریکٹر	✓
اقبال احمد خان	انڈیپنڈنٹ ڈائریکٹر	✓

## ہیومن ریسورس اور ریمونیویشن کمیٹی

رواں برس اس کمیٹی کا ایک اجلاس منعقد ہوا:

ڈائریکٹران	عہدہ	مورخہ 30 جون 2021 (Post-IPO)
اسد سلطان چودھری، چیئر مین	انڈیپنڈنٹ ڈائریکٹر	✓
اقبال احمد خان	انڈیپنڈنٹ ڈائریکٹر	✓
میاں فیصل افتخار	ایگزیکٹو ڈائریکٹر	✓

## بورڈ اور لیڈرشپ ٹیم کی ٹریننگ

کمپنی اپنے بورڈ ممبران اور مینجمنٹ ٹیم کی پیشہ ورانہ ترقی میں گہری دل چسپی لیتی ہے اور کارپوریٹ گورننس کے ضابطہ اخلاق کے تقاضوں کے مطابق ضروری تربیت حاصل کی ہے اور اس بات کو یقینی بناتی ہے کہ بورڈ کے تمام ڈائریکٹران، ڈائریکٹرز ٹریننگ سرٹیفیکیشن کے قواعد و ضوابط کی تعمیل کریں۔

بورڈ نے مندرجہ ذیل کے لیے ڈائریکٹرز ٹریننگ پروگرام کا اہتمام کیا:

نام	عہدہ
جناب جاوید مسعود	انڈیپنڈنٹ ڈائریکٹر
جناب اسد سلطان چودھری	انڈیپنڈنٹ ڈائریکٹر
جناب اقبال احمد خان	انڈیپنڈنٹ ڈائریکٹر

جناب غلام عباس

جناب محسن مظفر بٹ

## کاروبار کی نوعیت میں تبدیلیاں:

رواں برس کمپنی کے کاروبار کی نوعیت میں کوئی تبدیلی نہیں ہوئی۔

## آڈیٹرز

موجودہ آڈیٹرز، میسرز امی والے فورڈز روڈز چارٹرڈ اکاؤنٹنٹس (EY Ford Rhodes Chartered Accountants) آئندہ سالانہ اجلاس عام کے اختتام پر ریٹائر ہو جائیں گے اور اہل ہونے کی وجہ سے خود کو دوبارہ تقرری کے لیے پیش کریں گے۔ کمپنی کی آڈٹ کمیٹی نے تجویز دی ہے اور بورڈ نے 30 جون 2022 کو ختم ہونے والے سال کے لیے شیئر ہولڈرز کو کمپنی کے آڈیٹر کے طور پر دوبارہ تقرری کی سفارش کی ہے۔

## متعلقہ پارٹی سے لین دین (Related Party Transaction)

کمپنی نے اس سالانہ رپورٹ سے منسلک اپنے مالیاتی گوشواروں میں متعلقہ پارٹی لین دین کے بارے بتایا ہے۔ اس طرح Disclosure کمپنیز ایکٹ 2017 کے چوتھے جدول اور بین الاقوامی مالیاتی رپورٹنگ کے تقاضوں کے عین مطابق ہے۔ تمام متعلقہ فریقوں کے ساتھ تمام لین دین یا انتظامات عام کاروبار کے دوران arm's length اصول کی بنیاد پر کیے گئے تھے۔

## کارپوریٹ گورننس کے ضابطہ کی تعمیل کا بیان

پاکستان اسٹاک ایکسچینج کی جانب سے 30 جون 2021 کو ختم ہونے والے سال کے لیے دی گئی متعلقہ لسٹنگ ضوابط میں طے کردہ کارپوریٹ گورننس کے ضابطہ اخلاق کی تعمیل کی گئی۔ اس سلسلے میں ایک بیان رپورٹ کے ساتھ منسلک ہے۔

## کارپوریٹ فنانشل رپورٹنگ فریم ورک

کمپنی نے لسٹنگ ضوابط کے مطابق کارپوریٹ گورننس کے ضابطہ کے تمام تقاضوں کی تعمیل کی ہے۔ اس کے مطابق کمپنی ڈائریکٹران مندرجہ ذیل کو کنفرم کرتے ہوئے خوش محسوس کرتے ہیں:

کی ورکنگ کیپٹل کی limits دستیاب ہیں۔ جس میں سے رواں برس 4,112 ملین روپے استعمال کیے گئے۔ طویل المدتی اور قلیل المدتی قرضے بنیادی طور پر کمپنی کے اثاثوں (fixed and current assets) pari passu کے تحت لیے گئے ہیں۔ چونکہ بینٹھر نائز لمیٹڈ کو مارکیٹ میں قابل اعتماد اور مستقل پلیئر سمجھا جاتا ہے۔ اس لیے تمام تجارتی قرض دہندگان کو ہمارے مالی انتظام پر مکمل اعتماد ہے۔ مزید برآں بورڈ آف ڈائریکٹرز مطمئن ہے کہ موثر مالیاتی انتظامی نظام کی وجہ سے مستقبل قریب میں کوئی طویل یا قلیل مدتی مالی رکاوٹیں نہیں ہیں۔

### کمپنی کی پیداواری صلاحیت میں توسیع

رواں برس کمپنی نے بڑا توسیعی منصوبہ شروع کیا جس میں پروڈکشنز کے تقریباً تمام شعبوں کی صلاحیتوں میں اضافہ کیا جا رہا ہے۔ خاص طور پر ٹریکٹر، ٹی بی اور اوٹی آر کے شعبوں میں۔ یہ توسیع پہلے سے طے شدہ اہداف کے مطابق آگے بڑھ رہی ہے۔ توسیع کا پہلا مرحلہ 30 ستمبر 2021 تک مکمل ہو جائے گا جو 2021-22 کے لیے کمپنی کے کیلنڈر پلان کو سپورٹ کرے گا۔ توسیع کا دوسرا مرحلہ 31 مارچ 2022 تک مکمل ہونے کی توقع ہے۔ جبکہ تیسرے مرحلے کی، جو بنیادی ڈھانچے کی ترقی اور بیک اینڈ پرائسز کی بدھوتزی کے متعلق ہے، 30 جون 2022 تک آن لائن ہونے کی توقع ہے۔

ذیل میں 30 جون 2021 تک ہونے والی توسیع پراٹھے والے اخراجات کی تفصیل ہے:

اخراجات کی تصریح	مطلوبہ فنڈ (پاکستانی روپے)	مختصر شرح	30 جون 2021 تک ہونے والے اخراجات (پاکستانی روپے)
1۔ اراضی و ترقیاتی اخراجات	127,200,000	4%	103,567,491
2۔ عمارت اور سول ورکس	395,060,230	13%	118,540,445
3۔ پلانٹ، شینری، میخ ڈیویژ اور دیگر اخراجات	2,543,913,609	83%	1,244,109,199
میزان	3,066,173,839	100%	1,466,217,135

عملی تیار کرنے کے لیے مربوط کاروباری منصوبوں کا خاکہ پیش کر کے اس پر غور خواہ کیا جاتا ہے۔

### مستقبل کا منظر نامہ

وطن عزیز میں معاشی سرگرمیوں میں بہتری سے آٹو انڈسٹری میں خاص طور پر ٹریکٹروں، کاروں، کمرشل گاڑیوں اور موٹر سائیکلوں کے شعبوں میں بدھوتزی متوقع ہے۔ جس سے آنے والے برسوں میں کمپنی کی مصنوعات کی مانگ میں اضافہ ہوگا۔ ساتھ ہی ریمپل سیٹ مارکیٹ (Replacement Market) کا حجم بھی بڑھ رہا ہے۔ کیونکہ پچھلے برسوں میں ادوی ایم کی طرف سے فروخت کی جانے والی گاڑیوں کی بدھوتی ہوئی تعداد پرانے ٹائزوں کی تبدیلی کے لیے سیکینڈری مارکیٹ کو بحال کرے گی۔ دوسری جانب کمپنی اپنی برآمدات کی موجودہ شرح نمو کو برقرار رکھنے کے لیے نئی برآمدی منڈیوں کی تلاش کر رہی ہے۔

### حتمی منافع منقسمہ اور تخصیص

موجودہ سرمائے اور ایکویٹی سرمایہ کاری کے منصوبوں کو مد نظر رکھتے ہوئے بورڈ نے 30 ستمبر 2021 کو ہونیوالے آئندہ سالانہ اجلاس عام میں شیئرز ہولڈرز کی منظوری سے مشروط 2 روپے فی شیئر حتمی منافع منقسمہ کے ساتھ 20 فیصد بونس شیئرز دینے کی تجویز پیش کی ہے۔

### کمپنی کی بنیادی کاروباری سرگرمیاں

کمپنی ٹائز اور ٹیوب بنانے اور فروخت کرنے کا کاروبار کرتی ہے۔

### بورڈ کی تشکیل

بورڈ سات منتخب ممبران پر مشتمل ہے۔ بورڈ کی یہ تشکیل لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے مطابق ہے۔ مالی سال کے اختتام پر بورڈ کی تشکیل ذیل میں دی گئی ہے:

6 ا۔ مرد

1 ب۔ خواتین

### تشکیل

3 انڈیپنڈنٹ ڈائریکٹران

2 نان ایگزیکٹو ڈائریکٹران

2 ایگزیکٹو ڈائریکٹران

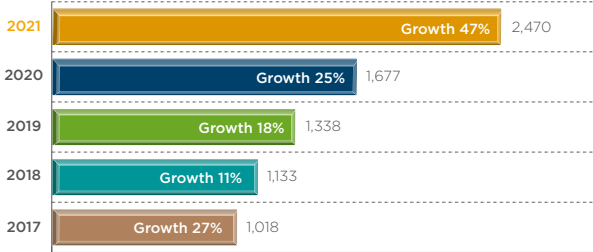
ٹیکنالوجی، افرادی قوت اور ریسرچ اینڈ ڈویلپمنٹ کے شعبوں میں متواتر سرمایہ کاری کی بدولت کمپنی نے مقامی مارکیٹ میں اپنی ساکھ کو مضبوط بنایا ہے۔ تاہم، درآمدی خام مال پر بہت زیادہ انحصار کرنے کی وجہ سے کمپنی کو روپے کی قدر میں کمی اور بین الاقوامی منڈیوں میں اہم مواد کی قیمتوں میں اضافے کی وجہ سے چیلنجز کا سامنا کرنا پڑ سکتا ہے۔ اس کے باوجود، کمپنی انتظامیہ کے پاس ان درپیش چیلنجز سے نمونہ آواز ہونے کی حکمت عملی موجود ہے۔ کمپنی نے موٹر سائیکل اور ٹریکٹر سیکٹرز میں اپنی مصنوعات کی بہترین مانگ کی پیش گوئی کی ہے اور ٹی بی اور اوٹی آر ٹائزوں کے شعبوں میں اپنی مصنوعات کے پورٹ فولیو کی تنوع کا سفر بھی جاری رکھا ہے جس سے کمپنی کو اپنے ترقی کے منصوبوں کو عملی شکل دینے میں مدد ملے گی۔ زراعت کے شعبے میں بہتری، تعمیرات اور متعلقہ صنعتوں میں جاری صحت مند سرگرمیوں سے ٹریکٹروں کی فروخت پر مثبت اثر پڑے گا اور توقع ہے کہ کمپنی کو آنے والے سال میں ٹریکٹر بنانے والی کمپنیوں سے ٹائزوں کے آرڈرز میں اضافہ ہوگا۔

بینٹھر ٹائز کی انتظامیہ مضبوط سرمایہ کاری کی حکمت عملی کے ذریعے اور اپنے براڈ کی طاقت سے صارفین کی ضروریات کو پورا کر کے منافع بخش بدھوتزی کے لیے تیار ہے۔ اس سلسلے میں کمپنی کی کامیابی کے لیے حکمت



## حصہ داران کے لئے ڈائریکٹرز کی رپورٹ

### GROSS PROFIT Rs. in Million



کمپنی کی مصنوعات کی برآمدات کی فروخت میں 54 فیصد اضافہ ہوا جو 878 ملین روپے سے بڑھ کر 1,350 ملین روپے ہو گئی ہے۔ یہ ترقی نئی برآمدی منڈیوں اور برآمدی پورٹ فولیو میں نئی مصنوعات شامل کر کے حاصل کی گئی۔ اس ضمن میں کچھ نئے ممالک کا حال ہی میں شامل کیا گیا ہے جو آنے والے برسوں میں کمپنی کی مصنوعات کی برآمدات میں اضافہ کریں گے۔

کمپنی کی مصنوعات میں زیادہ فروخت کی وجہ سے مجموعی منافع میں اضافہ ہوا جو 47 فیصد کے ساتھ 2,470 ملین روپے تک پہنچ گیا۔ زیادہ صلاحیت کو بروئے کار لاکر اور اور ہینڈ پرنٹ کنٹرول کے نتیجے میں مجموعی مارجن 14.48 فیصد سے بڑھ کر 15.25 فیصد ہو گیا۔ ان بہتر مارجنز کی وجہ سے کمپنی اپنی بائیں لائن 851 ملین روپے پر لانے میں کامیاب رہی جو کہ پچھلے سال 252 ملین روپے تھی۔

زیر جائزہ سال میں کمپنی کی مصنوعات کی فروخت اور تقسیم کے اخراجات 414 ملین روپے سے بڑھ کر 581 ملین روپے ہو گئے۔ یہ اضافہ مستقبل میں کمپنی کی شرح نمو میں اضافے کو سامنے رکھتے ہوئے کمپنی کی براؤنڈ ایکویٹی پر مزید سرمایہ کاری کرنے کی پالیسی کے عین مطابق ہے۔

زیر جائزہ سال میں مالیاتی اخراجات 598 ملین روپے سے کم ہو کر 328 ملین روپے ہو گئے۔ جس کی بنیادی وجہ شرح سود میں کمی تھی۔ مزید برآں، آپریشنل لیکویڈیٹی اور آئی پی او فنڈز کی دستیابی کی وجہ سے ورکنگ کیپیٹل کی limits کا استعمال بھی کم رہا۔

### کمپنی کی مالیاتی پوزیشن میں تبدیلیاں

کمپنی کی مالیاتی پوزیشن زیر جائزہ سال میں مستحکم بنیادوں پر استوار رہی۔ کمپنی نے ورکنگ کیپیٹل تبدیلیوں سے قبل اپنے آپریشنز سے 1,951 ملین روپے نقد رقم حاصل کی جبکہ ورکنگ کیپیٹل کی ضروریات میں اضافے میں مدد کے لیے 2,464 ملین روپے کی سرمایہ کاری کی گئی۔ مزید برآں توسیعی منصوبے کے مطابق پلانٹ اور مشینری میں 1,860 ملین روپے کی سرمایہ کاری کی گئی۔ اس میں 300 ملین روپے کی مشینری آپریشنل ہے۔ اس لیے اسے فکسڈ اثاثوں میں منتقل کر دیا گیا ہے جبکہ 1,474 ملین روپے کے اثاثے ابھی تنصیب کے عمل میں ہیں۔ اس لیے انھیں کیپیٹل ورک ان پراگریس (Capital Work in Progress) کے تحت گروپ کیا گیا ہے۔

زیر جائزہ مدت کے دوران کمپنی نے TERF اور LTFF کے انتظامات کے تحت 975 ملین روپے طویل مدتی قرضوں کی مدد میں حاصل کیے۔ اس وقت کمپنی کو مختلف بینکوں اور مالیاتی اداروں سے 5,220 ملین روپے

آپ کے ڈائریکٹر 30 جون 2021 کو ختم ہونے والے سال کے لیے کمپنی کے آڈٹ شدہ مالیاتی نتائج کے ساتھ سالانہ رپورٹ پیش کرنے کے موقع پر آپ کے ساتھ اس پہلی باضابطہ خط و کتابت پر خوشی محسوس کرتے ہیں۔

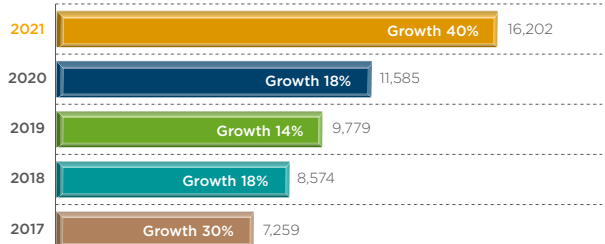
### ملک کا اقتصادی منظر نامہ

پاکستان کی معیشت میں کوویڈ وبا کے بعد انگریزی حرف V کی شکل میں معاشی ریکوری دیکھی گئی ہے جو غیر متوقع طور پر 3.9 فیصد رہی۔ جبکہ آئی ایم ایف کی جانب سے ابتدائی تخمینے کے طور پر 1.5 فیصد شرح نمو کی توقع ظاہر کی گئی تھی۔ ہماری ملکی معیشت نے کورونا وبا کے دوران بہت سی دیگر ابھرتی ہوئی منڈیوں سے بہت بہتر کارکردگی کا مظاہر کیا ہے، حالانکہ اس وبا کی وجہ سے عالمی معیشت سکتڑ گئی ہے۔ اس دوران بہت سی ابھرتی ہوئی منڈیوں میں شرح نمو میں پانچ سے دس فیصد سکڑاؤ دیکھنے میں آیا جبکہ پاکستان صرف ایک فیصد سے بھی کم کمی سے ساتھ اس صورتحال سے باہر آیا اور ایک برس کے عرصے میں وبا سے پہلی والی سطح پر واپس آ گیا۔ موافق مالیاتی پالیسی، ری فنانسنگ سہولیات کے آغاز، ٹارگٹڈ مالی معاونت اور دیگر مالیاتی اقدامات نے لاک ڈاؤن کے بعد معاشی سرگرمیوں کی بحالی میں اہم کردار ادا کیا۔ مزید برآں، تجارت اور صنعت و پیداوار کی وزارتوں نے ملک میں صنعتی ترقی کے لیے فعال ماحول پیدا کرنے میں اہم کردار ادا کیا۔ ہمیں توقع ہے کہ معاشی پالیسیوں میں استحکام اور معیشت کے اصلاحاتی ایجنڈے کے ساتھ آگے بڑھنے سے ملکی معیشت کے معاشی ماکروں اشاریوں (Macro Economic Indicators) میں مستقبل میں مزید بہتری آئے گی اور ہماری معیشت مجموعی قومی پیداوار کے لیے مقرر کردہ 4.8 فیصد شرح نمو کا ہدف حاصل کرنے میں کامیاب ہوگی۔

### مالیاتی کارکردگی

کمپنی نے اپنی ترقی کی رفتار جاری رکھتے ہوئے اپنی ٹاپ لائن میں 40 فیصد یعنی 16,202 ملین روپے اضافے کے ساتھ رواں سال کا اختتام کامیابی کے ساتھ کیا۔ یہ نمو گزشتہ پانچ سالوں سے کمپنی کی کارکردگی سے مطابقت رکھتی ہے جس میں کمپنی نے 22 فیصد CAGR پر اپنی ٹاپ لائن میں شرح نمو رکھی۔ کاروبار کے تمام شعبوں (OEM) کے لکیر پمپس، مارکیٹ (Replacement Market) سب نے اس ترقی میں اہم کردار ادا کیا۔ کمپنی نے ناصرف اپنے موجودہ کاروبار میں ترقی کا کامیابی سے انتظام کر رہی ہے بلکہ اپنے پورٹ فولیو میں نئی مصنوعات کا اضافہ کر کے اسے معاصر کمپنیوں میں سرفہرست بھی رکھ رہی ہے۔ گزشتہ برس کمپنی نے بسوں اور ٹرکوں کے لیے کامیابی کے ساتھ ٹرک؟ بس Bias ٹائر (TBB) تیار کیے اور مارکیٹ میں سپلائی کیے اور اب برس کمپنی OTR کیٹیگری میں پاکستان کا سب سے بڑا اور سب سے بھاری ٹائر تیار کرنے میں کامیاب رہی اور اس حوالے پہلی اور واحد کمپنی کا اعزاز حاصل کیا۔ ان دونوں مصنوعات کے اضافے سے کمپنی کو آنے والے برسوں میں بھی اپنی ترقی کی رفتار برقرار رکھنے میں مدد ملے گی۔

### SALES Rs. in Million







# **CORPORATE GOVERNANCE FRAMEWORK**



# GOVERNANCE FRAMEWORK

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

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

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

# GOVERNANCE CONTINUOUS IMPROVEMENT

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

# ROLE OF THE BOARD AND THE AUDIT AND RISK COMMITTEE

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

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

# OPENNESS AND TRANSPARENCY

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

# MONITORING AND REVIEW OF THE FRAMEWORK

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



## CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

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

## COMPOSITION OF THE BOARD

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

## SUCCESSION PLANNING

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

## RECRUITMENT AND RENEWAL

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

## PERFORMANCE MANAGEMENT – GOVERNANCE EFFECTIVENESS REVIEW

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

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

The review process will include:

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

## CONDUCT OF BOARD BUSINESS AND EFFECTIVE DECISION MAKING

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

- A clear delegation framework is developed and compliance with the delegations is monitored;
- Agendas and Plans/Schedule of meetings are agreed with the relevant chair of the board(s) and committees to include regulatory, statutory and business matters (including performance, risk, financial information, and financial controls/risk systems);
- Reports are presented in an approved format and clearly set out the key points for decision and recommendations;

- Time agendas and reports are circulated when possible 1 week in advance of meetings;
- Time is available to discuss reports and issues with the report author/lead prior to meetings;
- Sufficient time is allowed for debate; and
- Decisions are recorded in Minutes, and actions against these are monitored.

## ANNUAL REPORTS AND QUARTERLY REPORTS

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

- Financial statements (Annual & Quarterly Reports and accounts), Director's report, Statement of Compliance under CCG are published; and
- The Chief Financial Officer and Company Secretary are responsible for ensuring that the reports, accounts, statements are prepared in accordance with current statutory and regulatory requirements, and best financial and audit practices, and are presented to the Board for approval in advance of being laid before the Annual General Meeting.

## REGULATORY AND STATUTORY COMPLIANCE AND RETURNS

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

## REMUNERATION

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

# BOARD COMMITTEES

## AUDIT COMMITTEE:

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

## COMPOSITION

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

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

The Board discussed and approved Audit Committee members as follows:

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

## AUDIT COMMITTEE MEETINGS

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

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

- i. The head of internal audit and external auditors are entitled to receive notice of audit committee meeting where half yearly and annual accounts are to be discussed.
- j. At least one-third (1/3rd) of the total number of members or two (2) members whichever is higher, for the time being of the company, present personally, or through video-link, shall constitute a quorum.
- k. Questions arising at the audit Committee meeting shall be determined by a majority of votes of the members present by show of hands. One member has one vote. No proxy can be appointed. In case of an equality of votes, the chairman shall have and exercise a second or casting vote.
- l. Every meeting shall be chaired by the Chairman of the Committee. In his absence, one of the members by a majority vote shall act as the meeting Chairman.
- m. The Secretary shall circulate minutes of meetings of the Audit Committee to all members, directors, Head of Internal Audit and the CFO prior to the meeting of the board and where this is not practicable, the Chairman of the Audit Committee shall communicate a synopsis of the proceedings to the board and the minutes shall be circulated within 15 days of the meeting of the board.

## RESPONSIBILITIES (TOR)

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

## FINANCIAL STATEMENTS

- ✓ Review of preliminary announcements of results prior to publication;
- ✓ Determination of appropriate measures to safeguard the Company's assets.
- ✓ Review of quarterly, half-yearly and annual financial statements of the Company's, prior to their approval by the Board of Directors, focusing on:
  - major judgmental areas;
  - significant adjustments resulting from the audit;
  - the going-concern assumption;

- any changes in accounting policies and practices;
- compliance with applicable accounting standards;
- compliance with listing regulations and other statutory and regulatory requirements; and
- Significant related party transactions.

## INTERNAL CONTROLS

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

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

## INTERNAL AUDIT

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

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

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

## EXTERNAL AUDIT

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



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

## COMPLIANCE

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

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

## HUMAN RESOURCE AND REMUNERATION COMMITTEE

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

## COMPOSITION

2. The constitution of Board's Human Resource & Remuneration Committee was made under the following guidelines:
  - I. The Committee will be comprised of at least three members comprising of non-executive directors / independent directors.
  - II. The Chairman of the Committee shall be an independent director, who shall not be the Chairman of the board.
  - III. The chief executive officer may be included as a member of the HR & R committee.

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

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

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

## MEETINGS

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

- ✓ The HR & R Committee shall meet at least once in a financial year.
- ✓ Meeting of the Human Resources and Remuneration Committee can also be held, if requested by a member of the Board, or committee.
- ✓ The Chief Executive Officer (if the said individual is not a member of HR & R Committee), Head of human resources or any adviser or person may attend the meeting by invitation.

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

## RESPONSIBILITIES (TOR)

The Committee shall carry out the following responsibilities:

- i. Recommendation to the Board for consideration and approval of a policy framework for determining remuneration of directors (both executive and independent directors; and members of senior management).
- ii. undertaking, annually, a formal process of evaluation of performance of the Board as a whole and its committees either directly or by engaging external independent consultant and if so appointed, a statement to that effect shall be made in the directors' report disclosing therein name and qualifications of such consultant and major terms of his / its appointment;
- iii. recommending human resource management policies to the Board;
- iv. recommending to the Board the selection, evaluation, development, compensation (including retirement

benefits) of chief operating officer, chief financial officer, company secretary and head of internal audit;

- v. consideration and approval on recommendations of chief executive officer on such matters for key management positions who report directly to chief executive officer or chief operating officer; and
- vi. Where human resource and remuneration consultants are appointed, they shall disclose to the committee their credentials and as to whether they have any other connection with the company.

## RISK MANAGEMENT

### Purpose

The purpose of the Risk Management Policy is to embed within Panther Tyres Limited capability in risk management. This Company-wide capability will provide a consistent method of identifying, assessing, controlling, monitoring and reporting existing and potential risks faced by the Panther Tyres. The policy sets out the Company's to risk and risk management.

All Panther Tyres employees have a responsibility to manage risk in accordance with the Risk Management Policy.

### Policy

Panther Tyres has a common and systematic approach for managing risk across the Company. This approach aims to increase risk awareness, ensure the appropriate management of risks and make the business risk profiles transparent, enabling comparison and aggregation.

Panther Tyres maintains a risk management framework, overseen by the Manager Audit/Risk, which sets out the procedures applying under this policy. This framework includes Panther Tyres risk tolerances (Risk Appetite Statements), risk classification methodology (Risk Matrix) and consistent risk recording. All parts of Panther Tyres business are required to implement and use this common risk management framework.

Panther Tyres actively anticipates and manages risks, taking all reasonable measures to contain potential hazards in line with applicable risk tolerances. The external and internal risks facing Panther Tyres are dynamic.

Risk management is integrated into all of Panther Tyres strategic, operational planning and budgeting processes, and day-to-day operations.

## Responsibility

Panther Tyres management operates a Risk Committee whose mandate is to:

- (1) promote risk awareness and appropriate risk management to all staff; and
- (2) to monitor and review risk activities as required.

Membership of the Risk Management Committee is made up of representatives from the Executive Management Team and is chaired by the Chief Executive. The Risk Committee will meet at least annually.

The overall accountability for ensuring that risk is managed effectively lies with the Board, with risk management responsibility delegated to the Chief Executive.

Policy implementation is monitored on a day-to-day basis by the Manager Audit/Committee, who has a dual reporting line to the Chief Internal Auditor and the Chair of the Risk Committee.

Management is responsible for establishing, communicating and implementing of effective risk management and internal control frameworks.

## Strategic, Commercial, Operational and Financial Risk:

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

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

- **Strategic Risk:** These risks are mostly external in nature and emanate from the formation of Company's strategic objectives and business strategy decisions and may impact execution thereof. The Board of Directors actively oversees the management of these risks and creates mitigating strategies wherever required.

- **Commercial Risk:** These risks are associated with the commercial substance of an organization. Reduction in an entity's market share, product price regulation or other regulatory amendments posing threat to the organization's profitability and commercial viability are a few examples of these risks affecting the Company.
- **Operational Risk:** Operational risks are such risks which may adversely impact the value of the organization caused by internal factors, operational and administrative procedures, such as workforce turnover, supply-chain disruption, IT system shutdowns or control failures.
- **Financial Risk:** The following financial risks have been duly explained in the financial statements of the Company:
  - Credit risk
  - Liquidity risk
  - Market risk

## COMMUNICATION AND DISCLOSURE POLICY

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

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

## Disclosure Committee Responsibility:

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

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

## Rumors:

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

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

## Material Information:

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

## WHISTLE BLOWING POLICY

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

This policy applies to all individuals working for PTL at all levels and grades including, members of the Senior Management, Senior Managers, Employees (including permanent, temporary and part time employees), Contractors, External Consultants, Suppliers, Vendors and Customers including all personnel affiliated with third parties. We encourage the Whistle Blower to share a genuine concern if there are reasonable grounds for believing that:

- A criminal offence including fraud has been committed, is being committed, or is likely to be committed.
- A person has failed, is failing, or is likely to fail to comply with his or her legal obligations whether derived from statute, regulations or contract.
- A false or inaccurate allegation has been made, is

being made, or is likely to be made against a person connected with PTL (whether a co-employee, an adviser or supplier of the Company or a customer).

- Forgery of company documents and financial instruments like cheques and securities.
- Theft or misappropriation of PTL's assets.
- Conflict of interest and abuse of office.
- Disclosure / leakage of business secrets and other confidential company and its customers' information obtained during the course of employment.
- Misuse of the Company's property, misuse of authority, misuse of systems or unauthorized sharing of passwords.

## HEALTHY SAFETY & ENVIRONMENT POLICY

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

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

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





## QUALITY POLICY

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

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





A large, abstract watercolor splash in shades of pink, purple, and orange occupies the left side of the page, extending towards the center. The colors blend softly, creating a textured, painterly effect. The right side of the page is plain white.

# CORPORATE SOCIAL RESPONSIBILITY

We maintain participative relationship with the society and continuously invest in the interventions related to education, health, alternative energy resources, philanthropic donations and communication infrastructure. In addition to our communities, we ensure the well-being and safety of all the stakeholders in our value chain through continuous engagement with relevant stakeholders to uphold the best practices in social responsibility as laid down in the ISO 26000 Guidelines. Giving away our share of kindness is not a part of a philanthropic endeavor, but a larger social responsibility that the society itself has entrusted upon us.





## SMART CART PROJECT

Panther Tyres Limited participated in "Smart Cart Project" initiated by Government of Punjab in collaboration with SYNERGY INC. The objective of this project is to empower people by providing business opportunities. These carts will be placed in prominent areas of Lahore and surrounding cities for maximum visibility and business generation. This project was initially launched in Kasur and in the coming months this model will be replicated in other cities. Company intends to continue this activity in other areas of Punjab as well.

## CONTRIBUTION TO NATIONAL EXCHEQUER

The Company is contributing to the national growth by sharing its revenues in the form of taxes, rates and duties and exports also contribute towards improving foreign reserves. Contribution by the Company was a total of Rs. 4,128 million in FY 2021 in various federal, provincial and local taxes, rates and duties.

## CONSERVATION OF RESOURCES

Pakistan is facing severe energy crisis and efforts to increase power generation are yet to fully materialize. This is besides the everyday increasing drinking water shortage faced by the citizens. This is resulting in load-shedding and power shutdowns in all sectors as well as weekly scheduling of drinking water supply. Considering the importance of energy and water, the Company has been heavily investing in power generation which includes installation of alternative energy resources, fuel efficient generators and addition of energy efficient machines, as well as using and converting to processes and machineries that require less water consumption.

## CONSUMER PROTECTION MEASURES

The Company applies appropriate procedures to manufacture quality rubber products so as to ensure that no substandard products were provided to general public. The Company has strict policy to control any activity which is against the consumer rights.

## INDUSTRIAL RELATIONS

The Company has set procedures, rules and regulations which regulate employment guidance. Employees are required to ensure compliance with regulations and the Company fully recognizes employee rights. The Company is committed to provide equal opportunity to all existing and prospective employees without any discrimination on the basis of religion, gender, race, age etc. The Company also organizes rewards and recognition programs for acknowledgment of work done by its employees.

## HEALTH & SAFETY MEASURES

We are committed to maintaining a safe and healthy working environment for our employees. Health management involves strengthening our employees' physical, mental and social wellbeing. A free medical dispensary has been established at plant providing medical facilities to the employees. Keeping in view the health of employees, regular first aid and training programs are conducted to ensure safe health of workers.

## MASS AWARENESS CAMPAIGN

Social distancing, use of face masks and frequent hand sanitizing play a vital role in curtailing the further spread of disease. During the year, a mass awareness campaign to provide hand sanitizers and face masks, and to educate the masses in ensuring COVID-19 preventive measures was designed and executed.

## TALENT AND LEADERSHIP DEVELOPMENT

Talent Development programs are considered essential for the success of any businesses worldwide. It is considered to be one of the main pillars in modern HR practices due to a host of benefits it offers. Talent and Leadership Development





is considered top employee benefit, encouraging a sense of importance and belonging among team members. A development program that addresses individuals' strengths and values shows a company's commitment towards fostering each employee's professional growth. This focus on innovation and overcoming personal challenges makes an organization more attractive to top talent.

At Panther Tyres Limited, we offer many in-person and online trainings to our team members. Some of the addressed area are:

- Management and leadership trainings
- Sales force training
- Management Trainee Executive Programs
- New employee orientation plan
- Summer internship programs

Panther Tyre Limited pays keen interest in developing new leadership talent. We have designed Management Trainee Executive (MTE) Program to equip future leaders with the skills and knowledge necessary to be effective in their fields. These handpicked Management Trainees undergo a rigorous one year on-job training in various departments to learn skills necessary to assume challenging assignments and be part of Company's succession planning. The Management Trainee program is designed to prepare individuals for professional careers in Marketing, Sales, Human Resource, Production, Quality Control and Commercial.

## COMMUNITY INVESTMENT & WELFARE SCHEMES

The Company has a tradition of good community relations. We believe that investing in our communities is an integral part of our social commitment to ensure the sustained

success of the Company. On rotation basis we provide trainings and practical experience to students enrolled in various technical institutions as well as provide them stipend or scholarships.

## BUSINESS ETHICS & ANTICORRUPTION MEASURES

The Company ensures ethical compliance with all regulatory and governing bodies while conducting its operations. The Company has formulated various policies including Code of Conduct, Whistle Blowing Policy and Policy on Sexual Harassment. The Company ensures effective implementation of these policies through its training, management standards and procedures, with an aim to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

## SPORTS PROMOTION

Over the years, Panther has played a prominent role in the promotion of sports activities and development of new talent.

## HIGHLIGHTS:

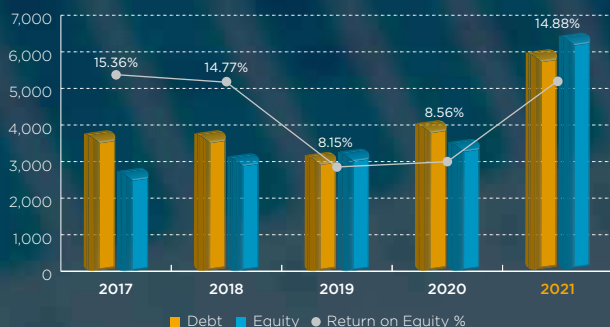
During FY-2021, we continued to deliver on our commitment through the following initiatives:

- Sponsorship of Pakistan Super League
- Sponsorship of Pakistan International Cricket Series, and
- Sponsorship of various local sporting events in District Sheikhpura

# GRAPHICAL ANALYSIS

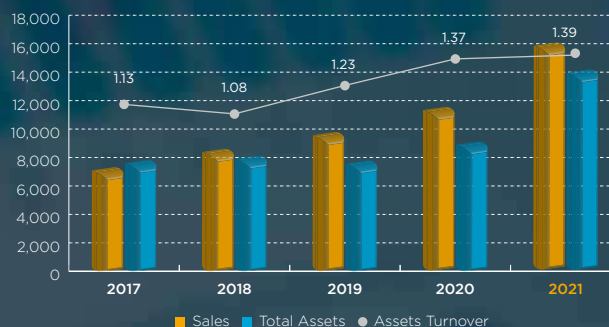
## EQUITY & DEBT

Rs. in Million



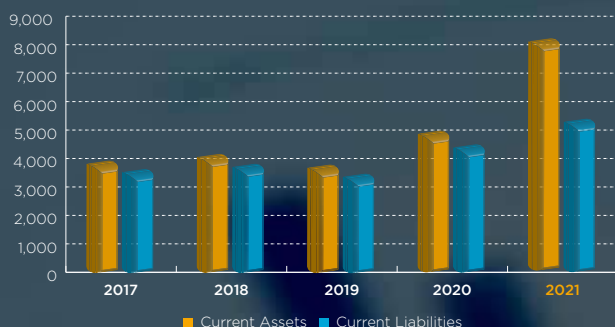
## TOTAL ASSETS TURNOVER

Rs. in Million

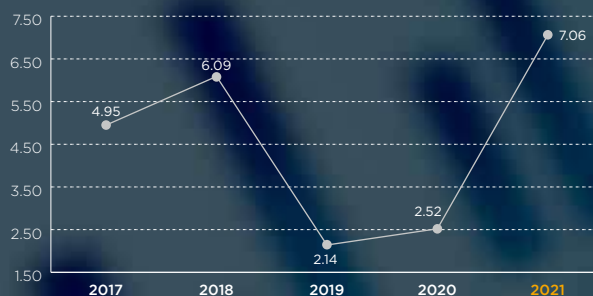


## CURRENT ASSETS & CURRENT LIABILITIES

Rs. in Million

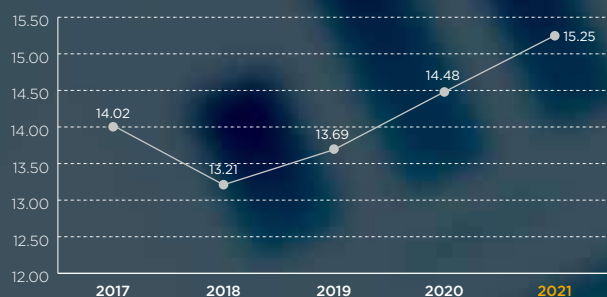


## EARNING PER SHARE

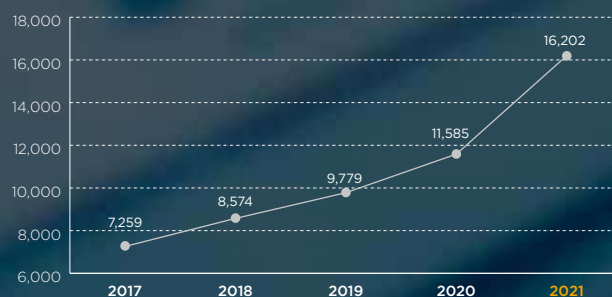


## GP RATIO

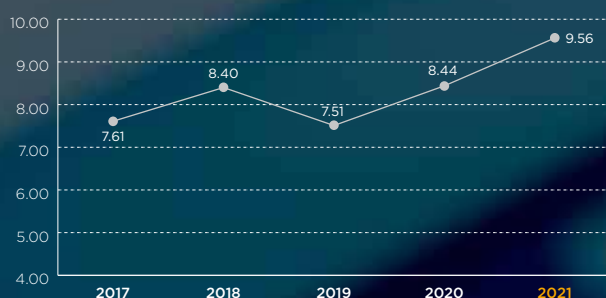
Percentage



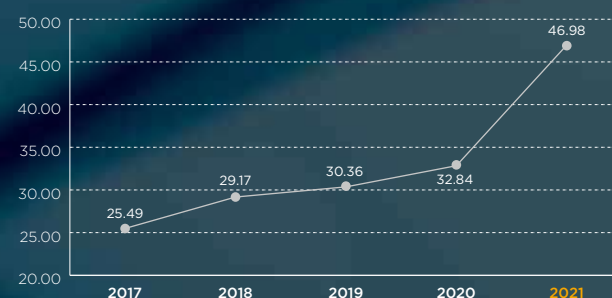
## GROWTH IN SALES



## OPERATING PROFIT RATIO

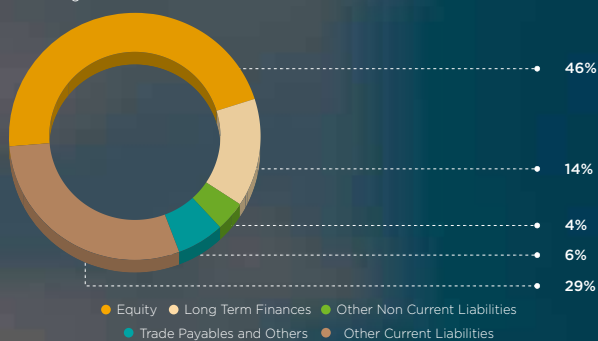


## BREAKUP VALUE



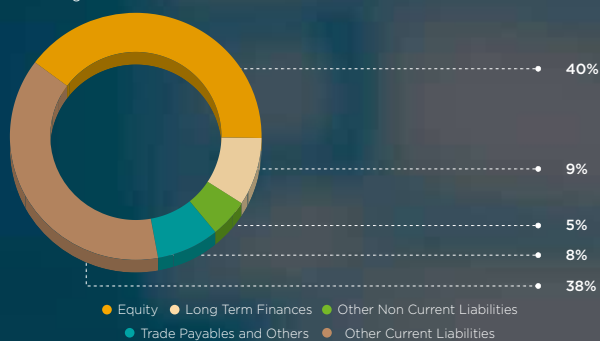
### EQUITY & LIABILITIES-2021

Percentage



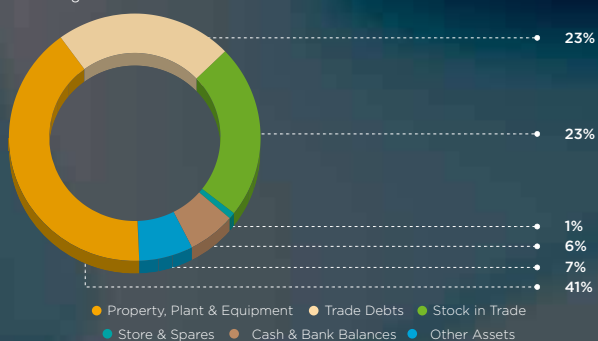
### EQUITY & LIABILITIES-2020

Percentage



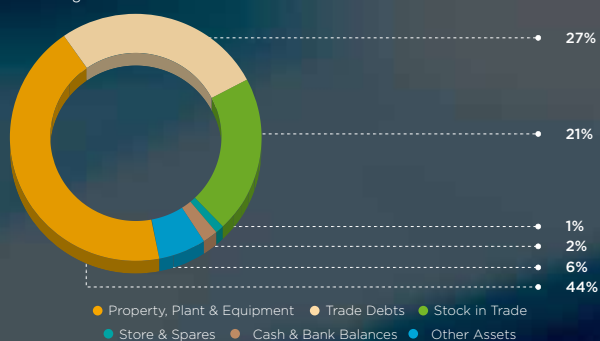
### Assets-2021

Percentage



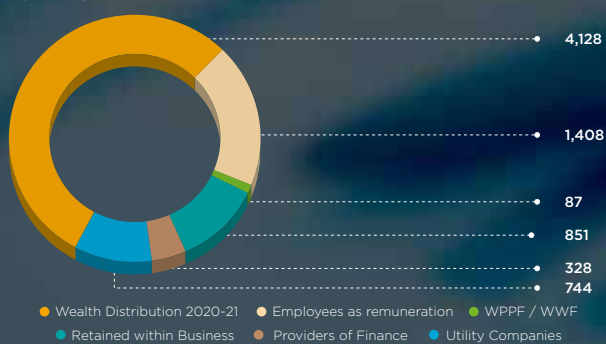
### Assets-2020

Percentage



### WEALTH DISTRIBUTION 2020-21

Rs. in Million



# HORIZONTAL ANALYSIS

## Balance Sheet

	2021	2021 VS 2020	2020	2020 VS 2019	2019	2019 VS 2018	2018	2018 VS 2017	2017	2017 VS 2016	2016	2016 VS 2015
	Rs.000	%	Rs.000	%	Rs.000	%	Rs.000	%	Rs.000	%	Rs.000	%
Non Current Assets	5,984,846	44.9	4,129,553	3.3	3,995,770	1.0	3,954,697	2.0	3,878,623	34.0	2,894,720	3.5
Current Assets	8,285,287	66.5	4,975,170	32.5	3,755,758	(9.3)	4,139,994	6.2	3,898,155	80.7	2,157,539	10.4
<b>Total Assets</b>	<b>14,270,133</b>	<b>56.7</b>	<b>9,104,723</b>	<b>17.5</b>	<b>7,751,528</b>	<b>(4.2)</b>	<b>8,094,691</b>	<b>4.1</b>	<b>7,776,778</b>	<b>53.9</b>	<b>5,052,259</b>	<b>6.4</b>
Equity	6,576,791	82.1	3,612,425	8.2	3,339,515	4.1	3,208,899	14.4	2,804,191	35.5	2,070,142	8.6
Non Current Liabilities	2,290,402	127.1	1,008,605	2.9	980,003	(10.9)	1,100,237	(20.0)	1,376,065	27.7	1,077,768	3.0
Current Liabilities	5,402,941	20.5	4,483,693	30.6	3,432,010	(9.3)	3,785,555	5.3	3,596,522	88.9	1,904,349	5.9
<b>Total Liabilities</b>	<b>14,270,133</b>	<b>56.7</b>	<b>9,104,723</b>	<b>17.5</b>	<b>7,751,528</b>	<b>(4.2)</b>	<b>8,094,691</b>	<b>4.1</b>	<b>7,776,778</b>	<b>53.9</b>	<b>5,052,259</b>	<b>6.4</b>
<b>Current Assets</b>												
Stores and spares	158,033	80.3	87,626	9.1	80,344	50.9	53,246	17.6	45,288	49.3	30,334	(41.2)
Stock in trade	3,234,588	69.8	1,905,085	43.2	1,330,206	(27.9)	1,845,386	20.0	1,537,915	153.8	606,033	9.1
Trade debts	3,303,967	35.4	2,440,209	28.8	1,894,183	33.3	1,420,672	4.7	1,356,702	73.0	784,222	19.2
Advances, deposits, prepayments and other receivables	782,640	100.0	391,402	42.2	275,188	(63.9)	762,979	(19.1)	942,782	47.2	640,474	(0.4)
Cash and bank balances	806,059	434.4	150,848	(14.2)	175,837	204.7	57,711	273.1	15,468	(84.0)	96,476	109.2
<b>Total Current Assets</b>	<b>8,285,287</b>	<b>66.5</b>	<b>4,975,170</b>	<b>32.5</b>	<b>3,755,758</b>	<b>(9.3)</b>	<b>4,139,994</b>	<b>6.2</b>	<b>3,898,155</b>	<b>80.7</b>	<b>2,157,539</b>	<b>10.4</b>
<b>Current Liabilities</b>												
Current portion of long term liabilities	346,406	33.5	259,519	(20.4)	325,914	1.1	322,315	47.1	219,100	2.1	214,641	25.7
Short term finances - secured	4,111,848	22.6	3,353,579	34.9	2,485,370	(16.4)	2,973,651	2.9	2,891,132	103.0	1,424,260	14.0
Trade and other payables	892,883	20.5	740,853	37.3	539,736	27.5	423,361	(2.1)	432,370	83.4	235,723	(31.8)
Accrued mark - up	51,804	(60.1)	129,742	60.2	80,990	22.3	66,229	22.8	53,920	81.4	29,726	(7.7)
<b>Total Current Liabilities</b>	<b>5,402,941</b>	<b>20.5</b>	<b>4,483,693</b>	<b>30.6</b>	<b>3,432,010</b>	<b>(9.3)</b>	<b>3,785,555</b>	<b>5.3</b>	<b>3,596,522</b>	<b>88.9</b>	<b>1,904,349</b>	<b>5.9</b>



# VERTICAL ANALYSIS

## Balance Sheet

DESCRIPTION	2021		2020		2019		2018		2017		2016	
	Rs.000	%	Rs.000	%	Rs.000	%	Rs.000	%	Rs.000	%	Rs.000	%
Non Current Assets	5,984,846	41.9	4,129,553	45.4	3,995,770	51.5	3,954,697	48.9	3,878,623	49.9	2,894,720	57.3
Current Assets	8,285,287	58.1	4,975,170	54.6	3,755,758	48.5	4,139,994	51.1	3,898,155	50.1	2,157,539	42.7
<b>Total Assets</b>	<b>14,270,133</b>	<b>100.0</b>	<b>9,104,723</b>	<b>100.0</b>	<b>7,751,528</b>	<b>100.0</b>	<b>8,094,691</b>	<b>100.0</b>	<b>7,776,778</b>	<b>100.0</b>	<b>5,052,259</b>	<b>100.0</b>
Equity	6,576,791	46.1	3,612,425	39.7	3,339,515	43.1	3,208,899	39.6	2,804,191	36.1	2,070,142	41.0
Non Current Liabilities	2,290,402	16.1	1,008,605	11.1	980,003	12.6	1,100,237	13.6	1,376,065	17.7	1,077,768	21.3
Current Liabilities	5,402,941	37.9	4,483,693	49.2	3,432,010	44.3	3,785,555	46.8	3,596,522	46.2	1,904,349	37.7
<b>Total Liabilities</b>	<b>14,270,133</b>	<b>100.0</b>	<b>9,104,723</b>	<b>100.0</b>	<b>7,751,528</b>	<b>100.0</b>	<b>8,094,691</b>	<b>100.0</b>	<b>7,776,778</b>	<b>100.0</b>	<b>5,052,259</b>	<b>100.0</b>
<b>Current Assets</b>												
Stores and spares	158,033	1.1	87,626	1.0	80,344	1.0	53,246	0.7	45,288	0.6	30,334	0.6
Stock in trade	3,234,588	22.7	1,905,085	20.9	1,330,206	17.2	1,845,386	22.8	1,537,915	19.8	606,033	12.0
Trade debts	3,303,967	23.2	2,440,209	26.8	1,894,183	24.4	1,420,672	17.6	1,356,702	17.4	784,222	15.5
Advances, deposits, prepayments												
and other receivables	782,640	5.5	391,402	4.3	275,188	3.6	762,979	9.4	942,782	12.1	640,474	12.7
Cash and bank balances	806,059	5.6	150,848	1.7	175,837	2.3	57,711	0.7	15,468	0.2	96,476	1.9
	<b>8,285,287</b>	<b>58.1</b>	<b>4,975,170</b>	<b>54.6</b>	<b>3,755,758</b>	<b>48.5</b>	<b>4,139,994</b>	<b>51.1</b>	<b>3,898,155</b>	<b>50.1</b>	<b>2,157,539</b>	<b>42.7</b>
<b>Current Liabilities</b>												
Current portion of long term liabilities	346,406	2.4	259,519	2.9	325,914	4.2	322,315	4.0	219,100	2.8	214,641	4.2
Short term finances - secured	4,111,848	28.8	3,353,579	36.8	2,485,370	32.1	2,973,651	36.7	2,891,132	37.2	1,424,260	28.2
Trade and other payables	892,883	6.3	740,853	8.1	539,736	7.0	423,361	5.2	432,370	5.6	235,723	4.7
Accrued mark - up	51,804	0.4	129,742	1.4	80,990	1.0	66,229	0.8	53,920	0.7	29,726	0.6
	<b>5,402,941</b>	<b>37.9</b>	<b>4,483,693</b>	<b>49.2</b>	<b>3,432,010</b>	<b>44.3</b>	<b>3,785,555</b>	<b>46.8</b>	<b>3,596,522</b>	<b>46.2</b>	<b>1,904,349</b>	<b>37.7</b>

# HORIZONTAL ANALYSIS

## Profit & Loss Account

	2021	2021 VS 2020	2020	2020 VS 2019	2019	2019 VS 2018	2018	2018 VS 2017	2017	2017 VS 2016	2016	2016 VS 2015
	Rs.000	%	Rs.000	%	Rs.000	%	Rs.000	%	Rs.000	%	Rs.000	%
Sales	16,202,067	40	11,584,801	18	9,779,419	14	8,574,465	18	7,259,423	30	5,598,708	3
Cost of sales	(13,731,305)	39	(9,907,749)	17	(8,440,934)	13	(7,441,653)	19	(6,241,333)	30	(4,794,888)	4
<b>Gross Profit</b>	<b>2,470,761</b>	<b>47</b>	<b>1,677,052</b>	<b>25</b>	<b>1,338,485</b>	<b>18</b>	<b>1,132,812</b>	<b>11</b>	<b>1,018,090</b>	<b>27</b>	<b>803,821</b>	<b>(0)</b>
Selling and distribution expenses	(581,072)	40	(414,579)	35	(306,273)	18	(258,966)	(9)	(283,141)	51	(187,160)	4
Administrative and general expenses	(296,325)	13	(261,142)	1	(259,100)	31	(197,074)	26	(155,794)	12	(139,675)	23
Other operating expenses	(86,512)	193	(29,496)	(27)	(40,265)	30	(30,962)	15	(26,851)	25	(21,523)	19
Gain on disposal of Property, Plant & Equip	–	–	–	–	–	–	74,350	100	–	–	–	–
Other operating income	41,604	550	6,397	222	1,988	(97)	412	4.0	396	2,027	19	(94)
<b>Profit from operations</b>	<b>1,548,456</b>	<b>58</b>	<b>978,232</b>	<b>33</b>	<b>734,836</b>	<b>2</b>	<b>720,573</b>	<b>30</b>	<b>552,700</b>	<b>21</b>	<b>455,481</b>	<b>(8)</b>
Finance cost	(328,192)	(45)	(598,395)	48	(404,290)	40	(288,395)	36	(211,343)	28	(165,305)	(32)
<b>Profit before taxation</b>	<b>1,220,264</b>	<b>221</b>	<b>379,837</b>	<b>15</b>	<b>330,546</b>	<b>(24)</b>	<b>432,178</b>	<b>27</b>	<b>341,357</b>	<b>18</b>	<b>290,176</b>	<b>15</b>
Taxation	(369,002)	188	(128,010)	10	(116,233)	65	(70,371)	49	(47,356)	(29)	(66,373)	59
<b>Profit after taxation</b>	<b>851,262</b>	<b>238</b>	<b>251,827</b>	<b>18</b>	<b>214,314</b>	<b>(41)</b>	<b>361,807</b>	<b>23</b>	<b>294,001</b>	<b>31</b>	<b>223,803</b>	<b>7</b>

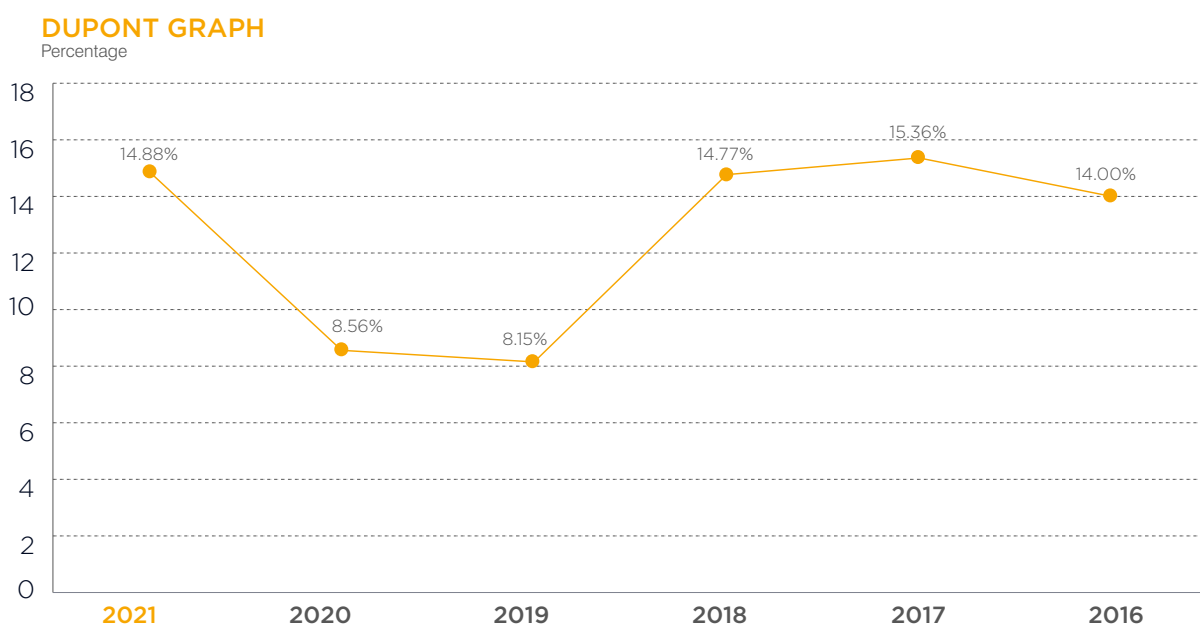
# VERTICAL ANALYSIS

## Profit & Loss Account

DESCRIPTION	2021		2020		2019		2018		2017		2016	
	Rs.000	%	Rs.000	%	Rs.000	%	Rs.000	%	Rs.000	%	Rs.000	%
Sales	16,202,067	100.0	11,584,801	100.0	9,779,419	100.0	8,574,465	100.0	7,259,423	100.0	5,598,708	100.0
Cost of sales	(13,731,305)	84.8	(9,907,749)	85.5	(8,440,934)	86.3	(7,441,653)	(86.8)	(6,241,333)	(86.0)	(4,794,888)	(85.6)
Gross Profit	2,470,761	15.2	1,677,052	14.5	1,338,485	13.7	1,132,812	13.2	1,018,090	14.0	803,821	14.4
Selling and distribution expenses	(581,072)	(3.6)	(414,579)	(3.6)	(306,273)	(3.1)	(258,966)	(3.0)	(283,141)	(3.9)	(187,160)	(3.3)
Administrative and general expenses	(296,325)	(1.8)	(261,142)	(2.3)	(259,100)	(2.6)	(197,074)	(2.3)	(155,794)	(2.1)	(139,675)	(2.5)
Other operating expenses	(86,512)	(0.5)	(29,496)	(0.3)	(40,265)	(0.4)	(30,962)	(0.4)	(26,851)	(0.4)	(21,523)	(0.4)
Other operating income	41,604	0.3	6,397	0.1	1,988	0.0	74,762	0.9	396	0.0	19	0.0
Profit from operations	1,548,456	9.6	978,232	8.4	734,836	7.5	720,573	8.4	552,700	7.6	455,481	8.1
Finance cost	(328,192)	(2.0)	(598,395)	(5.2)	(404,290)	(4.1)	(288,395)	(3.4)	(211,343)	(2.9)	(165,305)	(3.0)
Profit before taxation	1,220,264	7.5	379,837	3.3	330,546	3.4	432,178	5.0	341,357	4.7	290,176	5.2
Taxation	(369,002)	(2.3)	(128,010)	(1.1)	(116,233)	(1.2)	(70,371)	(0.8)	(47,356)	(0.7)	(66,373)	(1.2)
Profit after taxation	851,262	5.3	251,827	2.2	214,314	2.2	361,807	4.2	294,001	4.0	223,803	4.0

# DUPONT ANALYSIS

		2021	2020
Net Profit Margin	%	5.25%	2.17%
Asset Turnover	times	1.39	1.37
Financial Leverage Ratio	Times	2.04	2.86
Dupont	%	14.88%	8.56%
Return on Equity	%	14.88%	8.56%



# KEY FINANCIAL HIGHLIGHTS

DESCRIPTION	2021	2020	2019	2018	2017	2016
<b>Operating Performance</b>						
Sales	16,202,067	11,584,801	9,779,419	8,574,465	7,259,423	5,598,708
Gross Profit	2,470,761	1,677,052	1,338,485	1,132,812	1,018,090	803,821
Sales	16,202,067	11,584,801	9,779,419	8,574,465	7,259,423	5,598,708
Gross Profit	2,470,761	1,677,052	1,338,485	1,132,812	1,018,090	803,821
Operating Profit	1,548,456	978,232	734,836	720,573	552,700	455,481
Profit before tax	1,220,264	379,837	330,546	432,178	341,357	290,176
Profit after tax	851,262	251,827	214,314	361,807	294,001	223,803
Earning Per Share	7.06	2.52	2.14	6.09	4.95	3.77
<b>Balance Sheet</b>						
Net assets	6,576,791	3,612,425	3,339,515	3,208,899	2,804,191	2,070,142
Operating fixed assets	5,984,846	4,129,553	3,995,770	3,954,697	3,878,623	2,894,720
Net working Capital	2,882,346	491,477	323,748	354,438	301,633	253,190
Long term liabilities	2,290,402	1,008,605	980,003	1,100,237	1,376,065	1,077,768



# RATIO ANALYSIS

DESCRIPTION		2021	2020	2019	2018	2017	2016
<b>Profitability Ratio</b>							
Gross profit ratio	%	15.25	14.48	13.69	13.21	14.02	14.36
Operating profit ratio	%	9.56	8.44	7.51	8.40	7.61	8.14
Profit before tax ratio	%	7.53	3.28	3.38	5.04	4.70	5.18
Profit after tax ratio	%	5.25	2.17	2.19	4.22	4.05	4.00
Return on capital employed	%	18.81	23.67	19.47	19.13	15.59	17.15
Return on Equity - Revaluation Surplus	%	12.94	6.97	6.42	11.28	10.48	10.81
Return on Equity -							
WOT Revaluation Surplus	%	14.88	8.56	8.15	14.77	15.36	14.00
Return on Assets	%	7.28	2.99	2.70	4.56	4.58	4.57
<b>Investment Ratios</b>							
EPS	Rs	7.06	2.52	2.14	6.09	4.95	3.77
Breakup Value							
Without Revaluation Reserve	Rs.	40.87	26.75	23.91	22.27	17.40	14.53
With Revaluation Reserve	Rs.	46.98	32.84	30.36	29.17	25.49	18.82
<b>Liquidity Ratio</b>							
Current Ratio	times	1.53	1.11	1.09	1.09	1.08	1.13
Quick /Acid Test Ratio	times	0.76	0.58	0.60	0.39	0.38	0.46
Cash to Current Liabilities	times	0.3	0.1	0.1	0.2	0.3	0.4
<b>Activity/Turn over Ratios</b>							
Inventory turnover ratio	Times	5.34	6.12	5.32	4.40	5.82	8.26
No. of days in Inventory	Days	68	60	69	83	63	44
Debtors Turnover Ratio	Times	5.64	5.35	5.90	6.17	6.78	7.77
No. of days in Receivable	Days	65	68	62	59	54	47
Creditors Turnover Ratio	Times	3.18	2.98	3.14	3.24	3.81	2.90
No. of days in Payables	Days	115	122	116	113	96	126
Total assets turnover ratio	Times	1.39	1.37	1.23	1.08	1.13	1.14
Fixed Asset turnover ratio	Times	2.71	2.81	2.45	2.17	1.87	1.93
Cash Conversion Cycle	Days	18	5	14	29	21	(35)
<b>Capital Structure Ratios</b>							
Debt equity ratio	%	1.17	1.52	1.32	1.52	1.77	1.44
Leverage Ratio	%	0.93	1.14	0.97	1.20	1.37	1.07
Interest Cover ratio	Times	4.72	1.63	1.82	2.50	2.62	2.76





# **FINANCIAL STATEMENTS**

# INDEPENDENT AUDITOR'S REVIEW REPORT

## TO THE MEMBERS OF PANTHER TYRES LIMITED

### **Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019.**

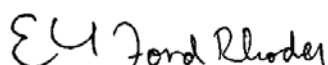
We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Panther Tyres Limited ("the Company") for the period from 22 February 2021 to 30 June 2021 in accordance with the requirements of regulation 36 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. 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 period from 22 February 2021 to 30 June 2021.



**EY Ford Rhodes**

**Chartered Accountants**

**Audit Engagement Partner: Abdullah Fahad Masood**

**Lahore: 17 August 2021**



# STATEMENT OF COMPLIANCE

with Listed Companies (Code Of Corporate Governance) Regulations, 2019

Period from 22 February 2021 to 30 June 2021

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

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

2. The composition of the Board is as follows:

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

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

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

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

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

## a) Audit Committee

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

## b) HR and Remuneration Committee

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

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

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

Meetings	Frequency
Audit Committee	One meeting was held during the financial year ended June 30, 2021. (Date of Listing: 22-02-2021)
HR & Remuneration Committee	One meeting was held during the financial year ended June 30, 2021

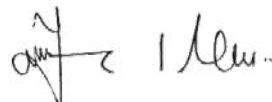
15. The Board has set up an effective internal audit function, which is considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouses, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all other requirements of the Regulations 3, 6, 7, 8, 27, 32, 33, and 36 of the regulations have been complied with.



**Mian Iftikhar Ahmed**  
**Chairman**



**Mian Faisal Iftikhar**  
**CEO**

# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF PANTHER TYRES LIMITED

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the annexed financial statements of Panther Tyres Limited (the Company), which comprise the statement of financial position as at 30 June 2021, and the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2021 and of the total comprehensive income, the changes in equity and its cash flows for the year then ended.

#### Basis for Opinion

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

#### Key Audit Matters

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

Following is the key audit matter:

Key Audit Matters	How our audit addressed the key audit matter
<b>Revenue Recognition</b>  As described in note 24, the Company generates revenue from several types of products including four major categories i.e. tyres, tubes, lubricants and auto parts. During the year ended 30 June 2021, the Company generated total revenue of Rs. 16.20 billion as compared to Rs. 11.58 billion during the previous year, which represents an increase of approximately 40% as compared to last year.  Considering the significance of amounts involved and that the revenue is a key indicator of performance measurement of the Company and its management, we have considered the revenue recognition as a Key Audit Matter.	Our audit procedures amongst others included the following:  Obtained an understanding of the Company's processes and related internal controls for revenue recognition and on a sample basis, tested the effectiveness of those controls, specifically in relation to recognition of revenue and timing thereof.  On a sample basis, reviewed sales transactions near the reporting date to assess whether transactions are recorded in relevant accounting period.  Performed substantive analytical procedures including developing an expectation of the current year revenue based on trend analysis information taking into account historical sales, seasonal and market patterns.  Correlated the revenue transactions with movement in receivables and cash balances and compared with the results from our balance confirmation procedures.

Key Audit Matters	How our audit addressed the key audit matter
	<p>Reconciled revenue recorded in the books of account on a sample basis with underlying accounting records including dispatch and delivery documents.</p> <p>Reviewed and assessed the adequacy of related disclosures made in the financial statements in accordance with the applicable financial reporting standards and the Companies Act, 2017</p>

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

Management is responsible for the other information. The other information comprises the 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.

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.

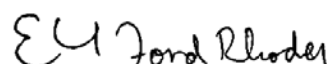
From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes 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:

- proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- the statement of financial position, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- 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 auditors' report is Abdullah Fahad Masood.



**EY Ford Rhodes**  
**Chartered Accountants**  
**Lahore: 17 August 2021**

# STATEMENT OF FINANCIAL POSITION

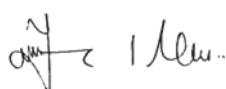
As at June 30, 2021

	Note	2021 (Rupees)	2020
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	5,816,577,447	3,968,362,088
Right-of-use assets	7	128,908,469	126,517,395
Intangible assets	8	7,479,437	10,957,365
Long-term deposits	9	31,880,839	23,715,719
		5,984,846,192	4,129,552,567
<b>CURRENT ASSETS</b>			
Stores and spares	10	158,032,988	87,626,357
Stock-in-trade	11	3,234,587,665	1,905,084,951
Trade debts	12	3,303,967,188	2,440,208,722
Advances, deposits, prepayments and other receivables	13	782,639,678	399,205,161
Cash and cash equivalents	14	806,059,464	150,847,714
		8,285,286,983	4,982,972,905
		14,270,133,175	9,112,525,472
<b>EQUITY AND LIABILITIES</b>			
Authorized share capital			
300,000,000 (30 June 2020: 300,000,000) ordinary shares of Rs. 10/- each		3,000,000,000	3,000,000,000
Issued, subscribed and paid up capital	15	1,400,000,000	1,000,000,000
Share premium		1,574,433,658	–
<b>CAPITAL RESERVE</b>			
Revaluation surplus on property, plant and equipment	16	854,801,883	670,459,820
<b>REVENUE RESERVE</b>			
Unappropriated profits		2,747,555,295	1,941,964,836
		6,576,790,836	3,612,424,656
<b>NON-CURRENT LIABILITIES</b>			
Long-term finances	17	1,656,150,488	520,192,282
Deferred grant	18	17,485,130	–
Deferred taxation	19	616,765,947	488,412,885
		2,290,401,565	1,008,605,167
<b>CURRENT LIABILITIES</b>			
Current portion of long-term finances	17	346,406,256	281,154,067
Short-term finances - secured	20	4,111,847,806	3,353,578,977
Trade and other payables	21	892,883,152	748,655,549
Accrued mark-up	22	51,803,560	108,107,056
		5,402,940,774	4,491,495,649
		14,270,133,175	9,112,525,472

## CONTINGENCIES AND COMMITMENTS

23

The annexed notes from 1 to 43 form an integral part of these financial statements.



Chief Executive



Director



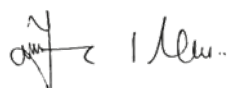
Chief Financial Officer

# STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2021

	Note	2021 (Rupees)	2020
Sales - Net	24	16,202,066,691	11,584,801,235
Cost of sales	25	(13,731,305,474)	(9,907,749,210)
<b>Gross profit</b>		<b>2,470,761,217</b>	<b>1,677,052,025</b>
Selling and distribution expenses	26	(581,071,639)	(414,579,319)
Administrative and general expenses	27	(296,325,472)	(261,142,409)
Other operating expenses	28	(86,511,879)	(29,495,739)
Other operating income	29	41,604,078	6,397,395
<b>Profit from operations</b>		<b>1,548,456,305</b>	<b>978,231,953</b>
Finance cost	30	(328,191,986)	(598,395,225)
<b>Profit before taxation</b>		<b>1,220,264,319</b>	<b>379,836,728</b>
Taxation	31	(369,001,909)	(128,009,620)
<b>Profit for the year</b>	A	<b>851,262,410</b>	<b>251,827,108</b>
<b>Other comprehensive income:</b>			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Revaluation surplus on property, plant and building - net of tax		222,812,344	—
Deferred tax on revaluation surplus due to decrease in effective tax rate		15,857,768	21,082,659
<b>Other comprehensive income</b>	B	<b>238,670,112</b>	<b>21,082,659</b>
<b>Total comprehensive income</b>	A + B	<b>1,089,932,522</b>	<b>272,909,767</b>
<b>Earnings per share - basic and diluted</b>	32	<b>7.06</b>	<b>2.52</b>

The annexed notes from 1 to 43 form an integral part of these financial statements.



Chief Executive



Director



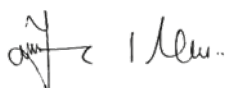
Chief Financial Officer

# STATEMENT OF CHANGES IN EQUITY

## For the year ended 30 June 2021

	Capital Reserves				Revenue Reserve	
	Share Capital	Share Premium	Share Deposit Money	Surplus on revaluation of property, plant and equipment	Unappropriated profits	Total
	(Rupees)					
Balance as at 01 July 2019	1,000,000,000	–	–	709,537,461	1,629,977,428	3,339,514,889
Profit for the year	–	–	–	–	251,827,108	251,827,108
Other comprehensive income - net of tax	–	–	–	–	21,082,659	21,082,659
Total comprehensive income	–	–	–	–	272,909,767	272,909,767
Surplus on revaluation of property, plant and equipment realized through incremental depreciation charged on related assets - net of tax	–	–	–	(39,077,641)	39,077,641	
Balance as at 30 June 2020	1,000,000,000	–	–	670,459,820	1,941,964,836	3,612,424,656
Issuance of bonus shares	100,000,000	–	–	–	(100,000,000)	–
Share deposit money received	–	–	1,874,433,658	–	–	1,874,433,658
Issuance of shares - net (note 1.2)	300,000,000	1,574,433,658	(1,874,433,658)	–	–	–
Profit for the year	–	–	–	–	851,262,410	851,262,410
Other comprehensive income - net of tax	–	–	–	222,812,344	15,857,768	238,670,112
Total comprehensive income	–	–	–	222,812,344	867,120,178	1,089,932,522
Surplus on revaluation of property, plant and equipment realized through incremental depreciation charged on related assets - net of tax	–	–	–	(38,470,281)	38,470,281	–
Balance as at 30 June 2021	1,400,000,000	1,574,433,658	–	854,801,883	2,747,555,295	6,576,790,836

The annexed notes from 1 to 43 form an integral part of these financial statements.



Chief Executive



Director



Chief Financial Officer

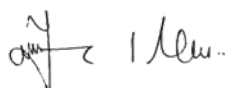


# STATEMENT OF CASH FLOWS

For the year ended 30 June 2021

	Note	2021 (Rupees)	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net profit before taxation		1,220,264,319	379,836,728
Adjustment for non-cash charges and other items:			
Depreciation - owned assets	6.4	297,697,647	294,440,286
Depreciation - right-of-use assets	7	30,187,782	30,831,756
Amortization	8	3,477,928	2,341,990
Impairment charged during the year		—	1,043,057
Grant income on SBP refinance scheme for payroll financing		(20,195,179)	—
Gain on sale of property, plant and equipment		(11,857,040)	(5,130,054)
Provision for contribution to provident fund trust		20,935,770	18,632,085
Provision for slow moving stock - stores and spares		725,957	65,000
Provision for slow moving stock - stock-in-trade		1,637,470	100,000
Income from TDR		(6,041,104)	—
WPPF provision	28	61,013,216	20,414,471
WWF provision	28	25,498,663	8,038,211
Allowance for expected credit loss		17,532,524	15,494,805
Mark-up on lease liabilities - rented premises	30	21,992,398	22,964,495
Mark-up on long term loan	30	75,912,228	86,848,258
Mark-up on WPPF loan	30	1,476,442	2,142,226
Mark-up on short-term finances	30	211,285,148	469,082,605
		731,279,850	967,309,191
<b>Operating profit before working capital change</b>		<b>1,951,544,169</b>	<b>1,347,145,919</b>
<b>Adjustment for working capital items</b>			
Increase in stores and spares		(71,132,588)	(7,347,657)
Increase in stock-in-trade		(1,331,140,184)	(574,978,587)
Increase in trade debtors		(881,290,990)	(561,520,991)
Increase in advances, deposits, prepayments and other receivables		(283,433,180)	(124,691,597)
Increase in trade and other payables		102,482,566	200,351,082
		(2,464,514,376)	(1,068,187,750)
<b>Cash (used in) / generated from operations</b>		<b>(512,970,207)</b>	<b>278,958,169</b>
Contribution paid to provident fund trust		(19,789,478)	(18,096,458)
Workers profit participation fund paid		(21,890,913)	(19,818,037)
Interest received from TDR		979,356	—
Mark-up paid		(343,500,872)	(507,178,195)
Income tax paid - net		(412,247,968)	(165,200,209)
		(796,449,875)	(710,292,899)
<b>Net cash (used in) / generated from operating activities</b>		<b>(1,309,420,082)</b>	<b>(431,334,730)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(1,860,323,909)	(304,646,207)
Purchase of intangible assets		—	(7,572,943)
Long-term deposits		(8,165,120)	143,276
Sale proceeds from disposal of property, plant and equipment		16,098,925	12,115,000
<b>Net cash used in investing activities</b>		<b>(1,852,390,104)</b>	<b>(299,960,874)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issuance of share capital		1,874,433,658	—
Long-term loan obtained from financial institutions		975,880,005	194,703,018
Long-term loan repaid to financial institutions		(372,371,465)	(318,443,391)
Loan from director		620,000,000	—
Short-term running finance - net		758,268,829	868,209,179
Lease rentals paid	17.2	(39,189,090)	(38,162,880)
<b>Net cash flows from financing activities</b>		<b>3,817,021,937</b>	<b>706,305,926</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>655,211,750</b>	<b>(24,989,678)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	14	<b>150,847,714</b>	<b>175,837,392</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		<b>806,059,464</b>	<b>150,847,714</b>

The annexed notes from 1 to 43 form an integral part of these financial statements.



Chief Executive



Director



Chief Financial Officer

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

## 1 Legal Status and Nature of Business

- 1.1** The Company was incorporated as a private limited company under the Companies Act, 1913 and was converted into a public limited company with effect from 10 October 2003. The Company changed its name from Mian Tyre and Rubber Company Limited to Panther Tyres Limited on 25 October 2011. The Company was listed on Pakistan Stock Exchange on 22 February 2021. During the year, the Company offered 30 million ordinary shares of Rs. 10 each to general public at the strike price of Rs. 65.8 per share including premium of Rs. 55.8 per share which resulted in IPO proceeds of Rs. 1.874 billion. The Company is principally engaged in the manufacture and sale of tyres and tubes for vehicles.

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

Business Unit	Location
<b>Registered Office</b>	Panther House, 97-B Aziz Avenue, Jail Road, Lahore
<b>Production Plant</b>	29.5 Km, Sheikhpura Road, Sheikhpura
<b>Regional Office</b>	4th Floor, Shafi Courts, Mereweather Road, Karachi

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

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

Summary of IPO proceeds	Amount (Rupees)
Issuance of 30,000,000 ordinary shares at floor price of Rs. 47 per share	1,410,000,000
Excess funds received - share premium at Rs 18.80	564,000,000
Less: IPO expenses	(99,566,342)
<b>Net IPO proceeds</b>	<b>1,874,433,658</b>
Add: Long-term debt financing*	1,200,000,000
Add: Cashflows of the Company	456,173,839
<b>Total Funds</b>	<b>3,530,607,497</b>
Less: Expenditures incurred till 30 June 2021	1,466,217,136
Less: Repayment of short term loans	564,000,000
<b>Balance project cost to be incurred</b>	<b>1,500,390,361</b>

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

	Fund required	Allocation % age	Expenditure incurred till 30 June 2021
		(Rupees)	
Freehold land & development expenditure	127,200,000	4%	103,567,491
Building and civil works	395,060,230	13%	118,540,445
Plant & machinery including duties and other expenses	2,543,913,609	83%	1,244,109,199
<b>Total</b>	<b>3,066,173,839</b>	<b>100%</b>	<b>1,466,217,135</b>

\*Out of the total long-term debt financing for IPO, disbursement till date amounts to Rs. 699.60 million

### 1.3 Impact of COVID 19:

In March 2020, the Government of Pakistan implemented a country-wide lockdown in order to contain the spread of COVID-19 in the country. Consequently, significant reduction in traffic was witnessed particularly in large cities, although the transport of essential items continued. Despite a temporary slowdown in sales in 2020, the Company returned to normal levels after the lockdown was lifted. In addition to this there was another lockdown in May 2021 for a week, however, this has not impacted the activity of the Company. Based on the above, the Company does not have any material effect on these financial statements due to COVID-19.

## 2 Statement of Compliance

2.1 These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

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

The accounting policies adopted are consistent with those of the previous financial year, except for the following new amendments effective for annual period beginning on 01 July 2020, as listed below. The Company has not early-adopted any amendment that has been issued but is not yet effective.

#### New amendments

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

IAS 1	Presentation of Financial Statements: Definition of Material — (Amendments)
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Material — (Amendments)
IFRS 3	Business Combinations: Definition of Business — (Amendments)
IFRS 9	Financial Instruments: Interest Rate Benchmark Reform — (Amendments)
IFRS 7	Financial Instruments Disclosures: Interest Rate Benchmark Reform— (Amendments)
IAS 39	Financial Instruments: Recognition and Measurement: Interest Rate Benchmark Reform — (Amendments)
IFRS 16	Covid-19-Related Rent Concessions (Amendments)
IFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021 – Amendment to IFRS 16

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

### 2.3 Standards, interpretation and amendments to approved accounting standards that are not yet effective

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

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

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

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

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

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

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

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

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

## 3 Basis of Preparation

### 3.1 Basis of measurement

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

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



### **3.2 Presentation currency**

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

## **4 Significant Accounting Judgments, Estimates and Assumptions**

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

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

### **Provision for taxation and deferred tax**

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

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

## **5 Summary of Significant Accounting Policies**

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

### **5.1 Employee retirement benefits**

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

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

### **5.2 Trade and other payables**

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

### **5.3 Borrowing cost**

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

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

## 5.4 Provisions

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

## 5.5 Financial instruments - initial recognition and subsequent measurement

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

### 5.5.1 Financial assets

#### Financial assets - initial recognition

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

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

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

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

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

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

#### Financial assets - subsequent measurement

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

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

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

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

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

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

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

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

### Financial assets - Derecognition

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

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

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

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

### Financial assets - Impairment

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

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

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended 30 June 2021

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

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

### 5.5.2 Financial liabilities

#### Financial liabilities - initial recognition

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

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

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

#### Financial liabilities - subsequent measurement

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

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

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

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

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

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

#### Financial liabilities - derecognition

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

### 5.6 Offsetting of financial assets and liabilities

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



## 5.7 Taxation

### Current

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

### Deferred

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

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

## 5.8 Property, plant and equipment

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

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

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

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended 30 June 2021

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

### 5.9 Intangible assets

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

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

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

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

### 5.10 Capital work in progress

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

### 5.11 Leases

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

#### Company as lessee

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

#### 5.11.1 Right-of-use assets

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

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

#### 5.11.2 Lease liabilities - rented premises

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance

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

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

#### **5.12 Stores and spares**

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

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

#### **5.13 Stock in trade**

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

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

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

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

#### **5.14 Trade and other receivables**

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

#### **5.15 Cash and cash equivalents**

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

#### **5.16 Revenue recognition**

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

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended 30 June 2021

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

### - Local sales

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

### - Export sales

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

### - Return on deposits

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

## 5.17 Claim liabilities

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

## 5.18 Foreign currencies

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

All exchange differences are charged to statement of comprehensive income.

## 5.19 Dividend

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

## 5.20 Impairment of non-financial assets

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

	Note	2021 (Rupees)	2020
<b>6 Property, Plant And Equipment</b>			
Operating fixed assets	6.1	4,342,201,351	3,854,395,368
Capital work-in-progress	6.7	1,474,376,096	113,966,720
		<b>5,816,577,447</b>	<b>3,968,362,088</b>

## 6.1 Operating Fixed Assets

2021	Rate %	COST / REVALUED AMOUNT				ACCUMULATED DEPRECIATION				Net Book Value		
		As at 01 July 2020	Additions / Transfers	Deletions / Impairment	Revaluation Adjustment	As at 30 June 2021	As at 01 July 2020	Charge for the period	Deletions	As at 30 June 2021	As at 30 June 2020	
		(Rupees)										
Owned												
		–	262,968,750	103,567,491	–	37,732,420	404,268,661	–	–	–	404,268,661	
		5	839,564,482	2,423,300	–	252,098,562	1,094,086,344	212,950,386	35,592,930	–	248,543,316	845,543,028
		7	3,671,297,313	258,518,547	–	–	3,929,815,860	1,053,949,051	187,645,435	–	1,241,594,486	2,688,221,374
		20	495,500,002	41,987,415	–	–	537,487,417	297,744,386	43,911,660	–	341,656,046	195,831,371
		10	12,433,382	1,084,432	–	–	13,517,814	6,114,066	709,647	–	6,823,713	6,694,101
		20	237,588,149	87,167,710	(21,338,335)	–	303,417,524	128,210,510	26,129,718	(17,096,450)	137,243,778	166,173,746
		10	59,916,886	5,165,638	–	–	65,082,524	25,905,197	3,708,257	–	29,613,454	35,469,070
			5,579,268,964	499,914,533	(21,338,335)	289,830,982	6,347,676,144	1,724,873,596	297,697,647	(17,096,450)	2,005,474,793	4,342,201,351
2020	Rate %	COST / REVALUED AMOUNT				ACCUMULATED DEPRECIATION				Net Book Value		
		As at 01 July 2019	Additions / Transfers	Deletions / Impairment	Revaluation Adjustment	As at 30 June 2020	As at 01 July 2019	Charge for the period	Deletions / Impairment	As at 30 June 2020	As at 30 June 2020	
		(Rupees)										
Owned												
		–	262,968,750	–	–	–	262,968,750	–	–	–	–	262,968,750
		5	838,510,919	1,053,563	–	–	839,564,482	180,007,677	32,942,709	–	212,950,386	626,614,096
		7	3,463,792,975	207,504,338	–	–	3,671,297,313	866,261,658	187,687,393	–	1,053,949,051	2,617,348,262
		20	452,918,638	42,581,364	–	–	495,500,002	253,833,963	43,910,423	–	297,744,386	197,755,616
		10	12,065,482	367,900	–	–	12,433,382	5,420,045	694,021	–	6,114,066	6,319,316
		20	198,595,348	53,846,389	(14,853,588)	–	237,588,149	109,430,634	26,648,518	(7,868,642)	128,210,510	109,377,639
		10	56,718,044	3,198,842	–	–	59,916,886	22,304,917	3,600,280	–	25,905,197	34,011,689
			5,285,570,156	308,552,396	(14,853,588)	–	5,579,268,964	1,437,258,894	295,483,344	(7,868,642)	1,724,873,596	3,854,395,368



# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended 30 June 2021

**6.2** Motor vehicles have been disposed off through auction to third parties.

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

Location	Usage of Immovable Property	Total Area (Square ft.)
29.5 KM Sheikhpura Road, Sheikhpura	Factory Area	888,030

	Note	2021 (Rupees)	2020
<b>6.4 Depreciation for the year has been allocated as follows:</b>			
Cost of sales	25	272,536,526	267,857,258
Selling and distribution expenses	26	6,103,997	4,740,962
Administrative and general expenses	27	19,057,124	21,842,066
		297,697,647	294,440,286

**6.5** Revaluation of freehold land and building on freehold land was carried out on 02 March 2021 by Indus Surveyors (Private) Limited and revaluation of plant and machinery and moulds was carried out on 30 June 2017 by Joseph Lobo (Private) Limited. Both revaluations were carried out on the basis of market value. The revaluation on 02 March 2021 and 30 June 2017 resulted in surplus before tax of Rs. 289.83 million and Rs. 564.16 million respectively. Had there been no revaluation, the carrying amount of land, building, plant and machinery and moulds would have been as follows:

	Note	2021 (Rupees)	2020
Freehold land		170,832,252	67,264,761
Building on freehold land		467,140,325	490,611,669
Plant and machinery		2,488,360,363	2,125,115,284
Moulds		155,700,492	148,211,234
		3,282,033,432	2,831,202,948

**6.6** Forced Sale Values of the assets under 'Revaluation', based on valuation report dated 02 March 2021 by Indus Surveyors (Private) Limited, an independent valuer, are as follows:

	Note	2021 (Rupees)	2020
Freehold land		297,433,125	297,433,125
Building on freehold land		771,846,874	756,761,265
Plant and machinery and moulds		3,763,073,070	3,637,626,425
		4,832,353,069	4,691,820,815

**6.7 Capital work-in-progress**

	Opening	Additions	Transfers	Closing
	(Rupees)			
<b>30 June 2021</b>				
Building	2,024,401	118,939,356	2,423,300	118,540,457
Plant and machinery	108,174,520	1,423,797,779	258,518,547	1,273,453,752
Moulds	1,522,515	116,096,891	41,987,415	75,631,991
General	2,245,284	4,504,612	—	6,749,896
	113,966,720	1,663,338,638	302,929,262	1,474,376,096

	Opening	Additions	Transfers	Closing
		(Rupees)		
<b>30 June 2020</b>				
Building	–	3,077,964	1,053,563	2,024,401
Plant and machinery	117,872,909	166,746,620	176,445,009	108,174,520
Moulds	–	1,522,515	–	1,522,515
General	–	2,245,284	–	2,245,284
	117,872,909	173,592,383	177,498,572	113,966,720

#### 6.7.1 Borrowing cost capitalized

Additions to property, plant and equipment include transfer from capital-work-in-progress which includes borrowing cost for projects determined using an average capitalization rate of 7.97% (2020: 14.5%) amounting to:

	Note	2021	2020
		(Rupees)	
Plant and Machinery		31,850,815	24,601,919

### 7 Right-Of-Use Assets

	Cost as at beginning of year	Additions	Cost as at reporting date	Accumulated depreciation as at beginning of year	Depreciation charge for the year	Net book value as at reporting date
				(Rupees)		
<b>30 June 2021</b>						
Rented premises (land / buildings)	157,349,151	32,578,856	189,928,007	30,831,756	30,187,782	128,908,469
<b>30 June 2020</b>						
Rented premises (land / buildings)	157,349,151	–	157,349,151	–	30,831,756	126,517,395

	Note	2021	2020
		(Rupees)	
<b>7.1 Depreciation for the year has been allocated as follows:</b>			
Cost of sales	25	15,066,320	15,066,322
Selling and distribution expenses	26	2,741,072	7,222,794
Administrative and general expenses	27	12,380,390	8,542,640
		30,187,782	30,831,756

### 8 Intangible Assets

	Cost as at beginning of year	Additions	Cost as at reporting date	Accumulated depreciation as at beginning of year	Amortization charge for the year	Net book value as at reporting date	Rate of amortization (%)
				(Rupees)			
<b>30 June 2021</b>							
Software	17,389,649	–	17,389,649	6,432,284	3,477,928	7,479,437	20
<b>30 June 2020</b>							
Software	9,816,706	7,572,943	17,389,649	4,090,295	2,341,989	10,957,365	20

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended 30 June 2021

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

### 9 Long Term Deposits

This includes security deposit relating to utilities, rented properties, Pakistan State Oil and bid security against tenders.

	Note	2021	2020
		(Rupees)	
<b>10 Stores and Spares</b>			
Store and spares		163,391,059	92,258,471
Less: Provision for slow moving items	10.1	(5,358,071)	(4,632,114)
		158,032,988	87,626,357

#### 10.1 Movement in the provision for slow moving items is as under:

Opening balance		4,632,114	4,567,114
Charge during the year	25	725,957	65,000
Closing balance		5,358,071	4,632,114

### 11 Stock-In-Trade

Raw materials	11.1	1,974,219,996	852,974,776
Packing materials		46,349,833	31,608,492
Work in process		252,440,107	183,572,580
Finished goods - Manufactured		883,769,671	832,493,641
Finished goods - Trading		90,404,557	15,394,491
		3,247,184,164	1,916,043,980
Less: Provision for slow moving items	11.2	(12,596,499)	(10,959,029)
		3,234,587,665	1,905,084,951

**11.1** This includes Rs. 352.07 million (2020: Rs. 303.67 million) in respect of stock-in-transit.

	Note	2021	2020
		(Rupees)	
<b>11.2 Movement in the provision for slow moving items is as under:</b>			
Opening balance		10,959,029	10,859,029
Charge during the year	25	1,637,470	100,000
Closing balance		12,596,499	10,959,029

### 12 Trade Debts

Considered good			
Exports - secured		174,148,668	25,986,670
Local unsecured - net		3,129,818,520	2,414,222,052
		3,303,967,188	2,440,208,722
Considered doubtful		111,394,255	93,861,731
Less: Allowance for expected credit losses	12.1	(111,394,255)	(93,861,731)
		—	—
		3,303,967,188	2,440,208,722

#### 12.1 Movement in allowance for expected credit losses is as follows:

Opening balance		93,861,731	78,366,926
Charge for the year	27	17,532,524	15,494,805
Closing balance		111,394,255	93,861,731

	Note	2021 (Rupees)	2020
<b>13 Advances, Deposits, Prepayments and Other Receivables</b>			
<b>Loans and advances - considered good</b>			
Employees			
-against salaries		4,903,160	5,711,660
-against expenses		1,177,264	13,722,018
Suppliers		111,453,401	101,528,483
Prepayments		7,565,386	14,846,111
<b>Other receivables</b>			
Advance income tax - net	13.1	312,705,261	217,765,672
Sales tax refundable	13.2	315,446,442	21,766,878
Other receivables	13.3	29,388,764	23,864,339
		<b>782,639,678</b>	<b>399,205,161</b>

**13.1** This represents the amount of advance income tax recoverable from tax authorities net of current year's provision for taxation amounting to Rs. 291,809,716 (2020: Rs. 146,022,486).

**13.2** This represents the amount of sales tax refundable to the Company from tax authorities, net of sales tax payable amounting to Rs. Nil million (2020: Rs. 63.4 million).

**13.3** This includes Rs. 24,327,016 (2020: Rs. 23,141,214) receivable from the Government in respect of export rebates.

	Note	2021 (Rupees)	2020
<b>14 Cash and Cash Equivalents</b>			
Cash at bank - current accounts		367,460,788	124,905,632
Cash in hand		1,523,676	942,082
Term Depository Receipts (TDRs)	14.1	437,075,000	25,000,000
		<b>806,059,464</b>	<b>150,847,714</b>

**14.1** These carry mark-up rate ranging from 6.5% to 7.7% (2020: 7%) per annum.

## **15 Issued, Subscribed and Paid Up Capital**

2021 (Number of shares)	2020 (Number of shares)	Note	2021 (Rupees)	2020 (Rupees)
<b>Opening Balance</b>				
14,309,250	14,309,250	Ordinary shares of Rs. 10 issued against cash	143,092,500	143,092,500
85,690,750	85,690,750	Ordinary shares of Rs. 10 issued as bonus shares	856,907,500	856,907,500
<b>Movement during the period</b>				
30,000,000	–	Ordinary shares of Rs. 10 issued against cash	300,000,000	–
10,000,000	–	Ordinary shares of Rs. 10 issued as bonus shares	100,000,000	–
<b>Closing Balance</b>				
44,309,250	14,309,250	Ordinary shares of Rs. 10 issued against cash	443,092,500	143,092,500
95,690,750	85,690,750	Ordinary shares of Rs. 10 issued as bonus shares	956,907,500	856,907,500
140,000,000	100,000,000		1,400,000,000	1,000,000,000

**15.1** These shares are issued at a premium of Rs. 55.8 per share.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

	Note	2021 (Rupees)	2020
<b>16 Revaluation Surplus on Property, Plant and Equipment</b>			
Revaluation surplus on:			
- Land		297,894,243	260,161,823
- Building		437,738,480	185,639,918
- Plant and machinery		890,990,702	890,990,702
		1,328,729,182	1,076,630,620
Less: Related deferred tax liability	19.2	(390,007,824)	(322,989,186)
		938,721,358	753,641,434
		1,236,615,601	1,013,803,257
Less: Transfer to retained earnings net of tax in respect of:			
Incremental depreciation		(294,964,122)	(256,493,841)
Surplus realized on disposal of related assets		(84,818,196)	(84,818,196)
Surplus realized on impairment of related assets		(2,031,400)	(2,031,400)
		854,801,883	670,459,820
<b>17 Long-Term Finances</b>			
Loan from financial institutions - Secured		1,206,727,630	637,560,163
Accrued mark-up		18,296,184	21,635,420
Less: Current portion shown under current liabilities		(324,492,096)	(271,635,419)
	17.1	900,531,718	387,560,164
Lease liabilities - rented premises		157,532,930	142,150,766
Less: Current maturity shown under current liabilities		(21,914,160)	(9,518,648)
	17.2	135,618,770	132,632,118
Loan from Director	17.3	620,000,000	—
		1,656,150,488	520,192,282
<b>17.1 Loan from financial institutions - secured</b>			
Samba Bank Limited - 1	17.1.1	291,688,999	135,794,283
Samba Bank Limited - 2	17.1.2	88,648,551	58,908,735
PAIR Investment Company Limited	17.1.2	225,400,332	—
Pak Oman Investment Company Limited	17.1.2	168,681,318	300,000,003
Pak China Investment Company Limited	17.1.2	—	142,857,142
Meezan Bank Limited	17.1.2	246,152,738	—
National Bank Limited	17.1.2	82,056,822	—
Habib Metro Politan Bank Limited	17.1.2	121,584,000	—
		1,224,212,760	637,560,163
Add: Accrued mark-up		18,296,184	21,635,420
Less: Deferred grant	18	(17,485,130)	—
Less: Current portion shown under current liabilities		(324,492,096)	(271,635,419)
		900,531,718	387,560,164

- 17.1.1** The Company has obtained term finance under refinance scheme for payment of wages and salaries to the workers and employees of business concerns of up to Rs. 254.2 million (2020: Rs. 135.8 million) to finance salaries and wages expense for five months from July 2020 to November 2020 (2020: May 2020 to June 2020). This facility carries markup at 3 months KIBOR plus 2% per annum till grant of refinance from State Bank of Pakistan (SBP), and afterwards SBP rate + 2% per annum payable quarterly whereas the principal is repayable in eight equal quarterly installments starting from February 2021. The facility is secured against first joint pari passu charge on the fixed assets of the Company.



**17.1.2** These represent loans from financial institutions bearing mark up at the rates ranging from 2.25% per annum to 9.04% per annum (2020: 5% per annum to 16.08% per annum). These are repayable in quarterly instalments up to March 2030. The aggregate long term finances are secured by joint pari passu charge on the fixed assets of the Company and personal guarantees of the Directors (i.e. Mian Iftikhar Ahmed and Mian Faisal Iftikhar) of the Company.

**17.1.3** There have been no breaches of the financial covenants of any interest-bearing loans and borrowing in the current year.

## **17.2 Lease liabilities - rented premises (land and buildings)**

This represents liability recognized against right-of-use assets (i.e. rented premises) as a result of adoption of IFRS 16 - Leases. The effective interest rate used as the discounting factor (i.e. incremental borrowing rate) ranges from 8.05% to 15.91% (2020: 15.91%). The amount of future payments and the year during which they will become due are:

	2021 (Rupees)	2020
Year ending 30 June		
2021	—	30,369,090
2022	43,339,760	25,699,760
2023	37,082,997	28,262,997
2024	29,540,943	29,540,943
2025	31,888,098	31,888,098
2026 onwards	116,104,564	116,104,565
	257,956,362	261,865,453
Less: Future finance charges	(100,423,432)	(119,714,687)
	157,532,930	142,150,766
Less: Current maturity shown under current liabilities	(21,914,160)	(9,518,648)
	135,618,770	132,632,118

**17.2.1** Minimum Lease Payments (MLP) and their Present Value (PV) are as follow:

	2021		2020	
	MLP	PV of MLP (Rupees)	MLP	PV of MLP
Due not later than 1 year	43,339,760	21,914,160	30,369,090	9,518,648
Due later than 1 year but not later than 5 years	98,512,038	68,253,875	83,503,700	65,267,223
Due later than 5 years	116,104,564	67,364,895	147,992,663	67,364,895
	257,956,362	157,532,930	261,865,453	142,150,766

**17.2.2** Set out below are the carrying amounts of lease liabilities and the movements during the year:

	Note	2021 (Rupees)	2020
Opening balance		142,150,766	—
Addition		32,578,856	
IFRS 16 adjustment		—	157,349,151
Mark-up on lease liabilities - rented premises	30	21,992,398	22,964,495
		196,722,020	180,313,646
Lease rentals paid		(39,189,090)	(38,162,880)
Closing balance		157,532,930	142,150,766

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended 30 June 2021

**17.2.3** This includes lease liability amounting Rs. 130.03 million (2020: Rs. 130.78) payable to Mian Iftikhar Ahmed - Chairman of the Company, in respect of rented premises (land and building).

**17.2.4** Lease term of the leases is between 2 to 10 years (2020: 2 to 10 years).

**17.3** This represents loan from director (Mian Iftikhar Ahmed) obtained during the year. The loan is repayable on demand from lender but not prior to 30 June 2022. It carries interest at the rate of 3 Month KIBOR minus 1% spread per annum.

### 18 Deferred Grant

This represents deferred grant recognized on loan received from Samba Bank Limited at below market interest rate under SBP refinance scheme for payment of wages and salaries to the workers and employees of business concerns (as described in Note 17.1).

	Note	2021 (Rupees)	2020
Movement during the year is as follows:			
Opening balance		—	—
Amount recognized as deferred grant during the year		37,680,309	—
Amount recognized as income during the year	29	(20,195,179)	—
Closing balance		17,485,130	—

### 19 Deferred Tax

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

#### Taxable Temporary Differences

Accelerated tax depreciation allowance		439,866,362	432,277,291
Surplus on revaluation on property, plant and equipment	19.2	230,266,490	179,105,621
		670,132,852	611,382,912

#### Deductible Temporary Differences

Provision against slow moving stock		(4,773,097)	(4,178,707)
Provision for claims		(11,370,812)	(8,189,873)
Allowance for expected credit losses		(29,613,383)	(25,156,633)
Lease liabilities - rented premises - net		(7,609,613)	(4,190,025)
Minimum tax		—	(81,254,789)
		(53,366,905)	(122,970,027)
		616,765,947	488,412,885

### 19.1 Reconciliation of deferred tax liabilities, net

Opening balance		488,412,885	544,616,664
Tax income / (expense) recognized in statement of comprehensive income	31	77,192,193	(35,121,120)
Tax income / (expense) recognized in OCI		51,160,869	(21,082,659)
Closing balance		616,765,947	488,412,885

### 19.2 Reconciliation of deferred tax liability for surplus

on property, plant and equipment is as follows:

Deferred tax on revaluation adjustment during the year		67,018,638	—
Deferred tax on revaluation surplus due to decrease in effective tax rate		(15,857,768)	—
		51,160,870	—

## 20 Short-Term Finances - Secured

Short-term finances aggregating to Rs.5.22 billion (2020: Rs. 4.74 billion) are available from commercial banks under mark up arrangements. The mark up is charged at the rates ranging from 3% per annum to 8.89% per annum (2020: 3.00% per annum to 15.18% per annum). The aggregate running finances are secured by joint pari passu charge on the current and fixed assets of the Company and personal guarantees of the Executive Directors (i.e. Mian Iftikhar Ahmed and Mian Faisal Iftikhar) of the Company.

	Note	2021 (Rupees)	2020
<b>21 Trade and Other Payables</b>			
Trade creditors		540,911,962	562,979,328
Accrued liabilities		191,056,406	109,935,416
Payable to provident fund		5,656,590	4,510,298
Workers' profit participation fund	21.1	61,013,216	20,414,471
Provision for claims	21.2	42,772,659	30,557,176
Workers' welfare fund	21.3	25,498,663	7,802,683
Income tax withheld		14,869,663	11,073,051
Other liabilities		11,103,993	1,383,126
		<b>892,883,152</b>	<b>748,655,549</b>
<b>21.1 Workers' profit participation fund</b>			
Opening balance		20,414,471	17,675,811
Contribution and interest for the year	28 & 30	62,489,658	20,414,471
		82,904,129	38,090,282
Payment made during the year		(21,890,913)	(17,675,811)
Closing balance		61,013,216	20,414,471
<b>21.2</b>	This represents refund liability arising due to right of return of customers.		
		<b>2021 (Rupees)</b>	<b>2020</b>
<b>21.3 Workers' welfare fund</b>			
Opening balance		7,802,683	5,294,096
Provision for the year		25,498,663	8,038,211
		33,301,346	13,332,307
Payment made during the year		(7,802,683)	(5,529,624)
Closing balance		25,498,663	7,802,683
<b>22 Accrued Mark-Up</b>			
Short term finances		51,803,560	108,107,056

## 23 Contingencies and Commitments

### Contingencies

- 23.1** The Company has received an order dated 31 May 2015 under section 122(5A) of the Income Tax Ordinance, 2001 (the "Ordinance") for the tax year 2013, wherein income of the company has been re-assessed and certain expenses have been added back to the income for the year. Tax impact of the above amounts to Rs. 23.55 million. Being aggrieved, the Company filed an appeal before Commissioner Inland Revenue (Appeals) (CIR-A), who vide his order dated 27 November 2017 has granted relief to the Company on some issues. Both the Company and Federal Board of Revenue have filed cross appeals against the said order before Appellate Tribunal Inland Revenue (ATIR) which are pending adjudication. No liability on this account has been recognized in these financial statements as management expects favorable outcome of the case.

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended 30 June 2021

- 23.2** The Company received a notice under section 122(5A) of the Ordinance dated 08 February 2018 for the tax year 2013 on account of minimum tax credits amounting to Rs. 50.7 million claimed under section 113(2)(C) of the Ordinance. The taxpayer filed a writ petition against the said notice in Honorable Lahore High Court (LHC). Double bench of the Honorable LHC has decided the case in favor of the Company. Being aggrieved, the tax department has filed a reference against the said order before Honorable Supreme Court of Pakistan which is pending for adjudication. Management of the Company expects a favorable outcome of the case therefore no provision has been made in these financial statements.
- 23.3** Original Assessment for the Tax Year 2016 was amended by the Additional Commissioner Inland Revenue (Addl. CIR) by invoking Section 122(5A) of the Ordinance; wherein income of the Company was re-assessed by making certain additions. Tax impact of the above order was Rs. 8.05 million. Being aggrieved, the Company has filed an appeal before CIR-A, who vide his order has deleted the demand of 7.1 million and the balance demand of 0.96 million has been remanded back for de novo consideration. Being aggrieved, the tax department has filed an appeal before ATIR. Management is confident of favorable outcome of the case hence no provision in this regard has been made in the financial statements.
- 23.4** The Company is defending an order dated 31 December 2015 under section 122(5A) of the Ordinance for the tax year 2010, wherein income of the Company has been re-assessed and financial expenses amounting to Rs. 29.89 million have been added back to the income on the ground that the borrowed funds have been utilized for the purpose of capitalization and not wholly and exclusively for deriving business income. Tax impact of the above amounts to Rs. 10.46 million. The matter is pending for adjudication before ATIR. The management is confident of favorable outcome of the case, hence no provision in this regard has been made in the financial statements.
- 23.5** A suit for recovery of Rs. 2.217 million was filed by the Company against one of its customers, the customer has filed a counter claim amounting to Rs. 10.018 million. The case is pending with the Honorable Lahore Session Court. No liability against the Company has been determined so far. Management expects a favorable outcome in this regard, hence no provision has been recorded in these financial statements.
- 23.6** The Company had claimed tax credits under section 113(2)(C) pertaining to tax years 2005 to 2008 in tax year 2010. The same were disallowed by the Department on the sole ground that section 113 of Ordinance "Minimum Tax on Income of Certain Persons" was omitted vide Finance Act, 2008 and no provision regarding the availability of minimum tax credits was reinserted. Financial impact of this amounts to Rs. 27.03 million. The matter has been decided by Appellate Tribunal Inland Revenue in favour of the Company. Being aggrieved, the department has filed a reference before Honorable LHC which is pending for adjudication. In the opinion of the management, favorable outcome of the case is expected therefore, no provision has been made in these financial statements.
- 23.7** The Company was not charging further tax w.e.f. 01 July 2015 on the primary ground that it falls within the ambit of Rule 58S & 58T of Sales Tax Special Procedure Rules, 2007, wherein the Company is bound to charge only Extra Tax on its net local sales to dealers and distributors. The Deputy Commissioner Inland Revenue (DCIR) issued orders dated 21 February 2017 under section 11(2) of the ST Act by charging sales tax, default surcharge and penalty amounting to Rs. 62.19 million on account of non-chargeability of further tax on sales made to unregistered persons. Being aggrieved the Company filed an appeal before CIR-A, who upheld the orders issued by the DCIR. Being aggrieved, the Company preferred an appeal before ATIR and ATIR vide its order dated 11 August 2017 provided complete relief to the Company. The department has filed a reference before Honorable Lahore High Court (LHC), which is pending for adjudication. Management expects favorable outcome of the case hence no provision has been recorded in these financial statements.

Subsequently, vide its letter dated 17 October 2019, the department also confronted further tax issue for the tax years from July 2015 till October 2015 and July 2016 till June 2019, involving an amount aggregating to Rs. 258.82 million. Since, the matter was already sub judice before Honorable LHC, therefore, the Company challenged the notice on the same plea, and the Honorable LHC has issued the interim order thereon. The matter is still pending for adjudication. Management expects a favorable outcome of the case hence no provision has been recorded in these financial statements.

## Commitments

- 23.8** Commitments from various banks against letter of credit and letter of guarantees are Rs. 1,875 million (2020: 869 million) and Rs. 96.01 million (2020: Rs. 56.76 million) respectively.

	Note	2021	2020
		(Rupees)	
<b>24 Sales - Net</b>			
Local sales	37.1	18,435,698,377	13,264,194,478
Less: discounts		(656,804,757)	(471,112,497)
Less: sales tax		(2,926,541,862)	(2,086,667,657)
		14,852,351,758	10,706,414,324
Export sales	37.1	1,349,714,933	878,386,911
		16,202,066,691	11,584,801,235

- 24.1** All revenue is recognized at point in time.

- 24.2** The above include sales amounting to Rs.10.3 million against defective tyres and tubes.

	Note	2021	2020
		(Rupees)	
<b>25 Cost of Sales</b>			
Raw material consumed	25.1	10,081,059,972	7,427,178,598
Packing material consumed		305,390,323	205,829,557
Salaries, wages and other benefits	25.2	1,130,901,973	879,189,323
Transportation expense		40,225,630	35,940,326
Fuel and power		1,315,186,941	993,165,816
Telephone and postage		719,463	956,224
Insurance		8,601,570	7,679,827
Repair and maintenance		384,963,349	276,067,376
Vehicle running and maintenance		13,336,376	11,134,653
Rent, rates and taxes		4,296,542	3,323,103
Printing and stationery		2,925,035	2,020,975
Fees and subscription		315,771	357,823
Provision for slow moving stock - stores and spares	10.1	725,957	65,000
Provision for slow moving stock - stock in trade	11.2	1,637,470	100,000
Depreciation - owned assets	6.4	272,536,526	267,857,258
Depreciation - right-of-use assets	7.1	15,066,320	15,066,322
Miscellaneous expenses		3,614,942	3,029,013
		13,581,504,160	10,128,961,194
Add: work-in-process - opening	11	183,572,580	184,236,331
		13,765,076,740	10,313,197,525
Less: work-in-process - closing	11	252,440,107	183,572,580
Cost of goods manufactured		13,512,636,633	10,129,624,945
Add: Finished goods - opening	11	847,888,132	472,380,947
		14,360,524,765	10,602,005,892
Add: Finished goods purchased		344,954,937	153,631,450
Less: Finished goods - closing	11	974,174,228	847,888,132
Cost of goods sold		13,731,305,474	9,907,749,210



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

	Note	2021 (Rupees)	2020
<b>25.1 Raw material consumed</b>			
Opening inventory	11	852,974,776	659,824,773
Add: Purchases		11,190,912,002	7,616,404,671
Add: Freight and octroi inward		11,393,190	3,923,930
		12,055,279,968	8,280,153,374
Less: Closing inventory	11	1,974,219,996	852,974,776
		10,081,059,972	7,427,178,598

**25.2** Salaries, wages and other benefits include Rs. 11.79 million (2020 Rs. 10.81 million) in respect of provident fund contribution by the employer.

	Note	2021 (Rupees)	2020
<b>26 Selling and Distribution Expenses</b>			
Salaries, allowances and other benefits	26.1	169,652,247	133,993,837
Telephone, telex and postage		1,863,526	1,670,826
Entertainment		681,770	1,166,118
Travel and transport		202,225,641	135,437,086
Other export expenses		43,515,839	22,240,359
Advertisement		150,108,397	95,204,222
Sales promotion		906,245	1,630,706
Rent expense		1,039,176	1,051,545
Fuel and electricity		421,719	461,179
Repair and maintenance		676,527	8,472,786
Depreciation - owned assets	6.4	6,103,997	4,740,962
Depreciation - right-of-use assets	7.1	2,741,072	7,222,794
Miscellaneous expenses		1,135,483	1,286,899
		581,071,639	414,579,319

**26.1** Salaries, allowances and other benefits include Rs. 5.30 million (2020: Rs. 4.52 million) in respect of provident fund contribution by the employer.

	Note	2021 (Rupees)	2020
<b>27 Administrative and General Expenses</b>			
Salaries, allowances and other benefits	27.1	107,567,619	96,322,238
Directors' remuneration		65,161,333	61,500,000
Printing and stationery		1,330,612	972,326
Newspaper and periodicals		—	23,930
Telephone, telex and postage charges		3,047,599	2,196,167
Depreciation - owned assets	6.4	19,057,124	21,842,066
Depreciation - right-of-use assets	7.1	12,380,390	8,542,640
Amortization of intangible assets	8	3,477,928	2,341,990
Insurance		8,569,170	9,389,302
Vehicle running and maintenance		8,059,772	11,031,795
Traveling and conveyance		3,605,875	3,977,623
Entertainment		2,465,477	2,523,529
Rent, rates, taxes and fees		1,759,718	538,383
Auditor's remuneration	27.2	1,368,500	1,917,500
Legal and professional charges		4,709,931	5,280,509
Fee and subscription		1,455,667	601,160
Utilities charges		6,658,948	3,950,876
Support services		9,725,403	5,546,140
Repair and maintenance		17,027,499	6,280,507
Allowance for expected credit loss	12.1	17,532,524	15,494,805
Miscellaneous expenses		1,364,383	868,923
		296,325,472	261,142,409

**27.1** Salaries, allowances and other benefits include Rs. 3.85 million (2020: Rs. 3.3 million) in respect of provident fund contribution by the employer.

	Note	2021 (Rupees)	2020
<b>27.2 Auditor's remuneration</b>			
Statutory audit		1,100,000	1,100,000
Special audit		750,000	750,000
Half year review		400,000	–
Certifications		550,000	–
Out of pocket expenses		137,000	67,500
		2,937,000	1,917,500
Less: Fee of special audits and certifications for IPO	1.2	(1,568,500)	–
		1,368,500	1,917,500
<b>28 Other Operating Expenses</b>			
Workers' profit participation fund	21.1	61,013,216	20,414,471
Workers' welfare fund		25,498,663	8,038,211
Impairment charged during the year		–	1,043,057
		86,511,879	29,495,739
<b>29 Other Operating Income</b>			
Gain on disposal of property, plant and equipment	6.2	11,857,040	5,130,054
Grant income on SBP refinance scheme for payroll financing	18	20,195,179	–
Profit on TDRs		6,041,104	–
Miscellaneous income		3,510,755	1,267,341
		41,604,078	6,397,395
<b>30 Finance Cost</b>			
Mark up on			
- long term loan		75,912,228	86,848,258
- short term finances under mark up arrangements		211,285,148	469,082,605
- lease liabilities - rented premises	17.2.2	21,992,398	22,964,495
- mark-up on provident fund loan		–	3,677,979
- mark-up on WPPF loan	21.1	1,476,442	2,142,226
Bank charges		17,525,770	13,679,662
		328,191,986	598,395,225
<b>31 Taxation</b>			
Current			
- For the year	31.1	277,769,886	185,741,675
- Prior period		14,039,830	(22,610,935)
		291,809,716	163,130,740
Deferred			
- Relating to origination of temporary difference	19.1	77,192,193	(35,121,120)
		369,001,909	128,009,620

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

2021  
(Rupees)

## 31.1 Relationship between tax expense and accounting profit

Accounting profit before taxation	1,220,264,319
Tax at applicable tax rate of 29% (2020: 29%)	353,876,653
Effect of income not allowed for tax	2,623,138
Minimum turnover tax credit	(90,386,808)
Final tax paid	11,656,903
	277,769,886

31.1.1 Reconciliation of tax expense and accounting profit for the year ended 2020 is not meaningful in view of minimum tax for tax year 2020, hence not presented.

2021  
(Rupees)

## 32 Earnings Per Share - Basic and Diluted

Profit after taxation (Rupees)	851,262,410	251,827,108
Weighted average number of ordinary shares at the end of the year (numbers)	120,602,740	100,000,000
Earnings per share - (basic / diluted) (Rupees)	7.06	2.52

32.1 No fully diluted earnings per share has been disclosed, as the Company has not issued an instrument which would have an impact on earnings per share, when exercised.

## 33 Remuneration of Directors and Chief Executive

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

	Directors		Chief Executive		Executives	
	2021	2020	2021	2020	2021	2020
	(Rupees)					
Managerial remuneration	27,994,667	25,500,000	37,166,667	36,000,000	205,562,020	90,085,667
Provident fund	—	—	—	—	8,635,638	6,305,997
	27,994,667	25,500,000	37,166,667	36,000,000	214,197,658	96,391,664
Number of persons	2	1	1	1	48	32

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

### 34 Related Party Transactions

The related parties comprise of shareholders, directors of the Company, employees benefit funds and key management employees. The Company carries out transactions with its related parties in the normal course of business. Significant related party transactions, other than remuneration of directors which is disclosed in note 34, are as follows:

Name of related party	Relationship with the Company	%age of shareholding	Nature of transactions	2021	2020
Mian Iftikhar Ahmed	Chairman	48%	Rent of head office	21,780,000	19,800,000
			Loan from Director	620,000,000	–
			Mark up on Loan from Chairman	13,964,099	–
			Land Purchased	40,113,198	–
Mian Faisal Iftikhar	Chief Executive Officer	16%	Land Purchased	11,880,000	–
Staff provident fund	Other related parties		Contribution to staff provident fund	20,935,770	18,632,085

	2021		2020	
	Actual production	Production capacity	Actual production	Production capacity
<b>35 Capacity and Actual Production</b>				
Tyres / Tyre Sets	6,575,604	8,100,000	5,143,291	8,100,000
Tubes - packed	28,406,516	31,200,000	21,529,799	31,200,000
	34,982,120	39,300,000	26,673,090	39,300,000

Production capacity working is based on 300 days.

	2021	2020
<b>36 Number of Employees</b>		
<b>Factory</b>		
Number of employees as at reporting date	2,834	2,351
Average number of employees during the year	2,615	2,270
<b>Total Number of Employees</b>		
Number of employees as at reporting date	3,038	2,493
Average number of employees during the year	2,810	2,412

### 37 FINANCIAL RISK MANAGEMENT OBJECTIVES

#### 37.1 Financial risk factors

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

(a) **Market risk**

(i) **Currency risk**

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

At 30 June 2021, if the Company's functional currency had weakened / strengthened by 10% against the US Dollar with all the other variables held constant, the profit before taxation for the year would have been higher / lower by Rs. 17.44 million (2020: Rs. 5.27 million), mainly as a result of foreign exchange gains / losses on translation of financial assets denominated in US Dollars.

(ii) **Other price risk**

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

(iii) **Interest rate risk**

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

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

	2021	2020
	(Rupees)	
<b>Floating rate instruments</b>		
<b>Financial liabilities</b>		
Long-term finances	1,206,727,630	637,560,163
Short-term finances	4,111,847,806	3,353,578,977
	5,318,575,436	3,991,139,140
<b>Fixed rate instruments</b>		
<b>Financial liabilities</b>		
Lease liabilities - rented premises	157,532,930	142,150,766

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

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

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

If interest rates on long term loan and finances under mark-up arrangement, at the year end date, had been 100 basis points higher / lower with all other variables held constant, profit before taxation for the year would have been Rs. 54.59 million (2020: Rs. 41.33 million) higher / lower, mainly as a result of higher / lower interest expense on floating rate borrowings.



**(b) Credit risk**

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

	2021	2020
	(Rupees)	
The carrying values of financial assets are as under:		
Trade debts, loans and other receivables	3,449,653,367	2,563,646,452
Long term deposits	31,880,839	23,715,719
Bank balances	367,460,788	124,905,632
	3,848,994,994	2,712,267,803

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

	2021	2020
	(Rupees)	
<b>Geographically:</b>		
<b>- Trade debts</b>		
Local	3,129,818,520	2,414,222,052
Europe	61,920,024	–
Asia	78,991,154	25,986,670
Africa	33,237,490	–
	3,303,967,188	2,440,208,722

**- Sales**

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

	2021	2020
	(Rupees)	
Europe	226,594,736	39,771,592
Asia	684,274,130	760,348,062
Africa	438,846,067	78,267,257
	1,349,714,933	878,386,911

Categorically, sales comprises of

	2021	2020
	(Rupees)	
<b>Products:</b>		
- Tyres and tubes	15,921,376,686	11,417,780,283
- Others	280,690,005	167,020,952
	16,202,066,691	11,584,801,235

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss

# NOTES TO THE FINANCIAL STATEMENTS

## For the year ended 30 June 2021

patterns (i.e., by geographical region, product type, customer type and rating). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The letters of credit and other forms of credit insurance are considered integral part of trade receivables and considered in the calculation of impairment.

	Up to 180 days	181 to 365 days	1 to 2 years	Over 2 years	Total
<b>(Rupees)</b>					
<b>As at 30 June 2021</b>					
Expected credit loss rate	0.60% to 31.38%	20.20%	88.20%	100.00%	
Estimated total gross carrying amount at default	3,292,042,375	49,301,760	32,333,498	41,683,810	3,415,361,443
Expected credit loss	31,232,922	9,958,459	28,519,064	41,683,810	111,394,255
<b>As at 30 June 2020</b>					
Expected credit loss rate	0.76% to 13.67%	10.34%	26.97%	94.52%	
Estimated total gross carrying amount at default	2,217,933,721	125,697,918	39,495,347	31,095,066	2,414,222,052
Expected credit loss	40,815,690	13,002,356	10,652,798	29,390,887	93,861,731

### - Bank balances

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

Bank	Short term	Long term	Rating Agency	2021 Rupees	2020
Albaraka Bank (Pakistan) Limited	A1	A	PACRA	4,091,676	14,840,072
Allied Bank Limited	A1+	AAA	PACRA	26,244,582	13,260,830
Bank Alfalah Limited	A1+	AA+	PACRA	35,753,842	1,646,322
The Bank of Khyber	A1	A	PACRA	24,860	25,000
Habib Bank Limited	A1+	AAA	JCR-VIS	102,665,938	52,545,230
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	4,281,750	1,807,256
Industrial & Commercial Bank Of China Limited	A1	A1	Moody's	46,974,574	1,388,388
MCB Bank Limited	A1	A	PACRA	25,735,701	23,817,778
National Bank of Pakistan	A1+	AAA	JCR-VIS / PACRA	1,653,126	2,100,990
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	86,275	71,030
Summit Bank Limited	Rating suspended			48,938	48,938
United Bank Limited	A1+	AAA	JCR-VIS	2,878,925	13,353,798
Samba Bank Limited	A1	AA	PACRA	34,221,861	-
Faysal Bank Limited	A1+	AA	PACRA	29,700,450	-
JS Bank Limited	A1+	AA-	PACRA	51,403,000	-
Meezan Bank	A1+	AAA	JCR-VIS	1,200,000	-
Soneri Bank	A1+	AA-	PACRA	185,290	-
Bank Islamic Limited	A1	A+	PACRA	310,000	-
				367,460,788	124,905,632

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

**(c) Liquidity risk**

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

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

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

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

	On demand	within 1 year (Rupees)	Over 1 year	Total
Loan from financial institutions	–	324,492,096	900,531,718	1,225,023,814
Lease liabilities - rented premises	–	43,339,760	214,616,602	257,956,362
Short term finances - secured	–	4,111,847,806	–	4,111,847,806
Trade and other payables	–	562,567,047	–	562,567,047
Accrued mark-up	–	51,803,560	–	51,803,560
	–	5,094,050,269	1,115,148,320	6,209,198,589

The following are the contractual maturities of financial liabilities as at 30 June 2020:

	On demand	within 1 year (Rupees)	Over 1 year	Total
Loan from financial institutions	–	249,999,999	387,560,164	637,560,163
Lease liabilities - rented premises	–	9,518,648	132,632,118	142,150,766
Short term finances - secured	–	3,353,578,977	–	3,353,578,977
Trade and other payables	–	729,779,815	–	729,779,815
Accrued mark-up	–	129,742,476	–	129,742,476
	–	4,472,619,915	520,192,282	4,992,812,197

**37.2 Fair values of financial assets and liabilities**

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

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

## 37.3 Financial instruments by categories

	2021		
	Cash and cash equivalents	Amortized cost (Rupees)	Total
<b>Financial assets</b>			
Long term deposits	–	31,880,839	31,880,839
Trade debts	–	3,303,967,188	3,303,967,188
Advances, deposits, prepayments and other receivable	–	34,291,924	34,291,924
Cash and cash equivalents	806,059,464	–	806,059,464
	806,059,464	3,370,139,951	4,176,199,415
			<b>2021</b>
			<b>Financial liabilities at amortized cost (Rupees)</b>
<b>Financial liabilities</b>			
Loan from financial institutions			1,225,023,814
Lease liabilities - rented premises			257,956,362
Mark up accrued on loans			51,803,560
Trade and other payable			562,567,047
Short term finances			4,111,847,806
			6,209,198,589
	2020		
	Cash and cash equivalents	Amortized cost (Rupees)	Total
<b>Financial assets</b>			
Long term deposits	–	23,715,719	23,715,719
Trade debts	–	2,440,208,722	2,440,208,722
Advances, deposits, prepayments and other receivable	–	29,575,999	29,575,999
Cash and bank balances	150,847,714	–	150,847,714
	150,847,714	2,493,500,440	2,644,348,154
			<b>2020</b>
			<b>Financial liabilities at amortized cost (Rupees)</b>
<b>Financial liabilities</b>			
Loan from financial institutions			637,560,163
Lease liabilities - rented premises			142,150,766
Mark up accrued on loans			129,742,476
Trade and other payable			729,779,815
Short term finances			3,353,578,977
			4,992,812,197

### 38 Capital Risk Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may issue new shares or sell assets to reduce debt. Consistent with others in the industry and the requirements of the lenders the Company monitors the capital structure on the basis of gearing ratio based on long term borrowing. Total capital is calculated as 'equity' as shown in the statement of financial position plus long term finances. The gearing ratio as at year ended 30 June 2020 and 30 June 2021 are as follows:

	2021 (Rupees)	2020
Long term finances	1,206,727,630	637,560,163
Total equity - excluding surplus on revaluation	5,721,988,953	2,941,964,836
Total capital	6,928,716,583	3,579,524,999
Gearing ratio	17%	18%

### 39 Changes In Liabilities Arising From Financing Activities

	Long term loan obtained from financial institutions	Lease liabilities	Loan from Director	Total
	(Rupees)			
As at 30 June 2020	637,560,163	142,150,766	–	779,710,929
Changes from financing activities				
Repayments during the year	(372,371,465)	(39,189,090)	(13,964,099)	(425,524,654)
Acquisition during the year	975,880,005	–	620,000,000	1,595,880,005
Total changes from financing cashflows	1,241,068,703	102,961,676	606,035,901	1,950,066,280
Other changes				
Additions / new lease	–	32,578,856	–	32,578,856
Interest expense	3,339,236	21,992,398	13,964,099	39,295,733
Deferred grant	(37,680,309)	–	–	(37,680,309)
As at 30 June 2021	1,206,727,630	157,532,930	620,000,000	1,984,260,560



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

	2021 (Rupees)	2020
<b>40 Staff Provident Fund</b>		
Size of fund	129,793,071	111,267,726
Percentage of investments made	83.25%	82.02%
Fair value of investments	108,049,280	91,262,351
Cost of investments made	103,109,466	91,196,788

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

	2021			2020		
	Cost	Fair value	%age of fund size (Rupees)	Cost	Fair value	%age of fund size
Savings Accounts						
Meezan Bank Limited	17,280,817	17,863,290	13.76%	90,343,264	90,406,161	81.25%
Albaraka Bank (Pakistan) Limited	828,649	853,074	0.66%	853,525	856,191	0.77%
Special Musharaka Certificates	85,000,000	89,332,916	68.83%	—	—	0.00%
	103,109,466	108,049,280	83.25%	91,196,788	91,262,351	82.02%

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

## **41 Re-Arrangement**

Following corresponding figure in statement of financial position has been re-arranged for better presentation:

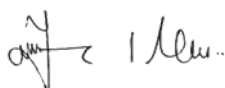
Particulars	From	To	2020 (Rupees)	2019
Workers' welfare fund	Advances, deposits, prepayments and other receivables	Trade and other payables	7,802,683	5,293,628

## **42 Subsequent Events**

The Board of Directors of the Company in its meeting held on 31 July 2021 has proposed cash dividend at the rate of Rs. 2 (2020: Nil) per share and issuance of 20% bonus shares for the year ended 30 June 2021, (2020: Nil) subject to the approval of members at the Annual General Meeting to be held on 15 September 2021. These financial statements do not reflect these appropriations.

## **43 Date of Authorization For Issue**

These financial statements were authorized for issue by the Board of Directors on 31 July 2021.



Chief Executive



Director



Chief Financial Officer

# PATTERN OF SHAREHOLDING

As on 30<sup>th</sup> June 2021

No. of Shareholders	Shareholdings		Total Shares Held
	From	To	
102	1	100	3,439
1329	101	500	650,806
648	501	1,000	640,381
733	1,001	5,000	1,719,612
112	5,001	10,000	871,751
41	10,001	15,000	518,542
31	15,001	20,000	532,825
20	20,001	25,000	464,289
10	25,001	30,000	288,538
13	30,001	35,000	414,394
7	35,001	40,000	263,632
5	40,001	45,000	211,950
8	45,001	50,000	387,456
9	50,001	55,000	471,944
3	55,001	60,000	174,703
2	60,001	65,000	128,052
2	65,001	70,000	136,500
3	70,001	75,000	218,536
1	75,001	80,000	77,017
1	80,001	85,000	82,372
1	85,001	90,000	89,000
4	90,001	95,000	365,744
6	95,001	100,000	591,023
2	105,001	110,000	218,023
1	110,001	115,000	114,183
1	120,001	125,000	120,355
1	125,001	130,000	127,877
2	145,001	150,000	300,000
1	155,001	160,000	160,000
2	160,001	165,000	326,054
1	165,001	170,000	168,529
1	175,001	180,000	178,691
1	190,001	195,000	193,005
2	195,001	200,000	399,365
1	200,001	205,000	202,090
1	205,001	210,000	205,747
4	210,001	215,000	850,654
1	215,001	220,000	217,500
1	220,001	225,000	220,355
1	235,001	240,000	236,345
1	245,001	250,000	250,000
1	260,001	265,000	260,629
1	265,001	270,000	270,000
1	270,001	275,000	270,064
2	275,001	280,000	555,250
2	310,001	315,000	621,159
1	315,001	320,000	316,160
1	320,001	325,000	325,000
1	340,001	345,000	342,951
1	350,001	355,000	351,506

# PATTERN OF SHAREHOLDING

As on 30<sup>th</sup> June 2021

No. of Shareholders	Shareholdings		Total Shares Held
	From	To	
1	360,001	365,000	363,204
1	395,001	400,000	400,000
1	465,001	470,000	466,682
1	470,001	475,000	473,000
2	480,001	485,000	964,872
1	495,001	500,000	500,000
1	590,001	595,000	590,936
1	610,001	615,000	615,000
1	710,001	715,000	710,500
1	740,001	745,000	740,177
1	745,001	750,000	750,000
1	950,001	955,000	951,064
1	1,025,001	1,030,000	1,025,363
1	1,475,001	1,480,000	1,477,730
1	1,570,001	1,575,000	1,570,049
1	1,685,001	1,690,000	1,685,166
1	2,065,001	2,070,000	2,065,504
1	3,265,001	3,270,000	3,267,549
1	4,275,001	4,280,000	4,279,646
1	10,995,001	11,000,000	11,000,000
1	21,995,001	22,000,000	22,000,000
1	66,995,001	67,000,000	66,999,560
3,150			140,000,000

Categories of Shareholders	No. of Folios	Shares Held	Percentage
Directors, Chief Executive Officer, and their spouse and minor children	12	100,788,500	71.99%
Associated Companies, undertakings and related parties. (Parent Company)	0	0	0.00%
NIT and ICP	4	372,245	0.27%
Banks Development Financial Institutions, Non Banking Financial Institutions.	4	685,877	0.49%
Insurance Companies	9	8,031,912	5.74%
Modarabas and Mutual Funds	47	15,648,134	11.18%
<b>General Public</b>			
a. Local	3,015	11,549,431	8.25%
b. Foreign	3	29,580	0.02%
<b>Others (to be specified)</b>			
- Joint Stock Companies	25	1,682,318	1.20%
- Pension Funds	10	797,902	0.57%
- Others	21	414,101	0.30%
	3,150	140,000,000	100%
Shareholders holding 10% or more	2	89,159,560	63.6854%

# CATEGORIES OF SHAREHOLDERS

As on 30<sup>th</sup> June 2021

S. No.	Name	Holding	% Age
<b>DIRECTORS, CEO THEIR SPOUSE AND MINOR CHILDREN</b>			
1	MIAN IFTIKHAR AHMED	66,999,560	47.8568
2	MIAN FAISAL IFTIKHAR	22,000,000	15.7143
	MIAN FAISAL IFTIKHAR	160,000	0.1143
3	MRS. SAMINA IFTIKHAR	11,000,000	7.8571
	MRS. SAMINA IFTIKHAR	615,000	0.4393
4	MR. JAVED MASUD	9,500	0.0068
	MR. JAVED MASUD	110	0.0001
5	MR. IQBAL AHMED KHAN	110	0.0001
6	MR. ASAD SULTAN CHAUDHARY	110	0.0001
7	MR. ZAHID MAHMUD	110	0.0001
8	MRS. FARZANA JAVED W/O JAVED MASUD	2,000	0.0014
9	MRS. ASMA ASAD W/O ASAD SULTAN CHAUDHARY	2,000	0.0014
		100,788,500	71.9918

## List of S. Holders Holding ≥ 10% of Total Capital

S. No.	Name	Holding	% Age
1	MIAN IFTIKHAR AHMED	66,999,560	47.8568
2	MIAN FAISAL IFTIKHAR	22,160,000	15.8286
		89,159,560	63.6854

## List of S. Holders Holding ≥ 5% of Total Capital

1	MIAN IFTIKHAR AHMED	66,999,560	47.8568
2	MIAN FAISAL IFTIKHAR	22,160,000	15.8286
3	MRS. SAMINA IFTIKHAR	11,615,000	8.2964
		100,774,560	71.9818

# CATEGORIES OF SHAREHOLDING REQUIRED UNDER CODE OF CORPORATE Governance (CCG)

As on 30<sup>th</sup> June 2021

S. No.	Name	No. of Shares Held	% Age
<b>Associated Companies, Undertakings and Related Parties (Name Wise Detail):</b>			
<b>Mutual Funds (Name Wise Detail)</b>			
1	CDC - TRUSTEE AL MEEZAN MUTUAL FUND	47,735	0.0341
2	CDC - TRUSTEE ALFALAH GHP ALPHA FUND	168,529	0.1204
3	CDC - TRUSTEE ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND	90,713	0.0648
4	CDC - TRUSTEE ALFALAH GHP ISLAMIC STOCK FUND	363,204	0.2594
5	CDC - TRUSTEE ALFALAH GHP STOCK FUND	310,659	0.2219
6	CDC - TRUSTEE ALFALAH GHP VALUE FUND	95,023	0.0679
7	CDC - TRUSTEE ALHAMRA ISLAMIC STOCK FUND	483,452	0.3453
8	CDC - TRUSTEE APF-EQUITY SUB FUND	42,125	0.0301
9	CDC - TRUSTEE APIF-EQUITY SUB FUND	59,115	0.0422
10	CDC - TRUSTEE ATLAS ISLAMIC DEDICATED STOCK FUND	32,580	0.0233
11	CDC - TRUSTEE ATLAS ISLAMIC STOCK FUND	351,506	0.2511
12	CDC - TRUSTEE ATLAS STOCK MARKET FUND	1,025,363	0.7324
13	CDC - TRUSTEE FAYSAL ASSET ALOCATION FUND	100,000	0.0714
14	CDC - TRUSTEE FAYSAL ISLAMIC DEDICATED EQUITY FUND	740,177	0.5287
15	CDC - TRUSTEE FAYSAL ISLAMIC STOCK FUND	150,000	0.1071
16	CDC - TRUSTEE FAYSAL STOCK FUND	750,000	0.5357
17	CDC - TRUSTEE FIRST HABIB STOCK FUND	6,319	0.0045
18	CDC - TRUSTEE HBL - STOCK FUND	214,811	0.1534
19	CDC - TRUSTEE HBL EQUITY FUND	466,682	0.3333
20	CDC - TRUSTEE HBL IPF EQUITY SUB FUND	29,076	0.0208
21	CDC - TRUSTEE HBL ISLAMIC ASSET ALLOCATION FUND	16,031	0.0115
22	CDC - TRUSTEE HBL ISLAMIC EQUITY FUND	193,005	0.1379
23	CDC - TRUSTEE HBL MULTI - ASSET FUND	19,526	0.0139
24	CDC - TRUSTEE HBL PF EQUITY SUB FUND	28,730	0.0205
25	CDC - TRUSTEE MCB PAKISTAN ASSET ALOCATION FUND	213,630	0.1526
26	CDC - TRUSTEE MCB PAKISTAN STOCK MARKET FUND	2,065,504	1.4754
27	CDC - TRUSTEE MEEZAN ASSET ALLOCATION FUND	236,345	0.1688
28	CDC - TRUSTEE MEEZAN BALANCED FUND	22,460	0.0160
29	CDC - TRUSTEE MEEZAN ISLAMIC FUND	202,090	0.1444
30	CDC - TRUSTEE MEEZAN TAHAFIZ PENSION FIND- EQUITY SUB FUND	51,346	0.0367
31	CDC - TRUSTEE NBP BALANCED FUND	53,500	0.0382
32	CDC - TRUSTEE NBP ISLAMIC ACTIVE ALLOCATION EQUITY FUND	71,036	0.0507
33	CDC - TRUSTEE NBP ISLAMIC SARMAYA IZAFI FUND	473,000	0.3379
34	CDC - TRUSTEE NBP ISLAMIC STOCK FUND	1,685,166	1.2037
35	CDC - TRUSTEE NBP SARMAYA IZAFI FUND	58,500	0.0418
36	CDC - TRUSTEE NBP STOCK FUND	3,267,549	2.3340
37	CDC - TRUSTEE PAKISTAN CAPITAL MARKET FUND	90,266	0.0645
38	CDC - TRUSTEE PICIC GROWTH FUND	279,213	0.1994
39	CDC - TRUSTEE PICIC INVESTMENT FUND	210,213	0.1502
40	CDC - TRUSTEE UBL DEDICATED EQUITY FUND	9,500	0.0068
41	CDC - TRUSTEE UBL RETIREMENT SAVINGS FUND - EQUITY SUB FUND	3,500	0.0025
42	CDC TRUSTEE - MEEZAN DEDICATED EQUITY FUND	11,328	0.0081
43	CDC-TRUSTEE AL-AMEEN ISLAMIC RET. SAV. FUND- EQUITY SUB FUND	23,000	0.0164
44	CDC-TRUSTEE ALHAMRA ISLAMIC ASSET ALLOCATION FUND	481,420	0.3439
45	CDC-TRUSTEE FIRST HABIB ISLAMIC STOCK FUND	15,104	0.0108
46	CDC-TRUSTEE-HBL ISLAMIC STOCK FUND	316,160	0.2258



# CATEGORIES OF SHAREHOLDING REQUIRED UNDER CODE OF CORPORATE GOVERNANCE (CCG)

As on 30<sup>th</sup> June 2021

S. No.	Name	No. of Shares Held	% Age
<b>Directors and their Spouse and Minor Children (Name Wise Detail):</b>			
1	MIAN IFTIKHAR AHMED	66,999,560	47.8568
2	MIAN FAISAL IFTIKHAR	22,160,000	15.8286
3	MRS. SAMINA IFTIKHAR	11,615,000	8.2964
4	MR. JAVED MASUD	9,610	0.0069
5	MR. IQBAL AHMED KHAN	110	0.0001
6	MR. ASAD SULTAN CHAUDHARY	110	0.0001
7	MR. ZAHID MAHMUD	110	0.0001
8	MRS. FARZANA JAVED W/O JAVED MASUD	2,000	0.0014
9	MRS. ASMA ASAD W/O ASAD SULTAN CHAUDHARY	2,000	0.0014
<b>Executives:</b>		24,000	0.0171
<b>Public Sector Companies &amp; Corporations:</b>		—	—
<b>Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:</b>			
		9,539,634	6.8140%
<b>Shareholders holding five percent or more voting intrest in the listed company (Name Wise Detail)</b>			
1	MIAN IFTIKHAR AHMED	66,999,560	47.8568
2	MIAN FAISAL IFTIKHAR	22,160,000	15.8286
3	MRS. SAMINA IFTIKHAR	11,615,000	8.2964
<b>All trades in the shares of the listed company, carried out by its Directors, Executives and their spouses and minor children shall also be disclosed:</b>			
S.No	NAME	SALE	PURCHASE
1	MIAN FAISAL IFTIKHAR (Director)		160,000
2	MRS. SAMINA IFTIKHAR (Director)		615,000
3	MR. JAVED MASUD (Director)		9,500
4	MR. GHULAM ABBAS (CFO)		22,500
5	MR. MOHSIN MUZAFFAR BUTT (Company Secretary)		1,500

## NOTES

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## NOTES

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## NOTES

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## **Panther Tyres Limited**

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