



EVERY JOURNEY
HAS A DESTINATION



ANNUAL REPORT

2022

Board of Directors*

Lt. Gen. (Retd.) Ali Kuli Khan Khattak - Chairman
Mr. Hussain Kuli Khan - Chief Executive
Mr. Ahmad Kuli Khan Khattak
Mr. Adnan Ahmed
Mr. Manzoor Ahmed
Mrs. Nazia Qureshi
Syed Ahmed Iqbal Ashraf
Mr. Umair Aijaz

Company Secretary

Mr. Yasir Ali Quraishi

Chief Financial Officer

Mr. Siraj A. Lawai

Board Audit Committee*

Mr. Ahmad Kuli Khan Khattak
Mr. Manzoor Ahmed
Syed Ahmed Iqbal Ashraf
Mr. Umair Aijaz

Board Human Resource & Remuneration Committee*

Mr. Ahmad Kuli Khan Khattak
Mr. Adnan Ahmed
Mr. Hussain Kuli Khan
Mr. Manzoor Ahmed
Syed Ahmed Iqbal Ashraf

Auditors

A.F. Ferguson & Co.
Chartered Accountants

Legal Advisor

Ahmed & Qazi Advocates & Legal Consultants

Share Registrar

CDC Share Registrar Services Limited.
CDC House 99-B, Block-B, S.M.C.H.S.,
Main Shakra-e-Faisal Karachi-74400
Customer Support Services (Toll Free) 0800-CDCPL (23275)
Fax: (92-21) 34326053, Email: info@cdcsrsl.com
Website: www.cdcsrsl.com

* Sequence of names in alphabetical order

Major Bankers

Al-Baraka Bank Pakistan Limited
Askari Bank Limited
Bank Al-Falah Limited
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
Industrial and Commercial Bank of China Limited
MCB Bank Limited
National Bank of Pakistan
Samba Bank Limited
The Bank of Punjab
United Bank Limited

Registered Office & Factory

H-23/2, Landhi Industrial Trading Estate,
Landhi, Karachi, Pakistan
Phone : 021-35080172-81, 021-38020207-13
UAN: +92 21 111 487 487
Fax: +92 21 3508 0171
Website: www.gtr.com.pk

Branch Offices:

Lahore Office

Plot No. 20, Shahrah-e-Fatima Jinnah, Lahore.
Phone : 042-36308605-6
Fax : 042-36300108

Multan

Plot No. 758-759/21, Khanewal Road, Multan
Phone : 061-774407
Fax : 061-774408

Islamabad

Plot No. 148-149, Khuda Bakhsh Road, Saraan,
Kahuta Industrial Triangle,
Kahuta Road, Hummak Islamabad
Phone: +92 51-5971612-13 / 51-5971650
Fax: +92 51-597 1615

Customer Care & Service Centre Lahore

Plot No. 20, Shahrah-e-Fatima Jinnah, Lahore.
Phone : 042-36308605-6
Fax : 042-36308607

CHAIRMAN'S REVIEW

It is my privilege and pleasure in presenting to the members of Ghandhara Tyre and Rubber Company Limited, review on the performance of the Company for the financial year ended June 30, 2022.

BUSINESS REVIEW

Net sales in value terms for the year ended under review was Rs. 18.59 billion as compared to Rs. 13.92 billion in the last year, showing growth of 34%.

Better sales growth is mainly due to enhanced focus on replacement market (RM) coupled with better Original Equipment Manufacturer (OEM) offtake. The RM segment has shown good growth in almost all categories. The Company has increased its efforts on RM segment, while catering to the requirements of OEM segment. Moreover, OEM sales, in particular, light truck, passenger car and truck / bus also improved from last year.

The gross profit for the year was Rs. 2,453 million as compared to Rs. 2,104 million in last year. Gross profit margin was 13.2% as compared to 15.1% in last year. Lower gross margin was mainly due to higher raw material prices and freight charges due to global super commodity cycle and container shortages, devaluation of Rupee, usage of LPG due to low availability of natural gas, increase in utility prices and other manufacturing cost partly offset by higher sales in replacement market, better product mix and price increase.

The finance cost for the year was Rs. 748 million as compared to Rs. 504 million in the last year. In order to avert balance of payment situation and manage inflation, State Bank of Pakistan (SBP) increased its policy rate at regular intervals, which resulted in increase in finance cost of the Company. Moreover, increase in raw material prices resulted in higher working capital financing. However, the Company has partially contained the increase in financial cost through better working capital management.

Total tax charge for the year amounts to Rs 268 million (including super tax of Rs 26 million) as compared to Rs 225 million for last year. The levy of super tax was enacted by the Finance Act 2022 for tax year 2022 and onwards.

As a result of the factors mentioned above, profit after tax for the year ended June 30, 2022 was Rs. 356 million as compared to profit after tax of Rs. 573 million reported in the last year.

FUTURE PROSPECTS

Your Company has developed new tyres in 17 inch and 18 inch rim size for Sports Utility Vehicle (SUV) / Crossover. Two OEMs have approved the 17 inch tyre, out of which one of them has already started purchasing the tyres subsequent to the year end. The other OEM has approved it for its use in their upcoming model expected in next year. Besides that, some of the OEMs are also interested in 18 inch tyre, however, due to restriction on import of machinery and molds by SBP, we are unable to produce 18 inch tyre for them. As soon as these restrictions are lifted, we would start procurement of machinery for its production.

SBP has taken certain temporary administrative measures which includes prior approval for import of machinery and CKDs of automobiles. As a result, passenger car OEMs are observing few non production days in a month, based on availability of CKD kits. We expect that these restrictions will gradually be eased in coming months.

The exchange rate remained volatile during last couple of months, however, in August, Rupee has recovered against US Dollar owing to better current account number and expected inflow of forex tranche from IMF, other multilateral agencies and friendly countries. We hope that after IMF Board approval and inflow from friendly countries, the exchange rate would stabilize.

In last year, raw material prices increased significantly. This was mainly due to sudden increase in global demand post first wave of COVID and also because of containers shortage resulting in significant increase in sea freight. Moreover, due to Russia / Ukraine war, international oil and commodity prices increased significantly, which also impacted raw material prices. Recently, oil price has stabilized, which is good omen for the overall economy and your Company.

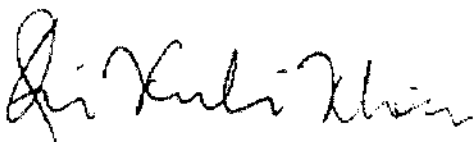
Lately under invoicing and smuggling has increased substantially, which is not only impacting local industry but also depriving Government of its due tax revenue. During last year, due to COVID related restrictions, there was no smuggling. This gave a level playing field to the Company and resulted in higher sales in the replacement market. We hope that the Government will increase its efforts to curb smuggling. This will not only result in higher tax revenue for the Government but will also provide level playing field to the local industry.

The Company is also working on strategies to reduce cost. Moreover, it is also working on developing new sizes and designs for both OEM and RM segments, some of which have already been commercialized and being sold in OEMs and RM segments.

Despite the difficult economic situation and competitive pressures, we believe that the long term growth potential of the business is intact.

The Board would like to thank all our OEM and Replacement market customers for their patronage and loyalty with the Company's products.

The Board also offers thanks to its bankers and financial institutions for providing support, as solicited. The Board also appreciates the dedicated services rendered by the employees and the management in these difficult economic times.



LT.GEN. (RETD) ALI KULI KHAN KHATTAK
Chairman, Board of Directors

Karachi
September 1, 2022

SBP نے کچھ عارضی انتظامی اقدامات کیے ہیں جن میں مشینری کی درآمد اور آٹو موٹائل کے CKDs کی پیشگی منظوری شامل ہے۔ اس کے نتیجے میں، مسافر کار بنانے والے CKD OEMs کشش کی دستیابی کی بنیاد پر، مہینے میں چند غیر پیداواری دنوں کا مشاہدہ کر رہے ہیں۔ ہم توقع کرتے ہیں کہ آنے والے مہینوں میں ان پابندیوں میں بتدریج نرمی کی جائے گی۔

گزشتہ کچھ مہینوں کے دوران شرح مبادلہ میں اتار چڑھاؤ رہا، تاہم، اگست میں، بہتر کرنٹ اکاؤنٹ نمبر اور آئی ایم ایف، دیگر کثیر جہتی ایجنسیوں اور دوست ممالک سے غیر ملکی کرنسی کی متوقع آمد کی وجہ سے، روپیہ امریکی ڈالر کے مقابلے میں مستحکم ہوا ہے۔ ہمیں امید ہے کہ آئی ایم ایف بورڈ کی منظوری اور دوست ممالک سے معاونت کے بعد شرح مبادلہ میں استحکام آئے گا۔

گزشتہ سال میں خام مال کی قیمتوں میں نمایاں اضافہ ہوا ہے۔ اس کی بنیادی وجہ COVID کی پہلی لہر کے بعد عالمی طلب میں اچانک اضافہ ہے اور کنٹینرز کی کمی کی وجہ سے بحری سامان کی ترسیل کی لاگت میں بھی اضافہ ہوا ہے۔ مزید یہ کہ روس/یوکرین جنگ کی وجہ سے تیل اور دیگر اشیاء کی بین الاقوامی قیمتوں میں نمایاں اضافہ ہوا جس سے خام مال کی قیمتیں بھی متاثر ہوئیں۔ حال ہی میں، تیل کی قیمت مستحکم ہوئی ہے، جو کہ مجموعی معیشت اور آپ کی کمپنی کے لیے اچھا شگون ہے۔

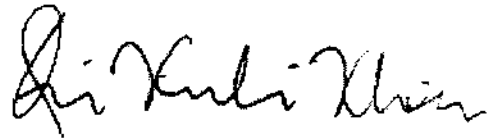
حال ہی میں ٹائروں کی انڈر انوائٹنگ بہت بڑھ گئی ہے جو کہ ناصرف مقامی صنعت کو متاثر کر سکتی ہے بلکہ حکومت کی واجب الادا ٹیکس آمدنی کو بھی متاثر کر سکتی ہے۔ پچھلے سال کے دوران، COVID سے متعلق پابندیوں کی وجہ سے، کوئی اسمگلنگ نہیں ہوئی۔ اس سے کمپنی کو مساوی مواقع ملے اور اس کے نتیجے میں RM میں زیادہ فروخت ہوئی۔ ہم امید کرتے ہیں کہ حکومت اسمگلنگ کو روکنے کے لیے اپنی کوششوں میں اضافہ کرے گی۔ اس سے نہ صرف حکومت کو زیادہ ٹیکس کی آمدنی ملے گی بلکہ مقامی انڈسٹری کو بھی مساوی مواقع ملیں گے۔

کمپنی لاگت کو کم کرنے کے لئے حکمت عملی پر کام کر رہی ہے۔ مزید یہ کہ OEMs اور RMs، دونوں سیکٹرز کے لئے نئے ساز اور ڈیزائن پر بھی کام ہو رہا ہے، جن میں سے کچھ کو پہلے ہی کمرشلایز کیا جا چکا ہے اور OEMs اور RM طبقات میں فروخت کیا جا رہا ہے۔

مشکل معاشی صورتحال اور مسابقتی دباؤ کے باوجود، ہم سمجھتے ہیں کہ کاروبار میں طویل مدتی ترقی کی صلاحیت برقرار ہے۔

بورڈ اپنے تمام OEMs اور RMs صارفین کا شکر گزار ہے جو کمپنی کی مصنوعات پر اعتماد اور حمایت کرتے ہیں۔

بورڈ اپنے فنکاروں اور مالیاتی اداروں کا تعاون فراہم کرنے پر شکریہ ادا کرتا ہے۔ بورڈ مشکل معاشی حالات میں ملازمین اور انتظامیہ کے ذریعہ پیش کردہ سرشار خدمات کی بھی تعریف کرتا ہے۔



لیفٹیننٹ جنرل (ریٹائرڈ) علی قلی خان خٹک

چیئرمین بورڈ آف ڈائریکٹرز

کراچی

01 ستمبر، 2022

چیرمین کا تجزیہ

میں نہایت مسرت اور سعادت کے ساتھ گندھارا ٹائر اینڈ برکس مینیجمنٹ کے ممبران کو کمپنی کی کارکردگی رپورٹ ختم ہونے والے مالی سال 30 جون، 2022 پیش کر رہا ہوں۔

کاروباری تجزیہ

زیر جائزہ ختم ہونے والے سال کے دوران خالص فروخت 18.59 ارب روپے رہی، جو کہ پچھلے سال 13.92 ارب روپے کے مقابلے میں قدر کے لحاظ سے 34 فیصد کی نمو کو ظاہر کرتی ہے۔

فروخت میں بہتر نمو کی بنیادی وجہ رینیلیسٹ مارکیٹ (RM) پر بڑھتی ہوئی توجہ کے ساتھ ساتھ اور بیکل ایکسپنسٹ مینوفیکچررز (OEM) میں بتدریج بہتری ہے۔ RM طبقہ نے تقریباً تمام اقسام کے ٹائروں میں نمایاں نمو ظاہر کی ہے۔ کمپنی نے OEM طبقہ کی ضروریات کو پورا کرتے ہوئے RM طبقہ پر بھی اپنی توجہ بڑھائی ہے۔ مزید برآں، OEM، فروخت، خاص طور پر لائٹ ٹرک، مسافر کار اور ٹرک بس کے ٹائروں کی فروخت میں بھی گزشتہ سال سے بہتری آئی ہے۔

اس سال مجموعی منافع 2,453 ملین روپے رہا جو کہ پچھلے سال 2,104 ملین روپے تھا۔ مجموعی منافع کا مارجن گزشتہ سال کے 15.1 فیصد کے مقابلے میں 13.2 فیصد رہا۔ کم مجموعی مارجن بنیادی طور پر عالمی سپر کموڈٹی سائیکل اور کنٹینر کی قلت کی وجہ سے خام مال اور مال برداری کی لاگت میں اضافہ، روپے کی قدر میں کمی، قدرتی گیس کی کم دستیابی کی وجہ سے ایل پی جی کا استعمال، یوٹیلیٹی کی قیمتوں اور دیگر پیداواری لاگت میں اضافہ، جس کو جزوی طور پر RM کی فروخت میں اضافہ، بہتر پروڈکٹس اور قیمت فروخت میں اضافے نے بڑھتی ہوئی لاگت کے اثرات کو کم کیا ہے۔

اس سال مالیاتی لاگت 748 ملین روپے رہی جو کہ پچھلے سال 504 ملین روپے تھی۔ ادائیگی کے توازن کی صورت حال کو روکنے اور افراط زر کو منظم کرنے کے لیے، SBP نے اپنی پالیسی کی شرح میں باقاعدہ وقفوں سے اضافہ کیا، جس کے نتیجے میں کمپنی کی مالیاتی لاگت میں اضافہ ہوا۔ مزید برآں، خام مال کی قیمتوں میں اضافے کے نتیجے میں زیادہ ورکنگ کیپٹل فنانسنگ ہوئی۔ تاہم، کمپنی نے بہتر ورکنگ کیپٹل مینجمنٹ کے ذریعے جزوی طور پر مالیاتی لاگت میں اضافے پر قابو پایا ہے۔

گزشتہ سال کے 225 ملین روپے کے مقابلے میں اس سال کے لیے کل ٹیکس چارج 268 ملین روپے (بشمول 26 ملین روپے کے سپرنٹیکس) رہا۔ ٹیکس سال 2022 اور اس کے بعد کے سالوں کے لیے فنانس ایکٹ 2022 کے ذریعے سپرنٹیکس عائد کیا گیا ہے۔

اوپر دیے گئے عوامل کی وجہ سے منافع بعد از محصول ختم ہونے والے سال 30 جون، 2022 میں 356 ملین روپے رہا جو کہ پچھلے سال منافع بعد از محصول 573 ملین روپے تھا۔

مستقبل کے امکانات

آپ کی کمپنی نے اسپورٹس یوٹیلیٹی ویہکل (SUV) / کراس اوور کے لیے 17 اور 18 انچ سائز میں نئے ٹائر تیار کیے ہیں۔ OEMs نے 17 انچ ٹائر کی منظوری دے دی ہے، جن میں سے ایک نے سال کے اختتام کے بعد ٹائروں کی خریداری بھی شروع کر دی ہے جبکہ دوسرے OEMs نے اسے اگلے سال میں اپنے نئے آنے والے متوقع ماڈلز میں استعمال کرنے کی منظوری دے دی ہے۔ اس کے علاوہ، کچھ دوسرے OEMs نے 18 انچ سائز میں بھی دلچسپی ظاہر کی ہے، تاہم، SBP کی طرف سے مشینری اور مولڈز کی درآمد پر پابندی کی وجہ سے، ہم ان کے لیے 18 انچ ٹائر تیار کرنے سے قاصر ہیں۔ جیسے ہی یہ پابندیاں ختم ہوں گی، ہم اس کی پیداوار کے لیے مشینری کی خریداری شروع کر دیں گے۔

DIRECTORS' REPORT

The Directors of Ghandhara Tyre and Rubber Company Limited (the "Company") are pleased to present the Annual Report accompanied by Audited Financial Statements for the year ended June 30, 2022.

OPERATING RESULTS

	2022	2021
	--- Rupees in '000 ---	
Profit for the year after taxation	356,065	572,656
Other comprehensive loss	(27,147)	(11,332)
Unappropriated profit brought forward	1,296,281	734,957
Unappropriated profit carried forward	<u>1,625,199</u>	<u>1,296,281</u>
Earnings per share – basic and diluted	<u>Rs. 2.92</u>	<u>Rs. 4.70</u>
Subsequent event		
Proposed dividend @ 30% i.e. Rs. 3 per share (2021: Rs. Nil per share)	<u>365,800</u>	<u>-</u>

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

The Directors confirm the compliance with the Corporate and Financial Reporting Framework of the Securities and Exchange Commission of Pakistan and Code of Corporate Governance for the following matters:

- The financial statements prepared by the management of the Company, fairly present its state of affairs, the results of its operations, cash flows and changes in equity.
- Company has maintained proper books of accounts.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgments.
- International Financial Reporting Standards, as applicable in Pakistan, have been duly followed in preparation of the financial statements.
- There has been no material departure, other than that which has been disclosed in the Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- Key operating and financial data for the last 6 years have been included in the Annual Report 2022.
- Information regarding outstanding taxes and levies are given in the notes to the financial statements.
- The Company has made all its debt repayments as per the agreed timeline.

- The value of investments made by the staff retirement funds as per their respective audited accounts are given below:

	Value of Investment	Year ended
Provident Fund	Rs. 402.367 Million	June 30, 2021
Gratuity Fund	Rs. 143.563 Million	June 30, 2021

- No trading in the shares of the Company were carried out by the Directors, CEO, CFO, Company Secretary, Head of Internal Audit and / or their spouses and minor children.

INTERNAL AUDIT

The Company has an Internal Audit function, which reports directly to the Board Audit Committee (BAC). The BAC regularly reviews the appropriateness of resources and authority of this function. The Head of Internal Audit also directly reports to the BAC. The BAC approves the audit plan, based on an annual and quarterly assessment of the operating areas. The Internal Audit function carries out reviews on the financial, operational and compliance controls, and reports on findings to the BAC.

CORPORATE SOCIAL RESPONSIBILITY

The Company has the culture and history of undertaking social and philanthropic activities and regularly funding a school of The Citizen Foundation located in Landhi, Karachi, Waqf-e-Kuli Khan Trust, a trust engaged in spreading of education in the under privileged class and other charitable institutions.

CONTRIBUTION TO NATIONAL EXCHEQUER:

During the year, the Company contributed Rs. 4,291 million towards national exchequer by way of Custom duties, Income tax, Sales tax, and other modes.

BOARD MEETINGS

During the year, there were five (5) meetings of the Board of Directors held.

Attendance of each Director are as follows:

S. No.	Name of Director	No. of Meeting attended
1.	Lt. Gen. (Retd) Ali Kuli Khan Khattak	5
2.	Mr. Ahmad Kuli Khan Khattak	4
3.	Mrs. Shahnaz Sajjad Ahmad*	4
4.	Mr. Hussain Kuli Khan (CEO)**	5
5.	Mr. Manzoor Ahmed	5
6.	Syed Ahmed Iqbal Ashraf	5
7.	Mr. Adnan Ahmed	5
8.	Mr. Umair Aijaz	5
9.	Mrs. Nazia Qureshi**	1

- * Resigned on 15 June 2022
- ** Appointed on 30 June 2022

Leave of absence(s) was granted to the Directors who could not attend some of the board meetings.

BOARD COMPOSITION AND REMUNERATION

None of the Board members hold directorship of more than seven listed companies.

The total number of directors are eight (8) including one (1) independent female director.

Gender	Number
Male	7
Female	1

The composition of the Board as at June 30, 2022 is as follows:

Category	Names
Chairman BOD	Lt. Gen. (Retd.) Ali Kuli Khan Khattak
Non-Executive Directors	Mr. Ahmad Kuli Khan Khattak Mr. Manzoor Ahmed Mr. Adnan Ahmed Mr. Umair Aijaz
Independent Directors	Syed Ahmed Iqbal Ashraf Mrs. Nazia Qureshi
Executive Director	Mr. Hussain Kuli Khan - (CEO)

Board Audit Committee (BAC):	Category
Syed Ahmed Iqbal Ashraf	Chairman
Mr. Ahmad Kuli Khan Khattak	Member
Mr. Manzoor Ahmed	Member
Mr. Umair Aijaz	Member

Board Human Resource and Remuneration Committee (BHR&RC):	Category
Syed Ahmed Iqbal Ashraf	Chairman
Mr. Ahmad Kuli Khan Khattak	Member
Mr. Adnan Ahmed	Member
Mr. Manzoor Ahmed	Member
Mr. Hussain Kuli Khan	Member

The Company has a formal policy and transparent procedures for the remuneration of its directors in accordance with the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019. The remuneration, including the director fee for attending the Board Meetings paid to the Directors and Chief Executive Officer is disclosed (Note 31.3 and 40 to the financial statements).

MANAGEMENT COMMITTEE

The Management Committee comprises of five (5) senior members who meet and discuss significant business plans, issues and progress updates from their respective functions. Significant matters are placed before the Board of Directors' and its relevant sub-committees in accordance with the applicable Code of Corporate Governance Regulations, for onward discussion and approval.

CHAIRMAN'S REVIEW

The Directors of the Company endorse the contents of the Chairman's Review, which covers performance, plans and decisions for business along with future outlook.

HEALTH, SAFETY AND ENVIRONMENT

We as a Company recognizes Occupational Health, Safety and Environment as one of its guiding principles and a key component of our corporate social responsibility.

PATTERN OF SHAREHOLDING

A statement showing the pattern of shareholding as at June 30, 2022, is attached.

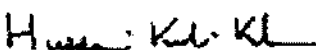
AUDITORS

The present Auditors, M/s. A.F. Ferguson & Co. Chartered Accountants, have retired. The Board of Directors have now recommended the appointment of M/s. Shinewing Hameed Chaudhri & Co., Chartered Accountants, as the statutory auditors of the Company for the year ending 30 June 2023.

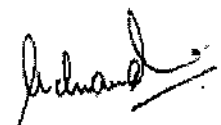
SUBSEQUENT EVENTS

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 the date of this report.

For and on behalf of the Board of Directors



Hussain Kuli Khan
Chief Executive



Adnan Ahmed
Director

Karachi
September 1, 2022

کمپنی کی ایک باقاعدہ پالیسی ہے اور کمپنیز ایکٹ 2017 اور سلیڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے مطابق اس کے ڈائریکٹرز کے مشاہرے کا تعین شفاف طریقے سے کیا جاتا ہے۔ مشاہرے، بشمول ڈائریکٹرز کے بورڈ میٹنگ میں حاضری کی فیس، جو ڈائریکٹرز اور چیف ایگزیکٹو آفیسر کو ادا کی گئی، (نوٹ 31.3 اور 40 برائے مالیاتی گوشوارے میں درج ہے)

انتظامی کمیٹی

انتظامی کمیٹی پانچ (5) سینئر ممبران پر مشتمل ہے جو اہم کاروباری منصوبوں، امور اور اپنے متعلقہ شعبوں میں ترقیاتی کاموں کا جائزہ لینے کے لیے تبادلہ خیال کرتے ہیں۔ قابل اطلاق کوڈ آف کارپوریٹ گورننس کے ضابطہ اخلاق کے مطابق بورڈ آف ڈائریکٹرز اور اس سے متعلقہ ذیلی کمیٹیوں کے سامنے اہم امور پر مزید بحث اور منظوری کے لیے رکھے جاتے ہیں۔

چیئر مین کا تجزیہ

کمپنی کے ڈائریکٹرز چیئر مین کے تجزیے کے مشمولات کی توثیق کرتے ہیں، جو کاروبار سے متعلق کارکردگی، منصوبوں، فیصلوں اور مستقبل کے امکانات کی معلومات پر مشتمل ہے۔ صحت، حفاظت اور ماحولیات ہم بطور کمپنی اعلیٰ معیار کی صحت، حفاظت اور ماحولیات کو اس کے رہنما اصولوں کے مطابق برقرار رکھنے پر یقین رکھتے ہیں اور اسے سماجی ذمہ داری کا ایک کلیدی جز تسلیم کرتے ہیں۔

شیئر ہولڈنگ کا طریقہ کار

کمپنی کی شیئر ہولڈنگ کا طریقہ کار 30 جون، 2022 اس رپورٹ میں درج ہے۔

آڈیٹرز

موجودہ آڈیٹرز میسرز۔ اے۔ ایف۔ فرمکون اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو گئے ہیں۔ بورڈ آف ڈائریکٹرز نے میسرز۔ شائن ونگ حمید چوہدری اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو بحیثیت کمپنی کے آڈیٹرز ختم ہونے والے سال 30 جون 2023 کے لیے تقرری کی سفارش کی ہے۔

بعد کے واقعات

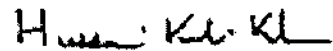
کمپنی کے مالیاتی سال کے اختتام اور اس رپورٹ کی تاریخ کے مابین کمپنی کی مالی حیثیت کو متاثر کرنے والی کوئی مادی تبدیلیاں یا وعدے عمل میں نہیں آئے۔

بورڈ آف ڈائریکٹرز کی جانب سے



عدنان احمد

ڈائریکٹر



حسین فلی خان

چیف ایگزیکٹو آفیسر

کراچی

01 ستمبر، 2022

* 15 جون 2022 کو مستغنی ہو گئی

** 30 جون 2022 کو مقرر ہوئے

جوڈائیکٹرز اجلاس میں حاضر نہ ہو سکے ان کو عدم موجودگی پر رخصت عطا کر دی گئی۔

بورڈ کی تشکیل اور معاوضہ

بورڈ ممبران میں سے کوئی بھی رکن سات (7) سے زیادہ ملحد کمپنیوں کی ڈائریکٹر شپ نہیں رکھتا۔
ڈائریکٹرز کی کل تعداد آٹھ (8) ہے جن میں ایک (1) آزاد خاتون ڈائریکٹر بھی شامل ہے۔

جنس	تعداد
مرد	7
عورت	1

30 جون 2022 کو بورڈ کی تشکیل مندرجہ ذیل ہے۔

کمیٹی	نام
چیزمین بورڈ آف ڈائریکٹرز	لیفٹیننٹ جنرل (ریٹائرڈ) علی فلی خان خٹک
غیر ایگزیکٹو ڈائریکٹرز	جناب احمد فلی خان خٹک جناب منظور احمد جناب عدنان احمد جناب عمیر اعجاز
آزاد ڈائریکٹرز	جناب سید احمد اقبال اشرف محترمہ نازیہ قریشی
ایگزیکٹو ڈائریکٹر	جناب حسین فلی خان (سی ای او)

بورڈ آف کمیٹی	کمیٹی
جناب سید احمد اقبال اشرف	چیزمین
جناب احمد فلی خان خٹک	ممبر
جناب منظور احمد	ممبر
جناب عمیر اعجاز	ممبر

بورڈ آف کمیٹی	کمیٹی
جناب سید احمد اقبال اشرف	چیزمین
جناب احمد فلی خان خٹک	ممبر
جناب منظور احمد	ممبر
جناب عدنان احمد	ممبر
جناب حسین فلی خان	ممبر

- کمپنی نے اپنے تمام قرضوں کی ادائیگی طے شدہ ٹائم لائن کے مطابق کر دی ہے۔
- کمپنی کے ملازمین کے سرمایہ کفالت کی مالیت کے آڈٹ شدہ اکاؤنٹس درج ذیل ہیں۔

قسم ہونے والے سال	سرمایہ کاری کی قیمت	
30 جون، 2021	402.367 ملین روپے	پروویڈنٹ فنڈ
30 جون، 2021	143.563 ملین روپے	گریجویٹ فنڈ

- کمپنی کے ڈائریکٹرز، چیف ایگزیکٹو آفیسر، چیف فنانس آفیسر، کمپنی سیکرٹری، ہیڈ آف انٹرنل آڈٹ اور ان کے فیملی ممبرز کے ذریعہ کمپنی کے حصص میں کوئی کاروبار نہیں ہوا۔

انٹرنل آڈٹ

کمپنی کا ایک انٹرنل آڈٹ فنکشن ہے، جو براہ راست بورڈ آف آڈٹ کمیٹی (BAC) کو رپورٹ کرتا ہے۔ BAC باقاعدگی سے اس کے وسائل اور اختیارات کے فنکشنز کا جائزہ لیتا ہے۔ ہیڈ آف انٹرنل آڈٹ بھی براہ راست BAC کو رپورٹ کرتا ہے۔ BAC آڈٹ پلان کی منظوری دیتا ہے، جو کہ آپریٹنگ ایریا کی سالانہ اور سہ ماہی کارکردگی پر مبنی ہوتا ہے۔ انٹرنل آڈٹ فنکشن مالی، آپریشنل اور کمپلائنس کنٹرولز پر جائزے اور BAC کو نتائج کی رپورٹس کرتا ہے۔

کمپنی کی سماجی ذمہ داری

کمپنی میں معاشرتی اور انسان دوستی کی سرگرمیوں کو انجام دینے کی ثقافت اور تاریخ ہے۔ کمپنی باقاعدگی سے لائڈھی میں واقع دی سٹیزن فاؤنڈیشن کے ایک اسکول، وقف قلی خان ٹرسٹ (ایک ایسٹریٹ جو مستحق طلبہ کی تعلیم کو فروغ دینے میں مصروف عمل ہے) اور مختلف غلامی اداروں کو بھی عطیات دیتی رہتی ہے۔

قومی خزانے میں معاونت

اس سال کے دوران کمپنی نے کسٹمز ڈیوٹی، ایکسائز، سیلز ٹیکس اور دیگر طریقوں کے ذریعہ 4,291 ملین روپے قومی خزانے میں جمع کرائے ہیں۔

بورڈ میٹنگ

اس سال کے دوران بورڈ آف ڈائریکٹرز کے پانچ (5) اجلاس منعقد ہوئے۔ ہر ڈائریکٹر کی حاضری مندرجہ ذیل ہے۔

نمبر شمار	ڈائریکٹر کا نام	میٹنگز میں حاضری کی تعداد
1.	لیفٹیننٹ جنرل (ریٹائرڈ) علی قلی خان ٹنگ	5
2.	جناب احمد قلی خان ٹنگ	4
3.	محترمہ شہناز سجاد احمد*	4
4.	جناب حسین قلی خان (سی ای او)**	5
5.	جناب منظور احمد	5
6.	جناب سید احمد اقبال اشرف	5
7.	جناب عدنان احمد	5
8.	جناب عمیر اعجاز	5
8.	محترمہ نازیہ قریشی**	1

ڈائریکٹرز رپورٹ

گندھارا ٹائر اینڈ ربر کمپنی لمیٹڈ ("کمپنی") کے ڈائریکٹرز 30 جون، 2022 کو ختم ہونے والے سال کیلئے کمپنی کی سالانہ آڈٹ شدہ مالیاتی گوشوارے پیش کرنے میں انتہائی خوشی محسوس کرتے ہیں۔

مالیاتی نتائج

2021	2022
-----('000 روپے میں)-----	
572,656	356,065
(11,332)	(27,147)
734,957	1,296,281
1,296,281	1,625,199
4.70 روپے	2.92 روپے
-	(365,800)

منافع بعد از ٹیکس

دیگر جامع نقصان

غیر تقسیم شدہ منافع

غیر منقسم شدہ منافع آگے لایا گیا

آمدنی فی شیئر بنیادی اور کمزور

بعد کے تصرفات

مجوزہ ڈیویڈنڈ @ 30 فیصد یعنی 3 روپے فی شیئر

(2021: صفرو روپے فی شیئر)

کارپوریٹ اور مالی رپورٹنگ فریم ورک

مندرجہ ذیل ضابطہ برائے کاروباری نظم و نسق، اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک کے مطابق ڈائریکٹرز مسرت کے ساتھ یقین دلاتے ہیں کہ:

- کمپنی کی انتظامیہ کی جانب سے تیار کیے جانے والی مالیاتی گوشوارے شفافیت کے ساتھ کمپنی کے آپریشن کے نتائج، نقدی نقل و حرکت اور ایکویٹی میں تبدیلیوں کو پیش کرتی ہے۔

- کمپنی حسابات کی کتب کو باقاعدہ برقرار رکھتی ہے۔

- مالیاتی گوشواروں کی تیاری کے لئے مناسب اکاؤنٹنگ پالیسیاں مستقل طور پر لاگو کی جاتی ہیں اور اکاؤنٹنگ تخمینے، معقول اور دانشمندانہ فیصلوں پر مبنی ہوتے ہیں۔

- مالیاتی گوشواروں کی تیاری پاکستان میں قابل اطلاق بین الاقوامی مالیاتی رپورٹنگ معیارات کے مطابق کی جاتی ہے۔

- کارپوریٹ گورننس کے بہترین طریقوں سے، بیان کردہ کے علاوہ کوئی انحراف نہیں کیا گیا، جیسا کہ درج کمپنیوں کے ضابطہ اخلاق (کارپوریٹ گورننس) ضابطہ، 2019 میں تفصیل سے بیان کیا گیا ہے۔

- اندرونی کنٹرول کا نظام بہترین انداز میں مرتب کیا گیا ہے اور اسے موثر طریقے سے نافذ اور نگرانی کی جارہی ہے۔

- جاری دساری منصوبوں اور امور کی انجام دہی کے لئے کمپنی کی صلاحیتوں پر کوئی شہادت نہیں ہیں۔

- پچھلے 6 سالوں کی اہم کارکردگی اور مالیاتی اعداد و شمار کو سالانہ رپورٹ میں شامل کیا گیا ہے۔

- غیر ادا شدہ ٹیکسز اور لیویز کے بارے میں معلومات مالیاتی گوشوارے کے نوٹ میں درج ہے۔

NOTICE OF 59th ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 59th Annual General Meeting ("**AGM**") of M/s. Ghandhara Tyre and Rubber Company Limited (formerly known as The General Tyre and Rubber Company of Pakistan Limited) (hereinafter referred to as the "**Company**") will be held on Thursday, 27 October, 2022 at 11:00 a.m. at the Beach Luxury Hotel, Lalazar, Karachi, to transact the following business:

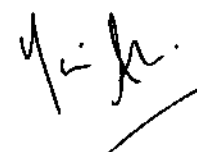
ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 30 June 2022, together with the Reports of the Directors and Auditors thereon.
2. To consider and approve the payment of Rs. 3/- per share @ 30%, as final cash dividend for the financial year ended 30 June 2022, as recommended by the Board of Directors.
3. To appoint statutory auditors of the Company for the year ending 30 June 2023 and to fix their remuneration. The Board of Directors has recommended M/s. ShineWing Hameed Chaudhri & Co., Chartered Accountants, to be appointed as statutory auditors at a fee to be mutually agreed and reimbursements of out of pocket expenses at actuals. M/s. ShineWing Hameed Chaudhri & Co., have provided their consent to be appointed as auditors for the financial year 2023.

ANY OTHER BUSINESS:

4. To transact any other business with the permission of the Chair.

By Order of the Board



Yasir Ali Quraishi
Company Secretary

Karachi
Dated: 5 October 2022

NOTES:

1. The Share Transfer Books of the Company will be closed for determining the entitlement for the payment of Final Cash Dividend from 20 October 2022 to 27 October 2022 (both days inclusive). Transfer requests received at the Office of the Share Registrar of the Company at CDC Share Registrar Services Limited ("CDCSRSL"), situated at CDC House, 99-B, Block "B", S.M.C.H.S., Main Shahrah-e-Faisal, Karachi at the close of business on 19 October, 2022 (Wednesday) will be treated in time for the purposes of entitlement to the transferees.
2. A member entitled to attend and vote at the AGM is entitled to cast his/ her vote by proxy. Proxies must be deposited at the Company's Registered Office at H-23/2, Landhi Industrial Trading Estate, Landhi, Karachi not later than forty-eight (48) hours before the time for holding the AGM.
3. Members are requested to notify change in their addresses, if any, immediately.
4. Shareholders (Non-CDC) are requested to promptly notify the Company's Share Registrar of any change in their addresses.
5. CDC Account Holders will further have to follow the below mentioned guidelines as laid down in Circular No. 1 of 2000 dated 26 January 2000 issued by the Securities and Exchange Commission of Pakistan ("SECP").
6. Any individual beneficial owner having an account or sub-account with the Central Depository Company ("CDC"), entitled to vote at the AGM, must provide his/her Computerized National Identity Card ("CNIC") to prove his/ her identity, and in case of proxy must enclose an attested copy of his/ her CNIC. The representatives of corporate bodies should provide attested copies of Board of Directors' resolution/ powers of attorney and/ or all such documents as are required under Circular No.1 dated 26th January 2000 issued by the SECP for the purpose.
7. Pursuant to Section 223(7) of the Companies Act, 2017, the financial statements and reports have been placed on website of the Company.
8. Members are hereby informed that in pursuant to SECP's S.R.O. 787(1)/2014 dated September 8, 2014 and Companies Act, 2017, Companies have been allowed to circulate the annual reports to members through email. For this purpose, we have attached the request form in the Annual Report 2022 and also uploaded on our Company's website: www.gtr.com.pk. Members who want to avail this facility are requested to submit the request form duly filled to the Share Registrar.
9. Further, in accordance with SRO 470(I)/2016 dated May 31, 2016, through which SECP has allowed companies to circulate the annual audited accounts to its members through CD/DVD/USB instead of transmitting the hard copies at their registered addresses, subject to consent of shareholders and compliance with certain other conditions. The Company has obtained shareholders' approval in the Annual General Meeting held on October 31, 2016. Members can request a hard copy of the same, which shall be provided free of cost within seven (7) days from receipt of requisition.
10. The members who hold shares in dematerialized form are requested to submit the dividend bank mandate form duly filled to their participant/investor account services in the CDC. As per Regulation No. 6 of the Companies (Distribution of Dividend) Regulations, 2017 and Section 243(3) of the Companies Act, 2017, the Company will be constrained to withhold payment of dividend to the shareholders, in case of non-availability of identification number and IBAN of the shareholder or authorized person (CNIC or NTN).

11. For shareholders holding their shares jointly as per the clarification issued by the Federal Board of Revenue, withholding tax will be determined separately on "Filer / Non-Filer" status of the principal shareholder as well as joint-holder(s) based on their shareholding proportions. According to clarification received from Federal Board of Revenue (FBR) withholding tax will be determined separately on 'Active/Inactive' status of Principal shareholder as well as Joint Holder(s) based on their shareholding proportions, in case of joint accounts. Therefore, all shareholders who hold shares jointly are required to provide shareholding proportions of the principal shareholder and Joint-holder(s) in respect of shares held by them to the Share Registrar, in writing as follows:

Company Name	Folio/ CDC Account No.	Total Shares	Principal Shareholder		Joint Shareholder	
			Name and CNIC No.	Shareholding Proportion (No of Shares)	Name and CNIC No.	Shareholding Proportion (No of Shares)

NOTE: In the event of non-receipt of the information by 19 October 2022, each shareholder will be assumed to have equal proportion of shares.

Non-resident shareholder shall submit declaration of undertaking with copy of valid passport under definition contained in Section 82 of the income Tax Ordinance, 2001 for determination of residential status for the purposes of tax deduction on dividend to the Company Share Registrar's. Members may send a declaration using a standard format as placed on Registrar and Company's websites.

For any query, problems and/ or information, the investors may contact the Company Secretary and/ or the Share Registrar at the following phone numbers or email addresses:

Contact Person(s):

Khan Arbab Khan
CDC Share Registrar Services Limited
 CDC House, 99-B, Block 'B', S.M.C.H.S.,
 Main Shahra-e-Faisal Karachi
 92-0800-23275
info@cdcsrsl.com

Yasir Ali Quraishi
 Company Secretary
 Ghandhara Tyre and Rubber
 Company Limited
 021-111-487-487
info@gentipak.com

12. Shareholders who could not collect their dividend /physical shares are advised to contact the Share Registrar to collect/enquire about their unclaimed dividend or shares, if any.
13. Through this Notice, the shareholders are intimated to contact or get in touch with the Company for any unclaimed dividend/ shares within a period of seven (7) days after publishing of the said notice to meet the compliance of SECP Directive No. 16 of 2017 dated 07 July 2017. List of Shareholders having unclaimed dividends/ shares are available on the Company's website www.gtr.com.pk.

14. Members holding ten (10) percent of the total paid up capital, residing in a particular city may demand the Company to provide them the facility of video-link for attending the AGM. If you wish to take benefit of this facility, please fill and send a request in the below terms to the Company at its registered address at least seven (7) days prior to the date of AGM:

I/We, _____ of _____, being a member of M/s. Ghandhara Tyre and Rubber Company Ltd., holder of _____ ordinary share(s) as per Registered Folio/CDC Account No. _____ hereby opt for video link facility at _____

Signature of Member

Members who have not yet submitted photocopy of their CNICs to the Company are requested to send the same at the earliest.

15. In accordance with the Companies (Postal Ballot) Regulations, 2018, for any agenda item subject to the requirements of Section 143 and 144 of the Companies Act, 2017, shareholders will be allowed to exercise their right of vote through postal ballot i.e. by post or e-voting, in the manner and subject to the conditions contained in the aforesaid regulations.
16. The Annual Report for the year ended June 30, 2022, have been made available on the Company's website www.gtr.com.pk, at least 21 days before the date of AGM.
17. The shareholders having physical shareholding may open CDC sub-account with any of the brokers or preferably directly through Investor Account with CDC to place their physical shares into script-less form.

A. For Attending the Meeting:

- i. In case of individuals, the account holder or sub-account holder and/ or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his/ her identity by showing his/ her original CNIC or original passport at the time of attending the AGM.
- ii. In case of corporate entity, the Board of Directors' resolution / duly executed Power of Attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of AGM.

B. For Appointing Proxies:

- i. In case of individuals, the account holder or sub-account holder and/ or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirements.
 - ii. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
 - iii. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
 - iv. The proxy shall produce his/ her original CNIC or original passport at the time of AGM.
 - v. In case of corporate entity, the Board of Directors' resolution/ power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.
18. The shareholders holding physical shares are also required to bring their original CNIC and/ or copy of CNIC of shareholder(s) of whom he/ she/ they hold Proxy(ies). Without CNIC such shareholder(s) shall not be allowed to attend and/ or sign the Register of Shareholders/ Members at the AGM.
19. As per Section 72 of the Companies Act, 2017, every existing company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the SECP, within a period not exceeding four years from the commencement of the Act. In this regard, SECP vide its File No. CSD/ED/Misc./2016-639-640 dated March 26, 2021 has advised all the listed companies to pursue their shareholders who still hold shares in physical form, requiring them to convert their shares in Book-Entry-Form. Holding shares in book-entry form has numerous benefits including secure custody of shares, Instantaneous transfer of ownership and no risk of damaged, lost, forged or duplicate certificates. Accordingly, Shareholders having physical shareholding are requested to convert their shares in book-entry form by opening CDC sub-account with any of the brokers or Investor Account directly with CDC to place their physical shares into script-less form.

- ۳ اصل مالکان کی CNIC یا پاسپورٹ کی مصدقہ نقول پر کسی فارم کے ساتھ منسلک کی جائیں گی۔
- ۴ نامزد شخص کو اجلاس میں شرکت کے وقت اصل CNIC یا اصل پاسپورٹ پیش کرنا ہوں گے۔
- ۵ کارپوریٹ اداروں کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/ پاور آف اٹارنی امیدوار کے شخصی دستخط کے ساتھ کمپنی کو پر کسی فارم کے ساتھ جمع کروانی ہوگی (تا وقتیکہ پہلے فراہم کی گئی ہو)۔

۱۸۔ کمپنی کے تمام شیئرز ہولڈرز/ممبرز جن کے پاس کاغذی حالت میں شیئر موجود ہیں، ان سے درخواست کی جاتی ہے کہ وہ اپنے یا جن کے وہ نمائندے ہیں، ان کے کارآمد CNIC اور اس کی نقل لے کر آئیں۔ CNIC نہ ہونے کی صورت میں اجلاس کے وقت شیئر ہولڈر کو سالانہ اجلاس عام میں شرکت/ شیئر ہولڈرز/ممبران کے رجسٹر میں دستخط کرنے کی اجازت نہیں دی جائے گی۔

۱۹۔ کمپنیز ایکٹ، 2017 کے سیکشن 72 کے مطابق، ہر موجودہ کمپنی کو اپنے فزیکل شیئرز کو بک انٹری فارم کے ساتھ تبدیل کروانا، ایس ای سی پی کی طرف سے مطلع کردہ تاریخ کی مدت کے آغاز سے چار سال کے دوران لازمی ہے۔ اس سلسلے میں، ایس ای سی پی نے اپنی فائل نمبر 640-636-2016/ CSD/ED/Misc. مورخہ 26 مارچ 2021 کے ذریعے تمام لسٹڈ کمپنیوں کو مشورہ دیا ہے کہ وہ اپنے ان شیئر ہولڈرز کی جوابی بھی فزیکل شکل میں حصص رکھتے ہیں، رابطہ کریں کہ وہ اپنے حصص کو بک انٹری فارم میں تبدیل کروائیں۔ بک انٹری فارم میں حصص کی محفوظ تحویل، ملکیت کی فوری منتقلی اور سرٹیفکیٹ کے نقصان، گم ہونے، جعلی یا نقل ہونے کا کوئی خطرہ نہیں ہے۔ اس کے مطابق لہذا فزیکل شیئر ہولڈنگ رکھنے والے شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ اپنے حصص کو کسی بھی بروکر کے ساتھ سی ڈی سی سب اکاؤنٹ کھول کر یا سی ڈی سی کے ساتھ براہ راست انویسٹر اکاؤنٹ کھول کر اپنے حصص کو اسکرپٹ لیس فارم میں تبدیل کروالیں۔

”میں/ہم“ کے _____، بطور کمپنی ممبر رجسٹرڈ فوئیو/سی ڈی سی اکاؤنٹ نمبر _____ کے مطابق _____ عمومی شیئر (شیئرز) کے مالک، بذریعہ ہند _____ (جغرافیائی مقام) ویڈیو کانفرنس کی سہولت کے لئے درخواست دیتے ہیں۔

ممبر کے دستخط

وہ ممبران جنہوں نے ابھی تک اپنے CNIC کی نقل کمپنی کو جمع نہیں کروائی ہے، ان سے درخواست ہے کہ جلد از جلد یہ نقل کمپنی کو ارسال کریں۔

۱۵۔ کمپنیز (پوسٹل بیلٹ) ریگولیشنز، 2018 کے مطابق، کمپنیز ایکٹ، 2017 کے سیکشن 143 اور 144 سے مشروط ہونے پر شیئر ہولڈرز کسی بھی ایجنڈا آئٹم کے لئے پوسٹل بیلٹ یعنی بذریعہ ڈاک یا ای وونگ، ووٹ دینے کا اپنا حق اس طریقے سے اور ان شرائط کے مطابق استعمال کر سکیں گے، جو مذکورہ بالا ریگولیشنز میں موجود ہے۔

۱۶۔ 30 جون 2022 کو ختم ہونے والے سال کے لئے کمپنی کی سالانہ رپورٹ 2022 کمپنی کی ویب سائٹ www.gtr.com.pk پر سالانہ اجلاس عام کے انعقاد کی تاریخ سے کم از کم 21 دن پہلے آویزاں کر دی جائیں گی۔

۱۷۔ فزیکل شیئرڈ رکھنے والے شیئر ہولڈرز کسی بھی بروکر کے ساتھ سی ڈی سی ذیلی اکاؤنٹ کھلوا کر اور ترجیاً سی ڈی سی میں انویسٹر اکاؤنٹ کے ذریعے براہ راست اپنے فزیکل شیئرڈ کو اسکرپٹ لیس (الیکٹرونک) شکل میں رکھ سکتے ہیں۔

الف۔ اجلاس میں شرکت کرنے کے لیے:

(۱) انفرادی صورت میں، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر اور یا/جن کی سیکیورٹیز گروپ اکاؤنٹ میں ہوں اور ان کی رجسٹریشن کی تفصیلات قواعد و ضوابط کے مطابق اپ لوڈ ہوں، کو سالانہ اجلاس عام میں شرکت کے وقت شناخت کے لئے اپنا اصل CNIC یا اصل پاسپورٹ دکھانا ہوگا۔

(۲) کارپوریٹ ادارے کی صورت میں، سالانہ اجلاس عام کے وقت بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی مع شخص دستخط کے (تا وقتیکہ پہلے فراہم کی گئی ہو) پیش کرنا ہوگی۔

ب۔ نمائندوں (Proxies) کی تقرری کے لئے:

(۱) انفرادی صورت میں، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر اور یا/جن کی سیکیورٹیز گروپ اکاؤنٹ میں ہوں اور ان کی رجسٹریشن کی تفصیلات قواعد و ضوابط کے مطابق اپ لوڈ ہوں، مندرجہ بالا شرائط کے مطابق پراکسی فارم جمع کرائیں گے۔

(۲) جن دو افراد سے پراکسی فارم کی تصدیق کروائی جائے گی ان کے نام، پتے اور CNIC نمبر فارم میں درج کئے جائیں گے۔

کمپنی کا نام	فولڈوی ڈی سی ایڈوانسڈ ٹائر	کل شیئرز	پرنسپل شیئر ہولڈر	جوائنٹ شیئر ہولڈر
			نام اور سی این آئی نمبر شیئر ہولڈنگ کا تناسب (شیئرز کی تعداد)	نام اور سی این آئی نمبر شیئر ہولڈنگ کا تناسب (شیئرز کی تعداد)

نوٹ: مطلوبہ معلومات 19 اکتوبر 2022 تک موصول نہ ہونے کی صورت میں یہ سمجھا جائے گا کہ پرنسپل شیئر ہولڈر اور جوائنٹ شیئر ہولڈر (ز) شیئرز کی یکساں ملکیت کے حامل ہیں۔ غیر ملکی/غیر مقامی ممبران کمپنی آرڈیننس 2001 کے سیکشن 11 میں دی گئی تفصیل کے تحت پاسپورٹ کی کاپی کے ہمراہ ایک حلف نامہ اپنی رہائشی حیثیت کا تعین کرتے ہوئے ڈیوڈنڈ پر ٹیکس کی کٹوتی کے لئے کمپنی کے شیئرز رجسٹرار میں جمع کر دئے گا۔ ممبر یہ حلف نامہ کمپنی اور

رجسٹرار کی ویب سائٹس پر موجود ایک اسٹینڈرڈ فارم کا استعمال کرتے ہوئے بھیج سکتا ہے۔

کسی قسم کے مزید سوالات/شکایات/معلومات کے لئے شیئر ہولڈرز کمپنی اور/شیئرز رجسٹرار سے درج ذیل فون نمبرز اور ای میل ایڈریسز پر رابطہ کر سکتے ہیں:

یا سر علی قریشی
کمپنی سیکریٹری
گندھارا ٹائرا اینڈ ربر کمپنی لمیٹڈ
فون نمبر: 021-111-487-487
ای میل: info@gentipak.com

خان ارباب خان
سی ڈی سی شیئرز رجسٹرار سروسز لمیٹڈ،
سی ڈی سی ہاؤس، B-99، بلاک B، ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی
فون نمبرز: 021-111-111-500
23275-0800-92
ای میل: info@cdcsrsl.com

۱۲۔ ایسے شیئر ہولڈرز جو اپنے ڈیوڈنڈ/فرزیکل شیئرز وصول نہیں کر سکے ہیں ان سے گزارش ہے کہ وہ اپنے لادعوئی ڈیوڈنڈ یا شیئرز، اگر کوئی ہوں، کی وصولی کے لئے شیئرز رجسٹرار سے رابطہ کریں۔

۱۳۔ بذریعہ نوٹس ہڈا شیئر ہولڈرز کو مطلع کیا جاتا ہے کہ وہ اپنے کسی بھی لادعوئی ڈیوڈنڈ/شیئرز کے لئے کمپنی سے اس اشتہار کی اشاعت کے سات دن کے اندر رابطہ کریں تاکہ SECP کی ہدایت نمبر: 16 مجریہ 2017 مورخہ 02 جولائی، 2017 کی تعمیل ہو سکے۔ لادعوئی ڈیوڈنڈ/شیئرز رکھنے والے شیئر ہولڈرز کی فہرست کمپنی کی ویب سائٹ www.gtr.com.pk پر دستیاب ہے۔

۱۴۔ کمپنی کے کل ادا شدہ سرمایہ (Paid up capital) کے 10 فیصد کے حامل ممبران، جو کسی ایک خاص شہر میں رہائش پذیر ہوں، اجلاس میں شرکت کے لئے کمپنی سے ووٹوں کی سہولت کا تقاضہ کر سکتے ہیں۔ اگر آپ اس سہولت سے فائدہ اٹھانا چاہتے ہیں تو برائے مہربانی مندرجہ ذیل طریقہ کار کے مطابق اپنی رضامندی سالانہ اجلاس عام سے سات (7) روز قبل کمپنی کے رجسٹرار پتے پر جمع کروائیں۔

نوٹس:

- ۱۔ کمپنی کے شیئر ٹرانسفر کے کھاتے 20 اکتوبر، 2022 سے 27 اکتوبر، 2022 تک بند رہیں گے (دونوں ایام شامل ہیں)۔ 19 اکتوبر 2022 کو کاروباری اوقات کار کے اختتام تک کمپنی کے شیئر رجسٹرار، سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ ("CDCSRSL") سی ڈی سی ہاؤس، B-99، بلاک B، ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی کو موصول ہونے والے ٹرانسفر سالانہ اجلاس عام میں شرکت کی اجازت کے لئے بروقت تصور کئے جائیں گے۔
- ۲۔ سالانہ اجلاس میں حاضر ہونے اور ووٹ دینے کا حق دار کوئی بھی ممبر کسی دوسرے ممبر کو اجلاس میں حاضر ہونے اور ووٹ دینے کے لیے اپنی/اپنا نمائندہ مقرر کر سکتا ہے۔ نمائندے کا تقرر نامہ اجلاس سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس H-23/2 لانڈھی انڈسٹریل ٹریڈنگ اسٹیٹ، لانڈھی، کراچی میں موصول ہو جانا چاہئے۔
- ۳۔ ممبران سے درخواست ہے کہ اپنے پتے میں کسی بھی قسم کی تبدیلی سے کمپنی کو فوراً مطلع کریں۔
- ۴۔ شیئر ہولڈرز (نان سی ڈی سی) سے درخواست ہے کہ اپنے پتے میں کسی بھی قسم کی تبدیلی سے اپنے شیئر رجسٹرار کو فوراً مطلع کریں۔
- ۵۔ سی ڈی سی اکاؤنٹ ہولڈرز کو سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان ("SECP") کے سرکلر 1 مجریہ 2000ء بتاریخ 26 جنوری 2000 میں فراہم کردہ ہدایات کی پیروی کرنی ہوگی۔
- ۶۔ سینٹرل پازٹری کمپنی ("CDC") میں اکاؤنٹ یا ذیلی اکاؤنٹ رکھنے والا کوئی بھی اصل مالک، جو اس اجلاس میں ووٹ دینے کا/کی اہل ہے، اس کو اجلاس میں شرکت کے لیے اپنا اصل کمپیوٹرائزڈ شناختی کارڈ ("CNIC") تصدیق کے لئے دکھانا ہوگا، اور نامزد نمائندہ کی صورت میں اپنے CNIC کی تصدیق شدہ نقل پیش کرنا ہوگی۔ کارپوریٹ ادارے کے نمائندہ کی صورت میں، اجلاس کے وقت بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی اور/یا وہ تمام دستاویزات جو SECP کے سرکلر 1 مجریہ 26 جنوری 2000 کے تحت درکار ہوں، پیش کرنا ہوں گی۔
- ۷۔ کمپنیز ایکٹ، 2017 کے سیکشن (7) 223 کے مطابق سالانہ رپورٹس کمپنی کی ویب سائٹ پر آویزاں کر دی گئی ہیں۔
- ۸۔ ممبران کو بذریعہ ہذا مطلع کیا جاتا ہے کہ SECP کے سرکلر SRO-787(1)/2014 مورخہ 8 ستمبر 2014 اور کمپنیز ایکٹ، 2017 کے مطابق کمپنیز کو اجازت دی گئی ہے کہ وہ سالانہ رپورٹس ممبران کو بذریعہ ای میل ارسال کریں۔ اس مقصد کے لئے ہم نے ایک درخواست فارم سالانہ رپورٹ کے ساتھ منسلک کر دیا ہے اور کمپنی کی ویب سائٹ www.gtr.com.pk پر بھی آویزاں کر دیا ہے۔ وہ ممبران جو اس سہولت سے فائدہ اٹھانے چاہتے ہیں ان سے درخواست ہے کہ باقاعدہ پُر کردہ درخواست فارم شیئر رجسٹرار کو ارسال کریں۔
- ۹۔ مزید برآں، SECP کے سرکلر SRO-470(i) 2016 مورخہ 31 مئی 2016 کے مطابق جس کے ذریعہ SECP نے لسٹڈ کمپنیوں کو اپنے آڈٹ شدہ سالانہ گوشوارے ہر شیئر ہولڈر کو ہارڈ کاپی کی شکل میں اس کے رجسٹرڈ پتے پر ارسال کرنے کے بجائے بذریعہ CD/DVD/USB ارسال کرنے کی اجازت دی ہے، جو شیئر ہولڈرز کی رضامندی اور دیگر مخصوص تقاضوں کی پابندی سے مشروط ہے، کمپنی نے اس پر اپنے شیئر ہولڈرز کی رضامندی اپنے سالانہ اجلاس عام منعقدہ 31 اکتوبر 2016 میں حاصل کر لی ہے۔ ممبران ہارڈ کاپی کی درخواست کر سکتے ہیں جو ان کو درخواست ملنے کے سات دن کے اندر بلا معاوضہ فراہم کی جائے گی۔
- ۱۰۔ غیر طبعی شکل میں شیئر رکھنے والے ممبران سے درخواست ہے کہ وہ باقاعدہ پُر کردہ ڈیوڈنڈ بینک مینڈیٹ فارم CDC میں اپنے بروکر / انویسٹر اکاؤنٹ سروسز میں جمع کروائیں۔ کمپنیز ایکٹ 2017 کی دفعہ (3) 243 اور کمپنیز (ڈسٹریبیوشن آف ڈیوڈنڈ ریگولیشن) 2017 کی دفعہ 6 کے تحت بینک کی موثر تفصیلات اور CNIC یا NTN کی کاپی جمع نہ کرانے کی صورت میں کمپنی ممبر کے تقسیم شدہ منافع کو روکنے کی مجاز ہے۔
- ۱۱۔ فیڈرل بورڈ آف ریونیو کی وضاحت کے مطابق ایسے شیئر ہولڈرز جو جوائنٹ شیئر ہولڈنگ کے مالک ہیں، ان کے شیئرز پر دو ہولڈنگ کا تعین پرنسپل شیئر ہولڈر اور جوائنٹ شیئر ہولڈرز کے ملکییتی شیئرز کے تناسب سے "فائلر/نان فائلر" کی حیثیت سے علیحدہ علیحدہ کیا جائے گا۔ فیڈرل بورڈ آف ریونیو (FBR) کی طرف سے موصول شدہ وضاحت کے مطابق مشترکہ اکاؤنٹ ہونے کی صورت میں دو ہولڈنگ ٹیکس کا تعین پرنسپل شیئر ہولڈر اور جوائنٹ شیئر ہولڈرز کی ایکٹو/نان ایکٹو حیثیت کے تحت ملکییتی شیئرز کے تناسب سے علیحدہ علیحدہ کیا جائے گا۔ اس سلسلے میں جوائنٹ شیئر ہولڈرز کے ساتھ شیئرز رکھنے والے تمام شیئر ہولڈرز سے گزارش ہے کہ وہ اپنی ملکیت میں موجود شیئرز کی تعداد کے تناسب سے پرنسپل شیئر ہولڈر اور جوائنٹ شیئر ہولڈرز (ز) کی تفصیلات ہمارے شیئر رجسٹرار کو درج ذیل کے مطابق تحریری طور پر فراہم کریں:

59 ویں سالانہ اجلاس عام کانوٹس

بذریعہ اطلاع دی جاتی ہے کہ گندھارا ٹائر اینڈ برکینی لمیٹڈ (پہلے دی جنرل ٹائر اینڈ برکینی آف پاکستان لمیٹڈ کے نام سے جانا جاتا تھا) ("کمپنی") کا 59 واں سالانہ اجلاس عام ("AGM") بروز جمعرات مورخہ 27 اکتوبر، 2022 دوپہر 11:00 بجے بہ مقام بیچ گٹھری ہوٹل، لالہ زار، کراچی میں درج ذیل امور کی انجام دہی کے لئے منعقد ہوگا۔

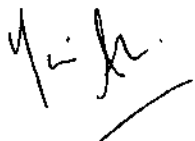
عمومی امور:

- ۱۔ 30 جون 2022 کو ختم ہونے والے سال کے آڈٹ شدہ اکاؤنٹس مع ڈائریکٹرز اور آڈیٹرز کی رپورٹ کی وصولی، ان پر غور و خوض اور منظوری۔
- ۲۔ بورڈ آف ڈائریکٹرز کی سفارشات کے مطابق 30 جون 2022 کو ختم ہونے والے مالی سال کے لئے 30 فیصد، 3 روپے فی شیئر نقد ڈیوڈنڈ کی ادائیگی پر غور و اس کی منظوری۔
- ۳۔ 30 جون 2023 کو ختم ہونے والے سال کے لئے ایکسٹرنل آڈیٹرز کی تقرری اور ان کے معاوضے کا تعین کرنا۔ بورڈ آف ڈائریکٹرز نے میسرز شائن ونگ حمید چودھری اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کی تجویز باہمی طے شدہ معاوضے اور دیگر اخراجات کی ادائیگی پر دی ہے۔ میسرز شائن ونگ حمید چودھری اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس، نے مالی سال 2023 کے لئے اپنی تقرری پر رضامندی ظاہر کر دی ہے۔

دیگر امور:

- ۴۔ چیز کی اجازت سے کسی دیگر معاملے پر غور۔

بحکم بورڈ



یاسر علی قریشی
کمپنی سیکریٹری

کراچی

5 اکتوبر 2022

Statement of Profit or Loss and other Comprehensive Income

--- Rupees in '000 ---

YEAR	2022	2021	2020	2019	2018	2017
Net Sales	18,588,299	13,923,520	8,793,341	10,486,282	11,785,457	9,645,367
Cost of Sales	16,135,560	11,819,632	7,744,581	8,896,798	9,699,779	7,589,305
Gross Profit	2,452,739	2,103,888	1,048,760	1,589,484	2,085,678	2,056,062
Profit from Operations	1,365,138	1,295,353	404,993	836,370	1,190,067	1,303,184
Other Income	130,349	181,597	68,106	69,939	74,141	63,675
Finance Cost	747,818	504,048	848,806	585,032	256,782	124,064
Profit/(loss) before Taxation	623,830	797,473	(446,664)	253,637	940,045	1,184,222
Taxation	267,765	224,817	114,573	130,761	224,494	302,825
Profit/(loss) after Taxation	356,065	572,656	(332,091)	122,876	715,551	881,397
EBITDA	1,853,853	1,773,921	896,722	1,242,183	1,557,216	1,559,384

Statement of Financial Position

--- Rupees in '000 ---

YEAR	2022	2021	2020	2019	2018	2017
Cash and Bank Balances	137,393	74,398	182,749	155,931	91,120	99,572
Stocks	5,299,420	4,841,207	3,318,231	3,721,748	3,324,857	2,074,728
Trade Debts	2,518,372	1,717,939	1,157,946	1,237,309	1,027,027	879,333
Current Assets	10,497,467	8,767,667	6,746,654	7,278,420	6,350,173	4,824,967
Operating Fixed Assets Cost	9,570,264	8,845,943	8,623,130	7,811,482	6,735,011	6,285,069
Investments in an Associated Company	25,918	19,408	13,240	16,091	15,363	10,114
Non Current Assets	5,556,490	5,255,336	5,124,611	5,196,632	4,335,922	3,777,919
Total Assets	16,053,957	14,023,003	11,871,265	12,475,052	10,686,095	8,602,886
Trade and other Payables	3,599,739	2,467,179	1,794,516	1,783,757	1,928,381	1,348,074
Current Liability	10,445,019	8,873,174	7,398,333	7,468,539	5,214,722	3,139,047
Long term Finances	796,083	989,453	1,096,280	1,020,748	1,247,285	1,018,583
Non Current Liability	1,764,405	1,634,214	1,518,641	1,665,731	1,900,177	1,667,453
Total Liabilities	12,209,424	10,507,388	8,916,974	9,134,270	7,114,899	4,806,500
Paid Up Capital	1,219,334	1,219,334	1,219,334	1,016,112	1,016,112	597,713
Reserve for Capital Expenditure	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Unappropriated Profit	1,625,199	1,296,281	734,957	1,324,670	1,555,084	2,198,673
Total Equity	3,844,533	3,515,615	2,954,291	3,340,782	3,571,196	3,796,386

Statement of Cash Flow

--- Rupees in '000 ---

YEAR	2022	2021	2020	2019	2018	2017
Cash Flow from Operating Activities	603,392	(244,115)	476,638	(409,565)	89,969	(31,532)
Cash Flow from Investing Activities	(761,302)	(595,756)	(289,780)	(1,263,612)	(916,934)	(774,138)
Cash Flow from Financing Activities	606,111	1,392,424	(584,102)	(45,631)	158,827	326,531

Financial Performance-Profitability

YEAR	2022	2021	2020	2019	2018	2017
Gross Profit Margin	13.20%	15.11%	11.93%	15.16%	17.70%	21.32%
EBIT Margin	7.34%	9.30%	4.61%	7.98%	10.10%	13.51%
EBITDA Margin	9.97%	12.74%	10.19%	11.85%	13.21%	16.17%
Pre tax Margin	3.36%	5.73%	-5.08%	2.42%	7.98%	12.28%
Net Profit Margin	1.92%	4.11%	-3.78%	1.17%	6.07%	9.14%
Return on equity-before taxation	16.23%	22.68%	-15.12%	7.59%	26.32%	31.19%
Return on equity-after taxation	9.26%	16.29%	-11.24%	3.68%	20.04%	23.22%

Operating Performance/Liquidity

YEAR		2022	2021	2020	2019	2018	2017
Total Assets Turnover	Times	1.16	0.99	0.74	0.84	1.10	1.12
Non Current Assets Turnover	Times	3.35	2.65	1.72	2.02	2.72	2.55
Debtors Turnover	Times	8.78	9.68	7.34	9.26	12.36	10.13
Debtors Turnover	Days	49	45	48	43	32	33
Stock Turnover	Times	3.51	2.88	2.65	2.82	3.54	4.65
Stock Turnover	Days	104	127	138	130	103	79
Creditors Turnover	Times	5.32	5.55	4.33	4.79	5.92	5.75
Creditors Turnover	Days	69	66	84	76	62	64
Cash Operating Cycle	Days	85	106	101	96	73	48
Current ratio		1.01	0.99	0.91	0.97	1.22	1.54
Quick / acid test ratio		0.50	0.44	0.46	0.48	0.58	0.88

Capital Structure Analysis

YEAR		2022	2021	2020	2019	2018	2017
Breakup value / share ★	PKR	31.53	28.83	24.23	27.40	29.29	31.13
Earning/(loss) per share (pre tax) ★	PKR	5.12	6.54	(3.66)	2.08	7.71	9.71
Earning/(loss) per share (after tax) ★	PKR	2.92	4.70	(2.72)	1.01	5.87	7.23

Debt Analysis

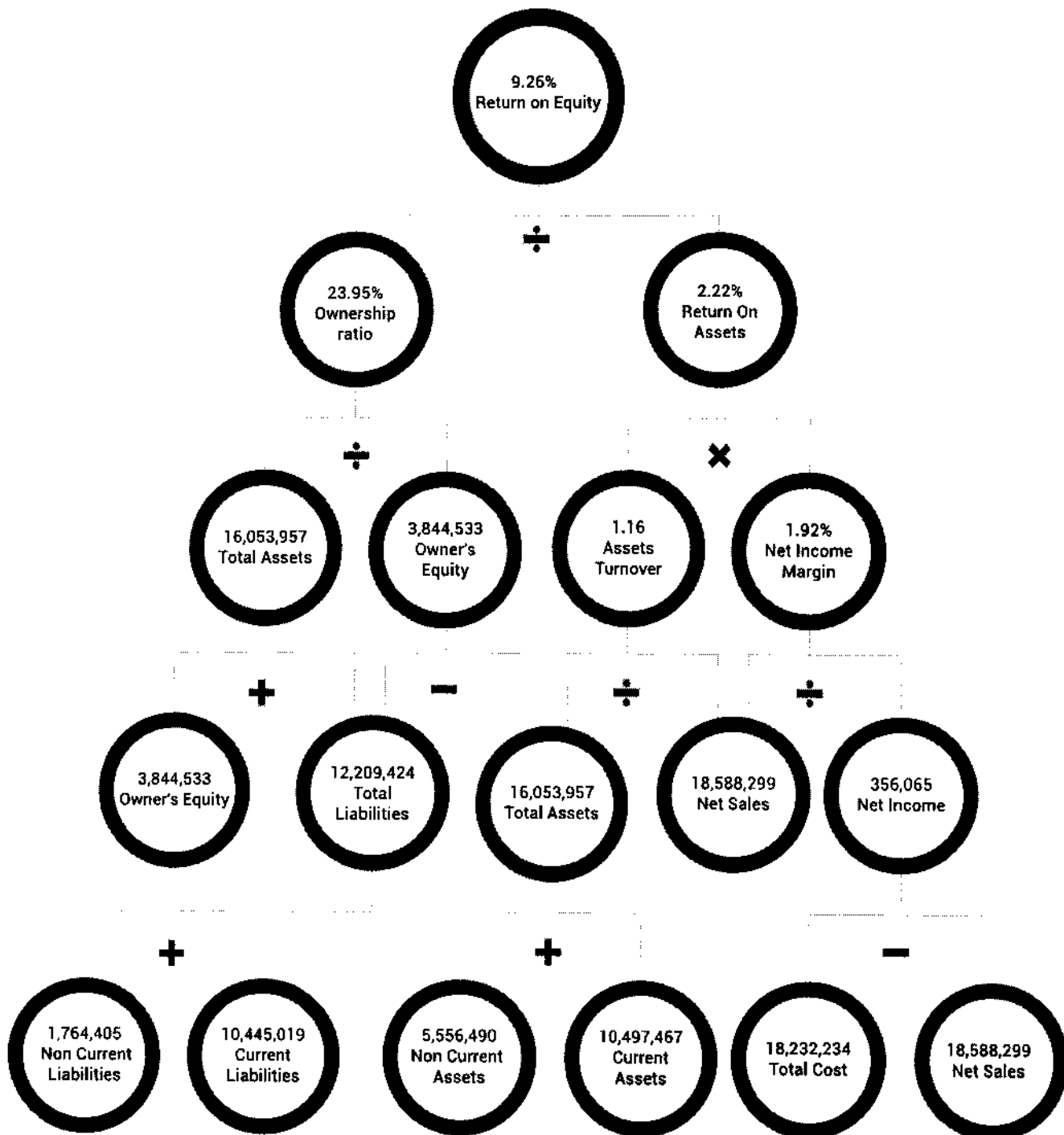
YEAR		2022	2021	2020	2019	2018	2017
Total Debt to Assets	%	76%	75%	75%	73%	67%	56%
Total Debt to Equity	%	318%	299%	302%	273%	199%	127%

Distribution

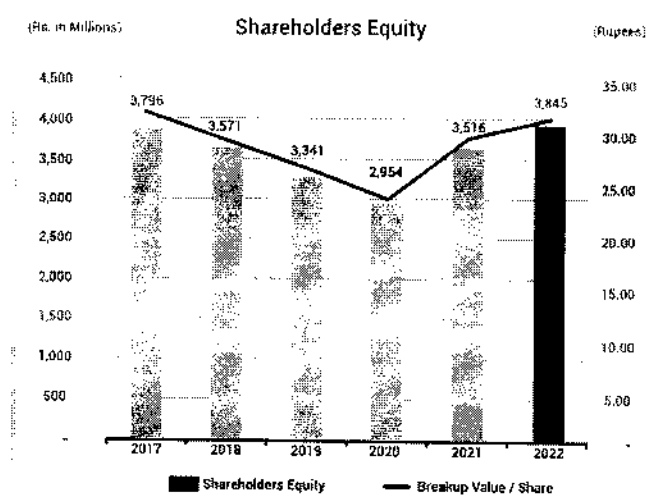
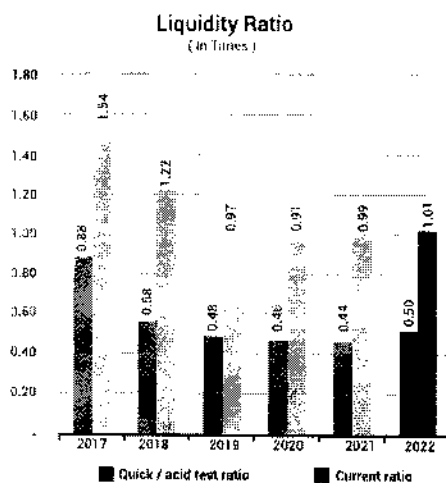
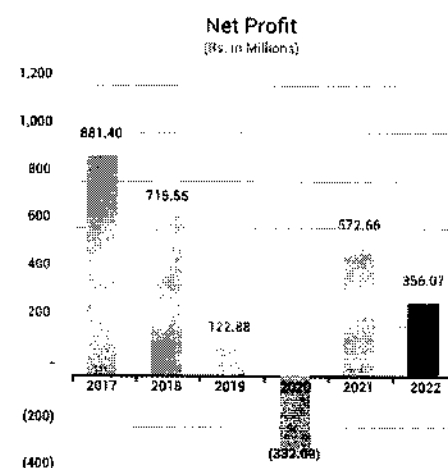
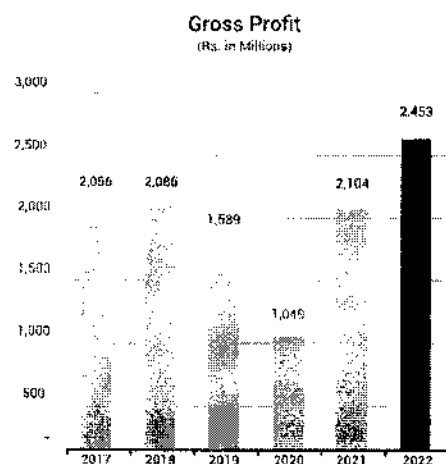
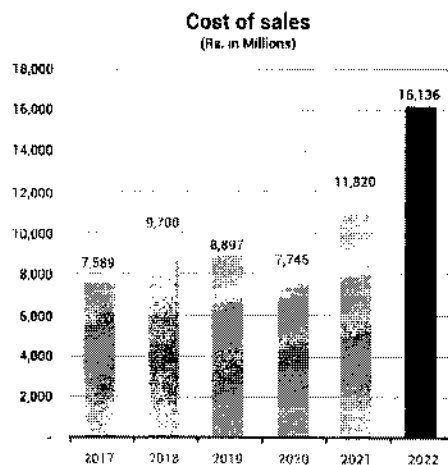
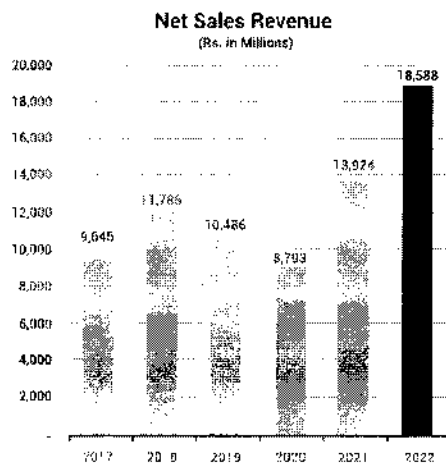
YEAR		2022	2021	2020	2019	2018	2017
Cash Dividend	%	30%	0%	5%	0%	60%	150%
Bonus	%	0%	0%	0%	20%	70%	0%

★Comparatives have been restated on account of issuance of bonus shares.

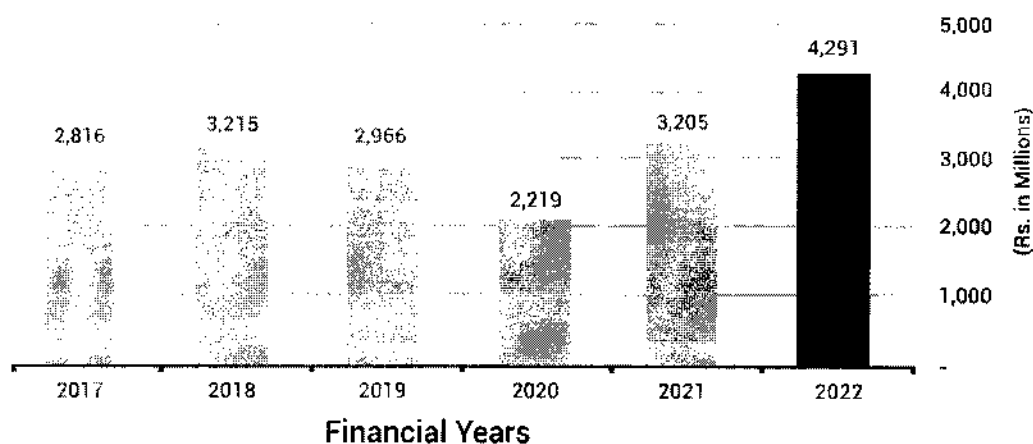
DUPONT ANALYSIS



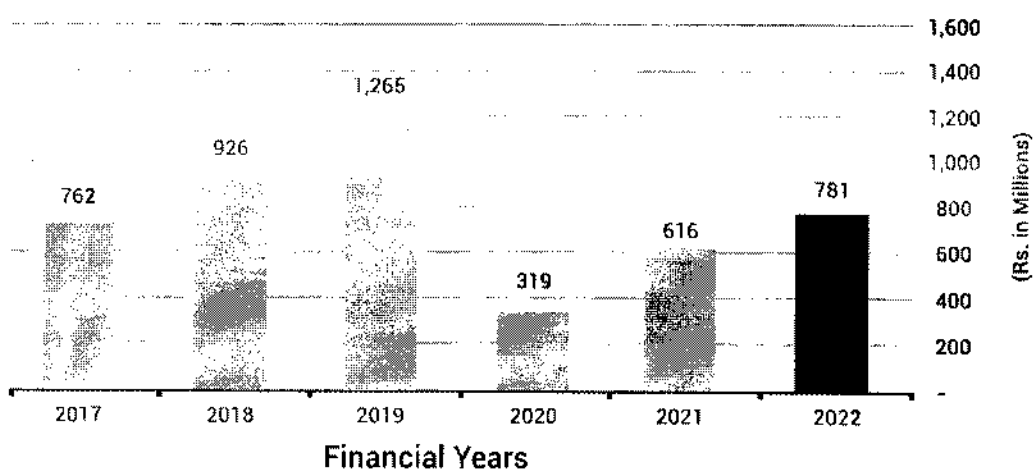
Graphical Presentation



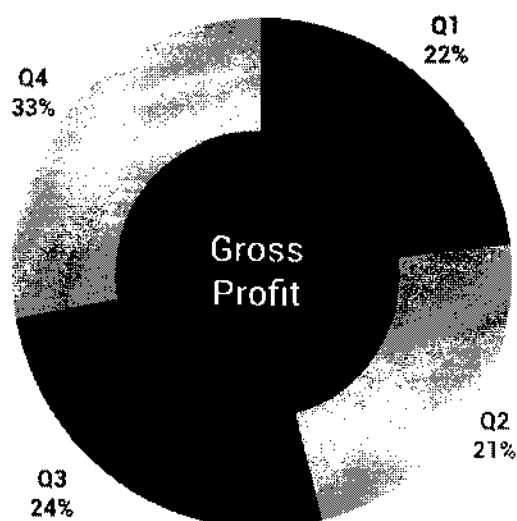
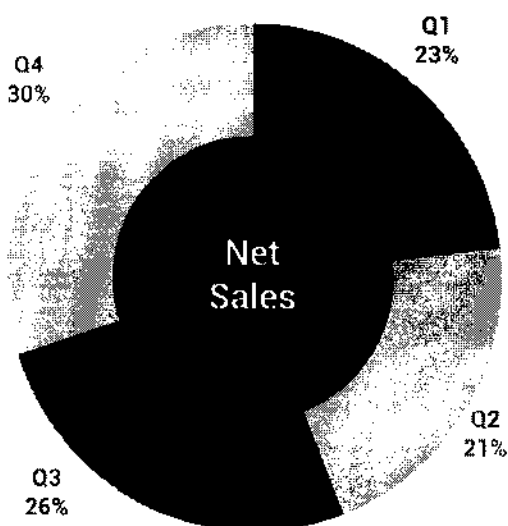
Contribution to National Exchequer



Capital Expenditure



QUARTERLY PERFORMANCE ANALYSIS



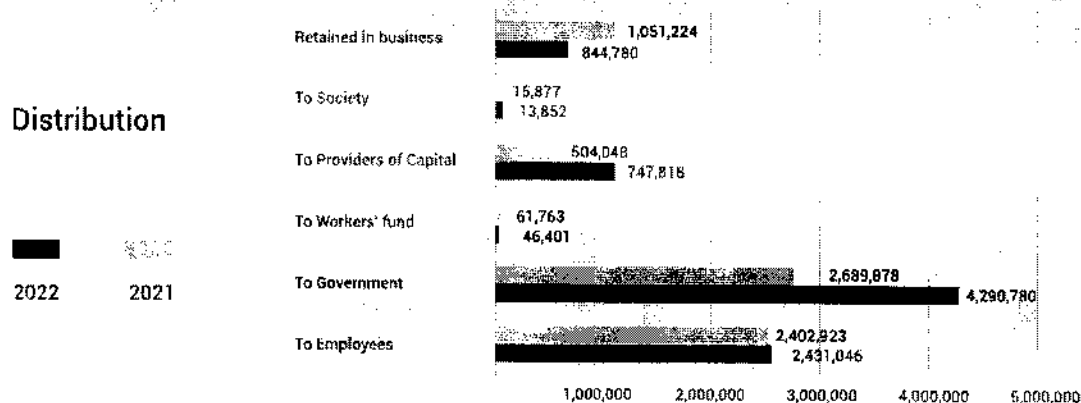
STATEMENT OF VALUE ADDITION

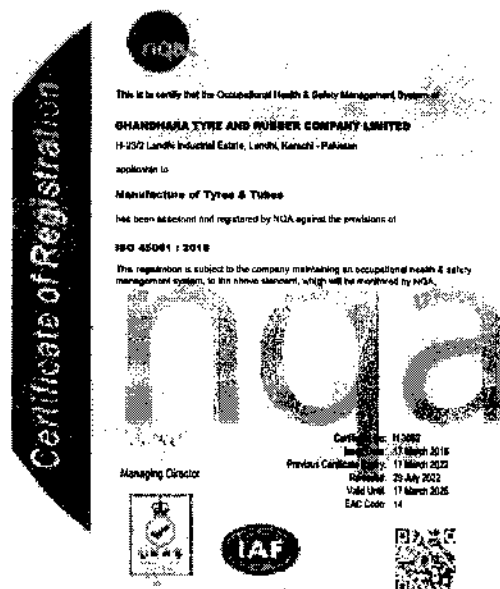
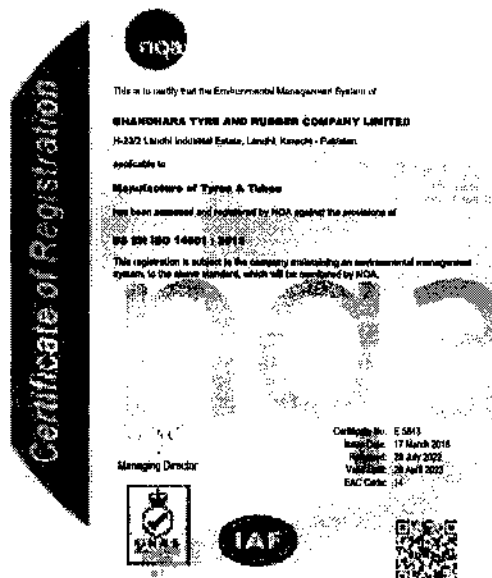
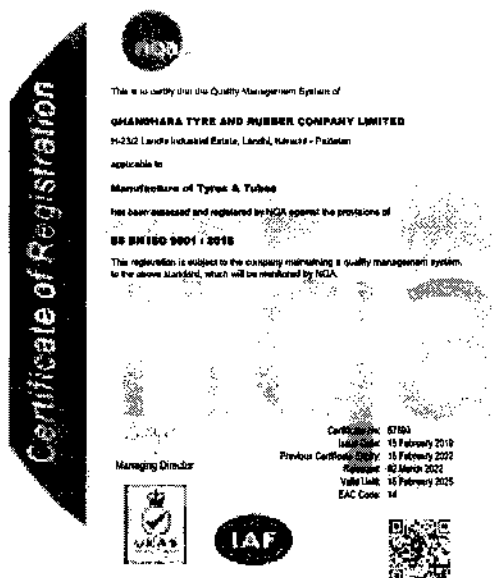
For the year ended June 30, 2022



	2022		2021	
Value addition	Rupees in '000	%age	Rupees in '000	%age
Net sales including sales tax	21,872,884		16,400,408	
Other income including share of profit of an associated company	136,859		187,765	
Cost of materials and services	(13,635,066)		(9,862,460)	
	<u>8,374,677</u>	100	<u>6,725,713</u>	100
Value distribution				
To Employees				
Salaries, wages, benefits and staff welfare	2,431,046	29.03	2,402,923	35.73
To Government				
Income tax	330,491	3.95	212,990	3.17
Sales tax, excise and other duties	3,960,289	47.29	2,476,888	36.83
To Workers' fund				
Workers' profit participation fund	33,510	0.40	43,577	0.65
Workers' welfare fund	12,891	0.15	18,186	0.27
To Providers of Capital				
Mark up/ interest on borrowed money	747,818	8.93	504,048	7.49
To Society				
Donations	13,852	0.17	15,877	0.24
Retained in business				
Depreciation and Amortisation	488,715	5.84	478,568	7.12
Retained profit	356,065	4.25	572,656	8.51
	<u>8,374,677</u>	100	<u>6,725,713</u>	100

Distribution





Standard	Description	Certified By	Certified Since	Certificate no.
ISO 9001 - 2015	Quality Management System	NQA Pakistan	2006	67893
ISO 14001 - 2015	Environmental Management System	NQA Pakistan	2016	E 5843
ISO 45001 - 2018	Occupational Health & Safety Management System	NQA Pakistan	2016	H 3062

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

For the year ended June 30, 2022.



The Company has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) in the following manner:

1. The total number of directors are eight (8) as per the following:

Gender	Number
Male	7
Female	1

2. The composition of the Board as at June 30, 2022 is as follows:

Category	Names
Independent Directors	Syed Ahmed Iqbal Ashraf Mrs. Nazia Qureshi
Non-Executive Directors	Lt. Gen. (Retd.) Ali Kuli Khan Khattak Mr. Manzoor Ahmed Mr. Adnan Ahmed Mr. Ahmad Kuli Khan Khattak Mr. Umair Aijaz
Executive Director	Mr. Hussain Kuli Khan - (CEO)

Regulation 6 requires the Company to have at least one-third members of the Board as independent directors. However, up to June 30, 2022, the Board had one independent director on its Board. On June 30, 2022, the Board appointed second independent director, however, the fraction one-third number was not rounded up to one as the two independent directors elected have requisite competencies, skills, knowledge and experience to fulfill their obligations as per the requirements of the applicable laws and regulations.

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 the Board/ shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and these Regulations.
7. The meetings of the Board were presided over by the Chairman of the Board Meetings. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9. At present, out of eight (8) directors on the Board, five (5) directors have acquired the Directors' Training Program ("DTP") Certifications from SECP recognized institutes. Whereas, two (2) directors are exempted from DTP Certifications. It may be noted that subsequent to the year ended 30 June 2022, arrangements were made by the Company for one of its remaining director to acquire the DTP certification and the same was duly completed by the said director.
10. There was no fresh appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit during the year ended June 30, 2022. The Board has approved the remuneration of Chief Financial Officer, Company Secretary and Head of Internal Audit and complied with relevant requirements of the Regulations.
11. Chief Financial Officer and Chief Executive Officer have duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below:

a. Board Audit Committee (BAC):

Name of the Member	Category
Syed Ahmed Iqbal Ashraf	Chairman
Mr. Manzoor Ahmed	Member
Mr. Ahmad Kuli Khan Khattak	Member
Mr. Umair Aijaz	Member

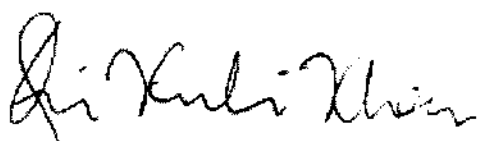
b. Board Human Resource and Remuneration Committee (BHR&RC):

Name of the Member	Category
Syed Ahmed Iqbal Ashraf	Chairman
Mr. Manzoor Ahmed	Member
Mr. Ahmad Kuli Khan Khattak	Member
Mr. Adnan Ahmed	Member
Mr. Hussain Kuli Khan	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings of the committees (quarterly/half yearly/ yearly) were as per following:
 - (a) Board Audit Committee: Eight (08) meetings held during the year ended June 30, 2022.
 - (b) Board HR and Remuneration Committee: Four (04) meetings held during the year ended June 30, 2022
15. The Board has set up an effective internal audit function who are 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 (spouse, 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 requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and
19. Explanation for non-compliance with the requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:
- (a) Currently, the Board has not constituted a separate nomination committee and the functions are being performed by Board Human Resource and Remuneration Committee.
- (b) Further, Risk management committee has not been constituted and the risk management areas are discussed and deliberated upon in the Board Audit Committee and subsequent findings are presented to the Board.

The Board was also guided by the fact that the above requirements are not mandatory and the necessary explanation under the Regulations have been included above.



LT.GEN. (RETD) ALI KULI KHAN KHATTAK
Chairman

Karachi
September 1, 2022



A.F. FERGUSON & CO.

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF GHANDHARA TYRE AND RUBBER COMPANY 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 Ghandhara Tyre and Rubber Company Limited (the Company) for the year ended June 30, 2022 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.

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

Further, we highlight an instance of non-compliance with the requirement of the Regulations as reflected in paragraph 2 of the Statement of Compliance which inter alia states that the Company shall have at least one-third members of the Board as independent directors. However, up to June 29, 2022, the Board had one independent director on its Board.


A. F. Ferguson & Co.
Chartered Accountants
Karachi

Date: September 26, 2022

UDIN: CR202210160PthNloiXg

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

* KARACHI * LAHORE * ISLAMABAD

INDEPENDENT AUDITOR'S REPORT

To the members of Ghandhara Tyre and Rubber Company Limited

Report on the Audit of the Financial Statements**Opinion**

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

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

Basis for Opinion

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

Key Audit Matter

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.



A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

KARACHI • LAHORE • ISLAMABAD

Following is the Key audit matter.

S. No.	Key audit matter	How the matter was addressed in our audit
(i)	Contingencies (Refer notes 15.1.3, 15.1.4, 15.1.5, 15.1.6, 15.1.7, 15.1.8, 15.1.9, 15.1.10, 15.1.11, 15.1.12, 15.1.13 and 15.1.14 to the financial statements) The Company has disclosed various contingencies in relation to income tax and sales tax matters, which are pending adjudication before the taxation authorities and /or the court of law. Contingencies require management to make judgements and estimates in relation to the interpretation of laws, statutory rules, regulations and the probability of outcome and financial impact, if any, on the Company for disclosure and recognition and measurement of any provision that may be required against such contingencies. Due to significance of the amounts involved, inherent uncertainty with respect to the outcome of matters and use of significant management judgements and estimates to assess the same including related financial impacts, we considered contingencies, (as referred in aforementioned notes) a key audit matter.	Our audit procedures amongst others included: <ul style="list-style-type: none"> • Obtained and reviewed details of the pending tax matters and discussed the same with the Company's management. • Circularised confirmations to the Company's external legal and tax counsels for their views on open tax assessments. • Reviewed correspondence of the Company with the relevant authorities including judgements and orders passed by competent authorities in relation to the issues involved or matters which have similarities with the issues involved. • Involved internal tax expert to assess management's conclusion on contingent tax matters. • Assessed disclosures made in the financial statements in respect of such tax matters.

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.

06

7 of 4 pages

Independent Auditor's Report

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.

98

3 of 4 pages

Independent Auditor's Report



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

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

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

Report on Other Legal and Regulatory Requirements

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

- (a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- (b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- (c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- (d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Khurshid Hasan.


A. F. Ferguson & Co
Chartered Accountants

Karachi

Date: September 26, 2022

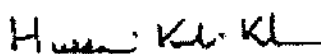
UDIN: AR202210160xBO3N7VWU

STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

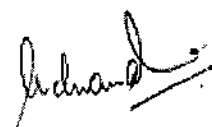
		2022	2021
	Note	--- Rupees in '000 ---	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital			
125,000,000 (2021: 125,000,000) ordinary shares of Rs 10 each		<u>1,250,000</u>	<u>1,250,000</u>
Issued, subscribed and paid-up share capital	4.1	<u>1,219,334</u>	<u>1,219,334</u>
Capital reserve	4.2	<u>1,000,000</u>	<u>1,000,000</u>
Revenue reserve		<u>1,625,199</u>	<u>1,296,281</u>
TOTAL EQUITY		<u>3,844,533</u>	<u>3,515,615</u>
LIABILITIES			
NON CURRENT LIABILITIES			
Long term finances	5	<u>796,083</u>	<u>989,453</u>
Lease liabilities	6	<u>-</u>	<u>3,262</u>
Staff benefits	7	<u>440,729</u>	<u>382,630</u>
Deferred liabilities			
- Deferred tax liability	8	<u>262,919</u>	<u>62,268</u>
- Others	8	<u>254,304</u>	<u>186,641</u>
		<u>517,223</u>	<u>248,909</u>
Long term deposits from dealers	9	<u>10,370</u>	<u>9,960</u>
		<u>1,764,405</u>	<u>1,634,214</u>
CURRENT LIABILITIES			
Current maturity of long term finances	5	<u>489,148</u>	<u>844,077</u>
Current maturity of deferred liabilities	8	<u>177,327</u>	<u>100,954</u>
Current maturity of lease liabilities	6	<u>2,613</u>	<u>5,300</u>
Short term finances	10	<u>2,991,027</u>	<u>1,958,553</u>
Running finances under mark-up arrangements	11	<u>2,904,137</u>	<u>3,289,343</u>
Trade and other payables	12	<u>3,599,739</u>	<u>2,467,179</u>
Unclaimed dividend		<u>19,462</u>	<u>19,554</u>
Accrued mark-up	13	<u>178,709</u>	<u>129,176</u>
Provision	14	<u>82,857</u>	<u>59,038</u>
		<u>10,445,019</u>	<u>8,873,174</u>
TOTAL LIABILITIES		<u>12,209,424</u>	<u>10,507,388</u>
TOTAL EQUITY AND LIABILITIES		<u>16,053,957</u>	<u>14,023,003</u>
Contingencies and commitments	15		



Mr. Siraj A. Lawai
Chief Financial Officer



Mr. Hussain Kuli Khan
Chief Executive




Mr. Adnan Ahmed
Director

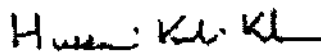
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

		2022	2021
	Note	--- Rupees in '000 ---	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	16	5,498,198	5,197,325
Right-of-use assets	17	1,317	4,838
Intangible assets	18	1,123	2,698
Investment in an associated company	19	25,918	19,408
Long term loans and advances	20	10,508	9,039
Long term deposits	21	19,426	22,028
		5,556,490	5,255,336
CURRENT ASSETS			
Stores and spares	22	693,421	636,040
Stocks	23	5,299,420	4,841,207
Trade debts	24	2,518,372	1,717,939
Loans and advances	25	148,645	74,668
Deposits and prepayments	26	57,388	88,887
Other receivables	27	217,189	185,637
Taxation - net		1,425,639	1,148,891
Cash and bank balances	28	137,393	74,398
		10,497,467	8,767,667
TOTAL ASSETS		16,053,957	14,023,003

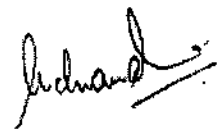
The annexed notes 1 to 48 form an integral part of these financial statements.



Mr. Siraj A. Lawai
Chief Financial Officer



Mr. Hussain Kuli Khan
Chief Executive



Mr. Adnan Ahmed
Director

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2022



		2022	2021
	Note	--- Rupees in '000 ---	
Sales - net	29	18,588,299	13,923,520
Cost of sales	30	(16,135,560)	(11,819,632)
Gross profit		2,452,739	2,103,888
Administrative expenses	31	(332,219)	(315,207)
Distribution cost	32	(687,602)	(597,285)
Other income	33	130,349	181,597
Other expenses	34	(198,129)	(77,640)
Profit from operations		1,365,138	1,295,353
Finance cost	35	(747,818)	(504,048)
		617,320	791,305
Share of profit of an associated company	19	6,510	6,168
Profit before taxation		623,830	797,473
Taxation charge	36	(267,765)	(224,817)
Profit for the year		356,065	572,656
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Staff retirement gratuity re-measurement - net	7.1.8	(40,518)	(15,960)
Impact of deferred tax		13,371	4,628
Other comprehensive loss - net of deferred tax		(27,147)	(11,332)
Total comprehensive income for the year		328,918	561,324
--- Rupees ---			
Earnings per share - basic and diluted	37	2.92	4.70

The annexed notes 1 to 48 form an integral part of these financial statements.

Mr. Siraj A. Lawai
Chief Financial Officer

Mr. Hussain Kuli Khan
Chief Executive

Mr. Adnan Ahmed
Director

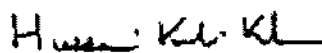
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2022

		Capital Reserve	Revenue Reserve	
	Issued, subscribed and paid-up share capital	Reserve for capital expenditure	Unappropriated profit	Total
----- Rupees in '000 -----				
Balance as at July 1, 2020	1,219,334	1,000,000	734,957	2,954,291
Total comprehensive income for the year ended June 30, 2021				
Profit for the year	-	-	572,656	572,656
Other comprehensive loss	-	-	(11,332)	(11,332)
	-	-	561,324	561,324
Balance as at June 30, 2021	1,219,334	1,000,000	1,296,281	3,515,615
Total comprehensive income for the year ended June 30, 2022				
Profit for the year	-	-	356,065	356,065
Other comprehensive loss	-	-	(27,147)	(27,147)
	-	-	328,918	328,918
Balance as at June 30, 2022	1,219,334	1,000,000	1,625,199	3,844,533

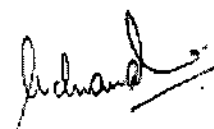
The annexed notes 1 to 48 form an integral part of these financial statements.



Mr. Siraj A. Lawai
Chief Financial Officer



Mr. Hussain Kuli Khan
Chief Executive



Mr. Adnan Ahmed
Director

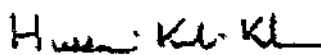
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

		2022	2021
	Note	--- Rupees in '000 ---	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	38	1,677,347	581,993
Staff retirement gratuity paid	7.1.9	(50,792)	(43,478)
Compensated absences paid	7.2.1	(4,989)	(6,537)
Long term deposits from dealers - net		410	99
Finance cost paid		(689,982)	(554,087)
Taxes paid		(330,491)	(212,990)
Long term loans and advances - net		(1,469)	(3,594)
Long term deposits		2,602	(6,177)
Profit on bank deposits received		756	656
Net cash generated from / (used in) operating activities		603,392	(244,115)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(781,227)	(614,295)
Purchase of intangible assets		-	(1,759)
Proceeds from sale of operating fixed assets		19,925	20,298
Net cash used in investing activities		(761,302)	(595,756)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term finance - repaid	5.6	(855,875)	(320,920)
Long term finance - obtained	5.6	436,136	843,040
Lease rental paid - net	6	(6,532)	(17,569)
Short term finances - net	10.2	1,032,474	888,106
Dividend paid		(92)	(233)
Net cash generated from financing activities		606,111	1,392,424
Net increase in cash and cash equivalents		448,201	552,553
Cash and cash equivalents - at beginning of the year		(3,214,945)	(3,767,498)
Cash and cash equivalents - at end of the year	39	(2,766,744)	(3,214,945)

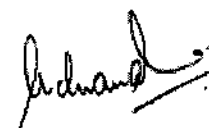
The annexed notes 1 to 48 form an integral part of these financial statements.



Mr. Siraj A. Lawai
Chief Financial Officer



Mr. Hussain Kuli Khan
Chief Executive



Mr. Adnan Ahmed
Director

1. LEGAL STATUS AND OPERATIONS

- 1.1** Ghandhara Tyre and Rubber Company Limited (the Company) (formerly The General Tyre and Rubber Company of Pakistan Limited) was incorporated in Pakistan on March 7, 1963 as a private limited company, under the Companies Act 1913, repealed and replaced by the Companies Ordinance, 1984 which in turn got replaced by the Companies Act 2017, and was subsequently converted into a public limited company. During the year, the Company has changed its name from The General Tyre and Rubber Company of Pakistan Limited to Ghandhara Tyre And Rubber Company Limited, approved by the Securities and Exchange Commission of Pakistan through a certificate of Incorporation on Change of Name dated December 8, 2021. The Company's shares are quoted on the Pakistan Stock Exchange. The registered office of the Company is situated at H-23/2, Landhi Industrial Trading Estate, Landhi, Karachi with regional offices at Lahore, Multan and Islamabad. The Company is engaged in the manufacturing and trading of tyres and tubes for automobiles and motorcycles.
- 1.2** During the year ended June 30, 2021, the High Court of Sindh issued an order whereby the Company and its Board were restrained to pass any resolution involving vote of a special majority that included declaration of final and interim dividends as provided in Articles of the Company. During the year, upon filing of a settlement application before the High Court of Sindh the above restriction on the Company and its Board is extinguished.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of measurement

These financial statements have been prepared under the historical cost convention except as otherwise stated.

2.2 Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is the functional currency of the Company.

2.3 Statement of compliance

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

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board 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 IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.4 New standards, amendments to approved accounting and reporting standards and new interpretations

(a) Amendments to published accounting and reporting standards which became effective during the year ended June 30, 2022

There were certain amendments to accounting and reporting standards which became mandatory for the Company during the current year but are considered not to be relevant or have any significant effect on the Company's financial reporting therefore have not been disclosed in these financial statements.

(b) Amendments to published accounting and reporting standards that are not yet effective:

There are certain amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2022. However, these amendments will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these unconsolidated financial statements.

2.5 Staff retirement benefits

2.5.1 Defined benefit plans

The Company operates an approved funded gratuity scheme for its senior executive staff / managerial cadre and an unfunded gratuity scheme for employees not covered by the funded gratuity scheme. The schemes define the amounts of benefit that an employee will receive on retirement subject to minimum qualifying period of service under the schemes. The amount of retirement benefits are usually dependent on one or more factors such as age, years of service and salary. The gratuity plan is fully funded by the Company.

The funding requirements are based on the gratuity fund's actuarial measurement framework set out in the funding policies of the plan. The funding is based on a separate actuarial valuation for funding purposes for which the assumptions may differ from the assumptions used in determining defined benefit liability. Employees are not required to contribute to the plan.

The liability recognised in the statement of financial position in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets (if any). The defined benefit obligation is calculated annually on the basis of actuarial valuation.

The actuarial valuations of both schemes are carried out by an independent expert, using the 'Projected Unit Credit Method'.

The amounts arising as a result of re-measurements are recognised in the other comprehensive income in the periods in which they occur. Past service costs, if any, are recognised immediately in the profit or loss.

2.5.2 Defined contribution plan

The Company also operates a recognised provident fund for its employees. Equal monthly contributions at the rate of 10% of basic salary are made to the provident fund both by the Company and employees.

2.5.3 Employee compensated absences

The liability in respect of compensated absences of employees is accounted for in period in which these are earned in terms of basic salary upto the reporting date. The provision is recognised on the basis of an actuarial valuation.

2.6 Taxation

Current

Provision for current taxation is the amount computed on taxable income at the current rates of taxation or alternative corporate tax computed on accounting income or minimum tax on turnover, whichever is higher, and taxes paid / payable on final tax basis, after taking into account tax credits available, if any. The charge for the current tax also includes adjustments where necessary, relating to prior years which arise from the assessments made / finalised during the year.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of the taxable profit.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit shall be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date.

2.7 Trade and other payables

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

2.8 Property, plant and equipment

2.8.1 Operating fixed assets and depreciation thereon

Operating fixed assets other than leasehold land are stated at cost less accumulated depreciation and any identified impairment loss. Leasehold land is stated at cost. Cost of certain assets consists of historical cost and the related borrowing cost on loans utilised for the acquisition of those assets.

Depreciation is charged to income applying the straight line method whereby the cost of an asset less residual value is charged-off over its estimated useful life depending upon the class of assets. Depreciation is charged at rates stated in note 16.1.

Depreciation on additions is charged from the month following the month in which an asset is available for use and on deletions upto the month immediately preceding the deletion.

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each reporting date. Items of property, plant and equipment individually costing Rs 10,000 or less are charged to the profit or loss as and when purchased.

Maintenance and normal repairs are charged to the profit or loss as and when incurred. Major renewals and improvements which increase the assets' remaining useful economic life or the performance beyond the current estimated levels are capitalised and the assets so replaced, if any, are retired.

Gains or losses on disposal or retirement of fixed assets are determined as the difference between the sale proceeds and the carrying amount of assets and are included in the profit or loss.

The Company assesses at each reporting date whether there is any indication that the operating fixed assets may be impaired. If such an indication exists, the carrying amounts of the related assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amounts, assets are written down to their recoverable amounts and the resulting impairment loss is charged to the profit or loss. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

2.8.2 Capital work-in-progress

Capital work-in-progress is stated at cost less identified impairment loss, if any. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to specific assets as and when assets are available for use.

2.9 Right-of-use assets

The right-of-use assets are initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of-use asset is depreciated using the straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Company applies the practical expedient to not recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low-value assets.

2.10 Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment losses, if any. Intangible assets are amortised using the straight line method over their estimated useful lives. Amortisation is charged at the rate stated in note 18.1.

Amortisation on additions is charged from the month following in which an asset is available for use and on deletions upto the month immediately preceding the deletion.

Useful lives of intangible assets are reviewed at each reporting date and adjusted if the impact of amortisation is significant.

2.11 Investment in associates

Associates are entities over which the Company has significant influence but not control. Investment in an associate is accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the Company's share of profit or loss of the investee after the date of acquisition. The Company's share of post acquisition profit or loss is recognised in the profit or loss, and its share of post acquisition movements in other comprehensive income is recognised in the other comprehensive income with the corresponding adjustment to the carrying amount of the investment.

When the Company's share of losses in an associate equals or exceeds its interest in the associate, the Company does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Company determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

2.12 Stores and spares

Stores and spares are valued at lower of cost and estimated net realisable value. The cost of stores and spares is based on weighted average cost less provision for obsolescence, if any. Items in transit are valued at cost as accumulated upto the reporting date.

Provision for obsolete items, if any, is based on their condition as at the reporting date depending upon the management's judgement.

2.13 Stocks

Stocks are stated at the lower of cost and net realisable value. Cost in relation to raw materials and trading goods in hand is calculated on weighted average basis.

The cost of work-in-process and finished goods comprises of direct materials, labour and appropriate portion of production overheads.

Raw materials held in custom bonded warehouses and stock-in-transit are valued at cost accumulated upto the reporting date.

Claimed tyres are valued at their estimated net realisable value.

Net realisable value is determined on the basis of the estimated selling price of the product in ordinary course of business less estimated cost of completion and estimated cost necessary to be incurred for its sale.

2.14 Trade debts and other receivables

Trade debts and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing component in which case such are recognised at fair value. The Company holds the trade debts with the objective of collecting the contractual cash flows and therefore measures the trade debts subsequently at amortised cost using the effective interest method.

2.15 Financial assets and financial liabilities

Financial assets

(i) Amortised Cost

Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognised directly in profit or loss.

(ii) Fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets 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.

(iii) Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income or assets that are designated at fair value through profit or loss using fair value option, are measured at fair value through profit or loss. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognised in the profit or loss in the period in which it arises.

Equity instrument financial assets are measured at fair value at and subsequent to initial recognition. Changes in fair value of these financial assets are normally recognised in the profit or loss. Dividends from such investments continue to be recognised in profit or loss when the Company's right to receive payment is established. Where an election is made to present fair value gains and losses on equity instruments in other comprehensive income there is no subsequent reclassification of fair value gains and losses to the profit or loss following the derecognition of the investment.

Financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently remeasured to fair value or amortised cost as the case may be. Any gain or loss on the recognition and de-recognition of the financial assets and liabilities is included in the profit or loss for the period in which it arises.

Financial assets are derecognised when the Company loses control of the contractual rights that comprise the financial asset. Assets or liabilities that are not contractual in nature and that are created as a result of statutory requirements imposed by the Government are not the financial instruments of the Company.

Financial liabilities

Financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised cost are initially measured at fair value less transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are recognised as expense in the profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective yield method.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Where 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 and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the profit or loss.

2.16 Offsetting

A financial asset and financial liability is off-set and the net amount is reported in the statement of financial position when there is a legally enforceable right to set-off the transaction and also there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.17 Impairment

(a) Financial assets

The Company assesses on a forward looking basis, the expected credit losses associated with its financial assets. The Company applies the simplified approach to recognise lifetime expected credit losses for trade debts. For other financial assets, the Company follows general approach to determine impairment under IFRS 9. The Company considers a financial asset in default when contractual payments are 90 days past due.

Significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

The Company recognises in the profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

(b) Non-financial assets

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognised as an expense in the profit or loss. The recoverable amount is the higher of an asset's fair value less cost of disposal and value-in-use. Value-in-use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

An impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.18 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and bank balances and running finance under mark-up arrangements.

2.19 Revenue recognition

(a) Sale of goods

Revenue is recognised when or as performance obligations are satisfied by transferring control of a promised goods or service to a customer, and control either transfers over time or at a point in time. Revenue is measured at fair value of the consideration received or receivable, excluding discounts, rebates and government levies.

(b) Dividend income is recognised when the right to receive such payment is established.

(c) Interest income is accrued on the time proportion basis with reference to the principal outstanding and applicable rate of return.

2.20 Borrowing costs

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

2.21 Government grant

Government grants are recognised where there is a reasonable expectation that the grant will be received and the attached conditions will be complied with. It is recognised as income on a systematic basis over the periods in which the related cost, for which it is intended to compensate is recorded.

2.22 Foreign currency transactions and translation

Foreign currency transactions are recorded using the exchange rates ruling at the dates of the transactions. Monetary assets and liabilities in foreign currencies are translated into Pakistan Rupee using the exchange rate ruling at the reporting date. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and on translation of monetary assets and liabilities denominated in foreign currencies at reporting date are recognised in the profit or loss.

2.23 Warranty tyre replacement allowance

Warranty expense is recognised in the year of sale on the basis of estimates of warranty claims to be received against those sales.

2.24 Provisions, contingent assets and contingent liabilities

Provisions are recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made. However, provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

Contingent assets are disclosed when there is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised until their realisation becomes virtually certain.

Contingent liabilities are disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company; or

- there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

2.25 Lease liabilities

Lease liability is initially measured at the present value of the lease payments discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments include fixed payments and variable lease payment that are based on an index or a rate, amounts expected to be payable by the Company under residual value guarantees, the exercise price of a purchase option if the Company is reasonably certain to exercise that option, payments of penalties for terminating the lease if the lease term reflects the Company exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in the determination of the lease term only when the Company is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of right of use of asset has been reduced to zero.

2.26 Segment reporting

Segment information is presented on the same basis as that used for internal reporting purposes by the Chief Operating Decision Maker. The Chief Executive has been identified as the Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments. On the basis of its internal reporting structure, the Company considers itself to be a single reportable segment.

2.27 Dividend and appropriation to reserves

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

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with the approved accounting and reporting standards requires the use of certain critical accounting estimates. It also requires management to exercise judgements in the process of applying the Company's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Judgements made by management in application of the approved accounting and reporting standards that have significant effect on the financial statements and estimates with a significant risk of material adjustments in the next year are discussed in respective policy notes. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgements were exercised in application of accounting policies are as follows:

- (i) Provision for staff retirement benefits [note 2.5]
- (ii) Provision for taxation [note 2.6]
- (iii) Estimate of useful lives and residual values of property, plant & equipment and intangible assets [notes 2.8 and 2.10]
- (iv) Obsolete stores and spares [note 2.12]
- (v) Determination of net realisable value [note 2.13]
- (vi) Estimation of expected credit losses for trade receivables [note 2.17]
- (vii) Provision for tyre replacement allowance [note 2.23]
- (viii) Provisions, contingent assets and contingent liabilities [Note 2.24]
- (ix) Assessment of discount rates, lease terms and termination and renewal options for leases and present value of right-of-use assets [note 2.25 and 2.9]

4. SHARE CAPITAL AND RESERVES

4.1 Issued, subscribed and paid-up share capital

2022	2021		2022	2021	
--- Number of shares ---			--- Rupees in '000 ---		
7,133,320	7,133,320	Ordinary shares of Rs 10 each fully paid in cash	71,333	71,333	
186,680	186,680	Ordinary shares of Rs 10 each issued for consideration other than cash	1,867	1,867	
114,613,350	114,613,350	Ordinary shares of Rs 10 each issued as fully paid bonus shares	1,146,134	1,146,134	
<u>121,933,350</u>	<u>121,933,350</u>		<u>1,219,334</u>	<u>1,219,334</u>	

4.1.1 Number of ordinary shares of the Company held by the related parties as at June 30

	2022	2021
--- Number of shares ---		
Bibojee Services (Private) Limited	33,881,772	33,881,772
Pakistan Kuwait Investment Company (Private) Limited	36,579,835	36,579,835
	<u>70,461,607</u>	<u>70,461,607</u>

4.2 **Capital reserve**

The reserve has been established out of the unappropriated profit for capital expenditure.

- 4.3 The Company has one class of ordinary shares which carry no rights to fixed income. The holders of shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the meeting of the Company. All shares rank equally with regard to the Company's residual assets.

5. LONG TERM FINANCES - Secured	Note	2022	2021
		--- Rupees in '000 ---	
Term finance - from banking companies			
- Conventional	5.1, 5.2, 5.3 & 5.4	1,071,230	1,514,512
- Shariah compliant	5.5	443,693	420,150
		<u>1,514,923</u>	<u>1,934,662</u>
Less grouped under:			
Current liabilities		(489,148)	(844,077)
Deferred income - Government grant	8	(229,692)	(101,132)
		<u>796,083</u>	<u>989,453</u>

- 5.1 This includes long-term financing facility obtained from Askari Bank Limited - an associated company amounting to Rs 639 million under the Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees of Business Concerns by the State Bank of Pakistan. The loan is repayable in eight equal quarterly instalments, which started from April 2021. The loan carries mark-up at the rate of 3% per annum starting from the date of disbursement and is payable in arrears on quarterly basis. This facility is secured by way of first pari passu charge over all the present and future fixed assets (excluding land and building) and current assets of the Company to the extent of Rs 852 million.
- 5.2 This includes a term finance facility of Rs 700 million obtained to finance capital expenditure. The principal amount drawn is repayable in fourteen equal quarterly instalments which commenced after a grace period of eighteen months from the date of disbursement (i.e. August 17, 2017). This finance facility carries mark-up at the rate of three months KIBOR plus 0.50% per annum and is secured by way of joint pari passu charge over stocks, trade debts and fixed assets (excluding land and building) of the Company to the extent of Rs 933.333 million.
- 5.3 In order to finance the Company's on-going budgeted capital expenditure requirement, the Company obtained a term finance facility of Rs 850 million from a bank. The first draw down of Rs 356.686 million was made during the year ended June 30, 2019 and second draw down of Rs 149.975 million was made during the year ended June 30, 2020. The loan is repayable in fourteen equal quarterly instalments after a grace period of one and a half year from the date of disbursement (i.e. May 3, 2019). This finance facility carries mark-up at the rate of three months KIBOR plus 0.50% per annum and is secured by way of first registered joint pari passu hypothecation charge of Rs 1,133.33 million over all the present and future fixed assets (excluding land and building) and current assets of the Company.

5.4 The Company obtained a long term financing facility from Bank Alfalah Limited under State Bank of Pakistan's (SBP) Refinance Scheme for Temporary Economic Refinance Facility ('TERF'), recognised initially at fair value. The total facility available amounts to Rs 400 million. The loan is repayable in ten years including one years grace period for principal repayments (principal repayments on semi-annual basis whereas markup servicing on quarterly basis). The said facility is secured by way of first pari passu charge over all the present and future fixed assets (excluding land and building) and current assets of the Company to the extent of Rs 533.33 million.

5.5 This represents long term financing facility obtained from Faysal Bank Limited under State Bank of Pakistan's (SBP) Refinance Scheme for Islamic Temporary Economic Refinance Facility ('ITERF'), recognised initially at fair value. The total facility available amounts to Rs 444 million. The balance is repayable in 20 equal quarterly instalments after a grace period of two years from the date of each disbursement. The said facility is secured by way of first pari passu charge over all the present and future fixed assets (excluding land and building) and current assets of the Company to the extent of Rs 592 million.

5.6 Following are the changes in the long term finances:

	Note	2022	2021
		--- Rupees in '000 ---	
Opening balance		1,934,662	1,412,542
Add: Disbursement		436,136	843,040
Less: Repayments		(855,875)	(320,920)
Closing balance		1,514,923	1,934,662
6. LEASE LIABILITIES			
As at 1 July		8,562	66,417
Interest expense related to lease		583	4,021
Payments		(6,532)	(17,569)
Disposals		-	(44,307)
As at 30 June		2,613	8,562
Lease liabilities		2,613	8,562
Less : Current maturity of lease liabilities		(2,613)	(5,300)
		-	3,262
6.1 Maturity analysis			
Not later than 1 year		2,613	5,300
Later than 1 year and not later than 5 years		-	3,262
		2,613	8,562
7. STAFF BENEFITS			
Staff retirement gratuity	7.1	378,209	325,584
Employees compensated absences	7.2	62,520	57,046
		440,729	382,630

7.1 Staff retirement gratuity

7.1.1 As stated in note 2.5.1, the Company operates an approved funded gratuity scheme for its senior executive staff and an unfunded gratuity scheme for employees not covered by the funded gratuity scheme.

7.1.2 Plan assets held in trust are governed by local regulations which mainly include the Sindh Trust Act, 2020, the Companies Act, 2017, Income Tax Rules, 2002 and Rules under the Trust Deed of the Plan. The Board of Trustees are responsible for the governance of the plan assets, including investment decisions and contributions schedules. The Company appoints the trustees and all trustees are employees of the Company.

7.1.3 The latest actuarial valuations of the schemes as at June 30, 2022 was carried out by an external actuary, using the 'Projected Unit Credit Method'. Details of the schemes as per the actuarial valuations are as follows:

	Funded		Unfunded		Total	
	2022	2021	2022	2021	2022	2021
----- Rupees in '000 -----						
7.1.4 Balance sheet reconciliation						
Present value of defined benefit obligation - note 7.1.5	183,025	162,871	417,219	380,328	600,244	543,199
Fair value of plan assets - note 7.1.6	(136,491)	(144,104)	-	-	(136,491)	(144,104)
Liability at end of the year	46,534	18,767	417,219	380,328	463,753	399,095
Payable within next twelve months (note 12)	(45,503)	(26,871)	(40,041)	(46,640)	(85,544)	(73,511)
	1,031	(8,104)	377,178	333,688	378,209	325,584
7.1.5 Movement in the present value of defined benefit obligation						
Balance at the beginning of the year	162,871	175,006	380,328	351,930	543,199	526,936
Current service cost	10,960	11,744	26,599	24,601	37,559	36,345
Interest cost	14,952	13,037	36,435	28,504	51,387	41,541
Benefits paid	(26,688)	(44,161)	(32,027)	(34,085)	(58,715)	(78,246)
Re-measurement on obligation	(2,409)	(3,641)	29,223	20,264	26,814	16,623
Transferred to managerial cadre	23,339	10,886	(23,339)	(10,886)	-	-
Balance as at June 30	183,025	162,871	417,219	380,328	600,244	543,199

Funded		Unfunded		Total	
2022	2021	2022	2021	2022	2021

----- Rupees in '000 -----

7.1.6 Movement in the fair value

of plan assets

Balance at the beginning of the year	144,104	165,610	-	-	144,104	165,610
Interest income	14,014	12,599	-	-	14,014	12,599
Contributions	18,765	9,393	-	-	18,765	9,393
Benefits paid	(26,688)	(44,161)	-	-	(26,688)	(44,161)
Re-measurement	(13,704)	663	-	-	(13,704)	663
Balance as at June 30	136,491	144,104	-	-	136,491	144,104

7.1.7 Charge for the year

Current service cost	10,960	11,744	26,599	24,601	37,559	36,345
Net interest cost	938	438	36,435	28,504	37,373	28,942
	11,898	12,182	63,034	53,105	74,932	65,287

7.1.8 Re-measurement recognised in other comprehensive income

Re-measurement(gain)/loss on obligation	(2,409)	(3,641)	29,223	20,264	26,814	16,623
Re-measurement(gain)/loss on fair value of plan assets	13,704	(663)	-	-	13,704	(663)
	11,295	(4,304)	29,223	20,264	40,518	15,960

7.1.9 Net recognised liability

Net liability at beginning of the year	18,767	9,396	380,328	351,930	399,095	361,326
Charge for the year	11,898	12,182	63,034	53,105	74,932	65,287
Benefits paid during the year	-	-	(32,027)	(34,085)	(32,027)	(34,085)
Contributions made during the year	(18,765)	(9,393)	-	-	(18,765)	(9,393)
Transferred to managerial cadre	23,339	10,886	(23,339)	(10,886)	-	-
Re-measurement recognised in other comprehensive income	11,295	(4,304)	29,223	20,264	40,518	15,960
Net liability as at June 30	46,534	18,767	417,219	380,328	463,753	399,095
Payable within next twelve months	(45,503)	(26,871)	(40,041)	(46,640)	(85,544)	(73,511)
	1,031	(8,104)	377,178	333,688	378,209	325,584

7.1.10 Plan assets comprise of:

Equity instruments - Quoted	36,977	44,083	-	-	36,977	44,083
Term Deposit Receipts	96,080	97,971	-	-	96,080	97,971
Cash at bank	3,434	2,050	-	-	3,434	2,050
	136,491	144,104	-	-	136,491	144,104

	Funded		Unfunded	
	2022	2021	2022	2021
	----- % per annum -----			

7.1.11 Actuarial assumptions used

Discount rate	12.25	10.00	12.25	10.00
Expected rate of increase in future salaries	12.25	10.00	12.25	10.00
Demographic assumptions				
- Mortality rates (for death in service)	SLIC (2001-05)	SLIC (2001-05)	SLIC (2001-05)	SLIC (2001-05)
- Rates of employee turnover	Moderate	Moderate	Moderate	Moderate

7.1.12 Sensitivity analysis for actuarial assumptions

The sensitivity of the defined benefit obligation to changes in principal assumptions is as follows:

		Impact on defined benefit obligation	
	Change in assumptions	Increase in assumptions	Decrease in assumptions
		----- Rupees in '000 -----	
Discount rate	1.00%	(36,752)	41,504
Future salaries	1.00%	43,965	(39,577)
Withdrawal rates	10.00%	(598)	610

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and change in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of defined benefit obligation calculated with the project unit credit method at the end of reporting period) has been applied as when calculating the gratuity liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

7.1.13 Based on actuary's advice, the expected charge for the year ending June 30, 2023 amounts to Rs 16.107 million and Rs 76.739 million for funded and unfunded gratuity schemes respectively.

7.1.14 The weighted average duration of funded gratuity and un-funded gratuity is 5.45 and 6.99 years respectively.

7.1.15 Description of the risks to the Company:

The defined benefit schemes expose the Company to the following risks:

Mortality risks - The risk that the actual mortality experience is different. The effect depends on the beneficiaries' service / age distribution and the benefit.

Final salary risks - The risk that the final salary at the time of cessation of service is different than what was assumed. Since the benefit is calculated on the final salary, the benefit amount changes similarly.

Withdrawal risks - The risk of higher or lower withdrawal experience than assumed. The final effect could go any way depending on the beneficiaries service/age distribution and the benefit.

Asset volatility - The plan liabilities are calculated using a discount rate set with reference to corporate bond yields; if plan assets underperform this yield, this will create a deficit. The Fund believes that due to the long-term nature of the plan liabilities and the strength of the Company's support, the current investment strategy manages this risk adequately.

			2022	2021
			--- Rupees in '000 ---	
7.2	Employees compensated absences	Note		
	Balance at the end of the year	7.2.1	69,874	62,809
	Payable within next twelve months		(7,354)	(5,763)
			62,520	57,046
7.2.1	Movement in the account during the year is as follows:			
	Balance at the beginning of the year		62,809	58,137
	Charge for the year		12,054	11,209
			74,863	69,346
	Encashed during the year		(4,989)	(6,537)
	Balance at the end of the year		69,874	62,809
8.	DEFERRED LIABILITIES			
	Deferred tax - net	8.1	262,919	62,268
	Gas Infrastructure Development Cess (GIDC)	8.2	201,939	186,463
	Deferred income - Government grant	8.3	229,692	101,132
			431,631	287,595
	- Less: Current maturities of deferred liabilities			
	GIDC payable		139,185	79,534
	Government grant		38,142	21,420
			177,327	100,954
			254,304	186,641
			517,223	248,909

8.1 Deferred tax - net

2022 **2021**

--- Rupees in '000 ---

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

Taxable temporary difference

Accelerated tax depreciation

Deferred liabilities

Share of profit from associate

727,662	614,553
2,257	6,471
3,888	-
733,807	621,024

Deductible temporary difference

Provision for expected credit loss

Provision for doubtful custom duty rebates recoverable

Provision for staff benefits

Interest payable on custom duties

Provision for tyre replacement allowance

Minimum tax

Un-absorbed tax depreciation

Lease liabilities net of right-of-use assets

Others

(15,280)	(9,280)
(29,820)	(26,205)
(160,741)	(133,137)
(9,878)	(8,681)
(27,342)	(17,121)
(41,898)	(315,271)
(168,892)	(46,365)
(428)	(1,080)
(16,609)	(1,616)
(470,888)	(558,756)
262,919	62,268

8.1.1 The Company has recognised deferred tax asset on minimum turnover tax of taxable turnover amounting to Rs 41.898 million (2021: Rs 315.271 million) as the Company, based on its financial projections, expects to recoup it in the ensuing years. The Company carries out periodic assessments to determine if the Company would be able to set off the minimum tax against the future tax liabilities of the Company.

8.2 The Supreme Court of Pakistan (SCP) through its judgment dated August 13, 2020 ("GIDC Judgement") declared the Gas Infrastructure Development Cess Act, 2015 ("GIDC Act 2015") as valid and intra vires the Constitution of Pakistan 1973. It further allowed recovery of GIDC that has become due up to July 31, 2020, by the gas company from their consumers in 48 equal monthly installments.

The Company has filed a suit before High Court of Sindh on September 18, 2020 on the grounds that factual determination of the GIDC passed-on is to be carried out, which is pending adjudication. Meanwhile the High Court of Sindh granted the Company an interim stay dated September 19, 2020 restraining the gas companies from taking coercive action against the Company for non-payment of GIDC installments.

The Company has followed the relevant accounting standards and guidelines issued by the Institute of Chartered Accountants of Pakistan in this regard.

8.3 This represents deferred government grant recognised in respect of the benefit of below-market interest rate on long term finances as referred to in note 5. The benefit has been measured as the difference between the fair value of the loan and the proceeds received. The Company has used the prevailing market rate of mark-up for similar instruments to calculate fair values of respective loans.

9. LONG TERM DEPOSITS FROM DEALERS

These deposits are interest free and are not refundable during the subsistence of dealership and are utilised for the purpose of business as per the written agreements.

		2022	2021
		--- Rupees in '000 ---	
10. SHORT TERM FINANCES - Secured	Note		
Conventional	10.1	1,391,969	1,111,807
Shariah Compliant	10.1	1,599,058	846,746
		<u>2,991,027</u>	<u>1,958,553</u>

10.1 Short term finance facilities available from commercial and islamic banks aggregate Rs 3,465 million (2021: Rs 2,000 million) and are secured against pari passu charge over fixed assets (excluding land and building), stocks and trade debts of the Company. The rates of mark-up of these facilities range from KIBOR plus 0% to KIBOR plus 0.85% per annum. These facilities are expiring on various dates upto March 31, 2023.

10.2 Following are the changes in short term finances:

	Note	2022	2021
		--- Rupees in '000 ---	
Opening balance		1,958,553	1,070,447
Disbursements net of repayments		1,032,474	888,106
Closing balance		<u>2,991,027</u>	<u>1,958,553</u>

11. RUNNING FINANCES UNDER MARK-UP ARRANGEMENTS - Secured

Conventional	11.1 & 11.3	2,733,005	3,222,824
Shariah Compliant	11.1	171,132	66,519
		<u>2,904,137</u>	<u>3,289,343</u>

11.1 The Company has arranged running finance facilities from commercial and islamic banks on mark-up basis to the extent of Rs 4,389 million (2021: Rs 5,050 million). The rates of mark-up on these arrangements range from KIBOR plus 0.50% to KIBOR plus 1.25% per annum. These finance facilities are secured against pari passu charge over fixed assets (excluding land and building), stocks and trade debts of the Company and are expiring on various dates by March 31, 2023.

11.2 The facilities for opening letters of credit and guarantees as at June 30, 2022 aggregated Rs 5,500 million (2021: Rs 5,200 million) of which the amount remaining unutilised at the year-end was Rs 3,867.4 million (2021: Rs 2,950.8 million).

11.3 The year end balance includes Rs 122.519 million (2021: Rs 352.110 million) payable to Askari Bank Limited - an associated company.

12.	TRADE AND OTHER PAYABLES	Note	2022	2021
			--- Rupees in '000 ---	
	Trade creditors		301,230	147,331
	Bills payable		1,387,683	752,474
	Accrued expenses	12.1	1,360,530	1,118,478
	Royalty fee payable		126,022	89,481
	Advances from customers	12.2	72,593	48,842
	Staff provident fund payable		4,863	4,613
	Staff retirement gratuity	7.1.4	85,544	73,511
	Short term deposits		2,772	1,852
	Workers' profits participation fund payable	12.3	6,637	43,577
	Workers' welfare fund payable		12,891	18,186
	Payable to Waqf-e-Kuli Khan		8,902	14,327
	Interest payable on custom duties	12.4 & 12.5	29,933	29,933
	Sales tax payable		172,211	93,632
	Others	12.6	27,928	30,942
			3,599,739	2,467,179

12.1 Includes Rs 50.624 million (2021: Rs 35.510 million) pertaining to key management personnel.

12.2 Represent advances from customers received against sale of tyres and tubes in the ordinary course of business. The advances outstanding as at June 30, 2021 amounting to Rs 48.842 million have been fully recognized as revenue during the current year.

12.3	Workers' profits participation fund	Note	2022	2021
			--- Rupees in '000 ---	
	Balance at the beginning of the year		43,577	-
	Interest on funds utilised in the			
	Company's business	35	68	-
	Allocation for the year	34	33,510	43,577
			33,578	43,577
	Payments made during the year		(70,518)	-
	Balance as at June 30		6,637	43,577

12.4 The Company had deferred the recognition of import levies relating to the plant and machinery imported under a finance lease arrangement with Islamic Development Bank (IDB), Jeddah as these were not payable by the Company until the ownership of the subject plant and machinery was transferred in the Company's name. The Federal Board of Revenue (FBR) had imposed a condition that interest at the prevailing bank rate shall be payable on the import levies deferred till the date such levies are paid.

During the year ended June 30, 2001 the Appraisement Collectorate, Custom House, Karachi (ACCH) issued a final notice to the Company to deposit all outstanding dues amounting to Rs 208.323 million being interest on custom duties including surcharge and delayed surcharge calculated upto March 31, 2001. In reply the Company had filed an application with the High Court of Sindh to vacate the said charge of interest.

The High Court of Sindh, during year ended June 30, 2005, dismissed the petition filed by the Company. ACCH issued another final notice to the Company to deposit all outstanding dues amounting to Rs 294.907 million being interest on custom duties including surcharge and delayed surcharge calculated upto May 15, 2005. The Company filed an appeal with the Supreme Court of Pakistan against the decision of the High Court of Sindh.

During the year ended June 30, 2006, the Company filed an application for alternate dispute resolution with the Alternate Dispute Resolution Committee on the direction of the Supreme Court of Pakistan.

The ADRC, during year ended June 30, 2007, recommended that the Company shall be liable to interest on late payment of principal amounting to Rs 111.547 million and surcharge on late payment of principal amounting to Rs 2.983 million, however, the Company shall not be liable to surcharge on late payment of interest. The FBR accepted the recommendations of the ADRC, except for the waiver of surcharge on the late payment of interest, and instructed the Company to pay Rs 114.530 million on account of interest on custom duties including surcharge thereon. The Company's pending refund claims upto that time amounting to Rs 20.195 million had also been processed and adjusted by the ACCH. During that year, the Company also made a partial payment amounting to Rs 40 million in respect of the FBR's demand based on ADRC recommendations. During the year ended June 30, 2009, the Company made a further partial payment amounting to Rs 20 million in respect of the FBR's demand.

The FBR, during the year ended June 30, 2011, adjusted an amount of Rs 4.402 million against outstanding interest and customs duties which resulted in the reduction of liability towards the FBR to Rs 29.933 million.

- 12.5 During the year ended June 30, 2001 an amount of Rs 5 million was paid by the Company under protest on account of interest on import levies. Further, refunds of custom duty rebates amounting to Rs 4.923 million and Rs 4.070 million were adjusted by the customs authorities during the year ended June 30, 2000 and 2001 respectively against their demand of interest on import levies referred to in note 12.4. The management is of the view that the above adjustments aggregating Rs 13.993 million will be made against the amount of interest payable on custom duties, as more fully explained in note 12.4. However, pending a formal adjustment order, the amount of Rs 13.993 million is shown receivable as 'current account balances with statutory authorities' (note 26).
- 12.6 Others include vehicle deposits under the Company's vehicle policy aggregating Rs 3.635 million (2021: Rs 6.964 million).

			2022	2021
			--- Rupees in '000 ---	
13. ACCRUED MARK-UP	Note			
Mark-up accrued on:				
- long term finances			18,793	22,457
- short term finances			75,918	32,096
- running finances			83,998	74,623
	13.1		<u>178,709</u>	<u>129,176</u>
13.1	Include mark-up amounting to Rs 7.71 million (2021: Rs 16.128 million) due to Askari Bank Limited - an associated company.			
14. PROVISION	Note		2022	2021
			--- Rupees in '000 ---	
Tyre replacement allowance	14.1		<u>82,857</u>	<u>59,038</u>
14.1 Provision for tyre replacement allowance				
Balance at the beginning of the year			59,038	48,700
Charge for the year	14.1.1 & 30.1		90,114	70,729
			<u>149,152</u>	<u>119,429</u>
Claims paid / adjusted			(66,295)	(60,391)
Balance as at June 30			<u>82,857</u>	<u>59,038</u>
14.1.1	This represents provision on account of tyre replacement claims expected to be received by the Company in the coming years.			
15. CONTINGENCIES AND COMMITMENTS				
15.1 Contingencies				
15.1.1	The Central Excise and Taxation Department had issued a demand notice for payment of sales tax of Rs 16.775 million. This represents sales tax levied on agricultural tyres supplied to approved assembly plants which were otherwise exempt under SRO 553(I)/94 dated June 9, 1994 as amended vide SRO 555(I)/94 dated June 9, 1994 during the period from July 1994 to September 1995. The Company filed an appeal with the Collector, Central Excise and Land Customs (Appeals) on November 25, 1997 which was rejected. The Company filed an appeal against that order before the Customs, Central Excise and Sales Tax Appellate Tribunal which had stayed the recovery of sales tax from the Company, subject to the condition that the Company furnishes an indemnity bond to the satisfaction of the Collector of Sales Tax. Accordingly, the Company furnished the indemnity bond dated March 18, 1998 of Rs 16.775 million.			

The Company also filed an application No. B&CA/2.020/01/97 dated November 25, 1997 with the Collector of Sales Tax (East), Karachi for grant of exemption from sales tax in terms of section 65 of the Sales Tax Act, 1990. However, the FBR on finalisation of the report by the Collector of Sales Tax and Central Excise (East), rejected the Company's application through letter No. C No. 1/52-STT/97 dated July 19, 2000. The Company filed a constitutional petition No.1939/2000 against the decision of the FBR in the High Court of Sindh under article 199 of the Constitution of Pakistan, 1973 which was dismissed.

The Collector of Sales Tax and Central Excise (East), Karachi had adjusted refund claims filed by the Company aggregating Rs 12.823 million against the aforementioned demand notice upto the year ended June 30, 2002. The Company, during the year ended June 30, 2004, deposited the remaining balance of Rs 3.952 million as 'payment under protest'.

However, during the year ended June 30, 2006, the Customs, Excise and Sales Tax Appellate Tribunal allowed the Company's appeal and set aside the order of the Collector of Customs, Sales Tax and Central Excise (Appeals). The Collector of Customs, Sales Tax and Central Excise (Appeals), during year ended June 30, 2007, filed a request for rectification of error before the Custom, Excise and Sales Tax Appellate Tribunal.

During the year ended June 30, 2016, all verification proceedings were completed; however, Commissioner Inland Revenue rejected the Company's application for refund being time barred as application was filed after one year from the date of Appellate Tribunal Inland Revenue (ATIR) order. The Company has applied to the FBR for condonation of time limit under section 74 and is hopeful that refund of Rs 16.775 million would be realised which is included in sales tax under protest (note 27).

- 15.1.2 Certain claims have been filed against the Company in respect of employees' matters. The aggregate exposure of the Company under these claims amounts approximately to Rs 12.63 million (2021: Rs 12.88 million). These cases are pending in various labour courts, appellate tribunals and High Court of Sindh. The Company, based on the advice of its legal counsel, is of the view that it has a fair chance of success in the appeals and accordingly no provision has been recognised in these financial statements.
- 15.1.3 Tax authorities passed orders dated October 18, 2016 under sections 161 / 205 of the Income Tax Ordinance, 2001 in respect of monitoring of withholding of taxes for tax years 2010 and 2014 and issued demand of Rs 11.889 million and Rs 20.060 million respectively on the premise that requisite tax was not withheld by the Company at the time of making payments against various expenses. These demands include Rs 1.551 million and Rs 3.401 million default surcharge under section 205 of the Income Tax Ordinance, 2001.

The Company filed appeals with the CIR(A) against the impugned orders. CIR(A) confirmed the orders passed by the tax authority. The Company filed appeals before the ATIR against the orders of CIR(A) which were decided against the Company. The Company has filed references to the High Court against the order of ATIR.

Further, the Company has deposited Rs 59.375 million against abovementioned demands and has recognised this in other receivables (note 27) as 'Income tax paid under protest'. The Company, based on the advice of its tax consultant, is of the view that it has a fair chance of success in the appeals and accordingly no provision has been recognised in these financial statements.

- 15.1.4 Tax authorities passed an order dated October 18, 2016 under sections 161 / 205 of the Income Tax Ordinance, 2001 in respect of monitoring of withholding of taxes for the tax year 2013 and 2015 and issued demands of Rs 16.165 and Rs 29.675 million respectively (including default surcharge and penalty) on the premise that requisite tax was not withheld by the Company at the time of making payments against incentive to dealers and advertising and publicity.

The Company filed appeals before the CIR(A) against the impugned order. The CIR(A) has confirmed the order passed by the department. The Company has filed appeal before ATIR against the order of CIR(A), however, the hearing on appeal is pending. Further, the Company has deposited Rs 20.663 million against abovementioned demand and has recognised this in other receivables (note 27) as 'Income tax paid under protest'. The Company, based on the advice of its tax consultant, is of the view that it has a fair chance of success in the appeals and accordingly no provision has been recognised in these financial statements.

- 15.1.5 Deputy Commissioner Inland Revenue (DCIR) through its order dated June 14, 2017 made certain additions and adjustment to the Company's taxable income for the tax year 2016 and issued a demand of Rs 216.732 million. These adjustments included Rs 175.409 million in respect of tax charged at the rate of 10% under section 5A of the Income Tax Ordinance, 2001 on undistributed reserves. The Company earlier obtained stay order from the High Court of Sindh on the imposition of tax on undistributed reserves and filed suit for declaration and permanent injunction challenging the vires of the above said section. The High Court of Sindh vide its order dated April 11, 2022 decided the matter in favour of the Company.

The Company has deposited Rs 41.323 million against abovementioned demand and has recognised this in other receivables as 'Income tax paid under protest' (note 27).

The Company filed an appeal before CIR(A) against the above mentioned order and CIR(A) confirmed the additions made by the assessing officer. The Company then filed appeal before ATIR against the order of CIR(A), who vide its order dated April 25, 2022 has decided the case in favour of the Company and the Company has applied for the appeal effect of the above ATIR order.

- 15.1.6 The Company in response to the requirements of S.R.O. 655(I)/2007 paid the special excise duty amounting to Rs 12.203 million during the period from July 2007 to October 2010. However, the Company had inadvertently failed to adjust this duty against the input tax. The Company has filed various applications to the FBR for adjustment of the abovementioned payment.

The FBR through its letter C.No. 2(2)ST&FE/Cond/2014 dated December 16, 2015 rejected the applications. The Company has filed an appeal before the High Court of Sindh for condonation of time which is pending for hearing. The management of the Company, based on the advice of its legal counsel, is confident that its submissions shall be accepted and has a fair chance of success in the appeal and accordingly no provision has been recognised in these financial statements.

- 15.1.7 ACIR through its order dated January 15, 2018, made certain additions and adjustment to the Company's taxable income for the tax year 2017 and raised a demand of Rs 53.45 million (after rectification) as mentioned below, which was adjusted against the refunds of the Company. The Company filed an appeal before the CIR(A) against the abovementioned order and CIR(A) through an order dated November 29, 2018 confirmed all of the adjustments made by the ACIR except for the disallowed finance cost amounting to Rs 2.442 million.

The department has also filed an appeal before ATIR against the decision made by the CIR(A) of the above mentioned finance cost.

The Company filed an appeal before the ATIR against the order made by CIR(A), which vide its order dated April 25, 2022 has decided the case in favour of the Company and the Company has applied for the appeal effect of the order of ATIR.

The CIR selected the Company for audit under section 177 of the Income Tax Ordinance, 2001 for the tax year 2017. The department has made further amendment of assessment to the tax year 2017 and made certain additions / adjustments to the taxable income.

On the basis of the additions / adjustments, a demand of Rs 1.271 million was raised and adjusted with Company's refund. The Company has filed a rectification application to the concerned officer as the Company believes that the department has overstated the taxable income by Rs 90 million. During the year ended June 30, 2020, the concerned officer passed rectification order in favour of the Company.

Further, the Company has filed appeal before CIR(A) against the above order but the order was confirmed by the CIR(A). The Company then filed an appeal before ATIR against the order of the CIR(A), however, the appeal is pending for hearing. The Company, based on the advice of its tax consultant, is of the view that it has a fair chance of success in the appeals and accordingly no provision has been recognised in these financial statements.

- 15.1.8 DCIR through its order dated July 2, 2019 made certain additions / adjustments to the Company's taxable income for the tax year 2018 and issued a demand of Rs 98.926 million, which was adjusted against the refunds of the Company.

The Company has filed an appeal to CIR(A) against the order made by the DCIR, which is pending to date. The Company, based on the advice of its tax consultants, is of the view that it has a fair chance of success in the appeal and accordingly no provision has been recognised in these financial statements.

- 15.1.9 CIR(A) through its order dated December 12, 2018 confirmed certain additions to the Company's taxable income for the tax year 2006, previously made by DCIR through its order under section 221 and section 122(1) of the Income Tax Ordinance, 2001, whereby, the DCIR had raised a demand of Rs 32.612 million which was adjusted from the refunds of the Company.

The Company has filed an appeal before ATIR against the order of the CIR(A) which is pending for hearing. The Company, based on the advice of its tax consultant, is of the view that it has a fair chance of success in the appeal and accordingly no provision has been recognised in these financial statements.

- 15.1.10 The tax authorities issued notices under section 176 of the Income Tax Ordinance, 2001 in respect of short deduction of tax on the basis of sales tax returns filed for the tax years 2016 and 2017 amounting to Rs 7.961 million and Rs 69.629 million respectively. The Company has furnished the reconciliation and other required details to the concerned officer. During the year, the tax authorities passed order for recovery of Rs 2.126 million and 2.917 million including default surcharge and penalty. The Company filed appeal before the CIR(A) against the said orders, however, hearing in appeal is pending. The Company, based on the advice of its tax consultant, is of the view that it has a fair chance of success in the appeal and accordingly no provision has been recognised in these financial statements.
- 15.1.11 The Company has received an order from DCIR dated March 7, 2018 whereby DCIR disallowed adjustment of input tax on goods and services amounting to Rs 63.248 million along with default surcharge calculated upon the time of payment and penalty. The Company had paid Rs 17.928 million (sales tax under protest - note 27) to obtain stay against the aforementioned demand order. The case has been heard by the CIR(A) and the demand was upheld via order dated July 31, 2019. The Company filed an appeal on August 22, 2019 before ATIR against the order dated July 31, 2019 which is pending adjudication. The Company, based on the advice of its tax consultant, is of the view that it has a fair chance of success in the appeal and accordingly no provision has been recognised in these financial statements.
- 15.1.12 On July 2, 2019, the Company received an order from the DCIR wherein the DCIR made a total demand of Rs 234.034 million along with penalty and default surcharge for the tax periods from July 2016 to June 2018 in respect of inadmissible input tax, short payment of further tax and sales tax withholding claimed by the Company.

The Company filed an appeal to CIR(A) where CIR(A) upheld the demand of DCIR via order dated August 22, 2019. The Company filed an appeal before ATIR against the order dated August 22, 2019 which is pending adjudication before the ATIR. The Company, based on the advice of its tax consultant, is of the view that it has a fair chance of success in the appeal and accordingly no provision has been recognised in these financial statements.

- 15.1.13 ACIR through its order dated June 30, 2021, made certain additions and adjustment to the Company's taxable income for the tax year 2015 and raised a demand of Rs 251.402 million. The Company has filed an appeal before the CIR (A) against the abovementioned order.

During the year the CIR(A), through its order dated June 15, 2022, has partially granted relief in Company's favour and upheld ACIR decision on disallowance of tax credits and WWF paid under the provincial act.

The Company is in process of filing appeal before ATIR against the disallowance made by CIR(A). The Company, based on the advice of its tax consultant, is of the view that it has a fair chance of success in the appeal and accordingly no provision has been recognised in these financial statements.

15.1.14 On June 30, 2022, the Company received an order from the DCIR wherein the DCIR raised a demand of Rs 340.094 million, penalty of Rs 17.004 million and default surcharge to be computed at the time of payment. The demand is based on the comparison of the declarations in sales tax returns and income tax returns filed by the Company during tax period July 2016 to June 2017. The Company filed an appeal before CIR(A) on July 28, 2022 which is pending adjudication.

The Company, based on the advice of its tax consultant, is of the view that it has a fair chance of success in the appeal and accordingly, no provision has been recognised in these financial statements.

		2022	2021
	Note	--- Rupees in '000 ---	
15.1.15	Guarantees issued by commercial banks on behalf of the Company	459,526	174,267
15.1.16	Guarantees include Rs 165.9 million (2021: Rs 76.5 million) issued on behalf of the Company by Askari Bank Limited - an associated company.		
15.1.17	Post dated cheques issued to the Collector of Customs against duty on imported plant & machinery, raw materials and stores & spares	41,928	34,628
15.2	Commitments		
15.2.1	Commitments in respect of:		
	- letters of credit for capital expenditure	57,165	442,655
	- letters of credit for purchase of raw materials and stores & spares	810,406	1,382,746
	- purchase orders issued to local suppliers for capital expenditure	147,734	88,625
	- sales contracts entered into by the Company	23,590	237,757
	- tentative schedules for supply of tyres	2,619,644	2,554,844
16.	PROPERTY, PLANT AND EQUIPMENT		
	Operating fixed assets	16.1 4,908,830	4,595,512
	Capital work-in-progress	16.6 589,368	601,813
		5,498,198	5,197,325

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**



16.1 Operating fixed assets

	Leasehold land	Buildings, on leasehold land	Electrical installations	Furniture, fixtures and equipment	Plant and machinery	Transport equipment	Books	Vehicles	Furniture and fixtures	Factory and office equipment	Computer equipment	Total
----- Rupees in '000 -----												
At July 1, 2020												
Cost	39,452	1,031,708	203,835	5,621,124	433,877	96,142	547,526	306,536	42,421	224,483	76,026	8,623,130
Accumulated depreciation	-	351,073	127,992	2,405,621	159,333	62,494	271,013	176,055	25,379	167,098	65,841	3,811,899
Accumulated impairment	-	-	-	691	-	-	363	-	-	-	-	1,054
Net book value	39,452	680,635	75,843	3,214,812	274,544	33,648	276,150	130,481	17,042	57,385	10,185	4,810,177
Year ended June 30, 2021												
Transfers from CWIP	-	89,333	3,048	36,391	9,121	731	65,007	28,118	-	24,046	2,151	257,956
Disposals												
- cost	-	-	-	18,464	-	-	3,148	13,166	-	199	166	35,143
- accumulated depreciation	-	-	-	(14,274)	-	-	(3,148)	(9,652)	-	(199)	(138)	(27,411)
	-	-	-	4,190	-	-	-	3,514	-	-	28	7,732
Depreciation charge (note 16.4)	-	45,683	11,662	241,914	38,368	9,766	43,711	43,358	3,572	19,905	6,950	464,889
Closing net book value	39,452	724,285	67,229	3,005,099	245,297	24,613	297,446	111,727	13,470	61,526	5,368	4,595,512
At June 30, 2021												
Cost	39,452	1,121,041	206,883	5,639,051	442,998	96,873	609,385	321,488	42,421	248,330	78,021	8,845,943
Accumulated depreciation	-	396,756	139,654	2,633,261	197,701	72,260	311,576	209,761	28,951	186,804	72,653	4,249,377
Accumulated impairment	-	-	-	691	-	-	363	-	-	-	-	1,054
Net book value	39,452	724,285	67,229	3,005,099	245,297	24,613	297,446	111,727	13,470	61,526	5,368	4,595,512
Year ended June 30, 2022												
Transfers from CWIP	-	5,005	-	537,496	17,828	43,427	112,697	82,896	-	557	1,822	801,428
Disposals												
- cost	-	-	-	36,970	-	-	1,358	37,280	-	744	755	77,107
- accumulated depreciation	-	-	-	(36,919)	-	-	(1,358)	(32,840)	-	(744)	(755)	(72,616)
	-	-	-	51	-	-	-	4,440	-	-	-	4,491
Depreciation charge (note 16.4)	-	50,154	11,715	252,442	39,873	11,739	46,042	48,410	3,323	17,348	2,573	483,619
Closing net book value	39,452	679,136	55,514	3,290,102	223,252	56,301	364,101	141,473	10,147	44,735	4,617	4,908,830
At June 30, 2022												
Cost	39,452	1,126,046	206,883	6,139,577	460,826	140,300	720,724	366,804	42,421	248,143	79,088	9,570,264
Accumulated depreciation	-	446,910	151,369	2,848,784	237,574	83,999	356,260	225,331	32,274	203,408	74,471	4,660,380
Accumulated impairment	-	-	-	691	-	-	363	-	-	-	-	1,054
Net book value	39,452	679,136	55,514	3,290,102	223,252	56,301	364,101	141,473	10,147	44,735	4,617	4,908,830
Depreciation rate (% per annum)		6	10	5	10	15	10	20	10	15	25	

16.2 Cost of items of operating fixed assets that are fully depreciated amounted to Rs 1,575.113 million (2021: Rs 1,603.854 million).

16.3 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 (In square meter)	Covered area (In square meter)
a)	H-23/2, Landhi Industrial Trading Estate, Landhi, Karachi	Manufacturing facility	101,000	77,000
b)	Plot # B / 30 - B SITF Area Sukkur	Warehouse facility	11,700	6,000

			2022	2021
16.4	Depreciation charge has been allocated as follows:	Note	--- Rupees in '000 ---	
	Cost of goods manufactured	30.1	439,385	423,828
	Administrative expenses	31	16,645	18,838
	Distribution cost	32	27,589	22,223
			<u>483,619</u>	<u>464,889</u>

16.5 The details of operating fixed assets disposed of during the year having net book value exceeding Rs 500,000 each are as follows:

Particulars of assets	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss)	Mode of disposal	Sold to
----- Rupees in '000 -----							
Honda Civic	3,497	641	2,856	2,798	(58)	Company policy	Mr. Saiyid Khusro Iqbal (Ex - Employee)
Suzuki Swift	1,716	772	944	1,259	315	Company policy	Mr. Maj. (R) Bilawar Khan (Ex - Employee)
Honda Civic	2,561	1,921	640	460	(180)	Company policy	Mr. Brig(R) Najam (Ex - Employee)
June 30, 2022	<u>7,774</u>	<u>3,334</u>	<u>4,440</u>	<u>4,517</u>	<u>77</u>		
June 30, 2021	<u>22,099</u>	<u>15,102</u>	<u>6,997</u>	<u>17,425</u>	<u>10,428</u>		

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**



16.6 Capital work-in-progress

	As at July 1, 2022	Additions	Transfers	As at June 30, 2022
----- Rupees in '000 -----				
Buildings	3,298	12,263	5,005	10,556
Electrical installations	4,391	24,135	-	28,526
Plant and machinery	564,020	466,134	537,496	492,658
Boilers and accessories	19,237	7,224	17,828	8,633
Moulds	10,638	129,416	112,697	27,357
Vehicles	1,711	92,046	82,596	11,161
Factory and office equipment	793	9,542	557	9,778
Laboratory equipment	-	43,427	43,427	-
Computer equipment	-	3,859	1,822	2,037
Furniture and fixtures	-	937	-	937
	604,088	788,983	801,428	591,643
Provision for a doubtful advance	(2,275)	-	-	(2,275)
	601,813	788,983	801,428	589,368

16.6.1 Capital work in progress includes Rs 35.685 million (2021: Rs 81.320 million) representing advance payments made to suppliers for procurement of operating fixed assets.

16.6.2 During the year, the Company has capitalised borrowing costs amounting to Rs 7.756 million (2021: Rs 11.786 million) on its qualifying assets at the current year's weighted average rate of its general borrowings of 4.13% per annum (2021: 8.14% per annum).

17. RIGHT-OF-USE ASSETS

Note

2022 2021

--- Rupees in '000 ---

Net book value as at June 30	17.1	1,317	4,838
------------------------------	------	--------------	-------

17.1 Reconciliation of carrying amount at beginning and end of the year

Cost

At the beginning of the year	28,764	60,870
Disposals during the year	-	(32,106)
At June 30	28,764	28,764

Accumulated depreciation

At the beginning of the year	(23,926)	(17,315)
Depreciation charge for the year	(3,521)	(11,963)
Disposals during the year	-	5,352
At June 30	(27,447)	(23,926)

Net book value

1,317	4,838
--------------	-------

- 17.2 The Right of use asset pertains to leased warehouses which are used for storing Company's inventory.
- 17.3 The depreciation charge for the year has been allocated to distribution cost (note 32).

			2022	2021
	Note		--- Rupees in '000 ---	
18. INTANGIBLE ASSETS				
Net book value as at June 30	18.1		1,123	2,698
8.1 Reconciliation of carrying amount at beginning and end of the year				
Cost				
At the beginning of the year			83,712	81,953
Additions during the year				1,759
At June 30	18.3		83,712	83,712
Accumulated amortisation				
At the beginning of the year			81,014	79,298
Amortisation charge	18.2		1,575	1,716
At June 30			82,589	81,014
Net book value			1,123	2,698
Amortisation rate (% per annum)			33.33	33.33
18.2 Amortisation charge has been allocated as follows:				
Cost of goods manufactured	30.1		-	259
Administrative expenses	31		1,575	1,457
			1,575	1,716
18.3				
Intangible assets represent software licenses and implementation cost.				
19. INVESTMENT IN AN ASSOCIATED COMPANY - quoted				
Ghandhara Industries Limited				
- Equity accounted investment				
Balance at beginning of the year			19,408	13,240
Share of profit for the year			6,510	6,168
Balance at end of the year			25,918	19,408

- 19.1 Investment in Ghandhara Industries Limited (GIL) represents 201,400 (2021: 201,400) fully paid ordinary shares of Rs 10 each representing 0.473% (2021: 0.473%) of its issued, subscribed and paid-up share capital as at June 30, 2022. GIL was incorporated on February 23, 1963. GIL's shares are quoted on Pakistan Stock Exchange Limited. The principal activity is the assembly, progressive manufacturing and sale of Isuzu trucks, buses and pick ups. The registered office of the Company is at F-3, Hub Chowki Road, S.I.T.E, Karachi. The manufacturing facilities of GIL are located at S.I.T.E., Karachi with regional offices at Lahore, Multan, Rawalpindi and Peshawar.

19.2 The Company considers GIL as its associate and follows equity accounting as it has significant influence over GIL based on common directorship.

19.3 The summary of financial information / reconciliation of GIL as of March 31, 2022 is as follows:

	Un-audited As at March 31 2022	Un-audited As at March 31 2021
--- Rupees in '000 ---		
Summarised statement of financial position		
Non current assets	4,317,751	4,546,088
Current assets	12,043,187	11,002,722
	16,360,938	15,548,810
Non current liabilities	120,465	164,320
Current liabilities	9,375,985	9,896,224
	9,496,450	10,060,544
Net assets	6,864,488	5,488,266
Reconciliation to carrying amount		
Opening net assets	5,488,266	4,184,106
Profit for the year	1,376,222	1,304,160
Closing net assets	6,864,488	5,488,266
Company's share (Percentage)	0.473%	0.473%
Company's share	32,469	25,959
Pre-acquisition profits	(6,551)	(6,551)
Carrying amount of investment	25,918	19,408
Nine months period ended		
	March 31, 2022	March 31, 2021
--- Rupees in '000 ---		
Summarised profit or loss		
Revenue	17,755,871	10,602,848
Profit before tax	1,539,915	483,132
Profit after tax	1,189,537	413,607

19.4 The above figures are based on unaudited condensed interim financial information of GIL for the nine months period ended March 31, 2022. The latest financial statements of GIL as at June 30, 2022 are not presently available. Accordingly, results of operations of first three quarters of financial year 2022 and last quarter of financial year 2021 have been considered for accounting purpose.

19.5 The market value of investment as at June 30, 2022 was Rs 31.815 million (2021: Rs 56.195 million).

		2022	2021
		--- Rupees in '000 ---	
20. LONG TERM LOANS AND ADVANCES	Note		
Considered good - secured			
Loans and advances due from:			
- executives	20.1 & 20.2	1,934	1,298
- other employees	20.1	15,126	13,071
		<u>17,060</u>	<u>14,369</u>
Less:			
Amounts recoverable within one year and grouped under current assets			
- executives		970	555
- other employees		5,582	4,775
	25	<u>6,552</u>	<u>5,330</u>
		<u>10,508</u>	<u>9,039</u>

- 20.1 These represent interest free loans and advances provided to executives and other employees as per the terms of employment. Loans are provided for purchase of motor vehicles and advances for furnishing of house. Loans are repayable and advances are amortisable over a period of two to five years by way of monthly instalments. These are secured against respective motor vehicles and employees' vested retirement benefits.

	2022	2021
	--- Rupees in '000 ---	
20.2 Reconciliation of carrying amount of loans and advances to executives		
Balance at the beginning of the year	1,298	1,466
Disbursements	1,722	1,208
	<u>3,020</u>	<u>2,674</u>
Amortisation	(1,086)	(1,376)
Balance as at June 30	<u>1,934</u>	<u>1,298</u>

- 20.3 The maximum aggregate amount outstanding at the end of any month during the year ended June 30, 2022 from executives against loans and advances aggregated Rs 2.113 million (2021: Rs 2.522 million).
- 20.4 Advances to executives include an amount of Rs 0.444 million (2021: Rs 0.121 million) provided to the Chief Executive of the Company as furniture advance in accordance with his terms of employment and in accordance with the requirements of the Companies Act, 2017.
- 20.5 The carrying values of these loans and advances are neither past due nor impaired. The credit quality of these financial assets can be assessed with reference to no default in recent history.
- 20.6 Long term loans have been carried at cost as the effect of carrying these balances at amortised cost would not be material in the overall context of these financial statements.

		2022	2021
		--- Rupees in '000 ---	
21. LONG TERM DEPOSITS	Note		
Considered good - unsecured and interest free			
Security deposits for:			
- utilities		17,927	20,529
- others		1,935	1,935
		19,862	22,464
Provision for doubtful deposit		(436)	(436)
		<u>19,426</u>	<u>22,028</u>
22. STORES AND SPARES			
- in hand		682,750	628,179
- in transit		10,671	7,861
		<u>693,421</u>	<u>636,040</u>
23. STOCKS			
Raw materials			
- in hand		2,289,790	1,855,840
- in transit		769,373	870,253
	30.3	<u>3,059,163</u>	<u>2,726,093</u>
Work-in-process	30.1	333,240	193,782
Finished goods			
- in hand	23.1	1,898,283	1,885,506
- in transit		8,734	35,826
	30	<u>1,907,017</u>	<u>1,921,332</u>
		<u>5,299,420</u>	<u>4,841,207</u>

23.1 Finished goods include items costing Rs 141.204 million (2021 : Rs 161.846 million) which are stated at their net realisable values aggregating Rs 95.088 million (2021: Rs 116.880 million). The aggregate amount charged to profit or loss in respect of stocks written down to their net realisable value is Rs 1.150 million (2021: Rs 10.408 million).

		2022	2021
		--- Rupees in '000 ---	
24. TRADE DEBTS - unsecured	Note		
Considered good			
Associated Companies			
Gandhara Industries Limited		51,851	25,601
Gandhara Nissan Limited		5,699	4,359
Sui Northern Gas Pipeline Limited		436	121
Gandhara DF (Private) Limited		3,409	-
		61,395	30,081
Others		2,456,977	1,687,858
Considered doubtful - others		46,302	32,000
		2,564,674	1,749,939
Provision for expected credit loss	24.1	(46,302)	(32,000)
		<u>2,518,372</u>	<u>1,717,939</u>

		2022	2021
		--- Rupees in '000 ---	
24.1	Provision for expected credit loss		
	Balance at the beginning of the year	32,000	42,337
	Provision made during the year	21,658	936
	Amount reversed during the year	(7,356)	(11,273)
	Balance at the end of the year	46,302	32,000

24.2 The maximum aggregate amount due from related parties at the end of any month during the year was Rs 61.395 million (2021: Rs 46.685 million).

24.3 As at June 30, 2022, trade debts of Rs 27.988 million (2021: Rs 25.929 million) were past due and not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of aggregate trade debts is as follows:

	Associated Companies		Others	
	2022	2021	2022	2021
	----- Rupees in '000 -----			
0 to 30 days	58,545	26,246	2,358,431	1,643,462
31 to 60 days	2,685	3,789	70,558	16,667
61 to 180 days	165	46	18,954	25,929
181 to 360 days	-	-	16,928	4,488
Over one year	-	-	38,408	29,312
	61,395	30,081	2,503,279	1,719,858
Provision for expected credit loss	-	-	(46,302)	(32,000)
	61,395	30,081	2,456,977	1,687,858

24.4 This reversal has been made because of subsequent receipt of the respective amount.

		2022	2021
		--- Rupees in '000 ---	
25.	LOANS AND ADVANCES - considered good		
	Secured		
	Current portion of long term loans and advances	6,552	5,330
	Unsecured		
	Loans and advances due from:		
	- employees	30,359	32,472
	- suppliers, contractors and others	111,734	36,866
		142,093	69,338
		148,645	74,668

25.1 These represent interest free festival loans, general loans, special loans, salary advance and Eid advance provided to employees in accordance with the Company's policy and have maturities upto twelve months.

26.	DEPOSITS AND PREPAYMENTS	Note	2022	2021
			--- Rupees in '000 ---	
	Considered good and unsecured			
	Trade deposits - interest free		16,742	32,496
	Call deposit receipts	26.1	15,686	27,686
	Prepayments		10,967	14,712
	Current account balances with statutory authorities	12.5	13,993	13,993
			57,388	88,887

26.1 These represent interest free call deposit receipts issued from a commercial bank in favour of respective commandants of various spares depots of the Pakistan Army against supply of tyres.

27.	OTHER RECEIVABLES - unsecured	Note	2022	2021
			--- Rupees in '000 ---	
	Export benefit receivable (duty drawback)		658	658
	Provision for doubtful export benefit receivable		(658)	(658)
	Sales tax paid under protest	15.1.1 & 15.1.11	34,703	34,703
	Custom duty rebates recoverable		89,705	89,705
	Provision for custom duty rebates recoverable		(89,705)	(89,705)
	Margin and deposits against bank guarantees		35,900	6,628
	Income tax paid under protest	15.1.3, 15.1.4 & 15.1.5	121,361	121,361
	Others		26,762	24,482
	Provision for doubtful receivables		(1,537)	(1,537)
			25,225	22,945
			217,189	185,637

28.	CASH AND BANK BALANCES			
	With banks in:			
	- current accounts		124,731	62,931
	- deposit account	28.1	10,262	9,067
			134,993	71,998
	Cash and cheques in-hand		2,400	2,400
			137,393	74,398

28.1 Deposit account is held with Askari Bank Limited - an associated company and it carries mark-up at the weighted average rate of 7.5% (2021: 5.5%) per annum.

		2022	2021
		--- Rupees in '000 ---	
29. SALES - net	Note		
Manufactured goods			
Import		21,866,219	16,359,571
Export		164,567	189,576
		<u>22,030,786</u>	<u>16,549,147</u>
Trading goods		323,147	311,614
		<u>22,353,933</u>	<u>16,860,761</u>
Less:			
- sales tax		3,284,585	2,476,888
- discounts		230,468	264,375
- commission and allowances		250,581	195,978
		<u>3,765,634</u>	<u>2,937,241</u>
		<u>18,588,299</u>	<u>13,923,520</u>
30. COST OF SALES			
Opening stock of finished goods		1,921,332	1,666,028
Cost of goods manufactured	30.1	<u>15,995,060</u>	<u>11,704,630</u>
Finished goods purchased		126,185	370,306
		<u>16,121,245</u>	<u>12,074,936</u>
Closing stock of finished goods	23	<u>(1,907,017)</u>	<u>(1,921,332)</u>
		<u>16,135,560</u>	<u>11,819,632</u>
30.1 Cost of goods manufactured			
Opening work-in-process		193,782	189,727
Raw materials consumed	30.3	11,038,500	7,233,718
Stores and spares consumed		415,971	394,665
Salaries, wages and benefits	30.4	1,997,569	1,964,461
Royalty fee	30.2	223,609	201,385
Travelling, conveyance and entertainment		4,662	2,719
Vehicles running expenses		35,793	28,727
Legal and professional charges		5,387	4,344
Power and fuel		1,478,514	1,029,535
Rent, rates and taxes	30.5	40,911	51,551
Insurance		38,542	36,947
Repairs and maintenance		122,304	74,306
Tyre replacement allowance	14.1	90,114	70,729
Depreciation on property, plant and equipment	16.4	439,385	423,828
Amortisation	18.2	-	259
Printing and stationery		3,724	2,328
Postage and telephone		3,283	2,538
Transportation		163,499	154,038
Fees and subscriptions		1,487	1,520
Security and maintenance		18,628	18,352
Other manufacturing expenses		12,636	12,735
		<u>16,328,300</u>	<u>11,898,412</u>
Closing work-in-process	23	<u>(333,240)</u>	<u>(193,782)</u>
		<u>15,995,060</u>	<u>11,704,630</u>

30.2 The royalty fee pertains to Continental Tire The Americas, LLC with registered address 1830 MacMillan Park Drive Fort Mill, South Carolina 29707, United States of America.

		2022	2021
30.3 Raw materials consumed	Note	--- Rupees in '000 ---	
Opening stock		2,726,093	1,462,476
Purchases during the year		11,371,570	8,497,335
		14,097,663	9,959,811
Closing stock	23	(3,059,163)	(2,726,093)
		11,038,500	7,233,718

30.4 Salaries, wages and benefits include Rs 54.486 million (2021: Rs 50.231 million) and Rs 14.771 million (2021: Rs 15.724 million) in respect of staff retirement benefits gratuity and provident fund respectively.

30.5 Expense in respect of short term leases amounted to Rs 40.911 million (2021: Rs 45.252 million).

		2022	2021
31. ADMINISTRATIVE EXPENSES	Note	--- Rupees in '000 ---	
Salaries and benefits	31.1	208,687	205,842
Travelling and conveyance		2,248	1,024
Vehicles running expenses		7,493	5,496
Legal and professional charges		19,306	23,262
Auditors' remuneration	31.2	7,010	15,152
Rent, rates and taxes		102	102
Insurance		2,931	2,359
Repairs and maintenance		1,331	1,564
Depreciation on property, plant and equipment	16.4	16,645	18,838
Amortisation	18.2	1,575	1,457
Printing and stationery		1,424	1,145
Postage and telephone		1,007	875
Provision for expected credit loss	24.1	21,658	936
Computer expenses		23,841	17,111
Directors' fee	31.3	8,800	8,900
Fees and subscriptions		4,047	7,654
Other expenses		4,114	3,490
		332,219	315,207

31.1 Salaries and benefits include Rs 8.639 million (2021: Rs 7.816 million) and Rs 4.235 million (2021: Rs 4.223 million) in respect of staff retirement benefits gratuity and provident fund respectively.

31.2 Auditors' remuneration

Fee for audit, half yearly review and Code of Corporate Governance review
Taxation and statutory certifications

Out-of-pocket expenses

2022	2021
--- Rupees in '000 ---	
2,000	2,000
4,760	12,902
6,760	14,902
250	250
7,010	15,152

31.3 Directors' fee

Aggregate amount charged in these financial statements amounts to Rs 8.80 million (2021: Rs 8.90 million) for meetings fee to 9 (2021: 8) directors.

32. DISTRIBUTION COST

Note

Salaries and benefits
Travelling, conveyance and entertainment
Vehicle running expenses
Legal and professional charges
Advertisement and sales promotion
Rent, rates and taxes
Insurance
Repairs and maintenance
Depreciation on property, plant and equipment
Depreciation on right-of-use assets
Printing and stationery
Postage and telephone
Freight and insurance
Gas and electricity
Fees and subscriptions
Security and maintenance
Other expenses

2022	2021
--- Rupees in '000 ---	
224,792	232,620
34,983	28,069
11,269	7,205
173	82
138,424	106,873
28,471	17,539
1,568	2,464
1,232	2,414
27,589	22,223
3,521	11,963
1,040	519
3,258	2,655
192,180	153,428
4,692	3,678
191	119
9,501	2,660
4,718	2,774
687,602	597,285

32.1 Salaries and benefits include Rs 11.807 million (2021: Rs 7.240 million) and Rs 2.336 million (2021: Rs 2.475 million) in respect of staff retirement benefits gratuity and provident fund respectively.

32.2 Expense in respect of short term leases amounted to Rs 28.422 million (2021: Rs 17.050 million).

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**



			2022	2021
			--- Rupees in '000 ---	
33. OTHER INCOME	Note			
Profit on bank deposits - conventional bank			756	656
Sale of scrap (net of sales tax)			106,408	77,755
Gain on termination of lease			-	17,553
Remeasurement gain on GIDC liability			-	29,701
Gain on sale of operating fixed assets			15,434	12,566
Reversal of provision for expected credit loss	24.1		7,356	11,273
Exchange gain - net			-	31,439
Others			395	654
			<u>130,349</u>	<u>181,597</u>
34. OTHER EXPENSES				
Workers' profit participation fund	12.3		33,510	43,577
Workers' welfare fund	12		12,891	18,186
Exchange loss - net			137,876	-
Donations	34.1		13,852	15,877
			<u>198,129</u>	<u>77,640</u>
34.1 Donations during the year are as follows:				
Donee				
Waqf-e-Kuli Khan - (note 34.1.1)			8,902	14,327
The Citizens Foundation			4,950	1,550
			<u>13,852</u>	<u>15,877</u>
34.1.1 Lt. Gen. (Retd.) Ali Kuli Khan Khattak and Mr. Ahmad Kuli Khan Khattak, Directors of the Company, are trustees of Waqf-e-Kuli Khan.				
35. FINANCE COST	Note			
Mark-up on:				
- long term finances			92,483	113,502
- short term finances			352,253	80,709
- running finances			273,762	289,773
Interest on workers' profit participation fund	12.3		68	-
Interest on lease liabilities	6		583	4,021
Interest cost on GIDC liability			15,476	7,386
Bank charges and guarantee commission			13,193	8,657
			<u>747,818</u>	<u>504,048</u>
36. TAXATION				
Current	36.1		53,743	212,011
Deferred			214,022	12,806
			<u>267,765</u>	<u>224,817</u>

- 36.1 Includes an amount of Rs 208.956 million relating to prior year which has been netted off against the tax charge for the year and this do not impact the total tax charge of Rs 267.765 million as a similar adjustment has been made to the deferred tax.
- 36.2 The tax on the Company's profit before tax differs from the theoretical amount that would arise using the Company's applicable tax rate as follows:

	2022	2021
	--- Rupees in '000 ---	
Profit before taxation	629,830	797,473
Tax at the applicable rate of 29% (2021: 29%)	180,911	231,267
Tax effect of:		
- impact of change in tax rate and others	62,882	(1,149)
- income assessed under Final Tax Regime	(2,322)	(5,301)
	60,560	(6,450)
- super tax	26,294	-
	267,765	224,817

- 36.3 In accordance with the Finance Act, 2022, super tax at the rate of 4% for tax year 2022 and onwards has been levied on certain categories of tax payers in addition to the corporate tax rate of 29%. Accordingly, the Company has recorded deferred tax at 33%, except for brought forward depreciation losses, in accordance with applicable accounting and reporting standards.

	2022	2021
	--- Rupees in '000 ---	
37. EARNINGS PER SHARE		
37.1 Basic earnings per share		
Profit after taxation	356,065	572,656
	--- Number of shares ---	
Weighted average number of ordinary shares	121,933,350	121,933,350
	--- Rupees ---	
Earnings per share	2.92	4.70

- 37.2 There is no dilutive effect on basic earnings per share of the Company.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022



		2022	2021
		--- Rupees in '000 ---	
38. CASH GENERATED FROM OPERATIONS	Note		
Profit before taxation		623,830	797,473
Adjustments for non-cash charges and other items			
Depreciation on property, plant and equipment	16.1	483,619	464,889
Amortisation	18.1	1,575	1,716
Depreciation on right-of-use assets	17.1	3,521	11,963
Provision for staff retirement gratuity	7.1.7	74,932	65,287
Charge of employees compensated absences	7.2.1	12,054	11,209
Gain on termination of lease liability		-	(17,553)
Remeasurement gain on GIDC liability		-	(29,701)
Net realisable value charged on stocks	23.1	1,150	10,408
Provision / (reversal) for expected credit loss - net	24.1	14,302	(10,337)
Profit on bank deposits	33	(756)	(656)
Gain on sale of operating fixed assets	33	(15,434)	(12,566)
Finance cost	35	747,818	504,048
Share of profit of an associated company	19	(6,510)	(6,168)
Working capital changes	38.1	(262,754)	(1,208,019)
		<u>1,677,347</u>	<u>581,993</u>
38.1 Working capital changes			
(increase) / decrease in current assets:			
- Stores and spares		(57,381)	(6,532)
- Stocks		(459,363)	(1,533,384)
- Trade debts		(814,735)	(549,656)
- Loans and advances		(73,977)	(15,240)
- Deposits and prepayments		31,499	(21,792)
- Other receivables		(31,552)	(1,852)
		<u>(1,405,509)</u>	<u>(2,128,456)</u>
Increase in current liabilities:			
- Trade and other payables and provision		1,142,755	920,437
		<u>(262,754)</u>	<u>(1,208,019)</u>

39. CASH AND CASH EQUIVALENTS

For the purpose of statement of cash flows, cash and cash equivalents comprise of following:

		2022	2021
		--- Rupees in '000 ---	
Running finances under mark-up arrangements	11	(2,904,137)	(3,289,343)
Cash and bank balances	28	137,393	74,398
		<u>(2,766,744)</u>	<u>(3,214,945)</u>

40. REMUNERATION OF THE CHIEF EXECUTIVE AND EXECUTIVES

The aggregate amount charged in these financial statements for the year for remuneration, including certain benefits to the Chief Executive and other executives of the Company is as follows:

	Chief Executive		Executives	
	2022	2021	2022	2021
----- Rupees in '000 -----				
Managerial remuneration and allowances	50,357	44,565	166,140	147,868
Meeting fee	900	1,000	-	-
Bonus	3,834	7,572	20,717	28,391
Company's contribution to provident fund and gratuity scheme	5,192	5,004	10,425	10,008
Medical	456	384	12,293	11,193
Leave passage	2,164	2,164	4,614	6,061
Others	3,392	1,162	28,832	21,791
	<u>66,295</u>	<u>61,851</u>	<u>243,021</u>	<u>225,312</u>
Number of persons	<u>1</u>	<u>1</u>	<u>32</u>	<u>26</u>

- 40.1 The Chief Executive and some of the executives are provided with free use of the Company maintained cars in accordance with the terms of the employment.
- 40.2 The Company considers its chief executive and directors as key management personnel.
- 40.3 No remuneration is being paid / payable to the directors of the Company other than meeting fee as disclosed in note 31.3 to these financial statements.

41. PLANT CAPACITY AND ACTUAL PRODUCTION

Capacity: Tyre sets

Production: Tyre sets

	2022	2021
Capacity: Tyre sets	4,279,815	3,969,656
Production: Tyre sets	<u>2,785,943</u>	<u>2,723,349</u>

- 41.1 Actual production was sufficient to meet the demand.

42. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties comprise of associated companies, companies in which directors are interested, staff retirement benefit funds, key management personnel and close members of the families of the key management personnel. The Company in the normal course of business carries out transactions with various related parties at agreed terms approved by the Board of Directors of the Company. Amounts due from and to related parties are shown under long term finances (note 5), running finances under mark-up arrangements (note 11), trade and other payables (note 12), accrued mark-up (note 13), investment in an associated company (note 19), long term loans and advances (note 20), trade debts (note 24) and cash and bank balances (note 28). Significant transactions with related parties are as follows:

	2022	2021
	--- Rupees in '000 ---	
With associated companies / undertaking		
- Sales	358,998	185,772
- Purchases	-	15,321
- Services received	709	9,518
- Rent expense	1,800	1,800
- Donation	8,902	14,327
- Markup on finances	75,653	62,469
- Profit earned	756	656
- Guarantees issued on behalf of the Company	Note 15.1.16	
With other related parties		
- Salaries and benefits	Note 40	
- Meeting fees	Note 31.3	
Contributions to;		
- Staff provident fund	21,342	22,422
- Staff retirement benefits - Gratuity	Note 7.1	

42.1 Names of the related parties with whom the Company had transactions during the year:

Name	Nature of relationship	Basis of relationship	Aggregate % of shareholding in the Company
Ghandhara Industries Limited (also see note 19.2)	Associated company	Common directors	N/A
Ghandhara Nissan Limited	Associated company	Common directors	N/A
Ghandhara DF (Private) Limited	Associated company	Common directors	N/A
Bibojee Services (Private) Limited	Associated company	Common directors	27.79
Sui Northern Gas Pipelines Limited	Associated company	Common director	N/A
Gammon Pakistan Limited	Associated company	Common directors	N/A
Askari Bank Limited	Associated company	Common director	N/A
Pakistan Kuwait Investment Company (Private) Limited	Associated company	Common directors	30
Waqf-e-Kuli Khan	Associated undertaking	Common directors	N/A
Staff provident fund	Key management personnel	Employee benefit scheme	N/A
Staff gratuity schemes	Key management personnel	Director	N/A
Lt. Gen. (Retd.) Ali Kuli Khan Khattak	Key management personnel	Director	0.40
Mr. Ahmad Kuli Khan Khattak	Key management personnel	Director	1.47
Mr. Hussain Kuli Khan	Key management personnel	Chief Executive	0.00017
Mr. Umair Aijaz	Key management personnel	Director	N/A
Mr. Adnan Ahmed	Key management personnel	Director	0.00022
Mr. Manzoor Ahmed	Key management personnel	Director	N/A
Syed Ahmed Iqbal Ashraf	Key management personnel	Director	0.000008
Mrs. Nazia Qureshi	Key management personnel	Director	N/A

43. PROVIDENT FUND RELATED DISCLOSURES

The investments out of the 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.

44. FINANCIAL INSTRUMENTS

44.1 Financial risk factors

The Company has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk (including foreign exchange risk, interest rate risk and price risk).

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies. The Company's overall risk management program focuses on providing maximum return to shareholders.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risk and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

(a) Credit risk

Credit risk represents the risk of accounting loss being caused if counterparty fails to perform as contracted or discharge an obligation. Credit risk mainly arises from loans & advances, deposits, trade debts, other receivables and balances with banks. Out of the total financial assets aggregating Rs 2,816.163 million (2021: Rs 1,950.961 million) as detailed in note 44.3 below, those that are subject to credit risk aggregate Rs 2,813.763 million (2021: Rs 1,948.561 million), details of which are as follows:

	2022	2021
	--- Rupees in '000 ---	
Long term loans and advances	10,508	9,039
Long term deposits	19,426	22,028
Trade debts	2,518,372	1,717,939
Loans and advances	36,911	37,802
Deposits	32,428	60,182
Other receivables	61,125	29,573
Bank balances	134,993	71,998
	2,813,763	1,948,561

Financial assets credit risk primarily exists in cash and cash equivalents and credit exposure to Original Equipment Manufacturers, Replacement Market Dealers and Government Institutions, including outstanding receivables and committed transactions. The Company does not have significant exposure to any individual counterparty. To reduce exposure to credit risk with respect to trade debts the Company has developed a formal approval process whereby credit limits are applied to its customers.

If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its 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. The compliance with credit limits by customers is regularly monitored by line management. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions. The management also continuously monitors the credit exposure towards the customers. Where considered necessary, advance payments are obtained from certain parties.

The maximum exposure to credit risk for trade debts by type of counter party as at reporting date is as follows:

	2022	2021
	--- Rupees in '000 ---	
Original equipment manufacturers	1,031,769	736,516
Government institutions	66,007	106,676
Replacement market	1,466,898	906,747
	2,564,674	1,749,939
Provision for expected credit losses	(46,302)	(32,000)
	2,518,372	1,717,939

All the trade debts at the reporting date represent domestic parties.

The Company monitors the credit quality of its bank balances with reference to historical performance of such assets and available external credit ratings. The bank balances aggregating Rs 134.993 million placed with banks have a short term credit rating of at least A. Accordingly, the management does not expect any counter party to fail in meeting their obligation.

(b) **Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows:

	Carrying amount	Contractual cash flows	Maturity upto one year	Maturity between one & two years	Maturity above three years
----- Rupees in '000 -----					
June 30, 2022					
Long term finances*	1,285,231	1,595,800	546,761	320,098	828,941
Long term deposits from dealers	10,370	10,370	-	-	10,370
Short term finances	2,991,027	3,048,139	3,048,139	-	-
Running finances	2,904,137	2,904,137	2,904,137	-	-
Trade and other payables	3,215,067	3,215,067	3,215,067	-	-
Unclaimed dividend	19,462	19,462	19,462	-	-
Lease Liabilities	2,613	2,613	2,613	-	-
Accrued mark-up	178,709	178,709	178,709	-	-
	10,606,616	11,074,297	9,914,888	320,098	839,311

	Carrying amount	Contractual cash flows	Maturity upto one year	Maturity between one & two years	Maturity above three years
----- Rupees in '000 -----					
June 30, 2021					
Long term finances*	1,833,530	2,106,970	942,208	520,048	644,714
Long term deposits from dealers	9,960	9,960	-	-	9,960
Short term finances	1,958,553	1,982,343	1,982,343	-	-
Running finances	3,289,343	3,289,343	3,289,343	-	-
Trade and other payables	2,216,648	2,216,648	2,216,648	-	-
Unclaimed dividend	19,554	19,554	19,554	-	-
Lease Liabilities	8,562	8,717	5,399	3,318	-
Accrued mark-up	129,176	129,176	129,176	-	-
	9,465,326	9,762,711	8,584,671	523,366	654,674

The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up rates effective as at June 30, 2022.

* Includes the impact of government grant amounting to Rs 229.692 million (2021: Rs 101.132 million).

(c) **Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign exchange risk

Foreign exchange risk represents the risk that the fair values or future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates.

The Company is exposed to foreign exchange risk on import of raw materials, plant and machinery, stores and spares and export of goods denominated in US Dollar and Euro. The Company's exposure to foreign exchange risk at the reporting date is as follows:

	June 30, 2022			June 30, 2021		
	Rupees	US Dollar	Euro	Rupees	US Dollar	Euro
	----- in '000 -----			----- in '000 -----		
Trade and other payables	1,387,683	6,663	70.02	752,474	4,753	0.65

The following significant exchange rates have been applied:

	Reporting date rate	
	2022	2021
US Dollar to Rupee	206.00	158.30
Euro to Rupee	215.75	188.71

At June 30, 2022, if Rupee had strengthened / weakened by 10% against US Dollar and Euro with all other variables held constant, profit before taxation for the year would have been higher / lower by the amount shown below mainly as a result of foreign exchange gain / loss on translation of denominated financial currency balances:

	2022	2021
	--- Rupees in '000 ---	
Effect on profit before taxation for the year:		
US Dollar to Rupee	137,258	75,240
Euro to Rupee	1,511	12
	<u>138,769</u>	<u>75,252</u>

(d) Interest rate risk

Interest rate risk represents the risk that the fair values or future cash flows of financial instruments will fluctuate because of change in market interest rates.

Majority of the interest rate risk of the Company arises from short & long term borrowings from banks and mark-up bearing deposits held with a bank. Borrowings at variable interest rates expose the Company to cash flow interest rate risk and deposits with banks at fixed interest rates give rise to fair value interest rate risk. At June 30, 2022, the interest rate profile of the Company's significant financial instruments is as follows:

	2022	2021
	--- Rupees in '000 ---	
Fixed rate instrument		
Financial asset	10,262	9,067
Variable rate instruments		
Financial liabilities	7,180,395	7,081,426

At June 30, 2022, if the interest rate on the Company's borrowings had been higher / lower by 100 basis point with all other variables held constant, profit before tax for the year would have been lower / higher by Rs 71.804 million (2021: Rs 70.814 million) mainly as a result of higher / lower interest expense.

Price risk

Price risk represents the risk that the fair values or future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from foreign exchange risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors effecting all similar financial instruments traded in the market. The Company is not exposed to other price risk as it does not hold any price sensitive instruments.

44.2 Fair value measurement of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Company is going concern and there is no intention or requirement to curtail materially the scale of its operation or to undertake a transaction on adverse terms.

The estimated fair value of all financial assets and liabilities is considered not significantly different from book values as the items are either short - term in nature or periodically re-priced.

International Financial Reporting Standard 13, 'Financial Instruments : Disclosure' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

Currently there are no financial assets or financial liabilities which are measured at their fair value in the statement of financial position.

	2022	2021
44.3	--- Rupees in '000 ---	

Financial assets as per the statement of financial position

At amortised cost

Long term loans and advances	10,508	9,039
Long term deposits	19,426	22,028
Trade debts	2,518,372	1,717,939
Loans and advances	36,911	37,802
Deposits	32,428	60,182
Other receivables	61,125	29,573
Cash and bank balances	137,393	74,398
	2,816,163	1,950,961

Financial liabilities as per the statement of financial position

At amortised cost

Long term finances*	1,285,231	1,833,530
Long term deposits from dealers	10,370	9,960
Short term finances	2,991,027	1,958,553
Running finances under mark-up arrangements	2,904,137	3,289,343
Trade and other payables	3,215,067	2,216,648
Unclaimed dividend	19,462	19,554
Lease liabilities	2,613	8,562
Accrued mark-up	178,709	129,176
	10,606,616	9,465,326

* Includes the impact of government grant amounting to Rs 229.692 million (2021: Rs 101.132 million).

45. CAPITAL RISK MANAGEMENT

The Company's prime objective when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders, benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its business.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders and / or issue new shares.

There was no change to the Company's approach to capital management during the year and the Company is not subject to externally imposed capital requirements except for the maintenance of debt to equity ratio under the financing agreements.

46. ENTITY- WIDE INFORMATION

These financial statements have been prepared on the basis of single reportable segment.

46.1 Information about products and customers

The Company markets and sells tyre and tubes for automobiles and motorcycles. The principal classes of customers of the Company's product are Original Equipment Manufacturers, Replacement Market, Government Institutions and Exports. These principal classes of customers accounted for the following percentages of sales:

	2022	2021
	%	%
Original equipment manufacturers	42.81	40.64
Replacement market	47.78	52.69
Government institutions	8.71	5.54
Exports	0.70	1.13
	100.00	100.00

46.2 Information about geographical areas

All non-current assets of the Company as at June 30, 2022 are located in Pakistan.

46.3 Information about major customers

Sales to one major original equipment manufacturer aggregating to Rs 2,613.877 million (2021: four major original equipment manufacturers aggregating to: Rs 4,653.549 million) account for 14.06% (2021: 33.42%) of net sales.

47. NUMBER OF EMPLOYEES

The total and average number of employees during the year and as at June 30, 2022 and 2021 respectively are as follows:

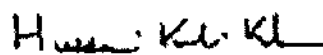
	2022	2021
	No of employees	
Average number of employees during the year	1,119	1,125
Number of employees as at June 30	1,114	1,133

48. GENERAL

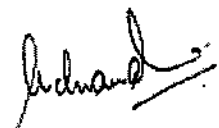
- 48.1 These financial statements were authorised for issue on September 1, 2022 by the Board of Directors of the Company. The directors have the power to amend and reissue the financial statements,
- 48.2 Figures have been rounded off to the nearest thousand of rupees, unless otherwise stated.
- 48.3 Corresponding figures have been reclassified wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of comparison in accordance with the accounting and reporting standards as applicable in Pakistan.
- 48.4 Subsequent to year ended June 30, 2022, the Board of Directors in its meeting held on September 1, 2022 has proposed a final cash dividend of Rs 3 per share amounting to Rs 365.8 million for approval of the members at the annual general meeting. The effect of such dividend shall be accounted for in the financial statements for the year ending June 30, 2023.



Mr. Siraj A. Lawai
Chief Financial Officer



Mr. Hussain Kuli Khan
Chief Executive



Mr. Adnan Ahmed
Director

PATTERN OF SHAREHOLDING
AS OF JUNE 30, 2022

# Of Shareholders	Shareholdings' Slab			Total Shares Held
656	1	to	100	20,057
1079	101	to	500	370,657
682	501	to	1000	586,990
1521	1001	to	5000	3,753,743
312	5001	to	10000	2,319,188
157	10001	to	15000	1,910,199
53	15001	to	20000	908,228
56	20001	to	25000	1,237,236
35	25001	to	30000	967,406
28	30001	to	35000	904,967
13	35001	to	40000	491,812
9	40001	to	45000	381,136
10	45001	to	50000	483,076
13	50001	to	55000	687,751
5	55001	to	60000	284,848
6	60001	to	65000	368,743
5	65001	to	70000	339,280
5	70001	to	75000	362,517
3	75001	to	80000	234,408
5	80001	to	85000	416,530
2	85001	to	90000	172,970
7	95001	to	100000	696,000
4	100001	to	105000	408,206
1	105001	to	110000	108,000
1	110001	to	115000	115,000
1	135001	to	140000	135,068
2	170001	to	175000	342,843
1	175001	to	180000	175,500
1	185001	to	190000	186,252
1	205001	to	210000	206,500
1	210001	to	215000	214,500
1	215001	to	220000	216,580
1	225001	to	230000	228,624
1	235001	to	240000	235,250
2	240001	to	245000	486,530
1	245001	to	250000	247,741
1	280001	to	285000	284,000
1	295001	to	300000	299,500

# Of Shareholders	Shareholdings'Slab			Total Shares Held
1	300001	to	305000	303,477
1	335001	to	340000	338,436
1	395001	to	400000	400,000
3	405001	to	410000	1,224,000
1	415001	to	420000	417,408
1	430001	to	435000	434,520
1	445001	to	450000	450,000
1	450001	to	455000	455,000
1	470001	to	475000	472,018
1	485001	to	490000	486,525
1	490001	to	495000	490,452
1	630001	to	635000	632,356
1	645001	to	650000	646,500
1	690001	to	695000	691,500
1	700001	to	705000	702,373
1	740001	to	745000	742,356
1	830001	to	835000	831,300
1	880001	to	885000	884,500
1	1125001	to	1130000	1,129,500
1	1515001	to	1520000	1,515,720
1	1675001	to	1680000	1,677,900
1	1905001	to	1910000	1,909,644
1	2055001	to	2060000	2,058,000
1	2555001	to	2560000	2,555,304
1	2595001	to	2600000	2,596,500
1	4500001	to	4505000	4,501,464
1	5635001	to	5640000	5,638,618
1	29380001	to	29385000	29,380,308
1	36575001	to	36580000	36,579,835
4714				121,933,350

CATEGORIES OF SHAREHOLDING

AS OF JUNE 30, 2022

Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors, Chief Executive Officer, and their spouse(s) and minor children			
Mr. Ahmad Kuli Khan Khattak	3	1,793,857	1.47
Lt. Gen (Retd.) Ali Kuli Khan Khattak	1	486,525	0.40
Syed Ahmed Iqbal Ashraf	1	10	0.00
Mr. Hussain Kuli Khan	1	204	0.00
Mr. Adnan Ahmed	1	274	0.00
Associated Companies, undertakings and related parties			
Bibojee Services (Pvt.) Ltd.	2	33,881,772	27.79
Pakistan Kuwait Investment Company (Pvt.) Ltd.	1	36,579,835	30.00
NIT & ICP	1	5,638,618	4.62
Banks Development Financial Institutions, Non Banking Financial Financial Institutions.	9	3,327,724	2.73
Insurance Companies	5	2,432,450	1.99
Modarabas and Mutual Funds	4	1,776,032	1.46
General Public			
a. Local	4,556	26,600,466	21.81
b. Foreign	56	4,274,328	3.51
Foreign Companies	4	20,481	0.02
Others	69	5,120,774	4.20
Totals	4,714	121,933,350	100.00

Share holders holding 10% or more	Shares Held	Percentage
Bibojee Services (Pvt.) Ltd.	33,881,772	27.79
Pakistan Kuwait Investment Company (Pvt.) Ltd.	36,579,835	30.00

PROXY FORM

The Company Secretary
M/s. Ghandhara Tyre and Rubber Company Ltd.
H-23/2, Landhi Industrial Trading Estate
Landhi, Karachi.

Please quote:-----
No. of Shares held-----
Folio No.-----
CDC Part. ID-----
A/C or Sub-A/C No. -----

I/We-----
of ----- Member(s) of M/s. Ghandhara Tyre and Rubber Company Limited (the "Company") do
hereby appoint ----- of ----- or failing him ----- of
----- as proxy in my / our behalf at the Fifty-Nineth (59th) Annual General Meeting of the Company
to be held at the Beach Luxury Hotel, Lalazar, Karachi on Thursday, October 27, 2022, at 11:00 a.m. and at any
adjournment thereof.

Signature of Shareholder -----

Signature on
Revenue Stamp

Name of Shareholder -----

Witnesses:

Signature-----Signature -----

Name ----- Name -----

NIC/ Passport No. ----- NIC/Passport No. -----

پراکسی فارم

کمپنی سیکریٹری

گندھارا ٹائر اینڈ ربر کمپنی لمیٹڈ

H-23/2، لائڈھی انڈسٹریل ٹریڈنگ اسٹیٹ،

لائڈھی، کراچی۔

برائے مہربانی درج کریں:

ملکیتی شیئرز کی تعداد: -----

فولیو نمبر: -----

سی ڈی سی پارٹیشننگ آئی ڈی: -----

اکاؤنٹ / سب اکاؤنٹ نمبر: -----

میں/ہم ----- کا/کے ----- بحیثیت ممبر (ممبران)

گندھارا ٹائر اینڈ ربر کمپنی لمیٹڈ، بذریعہ ہذا ----- کا/کی ----- کو اور

ان کی عدم موجودگی میں ----- کا/کی ----- کو اپنی/ہماری جانب سے کمپنی کے

۱۲ اکتوبر ۲۰۲۲ بروز جمعرات بوقت دوپہر ۱۱:۰۰ بجے بیچ لکڑی ہوٹل، لالازار، کراچی میں منعقد ہونے والے انٹھویس (59th) سالانہ

اجلاس عام اور اس کے کسی ملتوی شدہ اجلاس کے لئے نمائندہ (پراکسی) مقرر کرتا ہوں۔

شیئر ہولڈر کے دستخط -----

پانچ روپے مالیت کے

ریونیوسٹیمپ پر دستخط

شیئر ہولڈر کے دستخط -----

شیئر ہولڈر کا نام -----

گواہان:

دستخط ----- دستخط -----

نام ----- نام -----

کمپیوٹرائزڈ قومی شناختی کارڈ / پاسپورٹ نمبر ----- کمپیوٹرائزڈ قومی شناختی کارڈ / پاسپورٹ نمبر -----

Dear Shareholder(s),

Consent for Circulation of Annual Report 2022 via Email

The Securities and Exchange Commission of Pakistan through its Notification (SRO 787(1)/ 2014) of 8 September 2014 has allowed Companies to circulate its Annual Reports along with the Notice of Annual General Meeting to its shareholders via email.

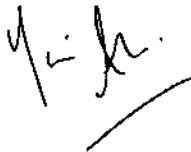
If you wish to receive the Annual Report 2022 of M/s. Ghandhara Tyre and Rubber Company Limited ("**Company**") via e-mail, you are requested to return this letter duly filled and signed, to the Share Registrar at the address mentioned below:

Name of Member/ Shareholder	
Folio/ CDC Account Number	
CNIC Number	
Email Address	
Signature of Shareholder	

Share Registrar of the Company:

CDC Share Registrar Services (Pvt.) Limited
CDC House, 99-B, Block 'B', S.M.C.H.S.
Main Shahra-e-Faisal,
Karachi-74400
Customer Support Services: 0800 – CDCPL (23275)
Email: info@cdcsrsl.com

Yours truly,



Yasir Ali Quraishi
Company Secretary
M/s. Ghandhara Tyre and Rubber Company Limited