




GOING FURTHER
TOGETHER



2025
Annual Report

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

In the Name of Allah, the Most Gracious, the Most Merciful




COVER STORY

For over three decades, Sazgar has been defined by one idea: quality you can feel on the road. In 2025, that promise moves further. Pairing precision manufacturing with smart, electrified technologies to deliver vehicles that are efficient, reliable, and a pleasure to own.

Quality in Motion begins long before a customer turns the key. It is the discipline of our production lines, the training in our workshops, the strength of our dealer and service network, and the responsiveness of our parts and customer-care teams. It is the confidence that comes from local assembly built to global standards, and from partnerships that bring the best of the world to Pakistan.

As we scale our New Energy portfolio, we remain focused on what matters most: every journey, every family, every business. With Sazgar, quality doesn't stand still—it moves you forward.



An aerial, top-down view of a two-lane road running vertically through the center of the image. The road is dark asphalt with white dashed lines. On the road, from top to bottom, there is a red car, a blue truck with a white trailer, a white car, a white van, a blue car, and a silver car. To the left of the road is a wide river with a rocky, green shoreline. A small white boat is visible in the river, and a flock of white birds is flying in the lower-left quadrant. To the right of the road is another river or lake with a rocky, green shoreline. A small white boat is visible in the water, and a small building is visible on the shore in the lower-right quadrant. The overall scene is a composite image representing various modes of transportation.

ENGINEERING PAKISTAN'S MOBILITY

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ORGANIZATIONAL **OVERVIEW**

VISION

Dynamic, Quality Conscious and Ever Progressive

MISSION

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

CORPORATE STRATEGY

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

CORE VALUES



COMPANY INFORMATION

BOARD OF DIRECTORS

Mrs. Saira Asad Hameed

Chairperson / Non-Executive Director

Mr. Mian Asad Hameed

Chief Executive

Mr. Saeed Iqbal Khan

Executive Director

Mr. Mian Muhammad Ali Hameed

Executive Director

Mrs. Sana Suleyman

Non-Executive Director

Mr. Humza Amjad Wazir

Non-Executive Director

Mr. Umair Ejaz

Independent Director

Mr. Taha Mahmood

Independent Director

Mr. Muhammad Omer Saeed

Independent Director

AUDIT COMMITTEE

Mr. Umair Ejaz (Chairman)
Mr. Taha Mahmood (Member)
Mrs. Sana Suleyman (Member)
Mr. Arshad Mahmood (Secretary)

RISK MANAGEMENT COMMITTEE

Mr. Umair Ejaz (Chairman)
Mr. Taha Mahmood (Member)
Mr. Mian Muhammad Ali Hameed
(Member)
Mr. Arshad Mahmood (Secretary)

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Taha Mahmood (Chairman)
Mr. Mian Asad Hameed (Member)
Mr. Humza Amjad Wazir (Member)
Mr. Umair Ejaz (Member)
Mr. Arshad Mahmood (Secretary)

NOMINATION COMMITTEE

Mr. Mian Asad Hameed (Chairman)
Mr. Humza Amjad Wazir (Member)
Mr. Saeed Iqbal Khan (Member)
Mr. Arshad Mahmood (Secretary)

SUSTAINABILITY COMMITTEE

Mr. Muhammad Omer Saeed (Chairman)
Mr. Umair Ejaz (Member)
Mrs. Sana Suleyman (Member)
Mr. Arshad Mahmood (Secretary)

COMPANY SECRETARY

Mr. Arshad Mahmood – FCA

CHIEF FINANCIAL OFFICER

Mr. Muhammad Atif Rao

AUDITORS

Crowe Hussain Chaudhury & Co.
Chartered Accountants

CREDIT RATING

Medium to Long term rating: **A**
Short term rating: **A1**

REGISTERED OFFICE

88 - Ali Town Thokar Niaz Baig,
Raiwind Road, Lahore, Pakistan.
www.sazgarautos.com

SHARE REGISTRAR

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

FACTORY

Three-Wheeler Plant:

18-KM Raiwind road, Lahore, Pakistan.
Ph: +92-42-35330300-2,
Fax: +92-42-35330329

Four-Wheeler Plant:

Maghrabi Tanki-1, Link Road, near Ijtima
Chowk, Sundar-Raiwind Road, Raiwind,
Lahore, Pakistan.

Ph: +92-42-35398671-74,

Fax: +92-42-35398676

BANKERS

Meezan Bank Limited	MCB Islamic Bank Limited	Bank Islami Pakistan Limited
Faysal Bank Limited	Bank AL Habib Limited	Askari Bank Limited
Habib Bank Limited	National Bank of Pakistan	Bank Alfalah Limited
Habib Metropolitan Bank Limited	The Bank of Punjab – Taqwa Islamic	Dubai Islamic Bank Pakistan Limited
United Bank Limited - Ameen	Al Baraka Bank Pakistan Limited	Allied Bank Limited
The Bank of Khyber – Islamic Banking		

ABOUT SAZGAR

Sazgar Engineering Works Limited "The Company" was incorporated in Pakistan on September 21, 1991 as a Private Limited Company and converted into a Public Limited Company on November 21, 1994. The Company is listed on the Pakistan Stock Exchange Limited.

The Company is specialized in the manufacturing and sale of high-quality four-wheel passenger and off-road vehicles, three-wheelers, automotive parts. The Company has signed technical & cooperation agreements with two Chinese automobile groups - Beijing Automotive Group Company Ltd. (BAIC) and Great Wall Motor Company Ltd. (GWM) for the manufacturing / assembly of four wheelers.

Sazgar is renowned for its commitment to quality and innovation. The Company has also honored to introduce the first-ever locally assembled Hybrid Electric Vehicle (HEV) and pure Electric Vehicles (EVs) in Pakistan. With a commitment to enhancing mobility solutions and contributing to the automotive industry, the Company operates state-of-the-art manufacturing facilities equipped with advanced technology and stringent quality control measures.

Company offers the products under the name of the following brands. Detail of our products is available on our corporate website www.sazgarautos.com and further in this report.



PRODUCT PORTFOLIO

Four-Wheelers

HAVAL H6 (CKD MODELS) **1.5T, 2.0T, HEV & PHEV**

Our flagship SUV line pairs confident performance with advanced safety, offered as 1.5-litre and 2.0-litre turbo-petrol CKD variants and a highly efficient 1.5-litre HEV; a plug-in hybrid option extends the electrified range with EV-only commuting capability while preserving long-distance flexibility. All H6 derivatives reflect SAZGAR's focus on quality and 5-Star ANCAP heritage across our four-wheeler family, while the HEV underscores lower emissions and fuel savings for customers.



HAVAL JOLION (CKD MODELS) **1.5T, 1.5 HEV**

The Jolion is our smart, compact CKD SUV—boldly styled, spacious and technology-rich—available with an efficient 1.5-litre petrol engine or a 1.5-litre hybrid that materially reduces petrol consumption. With the Jolion line launched in FY24 (including the HEV), it strengthens our entry in the high-volume compact segment while keeping the same rigorous safety credentials that define our portfolio.



BAIC BJ40L (CKD MODEL)

A purpose-built, body-on-frame CKD off-roader, the BJ-40 Plus channels classic SUV fundamentals—strong, simple and imposing—wrapped in a tough, contemporary design. Its 2.0-litre turbo-petrol automatic powertrain and go-anywhere stance position it as a distinctive, enthusiast-focused model in a niche with limited direct competition.



TANK 500 HEV (CBU MODEL)

Our CBU flagship is a seven-seat luxury SUV that combines hybrid efficiency with full-size capability: a 2.0-litre turbocharged engine paired to a 9-speed automatic, multiple drive modes and premium amenities—including front-seat massagers—delivering refined long-distance comfort and confidence.



ORA 07 & 03 (CBU MODELS)

ORA brings pure-electric, zero-emission motoring to our range in distinctive, retro-futuristic form. Imported as CBUs, the ORA 03 and ORA 07 blend standout design with quiet, emissions-free driving, expanding SAZGAR's footprint in next-generation mobility.



Three-Wheelers

The Company is carrying Three Wheelers business under the brand "SAZGAR". Under this segment, the Company offers different models of petrol as well as pure Electric Vehicles (EV). These Three Wheelers include passengers and cargo loaders and are designed in accordance with the needs of customers. The Company is also exporting three wheelers to different countries including Japan.

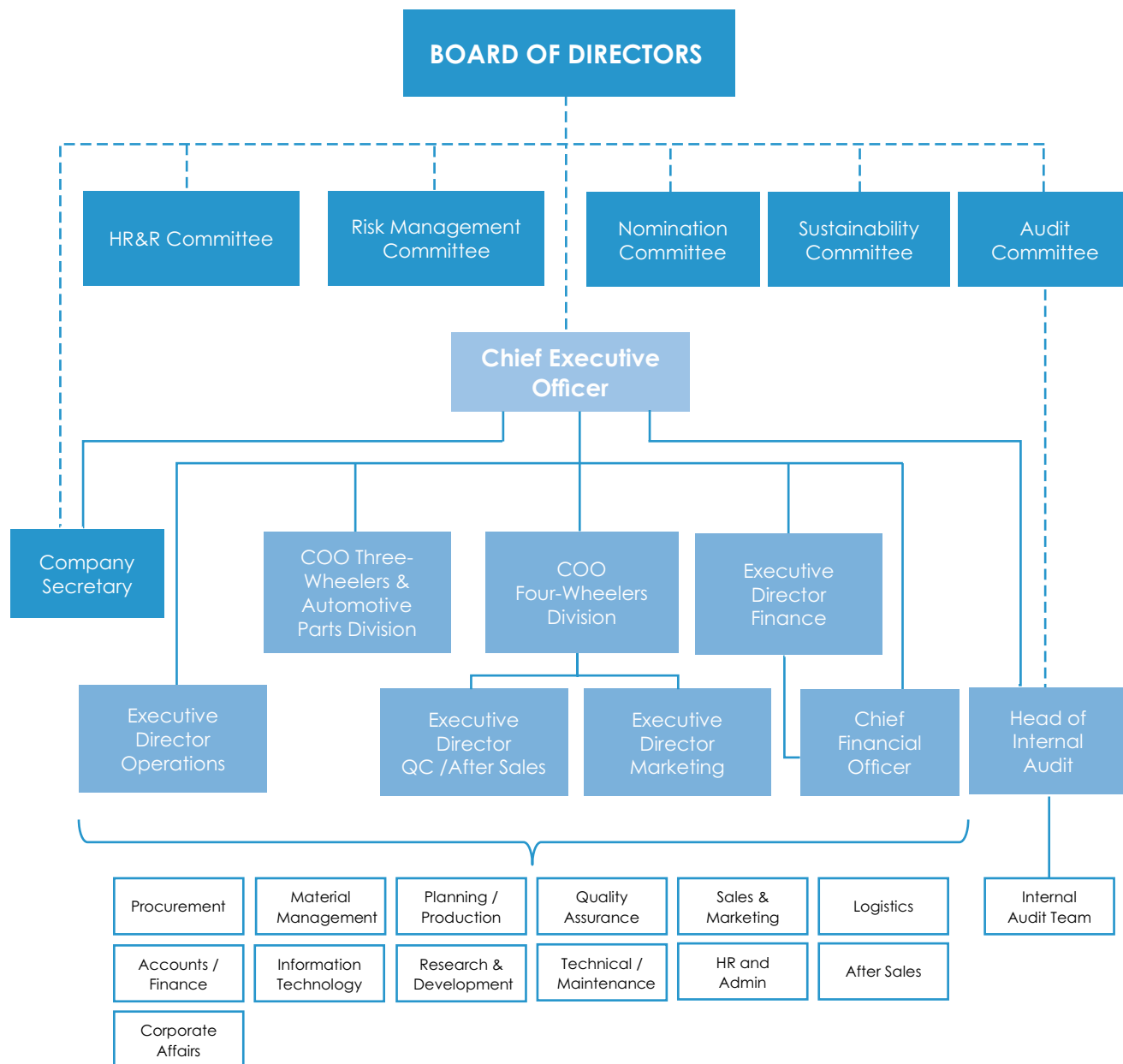


Automotive Parts

Under this segment, the Company manufactures Automotive Parts, specifically Tractor Wheel Rims. These Rims are supplied to Tractors Assemblers.



ORGANIZATION CHART



_____ Administrative Reporting

----- Functional Reporting

PROFILE OF BOARD OF DIRECTORS

Mr. Mian Asad Hameed

Chief Executive Officer / Director

Mian Asad Hameed is Chief Executive Officer of the Company. He has qualified from USA and represents as a board member since the inception of the Company. He has played an instrumental role in the establishment and progress of the Company. He has a diversified experience of running and managing the affairs of the company. He possessed great leadership qualities.

He started his career as an assistant area manager of Burma shell in 1980. He joined M/S Ciba Enterprises (Private) Limited in 1984 as a director and later on in 1986 appointed as Chief Executive of the company and enjoyed this position up to 2008. He brought with him a wealth of rich experience in research, development and management of business.

In Sazgar he has been personally involved in the development of wheel rims die's, production machinery, development & design of Mini cab three-wheel rickshaw. He has thorough and in-depth knowledge of automobile market in Pakistan and the surrounding region. He has successfully managed to market the auto rickshaw all over Pakistan and export in countries like Afghanistan, Japan, and Tanzania etc.

He has played a key role in the successful establishment and management of the four-wheeler project of the Company. Under his leadership, the project has achieved key milestones, including the introduction of high-tech hybrid electric vehicles (HEVs). His strategic vision has been critical in securing arrangements for sourcing key components, optimizing production processes, and expanding the company's footprint in the competitive automotive market. His extensive knowledge of the automobile industry and his commitment to innovation have positioned the company as a key player in the automotive market in Pakistan.

Mrs. Saira Asad Hameed

Chairperson and Non-Executive Director

Mrs. Saira Asad Hameed is a non-executive director and chairperson of the Company. She has an experience of more than 23 years as a board member of the Company. She has been playing a leadership role in conducting the affairs of the Board by ensuring that the Board is playing an effective role in fulfilling its responsibilities. She has a very innovative mind and diversified experience of administration, human resource and customers' relationship.

With a rich and diversified professional exposure and with a focus on innovation, Mrs. Saira has proved to be a very effective management resource with a demonstrated flair for creating synergies.

Mr. Saeed Iqbal Khan

Chief Operating Officer - Executive Director

Mr. Saeed Iqbal Khan is working as a Chief Operating Officer of the three-wheeler and automotive parts division of the Company. He is on Board of the Company since its inception. He is a graduate mechanical engineer and owns a working experience of more than 38 years from abroad and from well-known Pakistani automobile and engineering companies. He is looking after overall plant operations, quality control, research and development of the company.

He has also played a pivotal role in the development of the Company's four-wheeler project.

Mr. Mian Muhammad Ali Hameed

Chief Operating Officer - Executive Director

Mr. Mian Muhammad Ali Hameed is working as a Chief Operating Officer of the four-wheeler division of the Company. He is foreign qualified – MBA and a lateral thinker, young, energetic and having strong commitment to excel the Company. He is on Board of the company since 2008. Previously during the period from March 2011 to March 2014, he was also heading the Sales & Marketing department of the Company, he was responsible for developing a distribution and sales network of the Company. His major achievements include developing cross provinces distribution networking for marketing, sales and after-sales services.

He oversees and manages the company's operations, ensuring efficiency across production, supply chain, and quality control.

Mr. Humza Amjad Wazir

Non-Executive Director

Mr. Humza Amjad Wazir is a Non-Executive Director of the Company. He is also serving on the Board of M/s. Power Vision System (Pvt.) Ltd. as director since September 2009, heading product and business development department. The Power Vision System (Pvt.) Ltd is engaged in the manufacturing of generators. He is also working as a Chief Executive / Director in M/s Pak Tractor Manufacturing Company Private Limited.

He is a foreign qualified LLB Honors and MA Honors, attended various training of industry support program and CBI Export coaching programs. His major achievements include setting up of generator manufacturing Plant as per International Standards.

Mrs. Sana Suleyman

Non-Executive Director

Mrs. Sana Suleyman is a non-executive director of the Company. She is BSC Hons in Economics and Finance. She has also served as non-executive director of Sazgar Engineering Works Limited during the period from March 2011 to 2014. She is also serving on the board of Triquest (Pvt.) Ltd. as Director of the Company, the Company is engaged in Real Estate development business. She is a partner in Pakistan Outdoors, an organization which is involved in outdoor recreational activities within Pakistan. She is a partner in CMK Construction, a firm which is engaged in construction related activities both in private and public sector. She is also a managing partner of Al Hameed Industries and Agricultural farms, a firm which is engaged in cold storage, Ice factory, Oil Extraction unit and agricultural farming. She has a versatile experience of business administration and corporate strategies.

Mr. Muhammad Omer Saeed

Independent Director

He is serving on the board of Sazgar Engineering Works Limited as Independent Director with effect from February 17, 2022. After completing BSc (Hons) in Mathematics, Business Management and Finance from Queen Mary, University of London, UK, he obtained Master's degree in Management of Development from University of Turin, Italy. He has rich working experience of more than 10 years in local as well as International Organizations as an Advisor in the field of financial, technical, business and organization development. He has been associated with the following organizations:

- German International Cooperation (GIZ) – Lahore
- Farani Taylor LLP – London
- Moody International (Pvt) Limited – Lahore
- American Refugee Committee (ARC) – Lahore

Mr. Taha Mahmood

Independent Director

He is serving on the board of Sazgar Engineering Works Limited as Independent Director. He holds MBA degree from Golden Gate University San Francisco – USA and owns a working experience of more than 26 years from abroad and from well-known Pakistani Banking Companies.

He served at senior management positions in different banks and has attended different banking and professional training courses i.e., Commercial Banking from France, Advance Selling Skills from ANZ Training Centre, Pakistan, Treasury management from Switzerland, Management of Accounting Systems from ANZ Training Centre Pakistan, Credit and Accounting Management from ANZ Training Centre UK. He has depth and versatile knowledge and understanding of Pakistani and International Banking Industry.

Mr. Umair Ejaz

Independent Director

He is serving on the board of Sazgar Engineering Works Limited as Independent Director. He holds a degree in MSc Financial Management & Corporate Accountability from Middlesex University, London. He has assigned the responsibility of Director Finance in his family-owned business M/S Ijaz Brothers and also served as Head of Finance and Corporate Accountability in M/S ACC Polymers.

In 2017 he set up his own company by the name of M/S Anjum Chemical Company. The company is in the business of indenting industrial raw materials to various clients across Housing, Medical, Automotive and Appliance industries. He is expert in analyzing of customers decision making, international economic events evaluation, foreign exchange market, trade policies and geopolitical risks.

BUSINESS MODEL

SAZGAR's business model integrates diverse resources and strategic activities to drive sustainable growth and value creation. During the year, no significant changes has been made to the Company's business model.

CAPITAL INPUTS

Financial Capital	<ul style="list-style-type: none"> ■ Equity & Reserves: Rs. 23.7 billion ■ Long term Debt: Rs. 0.15 billion
Manufactured Capital	<ul style="list-style-type: none"> ■ 02 advanced manufacturing facilities with state-of-the-art machineries. ■ Diversified product portfolio.
Human Capital	<ul style="list-style-type: none"> ■ Experienced leadership. ■ Workforce of 1,552 talented and motivated employees (FYE 2024-25). ■ Health & safety policies. ■ Diversity & inclusion.
Intellectual Capital	<ul style="list-style-type: none"> ■ Brand and corporate reputation. ■ Highly skilled and experienced professionals. ■ Advanced in-house ERP. ■ Membership with major associations and ISO certifications.
Natural Capital	<ul style="list-style-type: none"> ■ Adherence to Environmental Management System (ISO 14001). ■ Use of materials including water, natural gas etc. for business operations. ■ Commitment to efficient utilization of natural resources and investment in low carbon technology.
Social And Relationship Capital	<ul style="list-style-type: none"> ■ Partnership with international suppliers. ■ Strong customer base. ■ Strong dealers' network across Pakistan. ■ Relationship of trust with stakeholders. ■ CSR initiatives.

BUSINESS ACTIVITIES



OUTPUTS



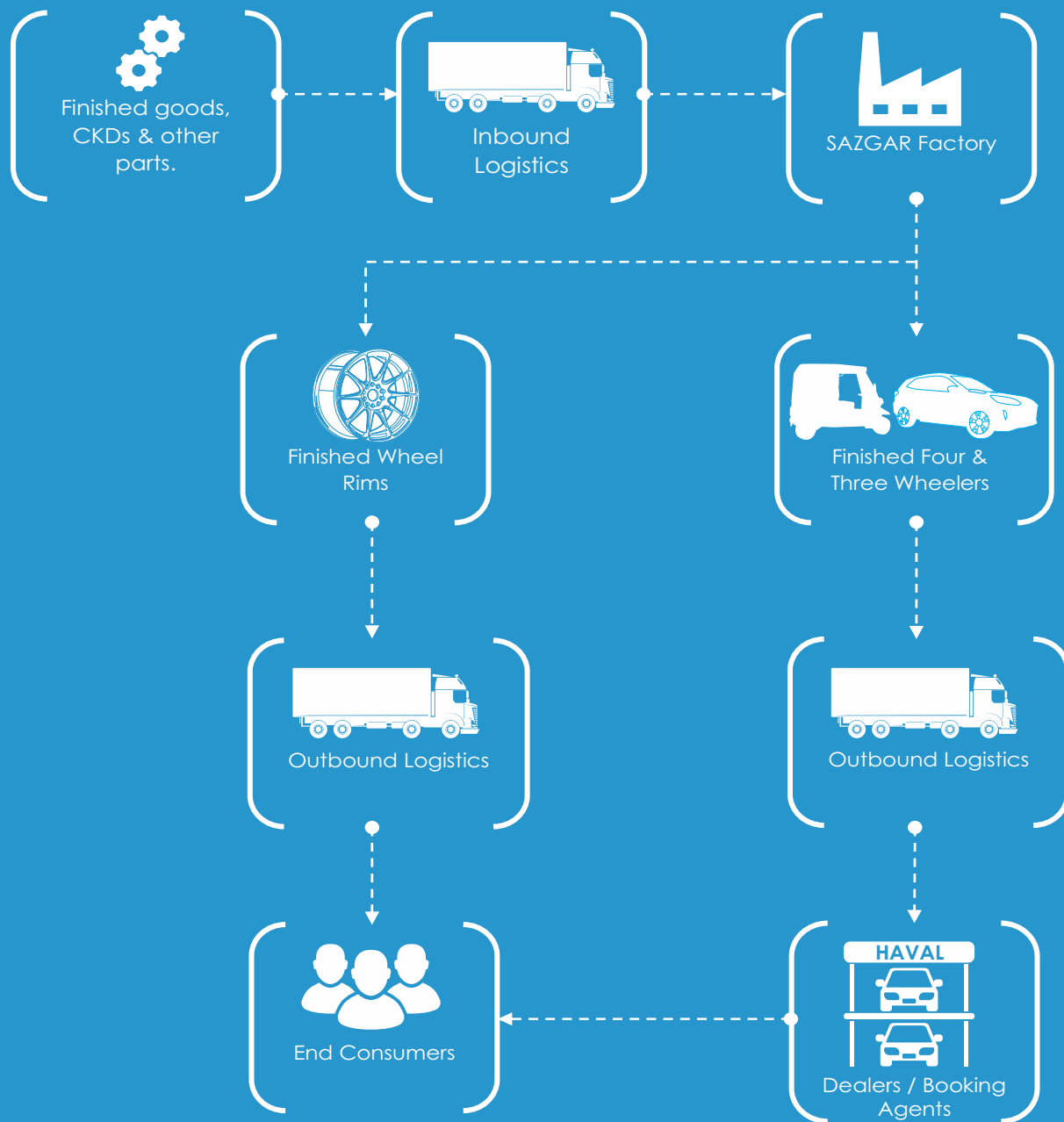
Four-Wheeler Vehicles		Three-Wheeler Vehicles		Wheel Rims	
Production	11,039 units	Production	24,700 units	Production	41,717 units
Sales	10,889 units	Sales	25,786 units	Sales	42,622 units

For detailed segment results, refer to the Note 38 to the Annual Audited Financial Statements for the year ended June 2025.

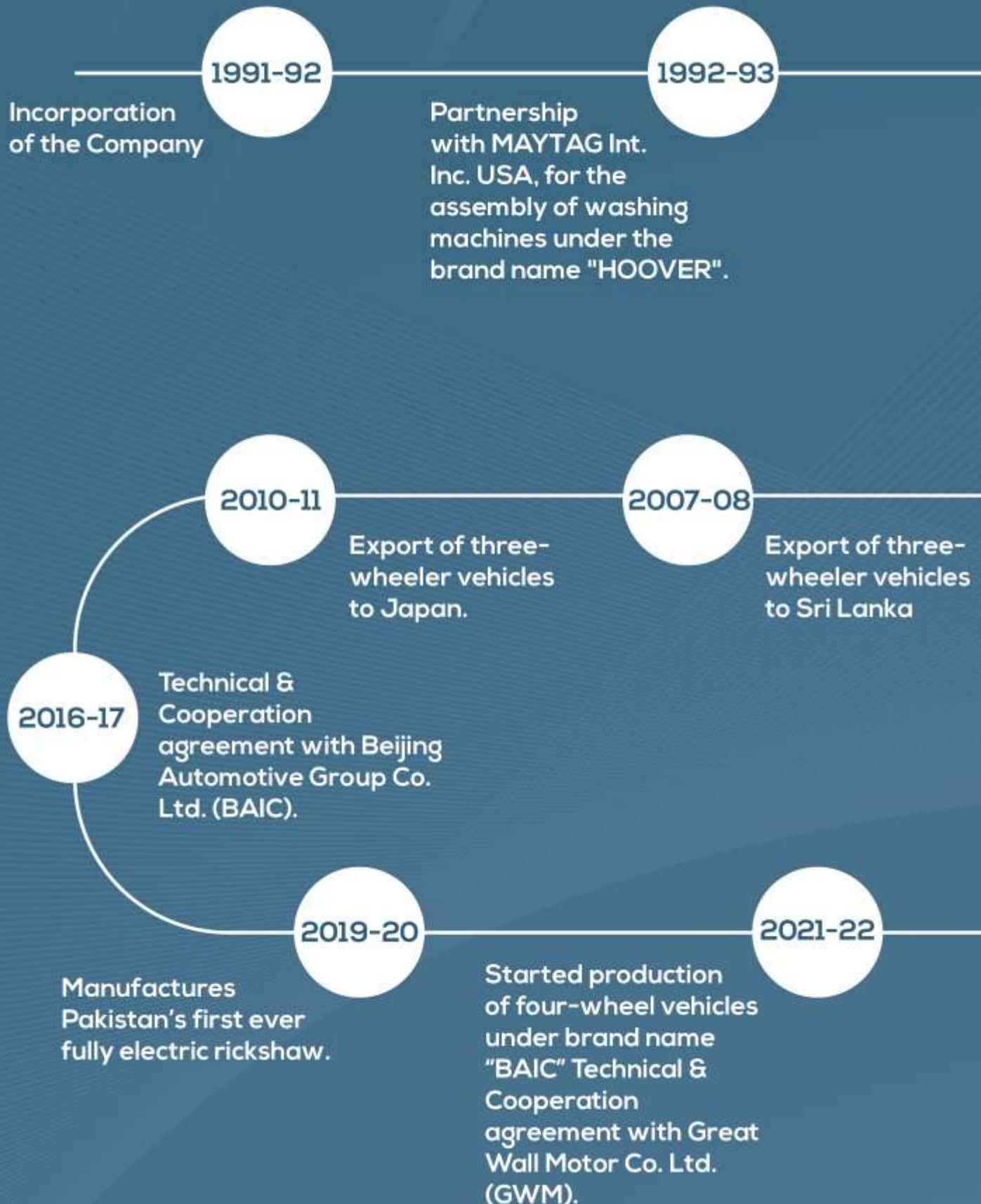
OUTCOMES

Wealth generation and economic growth	<ul style="list-style-type: none"> ■ Growth in revenue by 89% and net-profit by 106% as compare to the year 2024. ■ Share price increased by 37% on June 30, 2025, compared with June 30, 2024. ■ Contribution of Rs. 37.65 billion to the national exchequer. ■ Dividends of Rs. 3.14 billion to shareholders. ■ Financial charges of Rs. 230.3 million to providers of finance. ■ Contribution to economic resilience in the form of fuel savings via our electric and hybrid electric vehicles.
Employees	<ul style="list-style-type: none"> ■ Salaries and other benefits of Rs. 2.12 billion.
Community	<ul style="list-style-type: none"> ■ CSR contribution of Rs. 31.5 million. ■ Trust based relationships with all stakeholders. ■ Satisfied customers through reliable mobility solutions, fuel efficiency, and enhanced driving experience. ■ Improved brand reputation.
Environment	<ul style="list-style-type: none"> ■ Plantation of trees ■ Increased Energy consumption. ■ Increased GHG emissions. <p>For more details refer to Sustainability Report 2025.</p>

VALUE CHAIN POSITIONING



HISTORY OF MAJOR EVENTS



Converted into
a Public Limited
Company

1994-95

Company listed
on Stock Exchange
of Pakistan

1996-97

Ventured into
manufacturing of
Tractor Wheel Rims.

1997-98

2005-06

Introduction of
a new home
appliances brand
"WHIRLPOOL"

2004-05

Started
manufacturing
and assembly of
Three-Wheeler
Vehicles

2022-23

CKD roll out of first unit
of "HAVAL" vehicles
(SUVs)
Introduced the first-ever
locally assembled
Hybrid Electric Vehicle
"HAVAL HEV".

2023-24

- Launch of 'Haval Jolion'
- Obtained three ISO
Certifications.
- Obtained Credit Rating from
VIS crediting rating company.
- Introduced two CBU models
"Tank-500 HEV" and "Ora EV".
- Grant of License for Electric
Auto Rickshaws by
Government of Punjab.

MAJOR EVENTS DURING THE YEAR 2024-2025

1st QUARTER

Sep 07, 2025

3rd Annual Dealership Conference

Sep 23, 2025

Board of Directors Meeting for Annual Accounts 2024

2nd QUARTER

Oct 12, 2024

10,000 Four-Wheeler CKD Units completed

Oct 25, 2024

Upgrading of Features of Haval jolion

Oct 26, 2024

1st Corporate Briefing Session

Oct 26, 2024

33rd Annual General Meeting

Oct 26, 2024

BOD Meeting for the First Quarter ended September 30, 2024

Nov 05, 2024

Credit of Final Cash Dividend for the Year Ended June 30, 2024

Nov 14, 2024

Emergent Board Meeting Other Than Financial Results

Nov 14, 2024

Acquisition land adjacent to the existing 4-wheeler project.

MAJOR EVENTS DURING THE YEAR 2024-2025

3rd QUARTER

Jan 14, 2025

Re-validation of ISO Certifications

Feb 12, 2025

Re-validation and upgradation of Credit Rating

Feb 24, 2025

BOD Meeting for the Half Year ended December 31, 2024

March 19, 2025

Credit of 2nd Interim Cash Dividend for the year ending June 30, 2025

4th QUARTER

Apr 19, 2025

Revision in Expansion Plan of Four Wheelers Manufacturing Facilities.

Apr 19, 2025

BOD Meeting for the Third Quarter ended March 31, 2025

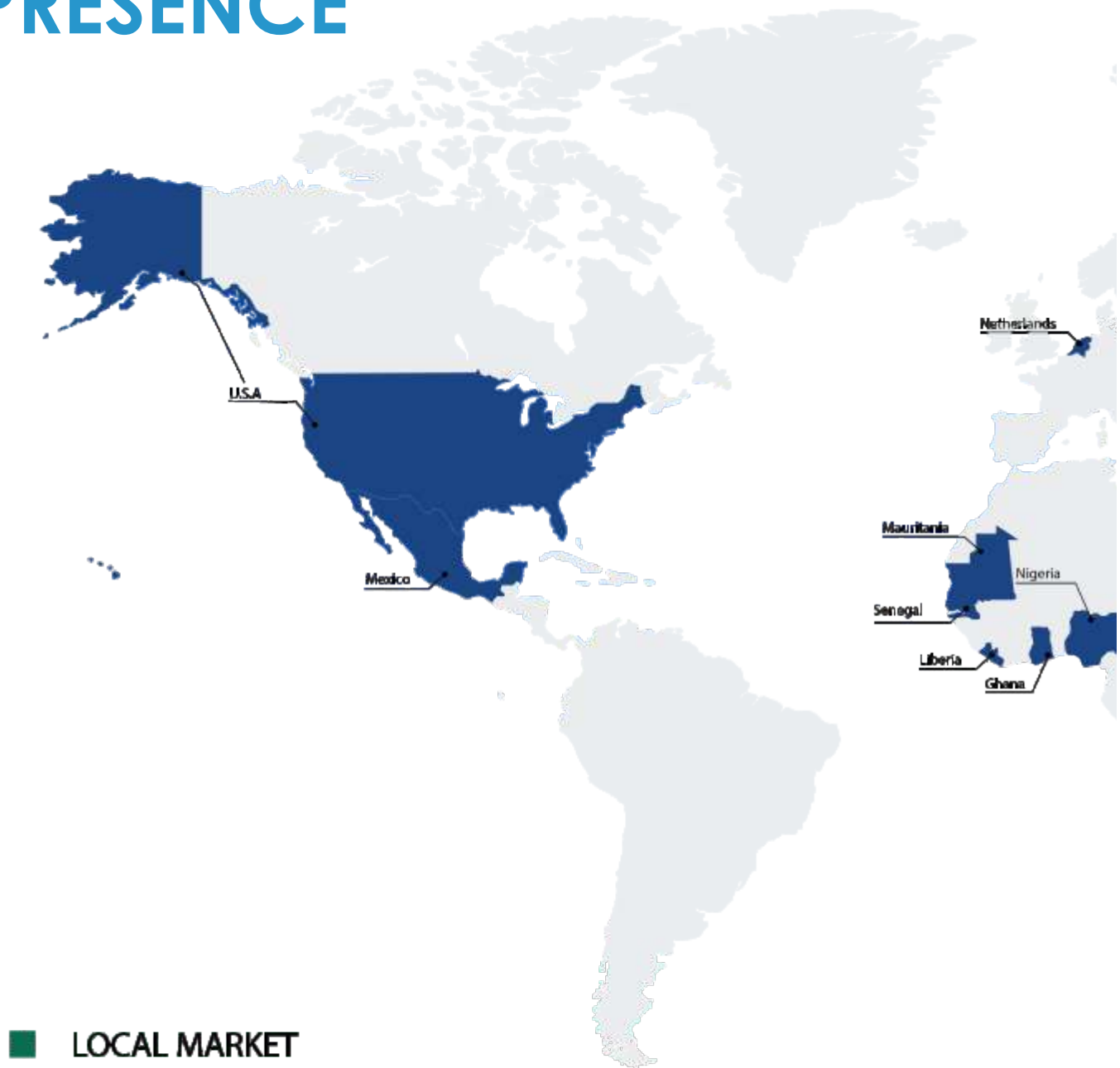
May 02, 2025

Upgrading of features of HAVAL H6

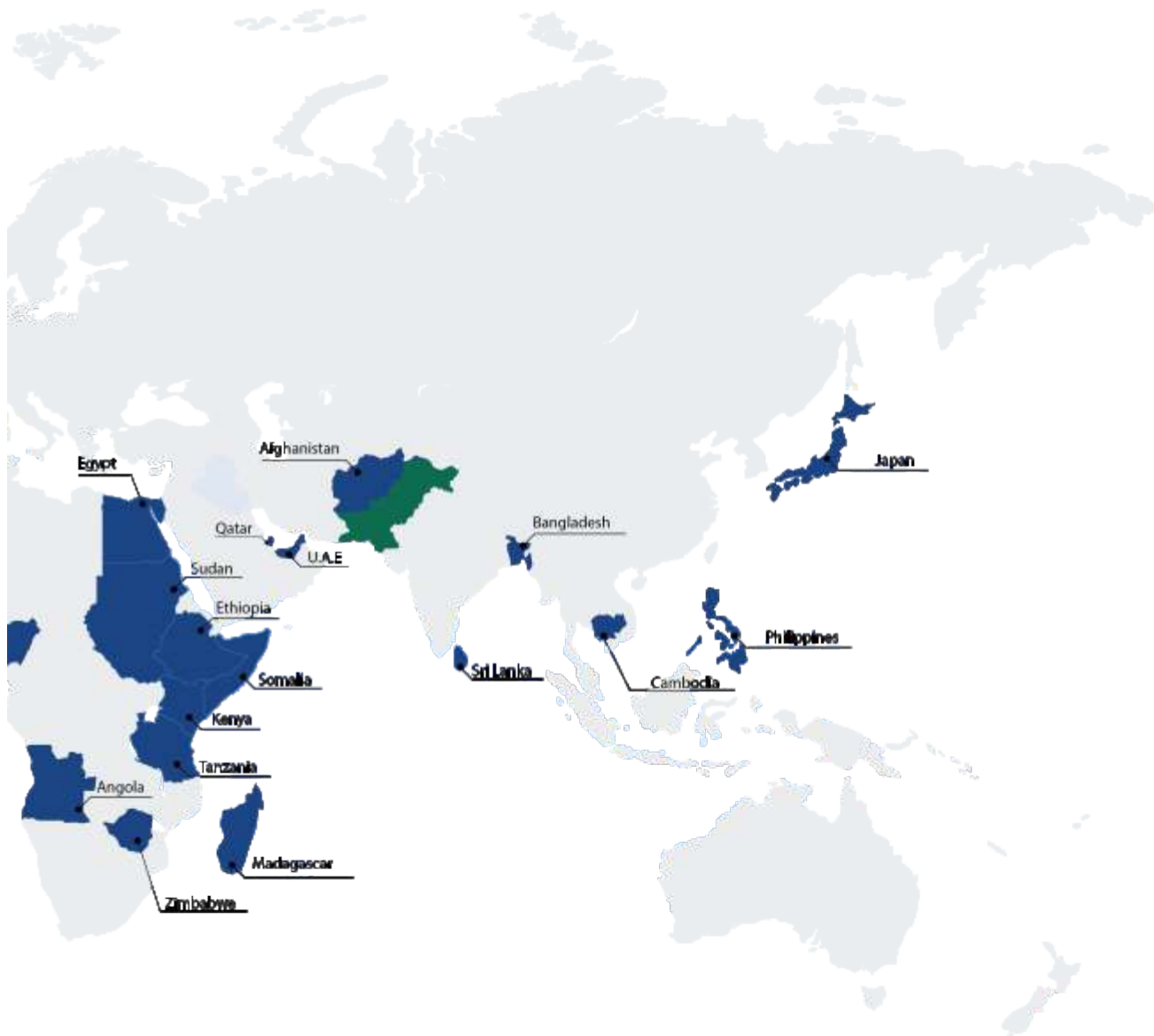
May 12, 2025

Credit of 3rd Interim Cash Dividend for the year ending June 30, 2025

GEOGRAPHICAL PRESENCE



We are proud to export our three-wheelers and represent Pakistan in the mentioned countries



Registered Office:	88 - Ali Town, Thokar Niaz Baig, Raiwind Road, Lahore.
Manufacturing Plants:	Unit-1: 18-Km Raiwind Road, Lahore. Unit-2: Maghrabi Tanki-1 Link Road, Near Ijtamah Chowk, Sunder-Raiwind Road, Lahore.
Branch Office & Customer Care Centers:	78-W, Roshan Centre, Main Jinnah Ave, Blue Area, Islamabad. B-66, State Ave, SITE (Near Caltex Pump), Siemens Chorangi, Karachi.
Dealership Network:	Sazgar's dealership network spread across major cities of Pakistan. Complete details are available at www.sazgarautos.com .

CODE OF BUSINESS CONDUCT & ETHICS



At SAZGAR, we are committed to upholding the highest standards of integrity and ethical behavior in every aspect of our business. Our key principles and practices as detailed in our Code of Business Conduct, reflecting our dedication to responsible and transparent operations are outlined below:

Business Conduct Conduct business with honesty and integrity.	Ethical Responsibility Uphold high standards of ethical behavior and integrity in all business practices.	Shareholder Value Act in a manner that protects and enhances shareholder value.
Reporting Concerns Report any ethical concerns or violations through appropriate channels.	Accuracy of Company Records Ensure the accuracy and completeness of company records and reports.	Government Compliance Adhere to all applicable government laws and regulations.
Communication Maintain clear, honest, and respectful communication.	Anti-Corruption Comply with anti-corruption laws and avoid engaging in corrupt practices.	Confidentiality and Proprietary Information Safeguard proprietary and confidential company information.
Fair Competition Engage in fair competition and avoid anti-competitive practices.	Competitive Information Avoid sharing or obtaining competitive information through unethical means.	Conflict of Interest Disclose and manage any potential conflicts of interest.
Quality and Market Conduct Commit to high-quality products and fair market practices.	Purchasing Practices Follow fair and transparent purchasing practices.	Customer Information Protect the confidentiality and integrity of customer information.
Political Activities Avoid using company resources for political activities.	Gifts and Entertainment Follow company policies on giving and receiving gifts and entertainment.	Personal Relationships Manage personal relationships to avoid conflicts of interest in business dealings.
Harassment Zero tolerance for harassment or discrimination in the workplace.	Health & Safety Ensure a safe and healthy work environment for all employees.	Community Involvement Engage in community activities that align with company values and ethics.
DE&I Promote diversity, equity and inclusion at workplace.		

EXTERNAL ENVIRONMENT ANALYSIS

Significant factors affecting the external environment and organization's response



Political Factors

Government policies, regulations, and political stability have numerous effects on the company's operations and the performance of the overall automotive industry. To address this, we actively monitor and adapt to regulatory changes and political developments. Our strategy includes compliance with local regulations and proactive engagement with policymakers to influence favorable automotive policies.



Economic Factors

Economic factors such as exchange rates, inflation, and interest rates influence costs and consumer purchasing power. Our strategy to handle these economic issues includes strategic financial management, including hedging against currency risks, managing debt prudently, and adjusting pricing strategies to reflect economic conditions.



Social Factors

Consumer preferences, demographics, and lifestyle changes drive demand for automotive products. Social trends toward sustainability and innovation impact product development and offering. Our strategy includes deeply understanding consumer trends and preferences, investing in research and development to align with market demands, and offering products that meet evolving social and environmental expectations.



Technological Factors

Advances in automotive technology, such as electric vehicles and autonomous driving, influence competitive dynamics and investment needs. To address this, the strategic focus is on technology and innovation to stay competitive, R&D for new technologies and integrating advanced features into our vehicles to meet market demands and future trends.



Environmental Factors

Environmental regulations and sustainability concerns affect manufacturing processes and product offerings. Issues such as emissions and waste management are critical. We adhere to environmental regulations and invest in sustainable practices. Our potential initiatives include ISO certifications, reducing emissions, shifting towards renewable energy sources, and excessive plantations



Legal Factors

Compliance with local laws, including corporate & taxation laws, labor laws, financial reporting standards, safety standards etc. are essential. We ensure compliance with all relevant legal requirements through regular audits and updates to our policies. Our legal team is dedicated to navigating the complex regulatory landscape to mitigate risks and protect our interests.

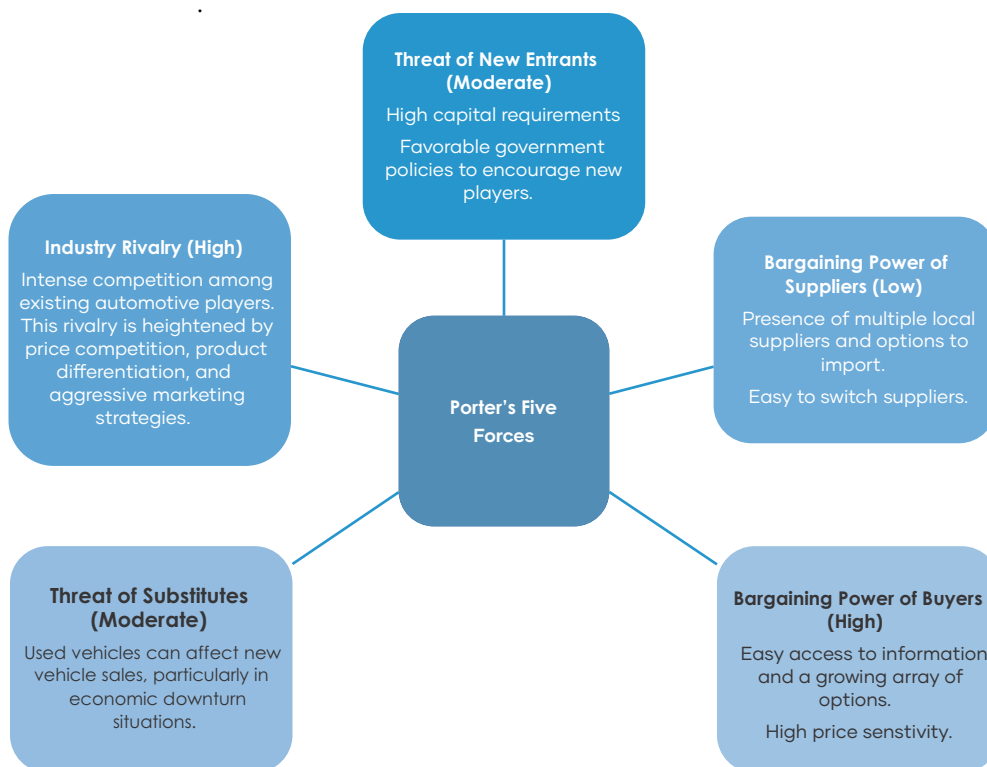
Effect of Seasonality on the Automotive Business

The Company's business does not experience any material seasonal effects that significantly impact operations, demand, or financial performance.

Sales and production activities are consistent throughout the year, with no notable fluctuations tied to specific seasonal factors. Consequently, the company's strategic planning, resource allocation, and operational management are carried out without any major adjustment for seasonality.

Competitive Landscape & Market Positioning

Porter's Five Forces model has been used to identify and analyze the strength of competition in the automotive industry



Analysis of Key Stakeholders

Key Stakeholders	Legitimate Needs and Interests	Industry Trends	Company's Strategic Response
Shareholders / Investors	Profitability, growth, economic returns, new projects, transparent disclosures.	Variation in market dynamics, regulatory changes, focusing on ESG.	Innovation and business development, effective governance and corporate reporting.
Banks / Lenders	Company's financial performance, new projects and compliance.	Auto-mobile financing cap, credit risk, sustainable financing aligned with ESG considerations.	Business sustainability, financial stability and providing transparent financial information.
Suppliers / Vendors	New business opportunities, timely payments, guidance on new material requirements, mutually beneficial terms & conditions.	Focus on localization and supply chain resilience.	Continuous business development, effective training/guidance on new requirements.
Government & Regulators	Compliance with laws and regulations.	Carbon levies, policy on electrified vehicles, ESG reporting.	Compliance with all legal and regulatory requirements and contributing to the economy in terms of taxes/duties.
Customers	Product specifications and quality, product price, delivery time, after sale services.	Shift to electric mobility.	Continuous innovation, improving product quality, offering competitive pricing, improved after sale services.
Dealers	Business continuity, product quality / delivery, trainings, product knowledge and return on investment.	Extensive distribution network supported by strong after-sales service.	Trainings for better customer experience at dealerships, improving product quality and delivery timelines, offering lucrative business terms.
Employees	Remuneration and benefits, responsibilities, trainings, health, safety & well-being and work-life balance.	Workforce upskilling, employee safety, and retention.	Compliance with labour laws, competitive remuneration and packages, on job trainings, open communication channels, employees' well-being initiatives.
Local Community	Employment opportunities, infrastructural development, education, health, clean water and other social issues	Expectations for environmental responsibility.	CSR initiatives focusing on health, education, hunger and creating job opportunities.

SWOT ANALYSIS

S

Strong brand name in automotive industry.

Strong reputation for high quality of products.

High-capacity modern production facility.

Experienced and professional workforce.

W

Not fully utilizing marketing opportunities

O

Expansion into international markets to enhance revenues.

Improved marketing and brand management can help increase customer base.

Introduction of new models/variants with upgrade technology.

Continue to expand our local footprint via new dealerships.

Localization of imported parts.

T

Emerging competitors.

Supply chain challenges.

Political instability.

Economic conditions of the country and inflation fluctuations.

Frequent variations in laws & regulations and in-consistency in government policies.

Foreign exchange risk (devaluation of Pak rupee).









STRATEGY & RESOURCE ALLOCATION

STRATEGY & RESOURCE ALLOCATION

Objectives and Strategies

The strategic objectives are an integral part of a business that plays a pivotal role in the organization's success. The Company's objectives and strategies are mentioned below:

 Objective	 Strategy	 Resources Allocated	 KPIs
<p>HIGHER RETURNS TO THE STAKEHOLDERS</p> <p>Company aims for high returns through maximization of local sales, exploring export opportunities, and boosting brand awareness.</p> <hr/> <p>TIME HORIZON:</p> <p> Short Term to Long Term</p> <p>PRIORITY: ★★ ★ High</p>	<ul style="list-style-type: none"> ✦ Launch targeted marketing campaigns. ✦ Enhance dealer engagement. ✦ Explore and enter new regional markets. ✦ Introduction of new vehicles and new variants. 	<ul style="list-style-type: none"> ✦ Financial Capital ✦ Manufactured Capital ✦ Social and Relationship Capital 	<ul style="list-style-type: none"> ✦ Sales and profitability growth. ✦ Market share. <hr/> <p><i>KPIs stated will continue to be relevant in the future.</i></p>
<p>MARKET LEADERSHIP</p> <p>Company aims to achieve market leadership in the automotive industry through quality / eco-friendly products, innovation, exceptional customer service, and strategic market expansion.</p> <hr/> <p>TIME HORIZON:</p> <p> Medium Term to Long Term</p> <p>PRIORITY: ★★ ★ High</p>	<ul style="list-style-type: none"> ✦ Investment in research & development. ✦ Enhance product offerings like electrified vehicles, to meet evolving customer needs. ✦ Improve customer service processes and support systems. ✦ Improve feedback mechanisms to address and exceed customer expectations. ✦ Strengthen distribution and dealership networks. 	<ul style="list-style-type: none"> ✦ Financial Capital ✦ Manufactured Capital ✦ Social and Relationship Capital 	<ul style="list-style-type: none"> ✦ Profitability ratios. ✦ Market share. <hr/> <p><i>KPIs stated will continue to be relevant in the future.</i></p>



Objective	Strategy	Resources Allocated	KPIs
COMPLIANCE WITH LAWS & REGULATIONS Company aims to ensure full compliance with laws and regulations while upholding the highest ethical and professional standards. <hr/> TIME HORIZON: Short Term to Long Term PRIORITY: ★★ ★ High	<ul style="list-style-type: none"> ✦ Regular monitoring to ensure that all regulatory requirements and best industry standards are complied with. ✦ internal and external audits to ensure adherence to legal requirements. ✦ Implement and enforce a code of ethics and professional conduct. ✦ Provide ongoing training for employees on ethical behavior and legal compliance. ✦ Establish a transparent reporting system for ethical concerns and regulatory issues. 	<ul style="list-style-type: none"> ✦ Human Capital ✦ Intellectual Capital ✦ Social and Relationship Capital 	<ul style="list-style-type: none"> ✦ Non-compliances and ethical concerns highlighted. ✦ Findings from internal and external audits related to compliance and ethics. <hr/> <i>KPIs stated will continue to be relevant in the future.</i>
TALENT EXCELLENCE Company aims to build and maintain a high-quality, skilled workforce through effective recruitment, continuous training, and ensuring a safe and healthy work environment. <hr/> TIME HORIZON: Short Term to Long Term PRIORITY: ★★ ★ High	<ul style="list-style-type: none"> ✦ Robust recruitment process to attract top talent. ✦ Utilization of multiple channels to reach potential candidates. ✦ Regular training programs on skills / knowledge enhancement and safety. ✦ Health and safety policies and procedures. ✦ Safety audits and provision of necessary safety equipment and resources. 	<ul style="list-style-type: none"> ✦ Financial Capital ✦ Human Capital 	<ul style="list-style-type: none"> ✦ Workforce related ratios. ✦ Number of workplace accidents. <hr/> <i>KPIs stated will continue to be relevant in the future.</i>
SUSTAINABILITY / CSR Company aims to contribute toward the sustainability of the society as a socially responsible company. <hr/> TIME HORIZON: Short Term to Long Term PRIORITY: ★★ ★ High	<ul style="list-style-type: none"> ✦ Promote energy efficiency, waste reduction, and sustainable resource use in operations. ✦ Support local communities through charitable initiatives, volunteering, and development programs. ✦ Partner with local organizations and stakeholders to address community needs and challenges. ✦ Adhere to ethical standards and practices in all business activities. ✦ Sustainability reporting. 	<ul style="list-style-type: none"> ✦ Financial Capital ✦ Social and Relationship Capital ✦ Natural Capital 	<ul style="list-style-type: none"> ✦ Reduction in emissions, energy consumption, water usage and wastages. ✦ Amount of financial and in-kind contributions for community uplifting. ✦ Number of trees planted. ✦ Annual sustainability reporting <hr/> <i>KPIs stated will continue to be relevant in the future.</i>

Resource Allocation Plans to Implement Strategy

To achieve strategic objectives, the organization formulates resource allocation plans that cover financial resources, human resources and other key capitals. Allocating these resources to strategic initiatives ensures that business planning is fully integrated with short/medium/long-term strategic priorities, thereby supporting sustainable growth and value creation.

Key Resources & Capabilities, Providing Sustainable Competitive Advantage

As a prominent automotive player in the country, SAZGAR is dedicated to fostering a culture of continuous improvement, sustainable competitiveness, and exceptional performance, all while upholding the highest ethical standards. The company is committed to monitoring its brand reputation and consistently ensuring customer satisfaction in order to maintain and enhance its competitive advantage over time.

The company benefits from a strong brand name within the automotive industry, established through a consistent reputation for delivering high-quality products. Its high-capacity modern production facilities enable efficient manufacturing processes, while skilled and professional workforce drives operational excellence and innovation.

The diverse product portfolio caters to a broad range of customer needs, supported by a wide dealership network that enhances customer reach and effectively implements the brand positioning strategy. Continuous investments in state-of-the-art, sustainable, and efficient machinery underscore the company's commitment to technological advancement and environmental stewardship.

Additionally, the experienced management team proficiently addresses emerging challenges and fosters operational efficiencies. Regular feedback from stakeholders, including employees, customers, and communities, is integral to assessing perceptions of ethical, professional, and environmental practices, and to identifying opportunities for ongoing improvement. This comprehensive set of resources and capabilities positions the company for sustained success and leadership in the automotive sector.

Company's Strategy on Market Development, Product & Service Development

As the automotive industry evolves, our company is committed to leading through innovation and excellence. Our goal is to deliver superior products while fostering sustainable growth and exceptional customer experiences. The Company aims to widen-up both the local and global foot print with overall objective to expand the customer base and increase revenue without losing good customers and markets. The Company has prioritized the following strategies:

- ✦ Enhance the product offerings considering the technological advancements and the evolving needs of the customers.
- ✦ Offering customized vehicles tailored for international markets to better serve our overseas clientele.
- ✦ Opening new dealerships that enhances customer reach.

- ✦ Targeting new demographic segments such as younger, tech-savvy consumers or environmentally conscious buyers, which will boost the sales of electrified vehicles.
- ✦ Social media campaigns and TVCs.

Additionally, an efficient operational cycle is essential for successful market development and product management. A streamlined value chain ensures optimal manufacturing and delivery processes, contributing to high levels of customer satisfaction. This efficiency significantly impacts the effectiveness of our market development strategy and product performance. By continually refining our products, we aim to sustain a competitive advantage and drive sustainable growth in both established and emerging markets.

Factors Affecting the Strategic Approach & Resource Allocation

Following are some factors and their possible effect on the Company's strategy and resource allocation plan:

Factors	Effect on Company Strategy	Effect on Resource Allocation
Technological Changes	Adapt strategies to leverage tech-advancements for a competitive edge in terms of enhancing product innovation, optimizing manufacturing processes, and improving customer experiences.	Technological changes will impact Financial Capital due to the need for investments in new technologies and integration. This may also affect Human Capital, as skilled resources will be required to manage and implement these advancements.
Sustainability reporting and challenges	Embed sustainability goals into strategic planning. Complex regulatory requirements for sustainable practices and comprehensive reporting.	Neglecting sustainability can affect the Social and Relationship Capital, while investing in sustainability initiatives to meet regulatory standards will affect Financial Capital due to the associated costs.
Promoting and enabling innovation	Adapt to emerging trends, market needs and technological advancements, thereby securing long-term growth and maintaining its competitive edge.	Innovation requires costs for infrastructure and hiring specialized resources. Accordingly, significant budget might be allocated towards training and upskilling employees to foster a culture of innovation thus impacting the Financial and Human Capital.
Resource Shortages	Alternative sourcing and operational adjustments, thus impacting sales and profitability targets of the Company.	Resource shortages may force the company to seek alternative suppliers (Social and Relationship Capital), thus impacting Financial Capital.

Aligning Strategic Objectives with Vision & Mission

The Company's strategic objectives are closely aligned with its overarching vision and mission, driving our commitment to excellence and leadership in the automotive industry. Our vision of being dynamic, quality-conscious, and ever-progressive informs our goal to achieve market leadership by offering safe, economical, and environmentally friendly transportation solutions. This vision is supported by our mission to provide international-quality vehicles and automotive wheel rims at competitive prices, fostering innovation, and delivering high returns to stakeholders.

To achieve these objectives, we set our strategic focus on maximizing local sales and exploring export opportunities, thereby expanding our market presence. We are dedicated to continuous improvement & innovation, maintaining the highest ethical and professional standards and ensuring compliance with laws & regulations, while also building a skilled, high-quality workforce through effective recruitment and continuous training.

Our commitment to sustainability and social responsibility further reinforces our mission, contributing to both societal well-being and long-term growth.

Significant Plans & Decisions

The Board of Directors affirms that the Company remains committed to its strategic growth objectives. From time to time, the Company has diversified its business operations through expansions and major capital expenditures.

During the year 2023-24, the Board of Directors approved an expansion plan for the four-wheeler manufacturing facility, along with the installation of a solar power system to support the local assembly of New Energy Vehicles. During the current year, the Company revised its expansion plan for the four-wheeler facility. The key features of the revised plan are outlined in the Directors' Report 2025 (page no. 50 of the Annual Report 2025).

In addition, the Board has decided to discontinue the Home Appliances business effective from September 01, 2025 after a comprehensive review of its financial performance, market dynamics and long-term strategic objectives. The decision has been made in the best interest of the shareholders with a view to focusing the Company's resources on its core businesses and more profitable segments. All necessary regulatory requirements and contractual obligations relating to the discontinuation have been fulfilled without any disruption to employees, customer or stakeholders. Furthermore, the Company holds no material assets or liabilities pertaining to the segment of home appliance business.

Liquidity Position

The liquidity position of the Company is on a solid foundation, and it has an adequate capital structure mainly supported by equity.

The Company is committed to a strong repayment practice as the Company has never defaulted any payment against financial institutions, vendors, Government agencies, etc. and the management is confident that the Company would not face any liquidity issues in the future.

	2025	2024
	Rupees	Rupees
Equity	23,714,823,680	10,104,086,687
Long term Debt	151,892,963	344,773,075

The decrease in long term finance is mainly on account of repayment amounting to Rs. 192.9 million during the FY 2024-25. The Company has sufficient liquid resources in hand to meet its working capital requirement. The Company has effectively maintained its current ratio over the years, and its current ratio for FY 2024-25 is 1.97 (FY 2023-24 : 1.35). This depicts the performance of the management in achieving the targets set by the Board. The management ensures all necessary measures to manage the ratio at an optimum level.

The Company maintains strong business relationships with leading banks across the country and has access to adequate unutilized financing facilities. Its financial position remains stable, supported by sustainable growth. The Company carefully manages its gearing in line with business objectives and regularly monitors the debt-to-equity ratio to mitigate excessive debt exposure.



I.T. GOVERNANCE, CYBERSECURITY AND ERP SOFTWARE

I.T. GOVERNANCE, CYBERSECURITY AND ERP SOFTWARE



Governance and Risk Oversight

I.T. governance is an integral part of corporate governance framework. The Company's data security and risk management oversight has always remained the top priority.

The Board of Directors (**BODs**) acknowledges its overall responsibility for the Company's **IT governance**, including oversight of IT systems, internal controls, and the emerging use of artificial intelligence (AI). The Board affirms its commitment to operational resilience by maintaining a comprehensive Business Continuity and Disaster Recovery (**BCDR**) Plan, which sets out clear strategies and processes to minimize disruption, safeguard critical functions, and ensure timely recovery in the event of unforeseen incidents.

In addition, the Board of Directors has the responsibility to ensure compliance of any **legal and regulatory** requirements regarding data privacy and cyber-Security applicable in Pakistan that apply to the Company.

Management reports to the Board on the effectiveness of IT controls, cybersecurity resilience, and data governance practices. In the event of a cybersecurity breach, the Board ensures that the prompt and appropriate actions are taken by management to minimize the impact and safeguard the company's information systems and assets. However, during the year, there were no cyber security breaches.

The Board actively oversees the management of cybersecurity risks, making sure that the company's policies and procedures are aligned with best practices for risk mitigation. Board is engaged in indirect risk oversight through the **Risk Management Committee** of the Board and the Internal Audit function, to have an update on IT governance and cybersecurity matters.

The Board of Directors periodically monitors the Disaster Recovery Plan (DRP) of the Company for the smooth functioning of the systems and servers, and for the prevention of any unforeseen event.

The IT department of the Company continuously strives to adopt best practices around the industry. **IT-related risk assessment** is conducted by the IT department, with concurrent involvement of the Internal Audit function to offer independent reviews and ensure consistency with the company's risk management framework. IT and cybersecurity risks, along with their corresponding controls, are appropriately documented in the **risk register**.

Policies and Procedures

A comprehensive set of policies and procedures have been developed to ensure the security of IT assets and data. These policies include but not limited to Network Security Policy, IT Operation Procedures, Data Back-Up and Restore Policy, Change Management Policy, Password Control Policy etc. The Company has established access protocols to manage access to all critical systems. Physical access is restricted through lock & key system along with CCTV surveillance which monitors all premises to ensure that only authorized personnel can access sensitive areas.

Company's Early Warning System for Cybersecurity Risk

The Company has established a dedicated and highly skilled information security team responsible for monitoring, detecting, and investigating potential cyber incidents, as well as implementing preventive and corrective measures against emerging threats.

During the year, no significant or critical threats were identified. To further strengthen resilience, the Company has deployed specialized hardware and software solutions to mitigate risks, such as: Advanced firewalls, including Intrusion Prevention Systems (IPS) and Web Application Firewalls (WAF), deployed at all network entry points; Critical servers are hosted within segregated and controlled environments to minimize exposure; DNS security solutions are in place to mitigate all types of DNS-based attacks; Multi-factor authentication (MFA) has been enabled for selected users and services to strengthen access security; Network Access Control (NAC) mechanisms are enforced to prevent unauthorized devices from connecting to the corporate network.

Disaster Recovery Plan

Company prioritizes the security and continuity of operations in the event of potential IT failures. A comprehensive disaster recovery plan is in place to minimize the financial losses and to ensure swift and effective responses to such incidents.

This plan outlines the processes and strategies to follow in order to mitigate the impact of disruptions and to quickly restore critical systems and operations. This plan is made available to all relevant persons to ensure continuity in the event of a loss of service or disaster.

Cyber Insurance

The Company has not encountered any cyber risk incidents to date. However, the Company intends to evaluate the option of obtaining cyber insurance in future, with the aim of obtaining additional long-term protection against potential risks. Considering this, management will carefully assess the available policy options to ensure they provide robust safeguards and are fully aligned with the Company's cybersecurity requirements.

Training and Education

The Company recognizes the critical role of education and training in mitigating cybersecurity risks. Timely and adequate trainings are provided to educate employees about cyber threats, promote cybersecurity awareness, and provide guidance on safe computing practices. These efforts inculcate significance of cybersecurity throughout the organization.

ERP SOFTWARE



Our commitment to utilizing the ERP system to enhance our business processes, while upholding strong governance and security protocols, demonstrates our focus on operational excellence and our dedication to meeting the evolving needs of our organization and stakeholders.

Integration

The Board of Directors acknowledges the strategic importance of in-house developed Enterprise Resource Planning (ERP) system, which is designed to effectively manage and integrate core business processes, including finance, human resources, supply chain, and inventory management, within a single platform.

Our ERP system consolidates various business functions, facilitating seamless data flow and collaboration across departments. This integration enhances operational efficiency and provides real-time insights, enabling informed decision-making.

Maintenance & Training

Management in collaboration with IT department is actively involved continuous upgradation of the system, incorporating feedback and advancements in technology to maintain optimal performance.

Regular trainings are conducted for employees across functions to ensure effective system use and data accuracy. These initiatives strengthen user competency, enhance operational efficiency, and support informed decision-making.

Risk Management

The Company adopts a proactive approach to risk management including the risks associated with ERP system. Regular risk assessments are conducted and relevant control measures are implemented to mitigate the likelihood and the potential impact.

The Company prioritizes system's security and the protection of sensitive data within the ERP system. Access to critical information is restricted based on user roles, and we maintain segregation of duties to reduce the risk of unauthorized access and enhance accountability.



RISK AND OPPORTUNITIES

RISK AND OPPORTUNITIES REPORT

The Company is exposed to a large number of internal and external risks and opportunities. These can affect our ability to achieve strategic objectives and our ability to generate sustainable value for all stakeholders. The ultimate goal of risk management within SAZGAR is to continually assess the control environment to prevent and build strength against these internal or external risks.

Governance of Risk

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

Risk Management Framework

Our ERM framework is a comprehensive approach to managing risks that includes a structured process for identifying, assessing, and mitigating risks. This framework is integral to our corporate governance and is embedded in our strategic planning, operational processes, and decision-making activities.

Company's risk management framework consists of following components that provide the foundations and organizational arrangements for risk management throughout the Company.



Risk Management Framework

Risk Management Culture

Committed to develop a risk management culture, where risk management is seen as integral to the achievement of the objectives at all levels and where all the employees are alert to risks, capable of an appropriate level of risk assessment and confident to report risks or opportunities perceived to be important to our priorities.

Setting objectives & criteria

Developing a set of objectives that are the key indicators for measuring the progress level of the Company and the criteria for the evaluation of the risk.

Defining the overall risk appetite that is aligned with the overall strategy, business model, and stakeholder expectations. It guides the assessment of identified risks, helping to evaluate which risks are within acceptable limits and which require mitigation.

Identification of Risk

Identify and document in risk register, the potential risks that could affect the achievement of organizational objectives.

Measurement of Risk

Evaluate the identified risks based on their likelihood and potential impact.

Mitigation of Risk

Strategies are devised to treat the risks through which risks can be transferred, accepted, reduced or avoided.

Reporting and Monitoring

Periodical reporting of the key risks along with their mitigation measures to the Risk Management committee and to the Board.

Continuous monitoring and review of the effectiveness of risk management procedure, risk mitigation measures, and compliance with risk management policy.

Detail of responsibilities and the methodology regarding the risk management has been outlined in the Risk Management policy, which has been placed on Company's website.

KEY RISKS AND OPPORTUNITIES

The following are the principal risks and opportunities faced by the company:

Availability and Prices of Raw Material and CKDs.		Category: Operational Risk	Risk Source: External
<p>Risk:</p> <p>The production of Company's products including four wheelers, three wheelers and tractor wheel rims is dependent on the availability of imported raw materials and components, any hurdle in availability and volatility of its prices may have adverse effects. Further any failure or hurdle in local supply of critical parts of company's products, which are procured from single source, may disturb the production of these products.</p>		<p>Effect on Strategic Objectives:</p> <p>Dependence on imported raw materials and single-source suppliers can lead to production disruptions and increased input costs, adversely affecting profit margins and financial performance. This can hinder the ability to meet production targets, impacting growth objectives. Price volatility can strain budgets and reduce competitiveness, undermining strategic goals of innovation and market leadership.</p>	
<p>Form of Capital: Financial Capital</p>			
<p>Mitigation Strategy:</p> <p>To avoid such kind of situation, company carries higher level of stocks of those parts and continuously monitor the supply chain and keeps close contact with the suppliers to solve any issue at an early stage.</p>			
<p>Opportunity:</p> <ul style="list-style-type: none">✦ Explore local sourcing options for raw materials and components to reduce reliance on imports and mitigate supply chain risks.✦ Develop strategic partnerships with multiple suppliers to ensure a stable supply of critical parts, enhancing resilience against price volatility and availability issues.✦ Invest in long-term contracts with suppliers to stabilize prices and secure reliable access to essential materials.			
Currency Devaluation		Category: Financial Risk	Risk Source: External
<p>Risk:</p> <p>Pak Rupee has shown some stability against foreign currencies during the current financial year. Any material devaluation of Pak Rupee may deteriorate the profitability of the Company and adversely affect the sales volume.</p>		<p>Effect on Strategic Objectives:</p> <p>Material devaluation of the Pak Rupee may affect the overall financial stability. This can hinder the company's ability to invest in growth initiatives and innovation, ultimately undermining strategic objectives of market expansion and competitive positioning.</p>	
<p>Form of Capital: Financial Capital</p>			
<p>Mitigation Strategy:</p> <p>The company has plans of availing the hedging and forward cover booking of foreign currency facility upon its availability (if it is feasible).</p>			
<p>Opportunity:</p> <p>Explore opportunity to enhance global footprint via exports, which could provide a natural hedge against currency fluctuations. By synchronizing the currency profiles of expenses with revenues in international markets, the company can lessen the adverse effects of Pak Rupee devaluation on profitability.</p>			

Economic, Political and Law & Order conditions.		Category: Strategic Risk	Risk Source: External
Risk: Overall stable economic, political, law & order conditions in the country have a significant influence on the company's success. Any instability may have adverse effects on the Company's revenue and profitability.		Effect on Strategic Objectives: This can hinder the company's ability to invest in growth initiatives and innovation, ultimately undermining strategic objectives of market expansion and competitive positioning.	
Form of Capital: Social and Relationship Capital / Financial Capital			
Mitigation Strategy: We regularly monitor the potential impact of government's political actions and economic instability on the Company as well as the automotive industry as a whole. In addition, the Company carries higher level of stocks of critical parts and continuously monitor the supply chain and keeps close contact with the suppliers to mitigate any negative impact at an early stage.			
Opportunity: ✦ Explore opportunities to diversify markets and operations. ✦ Strengthen risk management strategies to adapt to potential economic or political instability, enhancing the company's resilience.			

Regulatory and Taxation Policy		Category: Strategic Risk	Risk Source: External
Risk: The automotive industry is subject to various governmental regulations. Any adverse and sudden change in the Governments' taxation and regulatory policy may have considerable impact on the Company's future business.		Effect on Strategic Objectives: This may lead to increased costs, hinder strategic planning, and impede growth objectives.	
Form of Capital: Social and Relationship Capital / Financial Capital			
Mitigation Strategy: The company believes in proactive engagement with policymakers to influence favorable automotive policies. We regularly monitor the economic and legal impacts of government policies on the Company as well as the automotive industry as a whole. In addition, we have developed a team of qualified and experienced professionals to ensure compliance with all applicable laws, rules and regulations.			
Opportunity: ✦ Investment in compliance capabilities to navigate changes effectively and minimize disruptions. ✦ Investment in innovative technologies to adapt quickly to new potential regulations. ✦ Explore new product offerings that align with evolving regulatory trends, such as electric vehicles or sustainable practices.			

General Market Conditions		Category: Strategic Risk	Risk Source: External
Risk: The product range of the company is very successful and contributes to it in advantageous position compared with the competitors. Any aggressive pricing policy, introduction of new products and aggressive change in after sales policy by competitors may result in lower revenue, lower profitability or lower market share of the company.		Effect on Strategic Objectives: This may hinder the company's growth objectives, weaken its competitive position, and limit resources available for innovation and expansion efforts.	
Form of Capital: Social and Relationship Capital / Financial Capital			
Mitigation Strategy: The Company carries out continuous monitoring of competitors in order to recognize these risks at an early stage. Depending on the situation, product-specific and possible regionally different measures are taken to support the weaker markets.			
Opportunity: <ul style="list-style-type: none">✦ Innovate and expand the product range to include new offerings that meet emerging consumer demands, potentially capturing additional market segments.✦ Improve after-sales services to retain existing customers and attract new ones.✦ Promote product differentiation by emphasizing unique features and quality to maintain competitive advantage despite aggressive pricing from competitors.			

Sudden break down of Plant & Equipment		Category: Operational Risk	Risk Source: Internal
Risk: Any sudden break down of manufacturing plant and equipment may lead to stoppage of production and can create a risk in achieving the desired business targets.		Effect on Strategic Objectives: Such disruptions may negatively impact customer satisfaction, damage the company's reputation, and limit the ability to meet market demand, ultimately hindering strategic growth and operational efficiency.	
Form of Capital: Manufactured Capital / Financial Capital			
Mitigation Strategy: In order to secure and enhance the long-term future viability of production facilities, the equipment is continually maintained and modernized. The natural disasters are out of control of the Company. However, the Company takes appropriate precautionary measures, as far as possible, and also arrange insurance policies.			
Opportunity: <ul style="list-style-type: none">✦ Improve contingency plans for rapid recovery and production continuity in the event of equipment failure.✦ Employees training and explore options for external technical support for quick access to repairs and minimizing downtime.			

Financial Risks

The Company is also exposed to various financial risks which have been stated in Note 35 to the Annual Audited Financial Statements for the year ended June 2025.

Sustainability Risks and Opportunities

Sustainability (including climate) related risks and opportunities have been disclosed in Sustainability Report 2025.

Other Uncertainties

Key uncertainties faced by the Company include:

- ✦ Government's new taxation and regulatory policies.
- ✦ Volatility in prices of raw materials.
- ✦ Fluctuations in Pak Rupee exchange rate.
- ✦ Law and order situation in the country.
- ✦ Energy supply disruptions.
- ✦ Political and economic conditions.
- ✦ Interest rate.
- ✦ Inflation.

Risk of Supply Chain Disruption

Environmental, Social, and Governance (ESG) factors encompass a wide range of issues, and their impact on supply chains can be significant. Therefore, a comprehensive view of the entire process is essential for proactive approach. During the year, no major supply chain disruption incidents were noted.

The detail on the risk of supply chain disruption due to climate change and other ESG factors is outlined in the Sustainability Report 2025 on page # 152-156 along with the short / medium / long term strategies and potential financial implications.



OVERSIGHT AND COMPLIANCE

CHAIRPERSON'S REVIEW REPORT

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

The Board performance has been evaluated in accordance with the mechanism set by the Board for this purpose and overall results are satisfactory.

The majority of economic indicators, for the financial year 2025, are reflecting an improvement in economic conditions of the country. The economy demonstrated a resilience and recovery during the year with the support of continuous reduction in SBP policy rate, exchange rate stability, significant decline in inflation, increase in exports, foreign remittances and forex reserves. The Tax revenue collection, per capita income and investors' confidence also increased significantly.

The ongoing IMF programs- EFF of US\$ 7 Billion and RSF of US\$ 1.30 Billion are providing support for laying down foundation for sustainable and inclusive growth.

The automotive sector showed a steady recovery in line with the economic stabilization which encouraged the auto assemblers to introduce new brands and models in different categories of powertrains-petrol, hybrid, plug in hybrid and electric vehicles. This has provided the wider choices to the customers.

Sazgar remains committed to introduce New Energy Vehicles with advanced technologies and latest features at affordable prices. During the year, the company upgraded features of **HAVAL H6** and **Jolion** which enhanced the performance of these vehicles. In addition to this, the company also honored to launch its first Plug in Hybrid vehicle (PHEV) of **HAVAL H6** as on August 16, 2025. The company is consistently investing huge funds on the expansion of its

manufacturing facilities to introduce more New Energy Vehicles (NEVs) in the period to come.

During the year, four wheelers segment (other than tractors) witnessed 153,255 sales volume as compared to sales volume of 106,491 in 2024 showing a surge of 43.94% (2024: decline of 18.54%) whereas three wheelers segment has shown an impressive improvement of 65.57% (2024: 26.17%) and Tractor has shown a decline of 36.42% (2024: increase of 47.03%) in accordance with the sales data of PAMA (Pakistan Automotive Manufacturers Association).

By the Grace of Al-mighty Allah, the Company has shown an excellent financial performance during the current financial year and has recorded a highest ever sales revenue of **Rs. 108.69 Billion (2024: Rs 57.64 Billion)** and profit after tax of Rs. 16.34 Billion (2024: Rs 7.94 Billion). The increase in sales and profitability is due to the increase in demand of **HAVAL SUV vehicles** that played an instrumental role in achieving this milestone.

The Board declared an interim cash dividend of Rs. 32.00 per share i.e. 320% and recommended a final cash dividend of Rs 20.00 per share i.e. 200% making total of Rs 52.00 per share i.e. 520% for the year ending June 30, 2025.

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

The Board exercised all its powers in deciding the significant matters including acquisition of land of Rupees 1.54 Billion and revision in expansion of four wheelers manufacturing facilities, revised estimated cost of Rupees 11.50 Billion (without cost of land) for the manufacturing of New Energy Vehicles and revised date of roll out of its CKD models of NEVs before the end of March 31, 2026.

Five (5) Board meetings were held during the year in timely manner and sufficient time was

spent by the Board to decide the matters. The directors actively participated in the process of decision making and provided their valuable contribution. Board committees have functioned in accordance with their terms of reference diligently.

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

The Board continuously monitors the performance of management as well as appropriateness of the financial accounting and reporting frame work of the Company. The Board ensures that periodical and annual financial statements are prepared, reviewed and audited by the external auditors in timely manner.

The Board ensures that the company is in compliance of its statutory obligations and good corporate governance practices. The Board also reviews and ensures that the system of risk identification, risk management and system of related internal controls is adequate and being implemented effectively with continuous monitoring.

The Board has approved policies for promoting DE&I and protection against harassment at the work place so that everyone feels valued, respected and supported as well as protected from harassment, discrimination and bias. This will lead to increase the employment engagement, retention and business success.

Sustainability considerations have become a significant factor influencing the Company's financial performance and long-term success. The Board acknowledges that evolving regulatory requirements, climate-related risks, and changing consumer preferences present both challenges and opportunities. Recognizing these dynamics, the Board is highly committed to integrate sustainable practices into company's strategies and core operations to mitigate risks and unlock growth potential. The Company's ESG approach including CSR emphasizes reducing environmental impacts, fostering social wellbeing and upholding strong governance standards.

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

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

Lahore
August 29, 2025



Mrs. Saira Asad Hameed
Chairperson

DIRECTORS' REPORT

The directors of your company are pleased to present 34th Annual Report along with the annual audited financial statements of the Company for the year ended 30th June 2025:

PRINCIPAL ACTIVITIES:

The Company is principally engaged in the manufacturing and sale of automobiles including Four Wheelers and Three Wheelers, Tractor Wheel Rims and marketing of Home Appliances.

THE PRODUCT PORTFOLIO:

FOUR WHEELERS:

The Company represents the four international leading Chinese brands, **"HAVAL"**, **"BAIC"**, **"GWM TANK-500"** AND **"ORA"**.

HAVAL-H6 VEHICLES (SUVs) CKD MODELS

- ✦ Hybrid Electric Vehicles (HEV) 1.5L
- ✦ Petrol 2.0L Turbo
- ✦ Petrol 1.5L Turbo

HAVAL-JOLION VEHICLES (SUVs) CKD MODELS

- ✦ Hybrid Electric Vehicles (HEV) 1.5L
- ✦ Petrol 1.5L Turbo

BAIC JEEP BJ-40L CKD MODEL

- ✦ Petrol 2.0L Turbo

GWM TANK-500 HEV VEHICLES- CBU MODEL

- ✦ Hybrid Electric Vehicles (HEV) 7-seaters with 2.0 L 4-cylinder petrol engine and seat massagers

ORA EV VEHICLES- CBU MODEL

- ✦ ORA-3
- ✦ ORA-7

THREE WHEELERS:

The Company markets its Three Wheelers business under the brand **"SAZGAR"**.

This segment offers both petrol and Electric Vehicles (EV) variants for passengers and cargo use, tailored to customer needs.

The Company also exports three wheelers to international markets, including Japan.

AUTOMOTIVE PARTS:

In this segment, the Company manufactures Tractor Wheel Rims, supplying directly to Tractors Assemblers.

HOME APPLIANCES:

Home appliances are imported and marketed under brand **"Whirlpool"**.

SIGNIFICANT DEVELOPMENTS DURING THE YEAR:

The Company underwent through the following significant developments during the year:

Revision in Expansion Plan- Four Wheelers Manufacturing Facilities:

During the year, the Company revised its expansion plan of Four Wheelers as below:

- ✦ Expansion of existing paint shop, construction of new warehousing facilities, installation of solar system of 5.7-megawatt and construction and installation of new manufacturing/ assembly facilities for the local assembly of New Energy Vehicles (NEVs)
- ✦ Estimated cost of expansion (without land cost) has been revised from Rs. 4.50 Billion to Rs. 11.50 Billion.
- ✦ Planned rollout of CKD model of New Energy Vehicle has been revised from December 31, 2025 to March 31, 2026.

Land Acquisition:

The Company's Board approved to acquire 140 Kanal land of Rs 1,540.00 million adjacent to the existing Four-Wheelers project (car plant) from its own sources to support the future expansion. However, upto 30th June 2025, the Company successfully acquired 120 Kanal 19 Marla land for approximately Rs 1,330.00 million.

ISO Certifications:

The Company achieved revalidation of the following ISO Certifications for its Four-Wheelers Project (Car Plant);

- ✦ ISO 9001:2015 Quality Management System,
- ✦ ISO 14001:2015 Environmental Management System &
- ✦ ISO 45001:2018 Occupational Health and Safety Management System.

Credit Rating:

VIS Credit Rating Company Limited revalidated the Company's credit ratings:

- ✦ Medium to long term: "A"
- ✦ Short term: upgraded from "A2" to "A1".

Upgrading of features of HAVAL H6 and Jolion:

The Company upgraded features of **HAVAL H6** and **Jolion** that enhanced the performance of these vehicles.

THE ECONOMY:

The economy demonstrated resilience and recovery during the year, supported by a sharp decline in inflation, reduction in policy rate, stability in exchange rates and prudent macroeconomic management. The current account recorded a surplus, driven by stronger exports, higher remittances and rising foreign exchange reserves. Tax Revenues and per

capita income showed a significant improvement, while the Pakistan Stock Exchange recorded a bullish trend with a 50.2% increase.

The ongoing IMF programs- EFF of US \$7 Billion and RSF of US\$ 1.3 Billion with successful review and disbursement had laid down the foundation for strong, sustainable and inclusive growth.

The detail of major economic indicators for the FY 2025 is given below:

Description	FY 2025 July-May	FY 2024 July-May	+↑/-↓
GDP growth	2.68%	2.40%	↑
Current Account Balance (Deficit)/Surplus	US\$ 1.81 Billion	(US\$ 1.57) Billion	↑
Trade Deficit	US\$ 24.39	US\$ 19.98	↓
Fiscal Deficit	PKR 4.28 Trillion	PKR 5.24 Trillion	↑
Foreign Remittances	US \$ 34.89	US \$ 27.10	↑
Imports	US\$ 53.55	US\$ 48.4	↑
Exports	US\$ 29.69	US\$ 28.70	↑
Forex Reserves	US\$ 16.64	US\$ 13.12	↑
Agricultural growth rate	0.60%	6.30%	↓
Large Scale Manufacturing(contraction)/growth	(1.20)%	0.86%	↓
Average inflation rate - year	4.50%	23.40%	↑

Description	FY 2025 July-May	FY 2024 July-May	+↑/-↓
FBR tax collection	Pak Rs. 11.74 Trillion	Pak Rs. 9.30 Trillion	↑
Per Capita Income	US\$ 1,824	US\$ 1,662	↑

(Source: Monthly Economic Update & Outlook, finance division of Government of Pakistan and State Bank of Pakistan)

AUTO SECTOR OVERVIEW:

The Auto Sector showed a steady recovery during the year, in line with economic stabilization. The Government of Pakistan's continued focus on promoting New Energy Vehicles (NEVs), aimed at reducing the oil import dependency and fostering the environmentally sustainable future, has further strengthened the auto sector's outlook.

The Four-Wheelers (except tractors) and Three Wheelers segments responded positively to the favourable economic conditions, however, Tractor segment remained under pressure due to weak demand during the year. The vehicle prices largely remained stable due to the stability of Pak Rupee against foreign currencies.

During the financial year, the car financing grew by 20% increasing from Rs. 230.5 Billion to Rs. 276.6 Billion compared with the corresponding period of last financial year. This rise was mainly attributed to reduction in SBP policy rate from 20.50% to 11% making auto financing more accessible.

Considering the growing potential in auto sector, the auto assemblers introduced new brands and models across multiple powertrains- petrol, hybrid, plug in hybrid and pure electric vehicles. This diversification expanded the market size and provided customers with wider choices.

Sazgar remains firmly committed to introduce New Energy Vehicles (NEVs) in line with the Government policies and for this purpose, the Company has undertaken significant investment in new manufacturing facilities.

During the year, four wheelers segment (other than tractors) witnessed 153,255 sales volume as compared to sales volume of 106,491 in 2024 showing a surge of 43.94% (2024: decline of 18.53%) whereas three wheelers segment has shown an impressive improvement of 65.57% (2024: 26.17%) and Tractor has shown a decline of 36.42% (2024: increase of 47.03%) in accordance with the sales data of PAMA (Pakistan Automotive Manufacturers Association).

FINANCIAL PERFORMANCE OF THE COMPANY:

The Company has shown an excellent performance, achieving its highest-ever sales and profitability during the current financial year. Summary of financial results is given below:

FINANCIAL RESULTS:

	2025 (Rupees)	2024 (Rupees)
Net Sales	108,694,499,692	57,642,468,564
Gross Profit	31,642,050,703	15,646,370,000
Operating Profit	25,614,594,078	12,452,362,744
Profit before Tax	26,737,884,062	13,115,344,825
Profit after Tax	16,336,201,342	7,935,676,576
Earnings Per Share	270.26	131.29

Appropriations:

The Board of Directors of the Company, at their meeting held on August 29, 2025 has recommended a final cash dividend @ 200% i.e. Rupees 20.00 per share subject to the approval of members in the forth coming Annual General Meeting of the Company (AGM). This is in addition to the interim cash

dividend of 320% making total cash dividend of 520% for the year ending June 30, 2025 (June 30, 2024: 200%).

Sales Revenue:

The overall net sales revenue of the Company grew by 88.57% from Rupees **57.64 Billion** to Rupees **108.69 Billion**, highest ever sales revenue in its history. This milestone was primarily driven by increased sales volume of four wheelers specifically HAVAL branded vehicles.

Segment wise: The net sale of four wheelers increased by 93.21% from Rupees 50.81 Billion to Rupees 98.17 Billion, the net sale of Three Wheelers by 70.04% from Rupees 5.78 Billion to Rupees 9.82 Billion whereas the net sale of automotive parts dropped by 33.69% from Rupees 1.06 Billion to Rupees 0.70 Billion whereas the net sales of home appliances increased by 258.07% from Rupees 0.53 Million to Rupees 1.90 Million, compared with the corresponding period of last year.

The sale of Three Wheelers also includes an export sale of Rupees 69.05 Million (2024: 70.01 Million) showing a marginal reduction of 0.01% as compared to the last financial year. During the year, Company exported Three Wheelers to Japan, USA, Liberia, Nigeria and Phillipine.

In terms of quantity, the sales volumes are given below:

Product	Sales volume 2025	Sales volume 2024	% of Increase/ (Decrease)
Four wheelers*	10,889*	5,392*	101.95
Three wheelers	25,786	15,014	71.75
Tractor Wheel Rims	42,622	65,850	(35.27)

*Four-wheeler sales also includes the sale of 45 unit of imported CBU (June 30, 2024: 18 unit).

The significant increase in sale of four wheelers reflects growing consumer demand of HAVAL branded vehicles, Al-Hamdolillah, achievement of highest ever annual sales volume of four wheelers in a year. Three Wheelers sale also recorded a strong growth while Automotive Parts declined due to reduced demand of tractor wheel rims.

Gross Profit:

Company's gross profit increased by Rupees 16.00 Billion, from Rupees 15.65 Billion to Rupees 31.64 Billion compared with the corresponding period of last year. Whereas the gross profit margin improved from 27.14% to 29.11% mainly due to the higher sales volume of four wheelers.

Finance Cost:

Finance cost increased from Rs 168.91 Million to Rs. 230.30 Million showing an increase of 61.38 Million compared with the corresponding period of last year.

Profit Before Taxation:

Company's profit before taxation increased significantly from Rupees 13.12 Billion to Rupees 26.74 Billion showing a surge of Rupees 13.62 Billion compared with the corresponding period of last year.

Earnings Per Share:

The Earnings per share of the Company increased from Rs. 131.29 to Rs. 270.26 as compared to corresponding period of last year reflecting a substantial increase in profitability and shareholder value.

Net Worth of the Company:

The net worth of the Company strengthened from Rupees 10.10 Billion to Rupees 23.71 Billion showing a growth of 134.63% year-on-year.

Production:

In terms of quantity, the production volumes are given below:

Product	Production volume 2025	Production volume 2024	% of Increase/ (Decrease)
Four wheelers	11,039	5,414	103.90
Three wheelers	24,700	15,678	57.55
Tractor Wheel Rims	41,717	65,711	(36.51)

RISKS AND UNCERTAINTIES:

Risks:

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

All Risks cannot be eliminated entirely, they can be effectively managed, mitigated and transferred to third parties.

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

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

The policies on Risk Management and Internal Control containing complete detail of frame

work have been placed on Company's website.

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

Availability and Prices of Raw Material and CKDs:

The production of Company's products including four wheelers, three wheelers and tractor wheel rims is dependent on the availability of imported raw materials and components, any hurdle in availability and volatility of its prices may adversely affect the production and input costs of these products.

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

Currency Devaluation:

Although the Pak Rupee demonstrated relative stability against foreign currencies during the current financial year. Any material devaluation of Pak Rupee may deteriorate the profitability of the Company and adversely affect the sales volume. The company intends to avail the hedging and forward cover booking facilities for foreign currency exposure, subject to the feasibility.

Economic, Political and Law & Order conditions:

Overall stable economic, political, law & order conditions in the country have a significant influence on the company's performance. Any instability in these areas may have adverse effects on the Company's revenue and profitability.

General Market Conditions:

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

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

Regulatory and Taxation Policy:

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

Sudden break down of Plant & Equipment:

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

The natural disasters are beyond the control of the Company. However, the Company takes appropriate precautionary measures, as far as possible, and also arrange insurance coverage.

Financial Risks:

The Company is also exposed to various financial risks which have been stated in note 35 to the audited financial statements.

Uncertainties:

The company continues to face uncertainties that could affect future performance, including:

- ✦ Government's new taxation and regulatory policies.
- ✦ Volatility in prices of raw materials.
- ✦ Fluctuations in Pak Rupee exchange rate.
- ✦ Law and order situation in the country.
- ✦ Energy supply disruptions.
- ✦ Political and economic conditions.
- ✦ Interest rate.
- ✦ Inflation.

MATERIAL CHANGES:

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

FUTURE OUTLOOK:

The economy is expected to continue with a growing momentum to consolidate the sustainability and inclusive growth. The constant rise in exports and workers' remittances are anticipated to further strengthen the forex reserves and also contribute to the stability of exchange rate. The inflation is also expected to remain stable, however, heavy rains or flash floods may adversely impact agricultural yields and disrupt supply chains.

The KSE-100 Index is demonstrating a bullish trend, reflecting an improved investors' confidence in the Government policies, reforms and strengthening economic conditions of the country.

Further the ongoing IMF program is expected to provide continued support in managing external debt obligations and creating a platform for more resilient and inclusive economic growth in the country.

The Auto Sector is showing encouraging signs of recovery and gradually regaining its momentum. This resurgence is providing opportunities for the auto assemblers to expand their product offerings across multiple categories, including petrol, Hybrid, Plug in Hybrid and Electric Vehicles.

Aligned with the positive outlook, **Sazgar remains committed to the introduction of New Energy Vehicles (NEVs)** equipped with advanced technologies and modern features in line with the Government's policy framework. The company has successfully launched its first **CKD Plug-In-Hybrid Electric Vehicle (PHEV) Haval H6 1.5L on August 16, 2025**. In addition, CKD rollouts of **TANK-500** and **CANNON PHEVs** are planned by March 31, 2026.

The Three Wheelers segment is also expected to maintain its growth trajectory and **In Sha Allah** shall deliver stronger sales volumes in the coming financial year. However, the tractor wheel segment is struggling for its survival due to reduction in demand of Tractors in the market.

Exports remain a strategic priority- not only to strengthen the company's growth prospects but also to contribute to the country's foreign exchange earnings. The Company is making continuous efforts to enhance the export volumes in the coming years.

DISCONTINUATION OF HOME APPLIANCES BUSINESS:

The Board has decided to discontinue the Home Appliances business effective from September 01, 2025 after a comprehensive review of its financial performance, market dynamics and long-term strategic objectives. The decision has been made in the best interest of the shareholders with a view to focusing the Company's resources on its core businesses and more profitable segments. All necessary regulatory requirements and contractual obligations relating to the

discontinuation have been fulfilled without any disruption to employees, customer or stakeholders. Furthermore, the Company holds no material assets or liabilities pertaining to the segment of home appliance business.

CORPORATE SOCIAL RESPONSIBILITY:

Corporate Social Responsibility (CSR) is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large.

The Company's CSR Policy, placed on company's website, aides the plans to pursue social contribution activities that leads to strengthen the communities and contribute to the enrichment of the society.

During the year, the Company has undertaken the following major CSR activities:

- ✦ Donation of an aggregate amount of Rs. 11.4 million has been made to various institutions for the purpose of healthcare and education.
- ✦ Spent a sum of Rs. 12.3 million in providing food items to the poor people and employees of the company for the support of their well-being.
- ✦ The Company offered paid internship opportunities during the year for university graduates, providing them with practical exposure to the automotive industry.
- ✦ The Company organized a blood donation drive at its factory site, with a special focus on supporting thalassemia patients.
- ✦ Company sponsored four employees to perform Hajj this year, covering all associated expenses amounting to Rs. 4.58 million.
- ✦ As part of its commitment to employee well-being and workplace engagement, the Company organized and sponsored a Sports Gala during the year, offering

employees an opportunity to participate in a variety of athletic and recreational activities. A sum of Rs. 1.87 million was spent for this purpose.

- ✦ Company provided special financial assistance to the families of former employees who have passed away, for food and educational purposes. During the year, an amount of Rs. 0.34 million was paid for special support.
- ✦ During the year, Company has paid Rs. 0.19 million for educational support and external trainings of its employees.
- ✦ Company creates employment opportunities for persons with disabilities along with the provision of additional facilities and appropriate training. Currently, 20 individuals, who are differently abled, are in the employment of the Company.
- ✦ The Company has planted around 2,000 trees of Rs. 00.79 million to make the environment more friendly.

The complete details of CSR activities have been disclosed in Company's Sustainability Report 2025.

Contribution To National Exchequer:

The company has made a contribution of Rs. **37.65 Billion** to National Exchequer during the year in form of income tax, sales tax, custom duties and excise as compared to Rs. **19.96 Billion** of last financial year reflecting an increase of 88.62% (June 30, 2024: 293.64%).

IMPACT OF COVID-19 ON THE FINANCIAL STATEMENTS

Considering the applicable IFRS and going concern assumptions used for the preparation of these financial statements, the Company has assessed the accounting implications of this pandemic on these financial statements and determines that there has been no

specifically quantifiable material impact of COVID-19 on the Company's financial statements for the year ended June 30, 2025.

COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE:

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

- ✦ **Presentation of Financial Statements** The financial statements, prepared by the management of the company, present its state of affairs fairly, the results of its operations, cash flows and changes in equity;
- ✦ **Books of Account** Proper books of account of the company have been maintained;
- ✦ **Accounting Policies** Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgement;
- ✦ **Compliance with International Financial Reporting Standards (IFRS)** International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and departure there from (if any) has been adequately disclosed and explained;
- ✦ **Going Concern** There are no significant doubts upon the Company's ability to continue as a going concern;
- ✦ **Best Practices of Corporate Governance** There has been no material departure from the best practices of corporate governance, as are applicable to the Company for the year ended June 30, 2025.
- ✦ **Financial Data of Last Years** Key operating and financial data of last six years is annexed as per annexure "A".

Dividend The Board of Directors, at their meeting held on August 29, 2025 has recommended a final cash dividend @ 200% i.e. Rupees 20.00 per share subject to the approval of members in the forthcoming Annual General Meeting of the Company (AGM) which shall be in addition to the interim cash dividend of 320% making total of 520% for the financial year ending June 30, 2025 (June 30, 2024: 200%).

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

Significant Plans and Decisions: To explore new business opportunities in automobile sector. In this regard the Company intends to expand its manufacturing base to add more environment friendly vehicles into its products line.

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

SUSTAINABILITY, RISKS AND THEIR MANAGEMENT / MITIGATION:

Sustainability is the creation and maintenance of conditions in which people and nature can coexist in productive harmony, ensuring that environmental, social, economic and other needs of present and future generations are met.

Corporate sustainability refers to a business approach that integrates environmental, social, and governance considerations into a company's strategy and for creating long-term value for both the business and society while minimizing negative impacts on the environment and contributing positively to communities.

Key components of corporate sustainability:

- 1. Environmental factors:** These includes financially material risks and opportunities such as climate change, use of water, land and air.
- 2. Social factors:** These relate to society, the rights of individuals and the well-being of the communities within which a company operates such as human capital management, diversity, health and safety.
- 3. Governance factors:** These include board quality, independence and accountability; board oversight of executive performance and compensation and the board's oversight of company strategy, risk management, performance and disclosure including disclosures of environmental and social factors.

Sustainability-related risks are assessed through the lens of environmental, social, and governance (ESG) considerations.

The Company has prepared a separate Sustainability Report for the year 2025 stating the sustainability (including climate) related risks & opportunities, Company's environmental impact, social initiatives and corporate governance practices.

DIVERSITY EQUITY & INCLUSION (DE&I) AND PROTECTION AGAINST HARRASSMENT AT A WORK PLACE:

The Company is committed to create and promote a culture of diversity, equity and inclusion at a workplace where every one feels valued, respected and supported as well as protected from harassment, discrimination and bias.

The Company is taking various measures to promote DE&I which shall lead to increase employment engagement, retention and business success.

The Company actively encourages the representation of woman on Company's

Board of Directors & its Committees and in line with this commitment, has appointed a woman as a chairperson of the Board.

The Board has formally approved policies on Diversity, Equity & Inclusion (DE&I) and protection against harassment at a workplace which are available on the Company's official website for stakeholder reference.

STATEMENT ON ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

The Company has established an adequate system of internal financial controls which is sound in design and has been effectively implemented and is being monitored continuously. The review of system will continue in future for the improvements in controls.

Comprehensive detail of the company's internal control framework is set out in Internal Control Policy which is also available on the Company's official website.

BOARD OF DIRECTORS:

Presently, the Board of Directors of the Company comprises of the following nine (9) directors who shall hold office up to March 19, 2026:

1. Mr. Mian Asad Hameed
2. Mrs. Saira Asad Hameed
3. Mr. Saeed Iqbal Khan
4. Mr. Mian Muhammad Ali Hameed
5. Mrs. Sana Suleyman
6. Mr. Humza Amjad Wazir
7. Mr. Umair Ejaz
8. Mr. Taha Mahmood
9. Mr. Muhammad Omer Saeed

There was no change in the Board during the current financial year.

DIRECTORS' REMUNERATION POLICY:

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

✦ Executive Directors

The remuneration and benefits for the Executive Directors including Chief Executive are determined by the Board of Directors in accordance with the procedure laid down in the approved policy. However, no meeting attending fee is paid to Executive Directors.

The Board in its meeting held on August 29, 2025 has approved the revision in the monthly managerial remunerations (net of tax) of its Executives Board members as below along with free use of Company maintained vehicles for official and private purposes, re-imbursement of actual medical expenses for self and spouse and payment of cash bonuses as and when approved by Board of Directors and other benefits associated with these positions in accordance with the Company's policies and rules for the time being in force:

Chief Executive	Rs. 5.80 M
Executive Director (COO - Three-Wheeler & Automotive Parts Division)	Rs. 3.00 M
Executive Director (COO - Car Division)	Rs. 1.60 M

These remunerations are effective from July 01, 2025 and shall be increased by 15% annually or such higher amount as decided by Board of Directors.

✦ Non-Executive Directors

The Company pays meeting fee to the Non-Executive Directors including Independent Directors for attending Meetings of the Board and its Committees. The meeting attending

fee is paid in accordance with the scale approved by the Board. The non-executive directors including independent directors who are residing outside Lahore are also paid boarding and lodging for attending the Board & Committees meetings.

The Board in its meeting held on August 29, 2025 has also approved the revision in scale of meetings fee for the Non-Executive Independent Directors which shall be effective from September 01, 2025.

The revised scale of meetings fee is given below:

Revised Scale of Meetings Fee For Non-Executive Independent Directors	
Board Meeting fee	Rs 100,000/-
Committee Meeting fee	Rs 60,000/-

Scale of Meeting Fee For Other Non-Executive Directors	
Board Meeting fee	Rs 50,000/-
Committee Meeting fee	Rs 30,000/-

For attending Board or Committee meetings, Boarding and lodging of Rs. 50,000/- per visit is also paid to the Non-Executive Directors who reside outside the Lahore.

No director had participated in the proceedings of meeting for determining his/her own remuneration.

DIRECTORS' REMUNERATION PAID DURING THE YEAR:

During the year, the company paid the following managerial remuneration and benefits to the Chief Executive, Executive Directors and meeting attending expenses to Non-Executive Directors:

Particulars	Managerial Remuneration	Bonus and Others	Meeting fee & Boarding lodging expenses	Total
	(Rupees)			
Chief Executive	55,200,000	65,064,234	-	120,264,234
Executive Director (Chief Operating Officer -Three Wheelers & Automotive Parts Division)	28,800,000	32,928,299	-	61,728,299
Executive Director (Chief Operating Officer -Car Division)	15,000,000	15,011,766	-	30,011,766
Non-Executive Directors	-	-	2,130,000	2,130,000

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

Name of Directors	Board	Board Audit Committee	HR & R Committee	Nomination Committee	Risk Management Committee	Sustainability Committee
Total Meetings Held	5	4	1	1	1	1
Mr. Mian Asad Hameed	5	-	1	1	-	-
Mrs. Saira Asad Hameed	5	-	-	-	-	-
Mr. Saeed Iqbal Khan	5	-	-	1	-	-
Mr. Mian Muhammad Ali Hameed	5	-	-	-	1	-
Mrs. Sana Suleyman	5	4	-	-	-	1
Mr. Humza Amjad Wazir	5	-	1	1	-	-
Mr. Umair Ejaz	4	4	1	-	1	1
Mr. Taha Mahmood	5	4	1	-	1	-
Mr. Muhammad Omer Saeed	5	-	-	-	-	1

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

Directors' Training Programs during the year:

The Company is in compliance of certification of Directors Training Programme. Out of nine, seven directors have acquired the Directors' Training Programme (DTP) from SECP approved Institutions up to June 30, 2025 whereas two directors fall under the exemption criteria of Listed Companies (Code of Corporate Governance) Regulations 2019 and also obtained exemption from SECP.

Pattern of Shareholding: The pattern of shareholding is annexed as per annexure "B".

Trading in Company's Shares by Directors, executives and their spouses and minor children during the year:

Purchase, sale of Shares and change in beneficial ownership:

Name	Share Purchased/Gift	Sale/Gift
Mr. Mian Asad Hameed	-	2,671,276 (Gift)
Mrs. Sana Suleyman	735,294 (Gift)	50,000
Mr. Muhammad Suleyman Khan	-	50,000
Mrs. Amna Humza Wazir	735,294 (Gift)	-

COMPOSITION OF BOARD:

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

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

The composition of board is as follows:

a. Independent Directors:

Mr. Umair Ejaz
Mr. Taha Mahmood
Mr. Muhammad Omer Saeed

b. Non-Executive Directors:

Mrs. Saira Asad Hameed
Mrs. Sana Suleyman
Mr. Humza Amjad Wazir

c. Executive Directors including Chief Executive:

Mr. Mian Asad Hameed
Mr. Saeed Iqbal Khan
Mr. Mian Muhammad Ali Hameed

d. Female Directors:

Mrs. Saira Asad Hameed
Mrs. Sana Suleyman

Committees of the Board:

Name of Members	Board Audit Committee	HR&R Committee	Nomination Committee	Risk Management Committee	Sustainability Committee
Umair Ejaz	**	*		**	*
Taha Mahmood	*	**		*	
Sana Suleyman	*				*
Hamza Amjad Wazir		*	*		
Mian Asad Hameed		*	**		
Saeed Iqbal Khan			*		
Mian Muhammad Ali Hameed				*	
Muhammad Omer Saeed					**

***Represents that the director is chairman of the respective committee*

** Represents that the director is member of the respective committee*

PERFORMANCE EVALUATION OF BOARD, COMMITTEES AND INDIVIDUAL DIRECTORS:

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

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

EXTERNAL AUDITORS:

The present auditors, M/S Crowe Hussain Chaudhury & Co., Chartered Accountants, retire and being eligible offers themselves for reappointment. The Audit Committee and the Board of Directors have also recommended for their reappointment on the following remunerations:

(Rupees)		
a.	Annual Audit	2,040,000
b.	Half yearly review	360,000
c.	Report on Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019	50,000
d.	Certificate under CDC Regulation	50,000
e.	Report on Free-float of shares	50,000

EMPLOYEES RELATIONS:

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

ACKNOWLEDGEMENT:

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

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

Lahore:
August 29, 2025

For and on behalf of the Board



Mian Asad Hameed
(Chief Executive)



Saeed Iqbal Khan
(Director)

ڈائریکٹران کی رپورٹ

تھری ویلرز کاروبار:

کمپنی "سازگار" برانڈ کے تحت اپنے تھری ویلرز کی مارکیٹ کرتی ہے۔

کمپنی کے ڈائریکٹران 30 جون 2025ء کو مکمل ہونے والے سال کیلئے آڈٹ شدہ مالی گوشواروں کے ہمراہ کمپنی کی چوتھیں سالانہ رپورٹ بخوشی پیش کرتے ہیں۔

بنیادی سرگرمیاں:

کمپنی بنیادی طور پر آٹوموبائلز، بشمول فورویلرز اور تھری ویلرز، ٹریکٹر ویل رمز اور ہوم اپلائنسز کی پیداوار اور فروخت میں مصروف عمل ہے۔

یہ سیگمنٹ مسافروں اور کارگو کے استعمال کے لیے پیٹرول اور الیکٹرک گاڑیاں (ای وی) دونوں پیش کرتا ہے، جو صارفین کی ضروریات کے مطابق ہیں۔

کمپنی جاپان سمیت بین الاقوامی ممالک کو تھری ویلرز گاڑیاں بھی برآمد کرتی ہے۔

آٹوموبیل پارٹس کاروبار:

اس سیگمنٹ میں، کمپنی ٹریکٹر ویل رمز تیار کرتی ہے، جو براہ راست ٹریکٹر اسمبلرز کو فراہم کرتی ہے۔

پیداواری پورٹ فولیو:

فورویلرز:

کمپنی چار بین الاقوامی معروف چینی برانڈز، "BAIC"، "HAVAL"، "ORA" اور "GWM TANK-500" کی نمائندگی کرتی ہے۔

ہوم اپلائنسز کاروبار:

"WHIRLPOOL" برانڈ کے تحت ہوم اپلائنسز درآمد اور مارکیٹ میں فروخت کیے جاتے ہیں۔

سال کے دوران اہم پیش رفت:

کمپنی اس سال کے دوران مندرجہ ذیل اہم پیش رفتوں سے گزری:

توسیع منصوبے میں نظر ثانی - فورویلرز گاڑیوں کی مینوفیکچرنگ سہولیات:

سال کے دوران، کمپنی نے فورویلرز گاڑیوں کے اپنے توسیع منصوبے پر نظر ثانی کی:

- موجودہ پینٹ شاپ کی توسیع، نئی گودام تنصیبات کی تعمیر، 5.7 میگا واٹ کے شمسی نظام کی تنصیب اور نئی توانائی گاڑیوں (این ای ویز) کی مقامی اسمبلی کے لئے نئی مینوفیکچرنگ/اسمبلی سہولیات کی تعمیر اور تنصیب۔

- توسیع کی تخمینہ لاگت (زمین کی لاگت کے علاوہ) کو 4.50 ارب روپے سے بڑھا کر 11.50 ارب روپے کر دیا گیا ہے۔

- نیو انرجی گاڑیوں کے سی کے ڈی (CKD) ماڈل کے مجوزہ رول آؤٹ کو 31 دسمبر 2025 سے بڑھا کر 31 مارچ 2026 تک کر دیا گیا ہے۔

HAVAL-H6 Vehicles (SUVs) CKD MODELS

- ہائبرڈ الیکٹرک گاڑیاں (ایچ ای وی) 1.5 لیٹر
- پیٹرول 2.0 لیٹر ٹرپو
- پیٹرول 1.5 لیٹر ٹرپو

HAVAL - JOLION Vehicles (SUVs) CKD MODELS

- ہائبرڈ الیکٹرک گاڑیاں (ایچ ای وی) 1.5 لیٹر
- پیٹرول 1.5 لیٹر ٹرپو

BAIC JEEP BJ-40L CKD MODEL

- 2.0 لیٹر ٹرپو

GWM TANK-500 HEV VEHICLES - CBU MODEL

- 7 نشستوں والی ہائبرڈ الیکٹرک گاڑیاں (ایچ ای وی) 4 سلنڈر کے ساتھ 2.0 لیٹر پیٹرول انجن اور سیٹ مساجرز

ORA EV VEHICLES - CBU MODEL

- ORA -3
- ORA -7

تفصیل	FY2025 July - May	FY2024 July - May	+/-
GDP growth	2.68 فی صد	2.40 فی صد	↑
Current Account Balance(Deficit)/Surplus	US\$ 1.81 بلین روپے	(US\$ 1.57) بلین روپے	↑
Trade Deficit	US\$ 24.39	US\$ 19.98	↓
Fiscal Deficit	4.28 ٹریلین روپے	5.24 ٹریلین روپے	↑
Foreign Remittances	US\$ 34.89	US\$ 27.10	↑
Imports	US\$ 53.55	US\$ 48.4	↑
Exports	US\$ 29.69	US\$ 28.70	↑
Forex Reserves	US\$ 16.64	US\$ 13.12	↑
Agricultural growth rate	0.60 فی صد	6.30 فی صد	↓
Large Scale Manufacturing (Contraction)/growth	(1.20) فی صد	0.86 فی صد	↓
Average Inflation rate - year	24.50 فی صد	23.40 فی صد	↑
FBR tax collection	11.74 ٹریلین روپے	9.30 ٹریلین روپے	↑
Per Capita Income	US\$ 1,824	US\$ 1,662	↑

(ذرائع: ماہانہ اکنامک اپ ڈیٹ اینڈ آؤٹ لک، حکومت پاکستان اور اسٹیٹ بینک آف پاکستان)
کافنانس ڈویژن

آٹو سیکٹر کا جائزہ:

آٹو سیکٹر نے معاشی استحکام کے مطابق سال کے دوران مستحکم بحالی کا مظاہرہ کیا۔ حکومت پاکستان کی جانب سے نیواندوئی گاڑیاں (این ای ویز) کے فروغ پر مسلسل توجہ، جس کا مقصد تیل کی درآمد پر انحصار کو کم کرنا اور ماحولیاتی طور پر پائیدار مستقبل کو فروغ دینا ہے، نے آٹو سیکٹر کے نقطہ نظر کو مزید مستحکم کیا ہے۔

فورویلرز (ٹریکٹروں کے علاوہ) اور تھری ویلرز کے شعبوں نے سازگار معاشی حالات پر مثبت ردعمل ظاہر کیا، تاہم سال کے دوران ٹریکٹر سیکٹر کم طلب کی وجہ سے دباؤ میں رہا۔ غیر ملکی کرنسیوں کے مقابلے میں پاکستانی روپے کے استحکام کی وجہ سے گاڑیوں کی قیمتیں بڑی حد تک مستحکم رہیں۔

مالی سال کے دوران، کارفنانسنگ گزشتہ مالی سال کے اسی عرصہ کے مقابلے میں 20 فیصد اضافے کے ساتھ 230.5 ارب روپے سے بڑھ کر 276.6 ارب روپے ہو گئی۔ اس اضافے کی بنیادی وجہ اسٹیٹ بینک کی پالیسی ریٹ کو 20.50 فیصد سے کم کر کے 11 فیصد کرنا ہے جس سے آٹو فنانسنگ زیادہ قابل رسائی ہوئی۔

حصول اراضی:

کمپنی کے بورڈ آف ڈائریکٹران نے موجودہ فورویلرز پراجیکٹ (کارپلائٹ) سے محلقہ 1540.00 ملین روپے کی 140 کنال اراضی اپنے ذرائع سے حاصل کرنے کی منظوری دی تاکہ مستقبل میں توسیع میں مدد مل سکے۔ تاہم کمپنی نے 30 جون 2025 تک تقریباً 1,330.00 ملین روپے کی 120 کنال 19 مرلہ اراضی کامیابی کے ساتھ حاصل کی۔

ISO سرٹیفیکیشن:

کمپنی نے اپنے فورویلرز پراجیکٹ (کارپلائٹ) کے لئے مندرجہ ذیل آئی ایس او سرٹیفیکیشن کی توثیق حاصل کی۔

- ISO 9001:2015 کوالٹی مینجمنٹ سسٹم،
- ISO 14001:2015 ماحولیاتی مینجمنٹ سسٹم &
- ISO 45001:2018 پیشہ وارانہ صحت اور سیفٹی مینجمنٹ سسٹم۔

کریڈٹ ریٹنگ:

VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ نے کمپنی کی کریڈٹ ریٹنگ کی توثیق کی:

- درمیانی سے طویل مدتی کریڈٹ ریٹنگ "A"
- مختصر مدت کی کریڈٹ ریٹنگ "A2" سے اپ گریڈ ہو کر "A1" ہو گئی ہے

HAVAL H6 اور Jolion کی خصوصیات کی اپ گریڈنگ:

کمپنی نے Haval H6 اور Jolion کی خصوصیات کو اپ گریڈ کیا جس سے ان گاڑیوں کی کارکردگی میں اضافہ ہوا۔

معیشت:

معیشت نے سال کے دوران چلک اور بحالی کا مظاہرہ کیا، جس میں افراط زر میں تیزی سے کمی، پالیسی ریٹ میں کمی، شرح تبادلہ میں استحکام اور دانشمندانہ میکرو اکنامک مینجمنٹ شامل ہیں۔ کرنٹ اکاؤنٹ میں سرپلس ریکارڈ کیا گیا جس کی وجہ مضبوط برآمدات، ترسیلات زر میں اضافہ اور زرمبادلہ کے ذخائر میں اضافہ ہے۔ ٹیکس محصولات اور فی کس آمدنی میں نمایاں بہتری دیکھی گئی جبکہ پاکستان اسٹاک ایکسچینج میں 50.2 فیصد اضافے کے ساتھ تیزی کا رجحان ریکارڈ کیا گیا۔

آئی ایم ایف کے جاری پروگراموں یعنی 7 ارب ڈالر کے ای ایف ایف اور 1.3 ارب ڈالر کے آر ایس ایف نے کامیاب جائزے اور تقسیم کے ساتھ مضبوط، پائیدار اور جامع ترقی کی بنیاد رکھی ہے۔

مالی سال 2025 کے اہم اقتصادی اشاریوں کی تفصیل ذیل میں دی گئی ہے۔

آٹو سیکٹر میں بڑھتی ہوئی صلاحیت کو مد نظر رکھتے ہوئے، آٹو اسمبلرز نے پیٹرول، ہائیڈرو، پلگ ان ہائیڈرو اور خالص الیکٹرک گاڑیوں سمیت متعدد پاور ٹریزیز میں نئے برانڈز اور ماڈلز متعارف کرائے۔ اس تنوع نے مارکیٹ کے سائز کو بڑھایا اور گاڑیوں کو وسیع تر انتخاب فراہم کیے۔ سازگار کمپنی حکومت کی پالیسیوں کے مطابق نئی توانائی گاڑیاں (این ای ویز) متعارف کرانے کے لئے پرعزم ہے اور اس مقصد کے لئے کمپنی نے نئی مینوفیکچرنگ تنصیبات میں اہم سرمایہ کاری کی ہے۔

سیلز آمدنی:

کمپنی کی مجموعی سیلز آمدنی 88.57 فیصد اضافے کے ساتھ 57.64 ارب روپے سے بڑھ کر 108.69 ارب روپے ہو گئی جو اس کی تاریخ میں اب تک کی سب سے زیادہ سیلز آمدنی ہے۔ یہ سنگ میل بنیادی طور پر فورویلرز گاڑیوں خاص طور پر "HAVAL" برانڈ گاڑیوں کی فروخت کے حجم میں اضافے کی وجہ سے تھا۔

حصہ دار سیلز آمدنی:

بچھلے سال کی اسی مدت کے مقابلے میں فورویلرز کی مجموعی سیلز آمدنی 93.21 فیصد اضافے کے ساتھ 50.81 ارب روپے سے بڑھ کر 98.17 ارب روپے ہو گئی ہے، تھری ویلرز کی مجموعی سیلز آمدنی 70.04 فیصد اضافے کے ساتھ 5.78 ارب روپے سے بڑھ کر 9.82 ارب روپے ہو گئی جبکہ آٹو موٹو پارٹس کی مجموعی سیلز آمدنی 33.69 فیصد کمی کے ساتھ 1.06 ارب روپے سے کم ہو کر 0.70 ارب روپے ہو گئی ہے، جبکہ ہوم اپلائنسز کی مجموعی سیلز آمدنی 258.07 فیصد اضافے کے ساتھ 0.53 ملین روپے سے بڑھ کر 1.90 ملین روپے ہو گئی۔

تھری ویلرز کی مجموعی سیلز آمدن جس میں 69.05 ملین روپے کی برآمدات بھی شامل ہیں جو کہ بچھلے مالی سال (2024: 70.01 ملین روپے) کے مقابلے میں 0.01 فیصد معمولی کمی کو ظاہر کرتا ہے۔ سال کے دوران، کمپنی نے جاپان، یو ایس اے، لائبیریا، نائیجیریا اور فلپائن تھری ویلرز برآمد کئے۔

مقدار کے لحاظ سے فروخت کے حجم ذیل میں دیئے گئے ہیں:

مصنوعات	فروخت حجم 2025	فروخت حجم 2024	فیصد اضافہ (کمی)
فورویلرز ☆	10,889 ☆	5,392 ☆	101.95
تھری ویلرز	25,786	15,014	71.75
ٹریکٹر ویل رمز	42,622	65,850	(35.27)

☆ فورویلرز کی فروخت میں درآمد شدہ CBU کے 45 پونٹس کی فروخت بھی شامل ہے۔
(پونٹ 30:18 جون 2024)

فورویلرز کی فروخت میں نمایاں اضافہ Haval برانڈ گاڑیوں کی بڑھتی ہوئی صارفین کی طلب کی عکاسی کرتا ہے، الحمد للہ، ایک سال میں فورویلرز کی سب سے زیادہ سالانہ فروخت کا حجم حاصل کرنا ایک اعزاز ہے۔ تھری ویلرز کی فروخت میں بھی زبردست اضافہ ریکارڈ کیا گیا جبکہ ٹریکٹر ویل رمز کی طلب میں کمی کی وجہ سے آٹو موٹو پارٹس میں کمی واقع ہوئی۔

سال کے دوران PAMA (پاکستان آٹو موٹو مینوفیکچررز ایسوسی ایشن) کے سیلز ڈیٹا کے مطابق فورویلرز سیکٹور میں (ٹریکٹرز کے علاوہ) بچھلے سال 2024 کے 106,491 فروخت کے حجم کے مقابلے میں اس سال 153,255 فروخت کا حجم دیکھا جو 43.94 فیصد اضافہ کو ظاہر کر رہا ہے (2024: 18.53 فیصد کمی) جبکہ تھری ویلرز سیکٹور میں 65.57 فیصد متاثر کن بڑھوتری ظاہر کر رہا ہے (2024: 26.17 فیصد) اور ٹریکٹر 36.42 فیصد کمی کو ظاہر کر رہا ہے (2024: 47.03 فیصد بڑھوتری)۔

کمپنی کی مالیاتی کارکردگی:

کمپنی نے رواں مالی سال کے دوران بہترین کارکردگی کا مظاہرہ کرتے ہوئے اپنی اب تک کی سب سے زیادہ فروخت اور منافع حاصل کیا ہے۔ مالیاتی نتائج کا خلاصہ ذیل میں دیا گیا ہے۔

مالیاتی نتائج:

تفصیلات	2025 (روپے)	2024 (روپے)
آمدنی	108,694,499,692	57,642,468,564
مجموعی منافع	31,642,050,703	15,646,370,000
آپریٹنگ منافع	25,614,594,078	12,452,362,744
منافع قبل از ٹیکس	26,737,884,062	13,115,344,825
منافع بعد از ٹیکس	16,336,201,342	7,935,676,576
فیصد آمدنی	270.26	131.29

تخصیصات:

کمپنی کے بورڈ آف ڈائریکٹران نے 29 اگست 2025 کو منعقدہ اپنے اجلاس میں 200 فی صد یعنی 20 روپے فی حصص کی شرح سے حتمی نقد منافع کی سفارش کی ہے جو کمپنی کے آئندہ سالانہ اجلاس عام (AGM) میں ممبران کی منظوری سے مشروط ہے۔ یہ 320 فی صد کے عبوری نقد منافع کے علاوہ ہے جس سے 30 جون 2025 کو ختم ہونے والے سال کے لئے مجموعی طور پر 520 فی صد نقد منافع حاصل ہوگا۔ (30 جون 2024: 200 فی صد)

مجموعی منافع:

کمپنی کا مجموعی منافع 16.00 بلین روپے کے اضافہ سے پچھلے سال کے مقابلہ میں 15.65 بلین روپے سے بڑھ کر 31.64 بلین روپے ہو گیا ہے جبکہ مجموعی منافع کا مارجن بنیادی طور پر فورویلرز کی بڑھتی ہوئی فروخت کی وجہ سے 27.14 فیصد سے بڑھ کر 29.11 فیصد ہو گیا ہے۔

تمام خطرات کو مکمل طور پر ختم نہیں کیا جاسکتا ہے، انہیں مؤثر طریقے سے منظم، کم اور تیسرے فریق کو منتقل کیا جاسکتا ہے۔

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

قرضوں کی لاگت:

قرضوں کی لاگت پچھلے سال کے مقابلہ میں 61.38 بلین روپے کے اضافہ کے ساتھ 168.91 بلین روپے سے بڑھ کر 230.30 بلین روپے ہو گئی ہے۔

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

ریسک منیجمنٹ اینڈ انٹرول کنٹرول فریم ورک کی مکمل تفصیلات پرنسپل پالیسیاں کمپنی کی ویب سائٹ پر موجود ہیں۔

قبل از ٹیکس منافع:

کمپنی کا قبل از ٹیکس منافع پچھلے سال کے مقابلہ میں 13.12 بلین روپے سے بڑھ کر 26.74 بلین روپے ہو گیا ہے جو کہ 13.62 بلین روپے کے نمایاں اضافہ کو ظاہر کر رہا ہے۔

آمدنی فی حصص:

کمپنی کی فی حصص آمدنی پچھلے سال کے مقابلہ میں 131.29 روپے سے بڑھ کر 270.26 روپے ہو گئی ہے جو منافع اور حصص کی قدر میں خاطر خواہ اضافے کی عکاسی کرتی ہے۔

کمپنی کو درپیش چند بنیادی خطرات درج ذیل ہیں۔

خام مال کی قیمت، دستیابی اور CKDs:

کمپنی کی پیداوار جن میں فورویلرز، تھری ویلرز اور ٹریکٹریل رمز شامل ہیں کا انحصار درآمد شدہ خام مال اور پرزہ جات پر ہے اس لئے ان کی دستیابی میں کسی قسم کی رکاوٹ اور قیمتوں میں اتار چڑھاؤ ان مصنوعات کی پیداوار اور لاگت پر برا اثر ڈال سکتا ہے۔

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

روپے کی قدر میں کمی:

اگرچہ رواں مالی سال کے دوران پاکستانی روپے میں غیر ملکی کرنسیوں کے مقابلے میں نسبتاً استحکام دیکھا گیا ہے۔ پاکستان روپے کی قیمت میں اگر کوئی نمایاں کمی ہوتی ہے تو یہ کمپنی کے منافع کو کم کر سکتی ہے اور فروخت کے حجم پر منفی اثر ڈال سکتی ہے۔ کمپنی غیر ملکی کرنسی کی جنگ (hedging) اور فارورڈ کور ہنگ (forward cover booking) کی دستیابی کی سہولیات سے فائدہ اٹھانے کا ارادہ رکھتی ہے، جو فزیتلٹی سے مشروط ہے۔

کمپنی کی مجموعی مالیت:

کمپنی کی مجموعی مالیت 10.10 ارب روپے سے بڑھ کر 23.71 ارب روپے ہو گئی جو سال بہ سال 134.63 فیصد اضافہ کو ظاہر کرتی ہے۔

پیداوار:

مقدار کے لحاظ سے پیداوار کے حجم ذیل میں دیئے گئے ہیں:

مصنوعات	پیداوار حجم 2025	پیداوار حجم 2024	فی صد اضافہ (کمی)
فورویلرز	11,039	5,414	103.90
تھری ویلرز	24,700	15,678	57.55
ٹریکٹریل رمز	41,717	65,711	(36.51)

خطرات اور غیر یقینی صورت حال:

خطرات:

کمپنی کو وسیع تعداد میں اندرونی اور بیرونی خطرات کا سامنا ہے۔ خطرہ ایک واقع کے رونما ہونے کا موقع ہے جو کمپنی کو اپنے مقاصد حاصل کرنے میں روک سکتا ہے۔

اقتصادی، سیاسی اور امن و امان کی صورت حال:

ملک میں مجموعی طور پر مستحکم معاشی، سیاسی، امن و امان کی صورتحال کمپنی کی کارکردگی پر نمایاں اثر انداز ہوتی ہے۔ ان میں کسی بھی عدم استحکام سے کمپنی کی آمدنی اور منافع پر منفی اثرات مرتب ہو سکتے ہیں۔

عام مارکیٹ کے حالات:

کمپنی کی مصنوعات کی اقسام بہت کامیاب ہیں اور حریف کے مقابلہ میں ان کو فائدہ مند برتری حاصل ہے۔ حریف کی جانب سے قیمتوں میں کوئی بھی جارحانہ کمی، نئی مصنوعات کا تعارف اور بعد از فروخت پالیسی میں جارحانہ تبدیلی کمپنی کی کم آمدن، کم منافع اور مارکیٹ حصہ داری میں کمی کے نتیجہ کی صورت میں ہو سکتی ہے۔

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

ریگولیٹری اور ٹیکس پالیسی:

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

پلانٹ اور آلہ جات میں اچانک خرابی:

پلانٹ اور آلہ جات میں اچانک خرابی پیداوار میں رکاوٹ کا باعث بن سکتی ہے اور کاروبار کے مطلوبہ اہداف کو حاصل کرنے میں خطرہ پیدا کر سکتی ہے۔ اس صورت حال سے بچنے کے لئے اور مستقبل میں پیداواری صلاحیت کو بڑھانے کے لئے پلانٹ اور آلہ جات کی مسلسل دیکھ بھال کی جاتی ہے اور ان میں جدت لائی جاتی ہے۔

قدرتی آفات کمپنی کے اختیارات سے باہر ہیں۔ تاہم کمپنی احتیاطی تدابیر اور ممکنہ اقدامات اختیار کرتی ہے اور انشورنس تحفظ کا اہتمام بھی کرتی ہے۔

مالیاتی خطرات:

کمپنی کو مختلف مالی خطرات بھی لاحق ہیں جو متوقع شدہ مالیاتی گوشواروں کے نوٹ 35 میں بیان کر دیئے گئے ہیں۔

غیر یقینی صورت حال:

کمپنی کو غیر یقینی صورتحال کا سامنا ہے جو مستقبل کی کارکردگی کو متاثر کر سکتا ہے، بشمول:

- حکومت کی نئی ٹیکس اور قوانینی پالیسیاں
- خام مال کی قیمتوں میں اتار چڑھاؤ
- غیر ملکی کرنسی کے مقابلہ میں پاکستانی روپے کی قدر
- ملک میں قانون اور امن و امان کی صورت حال
- توانائی کی فراہمی میں خلل
- سیاسی اور اقتصادی حالات
- سود کی شرح
- افراط زر

نمایاں تبدیلیاں:

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

مستقبل پر نقطہ نظر:

توقع ہے کہ معیشت پائیداری اور جامع ترقی کو مستحکم کرنے کے لئے بڑھتی ہوئی رفتار کے ساتھ جاری رہے گی۔ برآمدات اور کارکنوں کی ترسیلات زر میں مسلسل اضافے سے زرمبادلہ کے ذخائر مزید مستحکم ہوں گے اور شرح مبادلہ کے استحکام میں بھی مدد ملے گی۔ افراط زر بھی مستحکم رہنے کی توقع ہے، تاہم، بھاری بارشوں یا اچانک سیلاب سے زرعی پیداوار پر منفی اثر پڑ سکتا ہے اور سپلائی چین متاثر ہو سکتی ہے۔

کے ایس ای 100 انڈیکس تیزی کے رجحان کا مظاہرہ کر رہا ہے جو حکومتی پالیسیوں، اصلاحات اور ملک کے مضبوط معاشی حالات پر سرمایہ کاروں کے اعتماد کی عکاسی کرتا ہے۔

مزید برآں آئی ایم ایف کے جاری پروگرام سے بیرونی قرضوں کی ذمہ داریوں سے نمٹنے اور ملک میں زیادہ لچکدار اور جامع اقتصادی ترقی کے لئے ایک پلیٹ فارم تخلیق کرنے میں مسلسل مدد کی توقع کی جاسکتی ہے۔

آٹو سیکٹر بحالی کے حوصلہ افزا اشارے دکھا رہا ہے اور آہستہ آہستہ اپنی رفتار دوبارہ حاصل کر رہا ہے۔ یہ بحالی آٹو اسمبلرز کو پیٹرول، ہائیڈرو، پلگ ان ہائیڈرو اور الیکٹرک گاڑیوں سمیت متعدد زمروں میں اپنی مصنوعات کی آفرز کو بڑھانے کے مواقع فراہم کر رہی ہے۔

مثبت نقطہ نظر کے ساتھ ہم آہنگ، سازگار حکومت کے پالیسی فریم ورک کے مطابق جدید ٹیکنالوجی اور جدید خصوصیات سے لیس نیو انرجی گاڑیاں (این ای وی) متعارف کرانے کے لئے پرعزم

غریب لوگوں اور کمپنی کے ملازمین کو ان کی فلاح و بہبود کے لئے کھانے پینے کی اشیاء فراہم کرنے میں 12.3 ملین روپے کی رقم خرچ کی۔
کمپنی نے یونیورسٹی کے گریجویٹس کے لئے سال کے دوران معاوضے کے ساتھ انٹرن شپ کے مواقع پیش کیے، جس سے انہیں آٹوموٹو انڈسٹری میں عملی نمائش فراہم ہوئی۔

کمپنی نے تھیلیسیمیا کے مریضوں کی مدد پر خصوصی توجہ دیتے ہوئے اپنی فیکٹری سائٹ پر خون کے عطیات دینے کی مہم کا اہتمام کیا۔
کمپنی نے رواں سال حج کی ادائیگی کے لیے چار ملازمین کو اسپانسر کیا جس سے متعلقہ 4.58 ملین روپے کے تمام اخراجات خرچ کئے۔

ملازمین کی فلاح و بہبود اور کام کی جگہ کی مصروفیت کے اپنے عزم کے حصے کے طور پر، کمپنی نے سال کے دوران اسپورٹس گالا کا اہتمام اور اسپانسر کیا، جس سے ملازمین کو مختلف تھیلٹک اور تفریحی سرگرمیوں میں حصہ لینے کا موقع ملا۔ اس مقصد کے لیے 1.87 ملین روپے خرچ کیے گئے۔

کمپنی نے انتقال کر جانے والے سابق ملازمین کے اہل خانہ کو خوراک اور تعلیمی مقاصد کے لئے خصوصی مالی امداد فراہم کی۔ سال کے دوران خصوصی معاونت کے لیے 0.34 ملین روپے کی رقم ادا کی گئی۔
سال کے دوران کمپنی نے اپنے ملازمین کی تعلیمی معاونت اور بیرونی تربیت کے لئے 0.19 ملین روپے ادا کیے ہیں۔

کمپنی اضافی سہولیات اور مناسب تربیت کی فراہمی کے ساتھ ساتھ معذور افراد کے لئے روزگار کے مواقع پیدا کرتی ہے۔ فی الحال، 20 افراد، جو مختلف طور پر معذور ہیں، کمپنی کی ملازمت میں ہیں۔

کمپنی نے ماحول کو مزید دوستانہ بنانے کے لئے 0.79 ملین روپے کے تقریباً 2000 درخت لگائے ہیں۔

سی ایس آر سرگرمیوں کی مکمل تفصیلات کمپنی کی سسٹین ایبلیٹی رپورٹ 2025 میں ظاہر کی گئی ہیں۔

قومی خزانے میں شراکت:

کمپنی نے انکم ٹیکس، سیلز ٹیکس، کسٹم ڈیوٹی اور ایکسائز کی مد میں پچھلے سال 19.96 بلین روپے کے مقابلہ میں اس سال 37.65 بلین روپے جمع کرائے ہیں۔ جو کہ 88.62 فی صد (30 جون 2024 : 293.64 فی صد) اضافہ کو ظاہر کرتے ہیں۔

مالی گوشواروں پر COVID-19 کا اثر:

ان مالی گوشواروں کی تیاری کے لئے استعمال ہونے والے قابل اطلاق IFRS اور کام جاری رکھنے والے مفروضوں پر غور کرتے ہوئے کمپنی نے ان مالی گوشواروں پر اس وبا کی مرض کے

ہے۔ کمپنی نے 16 اگست، 2025 کو اپنی پہلی سی ڈی CKD پلگ ان ہائبرڈ الیکٹرک گاڑی (پی ایچ ای وی) 1.5 HAVAL H6 لیٹر کو کامیابی کے ساتھ لانچ کیا ہے۔ اس کے علاوہ، ٹینک-500 اور CANNON پی ایچ ای وی کے CKD رول آؤٹ کی منصوبہ بندی 31 مارچ، 2026 تک کی گئی ہے۔

تھری ویلر زیگمنٹ سے بھی اپنی ترقی کی راہ کو برقرار رکھنے کی توقع ہے اور انشاء اللہ آنے والے مالی سال میں فروخت کا حجم مضبوط ہوگا۔ تاہم مارکیٹ میں ٹریڈرز کی مانگ میں کمی کی وجہ سے ٹریڈر ویلر مزے کا زیگمنٹ اپنی بقا کے لیے جدوجہد کر رہا ہے۔

برآمدات نہ صرف کمپنی کی ترقی کے امکانات کو مضبوط بنانے کے لئے بلکہ ملک کی غیر ملکی زرمبادلہ آمدنی میں بھی حصہ ڈالنے کے لئے ایک اسٹریٹجک ترجیح ہے۔ کمپنی آنے والے سالوں میں برآمدی حجم کو بڑھانے کے لئے مسلسل کوششیں کر رہی ہے۔

گھریلو آلات کے کاروبار کی بندش:

کمپنی نے اپنی مالی کارکردگی، مارکیٹ کی حرکیات اور طویل مدتی اسٹریٹجک مقاصد کے جامع جائزے کے بعد یکم ستمبر 2025 سے ہوم ایپلائنسز کے کاروبار کو بند کرنے کا فیصلہ کیا ہے۔ یہ فیصلہ شیئر ہولڈرز کے بہترین مفاد میں کیا گیا ہے تاکہ کمپنی کے وسائل کو اس کے بنیادی کاروباروں اور زیادہ منافع بخش حصوں پر مرکوز کیا جاسکے۔ بندش سے متعلق تمام ضروری ریگولیٹری تقاضے اور معاہدے کی ذمہ داریاں ملازمین، کسٹمر اسٹیک ہولڈرز کے لئے کسی رکاوٹ کے بغیر پوری کی گئی ہیں۔ مزید برآں، کمپنی کے پاس ہوم ایپلائنسز بزنس کے شعبے سے متعلق کوئی مادی اثاثے یا ذمہ داریاں نہیں ہیں۔

ادارے کی سماجی ذمہ داری:

کمپنی کی یہ سماجی ذمہ داری (CSR) ہے کہ وہ اخلاقی طور پر برتاؤ کرے اور معاشی ترقی میں حصہ ڈالنے کے لئے مسلسل پرعزم رہے اور اس کے ساتھ وہ اپنے ملازمین، ان کے اہل خانہ، اپنے اردگرد کے لوگوں اور اپنے معاشرے کے لوگوں کے رہنے کے معیار کو بلند کرنے کیلئے اقدامات جاری رکھے۔

کمپنی سی ایس آر (CSR) پالیسی، جو کمپنی کی ویب سائٹ پر آویزاں ہے، سماجی شراکت کی سرگرمیوں کو آگے بڑھانے کے منصوبوں کی حمایت کرتی ہے جو کمیونٹی کو مضبوط بنانے اور معاشرے کی افزائش میں حصہ ڈالنے کا باعث بنتی ہیں۔

سال کے دوران، کمپنی نے مندرجہ ذیل اہم سی ایس آر سرگرمیاں انجام دی ہیں:

● صحت اور تعلیم کے مقصد سے مختلف اداروں کو مجموعی طور پر 11.4 ملین روپے کے عطیات دیئے گئے ہیں۔

اکاؤنٹنگ مضمرات کا اندازہ کیا ہے اور تعین کیا ہے کہ COVID-19 کا کمپنی کے 30 جون 2025 کے مالی گوشواروں پر کوئی قابل قدر اثر نہیں پڑا۔

کوڈ آف کارپوریٹ گورننس کی تعمیل:

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

● مالی گوشواروں کی عکاسی:

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

● اکاؤنٹس کی کتابیں:

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

● اکاؤنٹنگ پالیسیاں:

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

● انٹرنیشنل فنانشل رپورٹنگ سٹینڈرڈ (IFRS) کی پیروی:

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

● کام جاری رکھنے کی اہلیت:

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

● کارپوریٹ گورننس کے اصول:

کارپوریٹ گورننس کے رہنما اصول جن کا اطلاق کمپنی کے مالی سال تختہ 30 جون 2025 پر لاگو ہوتا ہے سے انحراف نہیں کیا گیا ہے۔

● پچھلے چھ سالوں کا فنانشل ڈیٹا:

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

منافع منقسمہ:

کمپنی کے بورڈ آف ڈائریکٹران نے 29 اگست 2025 کو منعقدہ اپنے اجلاس میں 200 فی صد یعنی 20 روپے فی حصص کی شرح سے حتمی نقد منافع کی سفارش کی ہے جو کمپنی کے آئندہ سالانہ اجلاس عام (AGM) میں ممبران کی منظوری سے مشروط ہے۔ یہ 320 فی صد کے عبوری نقد منافع کے علاوہ ہے جس سے 30 جون 2025 کو ختم ہونے والے سال کے لئے مجموعی طور پر 520 فی صد نقد منافع حاصل ہوگا (30 جون 2024: 200 فی صد)۔

واجب الادا قانونی واجبات:

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

اہم فیصلے اور منصوبے:

گاڑیوں کے شعبہ میں کاروبار کے نئے مواقع کو تلاش کرتے رہنا۔ اس سلسلے میں کمپنی اپنی مصنوعات کی لائن میں مزید ماحول دوست گاڑیوں کو شامل کرنے کے لئے اپنی پیداواری بنیاد کو وسعت دینے کا ارادہ رکھتی ہے۔

کاروبار کا ضابطہ اخلاق:

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

پائیداری، خطرات اور ان کا انتظام / تخفیف:

پائیداری ان حالات کی تخلیق اور دیکھ بھال ہے جن میں لوگ اور فطرت پیداواری ہم آہنگی میں ایک ساتھ رہ سکتے ہیں، اس بات کو یقینی بناتے ہوئے کہ موجودہ اور آنے والی نسلوں کی ماحولیاتی، معاشرتی، معاشی اور دیگر ضروریات کو پورا کیا جائے۔

کارپوریٹ پائیداری سے مراد ایک کاروباری نقطہ نظر ہے۔ جو ماحولیاتی، معاشرتی اور گورننس کے خیالات کو کمپنی کی حکمت عملی میں ضم کرتا ہے اور کاروبار اور معاشرے دونوں کے لئے طویل مدتی قدر پیدا کی جاسکے جبکہ ماحول پر منفی اثرات کو کم سے کم کیا جاسکے اور معاشرے میں مثبت کردار ادا کیا جاسکے۔

کارپوریٹ پائیداری کے اہم اجزاء:

1. ماحولیاتی عوامل: ان میں مالی طور پر مادی خطرات اور مواقع شامل ہیں جیسے

آب و ہوا کی تبدیلی، پانی، زمین اور ہوا کا استعمال۔

2. معاشرتی عوامل: یہ معاشرے، افراد کے حقوق اور ان معاشرے کی

فلاح و بہبود سے متعلق ہے جن کے اندر ایک کمپنی کام کرتی ہے جیسے انسانی سرمائے کا انتظام، تنوع، صحت اور حفاظت۔

3. گورننس کے عوامل: ان میں بورڈ کا معیار، خود مختاری اور احتساب،

ایگزیکٹو بورڈ کی کارکردگی اور معاوضے کی نگرانی اور بورڈ کی حکمت عملی، رسک مینجمنٹ، کارکردگی بشمول ماحولیاتی اور سماجی عوامل کے انکشافات کی نگرانی شامل ہیں۔

پائیداری سے متعلق خطرات کا اندازہ ماحولیاتی، سماجی اور گورننس (ای ایس جی) کے نقطہ نظر سے کیا جاتا ہے۔

کمپنی نے ایک علیحدہ پائیداری رپورٹ برائے سال 2025 تیار کی ہے جو کمپنی کے ماحولیاتی اثرات پائیداری (بشمول آب و ہوا) سے متعلق خطرات اور مواقع، سماجی اقدامات اور کارپوریٹ گورننس کے طریقوں کو بیان کرتی ہے۔

ڈائیورسٹی، ایکویٹی اور انکلوژن (DE&I) اور کام کرنے کی جگہ پر ہر اسان کرنے کے خلاف تحفظ:

کمپنی کام کرنے کی جگہ پر تنوع، مساوات اور شمولیت کا کلچر بنانے اور اسے فروغ دینے کے لئے پر عزم ہے جہاں ہر کوئی اپنے آپ کو قابل قدر، قابل احترام اور حمایت یافتہ ہونے کے ساتھ ساتھ ہر انسانی، امتیازی سلوک اور تعصب سے محفوظ محسوس کرے۔

کمپنی DE&I کو فروغ دینے کے لئے مختلف اقدامات کر رہی ہے جس سے ملازمت میں شراکت داری، ملازمت کی برقراری اور کاروباری کامیابی میں اضافہ ہوگا۔

کمپنی اپنے بورڈ اور اپنی کمیٹیوں میں خواتین کی نمائندگی کی فعال طور پر حوصلہ افزائی کرتی ہے۔ اور اور اس عزم کے مطابق، ایک خاتون کو بورڈ کی چیئر پرسن مقرر کیا ہوا ہے۔

بورڈ نے باضابطہ طور پر Diversity, Equity & Inclusion (DE&I) and protection against harassment at work place کے متعلق پالیسیوں کی منظوری دے دی ہے جو اسٹیک ہولڈرز کے حوالہ سے کمپنی کی سرکاری ویب سائٹ پر دستیاب ہیں۔

انٹرنل کنٹرول کی مناسبت پر بیان:

کمپنی نے انٹرنل کنٹرول کا ایک مناسب نظام قائم کیا ہے جو اپنے ڈیزائن کے اعتبار سے مستحکم ہے اور اس کا موثر اطلاق کیا گیا ہے اور اس کی مسلسل نگرانی کی جارہی ہے کنٹرول میں بہتری کے لئے مستقبل میں بھی نگرانی جاری رہے گی۔

انٹرنل کنٹرول سسٹم کی مکمل تفصیل انٹرنل کنٹرول پالیسی میں بیان کی گئی ہے جو کمپنی کی ویب سائٹ پر آویزاں ہے۔

بورڈ آف ڈائریکٹرز:

کمپنی کا موجودہ بورڈ آف ڈائریکٹرز مندرجہ ذیل نو (9) ڈائریکٹرز پر مشتمل ہے جو 19 مارچ 2026 تک عہدہ پر فائز رہیں گے۔

1. جناب میاں اسد حمید 2. مسز سائرہ اسد حمید 3. جناب سعید اقبال خان 4. جناب میاں محمد علی حمید 5. مسز ثناء سلیمان 6. جناب حمزہ امجد وزیر 7. جناب عمیر اعجاز 8. جناب طلحہ محمود 9. جناب محمد عمر سعید

رواں مالی سال کے دوران بورڈ میں کوئی تبدیلی نہیں ہوئی۔

ڈائریکٹران کے مشاہرہ کی پالیسی:

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

● ایگزیکٹو ڈائریکٹران:

بورڈ آف ڈائریکٹران چیف ایگزیکٹو سمیت ایگزیکٹو ڈائریکٹران کے لئے مشاہرہ اور فوائد کا تعین منظور شدہ پالیسی میں طے کردہ طریقہ کار کے مطابق کرتے ہیں۔ تاہم ایگزیکٹو ڈائریکٹران کو کسی بھی اجلاس میں شرکت کرنے کی فیس ادا نہیں کی جاتی ہے۔

بورڈ نے 29 اگست 2025 کو اپنے منعقدہ اجلاس میں ایگزیکٹو بورڈ کے ممبران کے ذیل میں دئے گئے ماہانہ مشاہرہ (نیٹ آف ٹیکس) میں نظر ثانی کی منظوری دی ہے جس کے ساتھ سرکاری اور نجی مقاصد کے لئے کمپنی مینیجنگ گاڑیوں کے مفت استعمال، اپنے اور اپنی شریک حیات کے حقیقی میڈیکل اخراجات کی واپسی، بورڈ آف ڈائریکٹرز کی منظوری سے نقد پونسی کی ادائیگی اور ان عہدوں سے وابستہ کمپنی کی پالیسیوں اور نافذ قوانین کے مطابق دیگر فوائد حاصل ہوں گے۔

ڈائریکٹران کے مشاہرہ کا بیج:

سال کے دوران، کمپنی چیف ایگزیکٹو، ایگزیکٹو ڈائریکٹران کو مشاہرہ و دیگر فوائد اور نان-ایگزیکٹو ڈائریکٹران کو مینٹنگ میں شرکت کے اخراجات کی ادائیگی درج ذیل ہے۔

تفصیلات	مشاہرہ	بونس اور دوسرے	مینٹنگ فیس، سفری اور رہائشی اخراجات	ٹوٹل (روپے)
چیف ایگزیکٹو	55,200,000	65,064,234	-	120,264,234
ایگزیکٹو ڈائریکٹر (چیف آپریٹنگ آفیسر - تھری ویلز & آئو موٹیو پائرس ڈویژن)	28,800,000	32,928,299	-	61,728,299
ایگزیکٹو ڈائریکٹر (چیف آپریٹنگ آفیسر - کارڈویژن)	15,000,000	15,011,766	-	30,011,766
نان-ایگزیکٹو ڈائریکٹران	-	-	2,130,000	2,130,000

بورڈ اور کمیٹی کے اجلاس میں حاضری:

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

ڈائریکٹران کے نام	بورڈ	بورڈ آڈٹ کمیٹی	ہیومن ریسورس اینڈ ریسرچ نیوٹریشن کمیٹی	نومینیشن کمیٹی	منیجمنٹ کمیٹی	ریسک کمیٹی	سٹینڈنگ کمیٹی
کل منعقدہ اجلاس	5	4	1	1	1	1	1
جناب میاں اسد حمید	5	-	1	1	-	-	-

چیف ایگزیکٹو	5.80 ملین روپے
ایگزیکٹو ڈائریکٹر (COO) - تھری ویلز & آئو موٹیو پائرس ڈویژن	3.00 ملین روپے
ایگزیکٹو ڈائریکٹر (COO - کارڈویژن)	1.60 ملین روپے

یہ معاوضے 1 جولائی 2025 سے نافذ العمل ہیں اور ان معاوضوں میں سالانہ 15 فی صد یا اس سے زیادہ رقم جو بورڈ آف ڈائریکٹران فیصلہ کریں، کے مطابق اضافہ کیا جائے گا۔

● نان ایگزیکٹو ڈائریکٹران:

کمپنی بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں شرکت کے لئے آزاد ڈائریکٹروں سمیت نان ایگزیکٹو ڈائریکٹر کو مینٹنگ فیس ادا کرتی ہے۔ اجلاس میں شرکت کی فیس بورڈ کی طرف سے منظور شدہ اسکیل کے مطابق ادا کی جاتی ہے۔ لاہور سے باہر مقیم آزاد ڈائریکٹر سمیت نان ایگزیکٹو ڈائریکٹر کو بھی بورڈ اور کمیٹیوں کے اجلاسوں میں شرکت کے لیے بورڈنگ اور رہائش کی ادائیگی کی جاتی ہے۔

بورڈ نے 29 اگست 2025 کو اپنے منعقدہ اجلاس میں نان ایگزیکٹو آزاد ڈائریکٹران کے لئے مینٹنگ فیس کے اسکیل میں ترمیم کی بھی منظوری دی ہے جس کا اطلاق یکم ستمبر 2025 سے ہوگا۔ مینٹنگ فیس کا نظریاتی شدہ پیمانہ ذیل میں دیا گیا ہے:

نان ایگزیکٹو آزاد ڈائریکٹران کے لئے مینٹنگ فیس کا نظریاتی شدہ پیمانہ:

بورڈ مینٹنگ فیس	100,000/- روپے
کمیٹی مینٹنگ فیس	60,000/- روپے

دوسرے نان ایگزیکٹو ڈائریکٹر کے لئے مینٹنگ فیس کا پیمانہ:

بورڈ مینٹنگ فیس	50,000/- روپے
کمیٹی مینٹنگ فیس	30,000/- روپے

بورڈ یا کمیٹی کے اجلاسوں میں شرکت کے لئے، بورڈنگ اور قیام کی مد میں لاہور سے باہر رہنے والے نان ایگزیکٹو ڈائریکٹران کو 50,000 روپے فی وزٹ بھی ادا کیے جاتے ہیں۔

کوئی بھی ڈائریکٹر اپنا مشاہرہ طے کرنے کے لئے اجلاس کی کاروائی میں حصہ نہیں لیتا ہے۔

ڈائریکٹران کے نام	بورڈ	بورڈ آڈٹ کمیٹی	ہیومن ریسورس اینڈ ریویو نیشن کمیٹی	نومینیشن کمیٹی	رہنمائی کمیٹی	سٹینڈرڈ ایسی
مسز سائرہ اسد حمید	5	-	-	-	-	-
جناب سعید اقبال خان	5	-	-	1	-	-
جناب میاں محمد علی حمید	5	-	-	-	1	-
مسز ثناء سلیمان	5	4	-	-	-	1
جناب حمزہ امجد وزیر	5	-	1	1	-	-
جناب عمیر اعجاز	4	4	1	-	1	1
جناب طحہ محمود	5	4	1	-	1	-
جناب محمد عمر سعید	5	-	-	-	-	1

وہ ڈائریکٹر جو بورڈ میننگ میں شرکت نہیں کر سکا اس کی غیر موجودگی کی رخصت عطا کی گئی ہے۔

سال کے دوران ڈائریکٹر ٹرنڈنگ پروگرام:

کمپنی سٹریٹجک آف ڈائریکٹر ٹرنڈنگ پروگرام کی پیروی میں ہے۔ (9) نومبر سے سات (7) ڈائریکٹر ان نے 30 جون 2025 تک ایس ای سی پی کے منظور شدہ اداروں سے ڈائریکٹر ٹرنڈنگ پروگرام حاصل کیا ہے جبکہ دو (2) ڈائریکٹر ان کو لسنڈ کمینیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے تحت استثناء حاصل ہے اور ایس ای سی پی سے بھی استثناء حاصل کیا گیا ہے۔

Pattern of Shareholding

Pattern of Shareholding بطور Annexure B لف ہے۔

کمپنی کے حصص میں تجارت:

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

حصص کی خرید و فروخت اور ان میں تبدیلی:

نام	حصص کی خرید / گفٹ	حصص کی فروخت / گفٹ
جناب میاں اسد حمید	-	2,671,276 (گفٹ)
مسز ثناء سلیمان	735,294 (گفٹ)	50,000
جناب محمد سلیمان خان	-	50,000
مسز آمنہ حمزہ وزیر	735,294 (گفٹ)	-

بورڈ کی ساخت:

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

الف۔ مرد (7) سات ب۔ عورت (2) دو

بورڈ کی ساخت مندرجہ ذیل ہے۔

اے۔ آزاد ڈائریکٹر ان:

جناب عمیر اعجاز
جناب محمد عمر سعید

بی۔ نان ایگزیکٹوز ڈائریکٹر ان:

مسز سائرہ اسد حمید
جناب حمزہ امجد وزیر

سی۔ چیف ایگزیکٹو سمیت ایگزیکٹوز ڈائریکٹر ان:

جناب میاں اسد حمید
جناب محمد علی حمید

ڈی۔ عورت ڈائریکٹر ان:

مسز سائرہ اسد حمید
مسز ثناء سلیمان

بورڈ کمیٹیاں:

ممبران کے نام	بورڈ آڈٹ کمیٹی	ہیومن ریسورس اینڈ ریمونیویشن کمیٹی	نومینیشن کمیٹی	رسک منیجمنٹ کمیٹی	سسٹیم اینڈ کمیٹی
جناب عیر اعجاز	**	*		**	*
جناب طاہر محمود	*	**		*	
مستشار سلیمان	*				*
جناب حمزہ امجدویر		*	*		
جناب میاں اسد حمید		*	**		
جناب سعید اقبال خان			*		
جناب میاں محمد علی حمید			*		
جناب محمد عمر سعید					**

** ڈائریکٹر متعلقہ کمیٹی کا چیئر مین ہے۔

* ڈائریکٹر متعلقہ کمیٹی کا ممبر ہے۔

بورڈ کمیٹیوں اور انفرادی ڈائریکٹران کی کارکردگی کی جانچ پڑتال:

بورڈ نے اپنی، اپنی کمیٹیوں اور انفرادی ڈائریکٹران کی کارکردگی کی جانچ پڑتال کے لئے ایک طریقہ کار مرتب کیا ہے۔

اس سال کے دوران، ہیومن ریسورس اینڈ ریمونیویشن کمیٹی نے جانچ پڑتال کا عمل کیا ہے۔ نتائج کو بورڈ کے غور و خوض اور ضروری کارروائی کے لئے پیش کیا گیا۔

آڈیٹرز:

موجودہ آڈیٹرز M/s Crowe Hussain Chaudhury & Co. Chartered Accountants ریٹائر ہوئے ہیں اور اہلیت کی بنیاد پر وہ اپنے آپ کو دوبارہ تقرری کے لئے پیش کرتے ہیں۔ آڈٹ کمیٹی اور بورڈ آف ڈائریکٹران نے بھی مندرجہ ذیل معامضوں پر ان کی دوبارہ تقرری کے لئے تجویز کیا ہے۔

روپے		
اے۔	سالانہ آڈٹ فیس	2,040,000
بی۔	ششماہی جائزہ	360,000
سی۔	سٹینٹ آف کمپلائنس ولسٹیکٹینیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 پر رپورٹ	50,000
ڈی۔	سی ڈی سی ریگولیشن کے تحت شفافیت	50,000
ای۔	فری فلوٹ حصص پر رپورٹ	50,000

ملازمین سے تعلقات:

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

اظہار تشکر:

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

لاہور:

29 اگست 2025

بورڈ آف ڈائریکٹرز کی جانب سے

سعید اقبال خان
ڈائریکٹر

میاں اسد حمید
چیف ایگزیکٹو

BOARD AUDIT COMMITTEE REPORT

The members of the Audit Committee are pleased to present their report to the shareholders for the year ended June 30, 2025.

The Audit Committee of the Board of Sazgar Engineering Works Limited (the Company), composed of three members including the Chairman. Two members of the committee including the Chairman are Independent Directors while one member is a Non-Executive Director. All Committee members possess economic, financial, and business expertise, and the Chairman of the Audit Committee is financially literate. The names and profiles of the Audit Committee members are mentioned on page no. 11-14 & 61 of the Annual Report 2025.

The Audit Committee has concluded its annual review of the Company's conduct and operations for the financial year ended June 30, 2025, and hereby reports the following:

Financial Statements

The Committee has ensured that the Company's financial statements present a fair, balanced, and understandable picture of the company's financial position and performance, and reports that:

- ✦ The financial statements of the Company for the year ended June 30, 2025 have been prepared on a going concern basis under requirements of Companies Act 2017, incorporating the requirements of the Code of Corporate Governance, International Financial Reporting Standards and other applicable laws and regulations.
- ✦ The financial statements give a true and fair view of the state of the Company's affairs as of June 30, 2025, and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.
- ✦ The external auditors have concluded the audit of above financial statements in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan and issued unmodified audit reports.
- ✦ Major judgmental areas and significant adjustments have been thoroughly reviewed and adequately addressed in the financial statements.
- ✦ Accounting policies and practices have been disclosed in the financial statements and consistently applied.
- ✦ The Committee reviewed quarterly, half-yearly and annual financial statements of the Company and recommended them for approval of the Board of Directors.
- ✦ The Committee has reviewed all related party transactions prior to approval by the Board.
- ✦ The Committee evaluated the appropriateness of key accounting estimates and judgments made by management, ensuring they were reasonable and in line with industry practices.
- ✦ The independent auditors have reviewed and certified the Company's statement of compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 in a Review Report issued thereon.

Internal Control and Risk Management System

The Company has developed a sound mechanism for risk identification, risk management and devising appropriate mitigation measures which are regularly monitored and implemented by the management. The Company's internal control system, including financial and operational controls, accounting systems, and reporting structure, is designed to manage and mitigate the risk of not achieving business objectives.

The Committee has determined that the risk management and internal control systems are adequate, sound in design and are effectively implemented.

Internal Audit

The Company has established an independent Internal Audit function, integral to Company's risk management and internal control framework. The internal audit function plays a vital role in enhancing the overall control environment of the Company. The internal audit department has conducted independent audits in accordance with an approved internal audit plan and reported functionally to the Audit Committee.

The internal audit team operates with full independence and has direct access to the Audit Committee. The Committee reviews the reports submitted by the Head of Internal Audit, which highlight significant findings and recommendations, thereby supporting the Board in strengthening the Company's governance, risk management, and internal control system.

The Committee has ensured that the internal audit function has adequate resources with relevant expertise and has all necessary access to Management and the right to seek information and explanations.

Management facilitated coordination between the internal and external auditors to ensure efficient audit processes and transparency in maintaining a reliable financial reporting and internal control system.

The committee has established arrangements for staff and management to report any concerns about actual or potential improprieties confidentially.

External Audit

The statutory auditors of the Company, M/s. Crowe Hussain Chaudhury & Co Chartered Accountants, have completed the audit of financial statements of the Company for the year ended June 30, 2025 and review of the "Statement of Compliance with the Code of Corporate Governance" for the year ended June 30, 2025.

The Audit Committee discussed the audit process and the key audit matters with the external auditors of the Company.

The External Auditors do not provide any services other than external audit of the Company. The audit firm has no financial or other relationship of any kind with the Company except that of External Auditors.

The committee follows a rigorous approach to the appointment or reappointment process of the external auditors. Being eligible for reappointment as Auditors of the Company, the Audit Committee recommends the appointment of M/s. Crowe Hussain Chaudhury & Co Chartered Accountants as the external auditors of the Company for the year ending June 30, 2026.

Other Reportable Matters

During the financial year 2024-25, no whistle blowing incident was reported to the Audit Committee which is indicative of a strong governance and sound ethical practices.

The Audit Committee believes that it has carried out responsibilities to the full, in accordance with terms of reference approved by the Board. The Board carries out an annual evaluation of its committees and their members.

The Chairman of the Audit Committee attended the 33rd Annual General Meeting of the Company for the year 2023-24 held on October 26, 2024 to answer shareholders' concerns / questions / queries, if any, on the audit committee's scope, roles, and responsibilities. During the meeting, no significant issues were raised.

Lahore

August 29, 2025

**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
SAZGAR ENGINEERING WORKS LIMITED
REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN
LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS,
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 Sazgar Engineering Works Limited ("the Company") for the year ended June 30, 2025 in accordance with the requirements of regulation 36 of the Regulations.

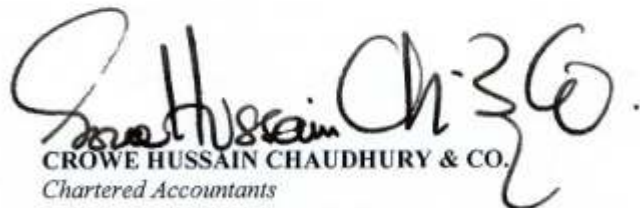
The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight 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, 2025.

Lahore
Dated: August 29, 2025
UDIN: CR202510051YmpS5qkb9


CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants

STATEMENT OF COMPLIANCE

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

NAME OF COMPANY: SAZGAR ENGINEERING WORKS LIMITED

YEAR ENDED: JUNE 30, 2025

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

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

a. Male: (7) seven

b. Female: (2) two

2. The composition of board is as follows:

i	Independent Directors	Mr. Umair Ejaz, Mr. Taha Mahmood, Mr. Muhammad Omer Saeed
ii	Non-Executive Directors	Mrs. Saira Asad Hameed, Mrs. Sana Suleyman, Mr. Humza Amjad Wazir
iii	Executive Directors	Mr. Mian Asad Hameed, Mr. Saeed Iqbal Khan, Mr. Mian Muhammad Ali Hameed
iv	Female Directors	Mrs. Saira Asad Hameed, Mrs. Sana Suleyman

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 Act and these Regulations.
7. The meetings of the Board were presided over by the Chairperson and, in her absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of 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. Detailed as below; seven directors have completed their Directors' Training Program (DTP), two directors fall under the exemption criteria of the Regulations and also obtained exemption from SECP.

Directors who have completed their DTP:

1. Mrs. Saira Asad Hameed
2. Mrs. Sana Suleyman
3. Mr. Mian Muhammad Ali Hameed
4. Mr. Umair Ejaz
5. Mr. Taha Mahmood
6. Mr. Humza Amjad Wazir
7. Mr. Muhammad Omer Saeed

Directors exempt from DTP:

1. Mr. Mian Asad Hameed
2. Mr. Saeed Iqbal Khan

Company's following executives have also acquired DTP:**Name**

Mr. Arshad Mahmood
 Mr. Adil Saeed Khan
 Mr. Mian Muhammad Ammar Hameed

Designation

Company Secretary
 Executive Director - Quality Control of the Company
 Executive Director – Marketing

10. The board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the board.
12. The board has formed committees comprising of members given below:

S. No.	Name of Committees	Name of Members and Chairman
a)	Audit Committee	Chairman: Mr. Umair Ejaz Members: Mrs. Sana Suleyman, Mr. Taha Mahmood
b)	HR and Remuneration Committee	Chairman: Mr. Taha Mahmood Members: Mr. Mian Asad Hameed, Mr. Humza Amjad Wazir, Mr. Umair Ejaz
c)	Nomination Committee	Chairman: Mr. Mian Asad Hameed Members: Mr. Saeed Iqbal Khan, Mr. Humza Amjad Wazir
d)	Risk Management Committee	Chairman: Mr. Umair Ejaz Members: Mr. Mian Muhammad Ali Hameed, Mr. Taha Mahmood
e)	Sustainability Committee	Chairman: Mr. Muhammad Omer Saeed Members: Mr. Umair Ejaz, Mrs. Sana Suleyman

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

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

Committee	Frequency
Audit Committee	Quarterly, Yearly
HR and Remuneration Committee	Yearly, as and when require
Nomination Committee	Yearly, as and when require
Risk Management Committee	Yearly, as and when require
Sustainability Committee	Yearly, as and when require

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

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the 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.

For and on behalf of the Board



Mrs. Saira Asad Hameed
(Chairperson)

August 29, 2025

GENDER PAY GAP STATEMENT

UNDER SECP'S CIRCULAR 10 OF 2024

Following is gender pay gap calculated for the year ended **June 30, 2025**

(i)	Mean Gender Pay Gap:	-13%
(ii)	Median Gender Pay Gap:	-7%

The above percentages reflect the gender pay gap of relevant male versus female

On behalf of the Board of Directors of the Company

August 29, 2025


Mian Asad Hameed
Chief Executive

STRIVING FOR EXCELLENCE IN CORPORATE REPORTING

Compliance with International Financial Reporting Standards (IFRS)

The financial statements of the Company have been prepared in accordance with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017, which ensures consistency, comparability, and credibility in corporate reporting.

Further, there are certain standards and interpretations which are yet to be effective in Pakistan and certain standards not adopted by SECP, as disclosed in the Note 2.5 of the annual audited financial statements for the year ended June 2025. However, the management believes these standards and interpretation does not have any material impact on the financial statements of the Company, other than certain additional disclosures.

Other standards and guidelines adopted

Sustainability report is integrated with the Annual Report 2025 of the Company which is prepared on the basis of Global Reporting Initiative (GRI) standards 2021. The GRI standards 2021 provide information about adherence to the principles of inclusivity, materiality, responsiveness and impact. The GRI content index for the users of this report is mentioned on page numbers 255 to 260

In addition, the requirements / guidelines provided by the following have also been adopted:

- ✦ Guidelines on ESG Disclosure for Listed Companies 2023 issued by SECP; and
- ✦ ESG Reporting Guidance issued by PSX.

The Annual Report 2025 has been designed considering the **Best Corporate Report (BCR) Award 2025 Evaluation Criteria**, developed by the Evaluation Committee (a sub-committee of the Joint Committee of the Institute of Chartered Accountants of Pakistan (ICAP) and the Institute of Cost and Management Accountants of Pakistan (ICMAP)), to promote transparency, corporate governance and excellence in financial reporting. The BCR Checklist for the users of this report is mentioned on page numbers 247 to 254



ANALYSIS OF THE FINANCIAL AND NON FINANCIAL PERFORMANCE

ANALYSIS OF THE NON FINANCIAL PERFORMANCE

Manufactured Capital

Manufactured capital forms the backbone of the Company's ability to deliver reliable and high-quality vehicles. Through its two modern assembly facilities, equipped with advanced technology, the Company continues to meet the evolving needs of customers while adhering to international standards of quality and safety. Continuous investments in efficiency improvements and capacity expansion keep operations agile and future-ready, ensuring that the Company remains competitive and well-positioned to support the transition toward sustainable mobility.

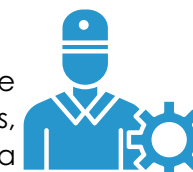


KPI	UOM	2025	2024
Three-Wheeler - Annual Production Capacity	No.	20,000	20,000
Four-Wheeler - Annual Production Capacity	No.	24,000	24,000
Wheel Rims produced	No.	41,717	65,711
Three-Wheeler vehicles produced	No.	24,700	15,678
Four-Wheeler vehicles produced	No.	11,039	5,414

* For more details on performance and impact refer to page no. 160-189

Human Capital

Human capital lies at the heart of the Company's success. A skilled and diverse workforce brings expertise, innovation, and passion to every stage of operations, from assembly to after-sales service. The Company is committed to creating a safe, inclusive, and engaging workplace where employees can grow and thrive. Through continuous training, leadership development, and health and safety initiatives, the Company empowers its people to drive excellence and adapt to the evolving demands of the industry.



KPI	UOM	2025	2024
Number of Employees	No.	1,552	1,392
Training Hours	Hrs.	830	866
Production per Employee	No.	52	68
Revenue per Employee	PKR	73,392,640	44,892,888

* For more details on performance and impact refer to page no. 160-189

Intellectual Capital

Intellectual capital drives the Company's ability to innovate, differentiate, and remain relevant in a rapidly evolving automotive landscape. The Company leverages its technical know-how, research capabilities, and process excellence to continuously enhance product quality, safety, and efficiency.



KPI	UOM	2025	2024
ISO Certifications	No.	3	3
Credit Rating	Rating	Medium to long term: "A" Short term: "A1"	Medium to long term: "A" Short term: "A2"

* For more details on performance and impact refer to page no. 160-189

Social & Relationship Capital

Strong relationships with customers, dealers, suppliers, regulators, and communities form the foundation of the Company's reputation and long-term sustainability. By actively engaging with stakeholders and maintaining transparent practices, the Company builds trust and loyalty across its value chain. Company's CSR Initiatives further reinforce its role as a socially responsible organization dedicated to shared prosperity.



KPI	UOM	2025	2024
Four-wheeler dealerships	No.	20	16
CSR spending	PKR'M	31.5	18

* For more details on performance and impact refer to page no. 160-189

Natural Capital

Natural capital reflects the Company's responsibility to operate in harmony with the environment. The Company recognizes that its long-term growth depends on sustainable use of natural resources and continued action to minimize environmental impacts. By embedding sustainability into operations, the Company strives to contribute positively to the transition toward a low-carbon economy.



KPI	UOM	2025	2024
GHG Emissions (scope1 & 2)	MT CO2e	6,682	3,783
Energy consumption	GJ	49,699	38,316
Plantations	No.	2,000	1,000

* For more details on performance and impact refer to page no. 160-189



ANALYSIS OF THE FINANCIAL PERFORMANCE (FINANCIAL CAPITAL)



Financial Performance in comparison with Prior year

During the FY 2024-25, the Company achieved a record-breaking **net revenue** of Rs. 108.69 billion, marking the highest level since the inception of its operations. This represents a significant 89% increase from the Rs. 57.64 billion recorded in the FY 2023-24, driven primarily by higher sales volumes of four wheelers specifically HAVAL branded vehicles. **Gross profit margins** also saw a notable improvement, rising from 27.14% in FY 2023-24 to 29.11% in FY 2024-25. The Company reported a **net profit** of Rs. 16.34 billion for the year, compared to Rs. 7.94 billion in the previous financial year. The **net worth** of the Company strengthened from Rs. 10.10 billion to Rs. 23.71 billion showing a growth of 134.63% year-on-year.

Financial Performance in comparison with Budget

The management has a practice of making yearly budgets and monitoring the performance against the same. For any deviations identified, timely corrective actions are taken to minimize the negative effect. The Company's financial performance in FY 2024-25 is in line with the budgeted expectations. Net revenue reached Rs. 108.69 billion, consistent with the planned targets and supported by stronger sales volumes. This achievement represents the effectiveness of the management's proactive approach in capitalizing on market opportunities, while maintaining operational efficiency.

Financial Key Performance Indicators

Key Performance Indicators (KPIs) are the measurable values that determine the effectiveness and efficiency of achievement of the key business objectives. The Company has used the following KPIs to evaluate the success of the business on reaching the targets.

KPI		2025	2024	% change
Revenue	Rs.	108,694,499,692	57,642,468,564	89%
Gross Profit	Rs.	31,642,050,703	15,646,370,000	102%
Operating Profit	Rs.	25,614,594,078	12,452,362,744	106%
Profit Before Tax	Rs.	26,739,315,479	13,115,839,655	104%
Profit After Tax	Rs.	16,336,201,342	7,935,676,576	106%
Net Profit Margin	%	15.03	13.77	9%
EBITDA	Rs.	27,305,619,942	13,567,231,814	101%
Earnings Per Share	Rs.	270.26	131.29	106%
Market value per share (year-end)	Rs.	1,139.82	832.46	37%

Methods and Assumptions Used in Compiling the Indicators

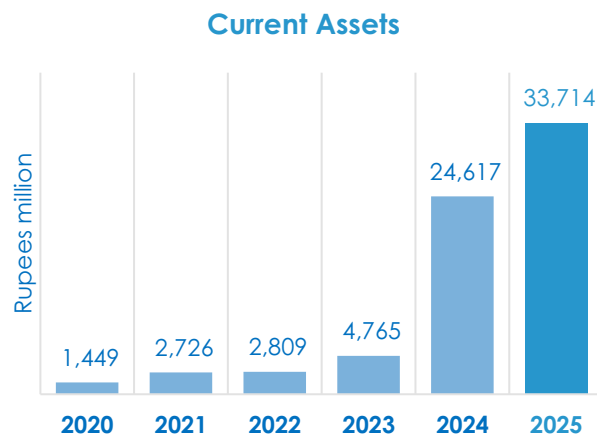
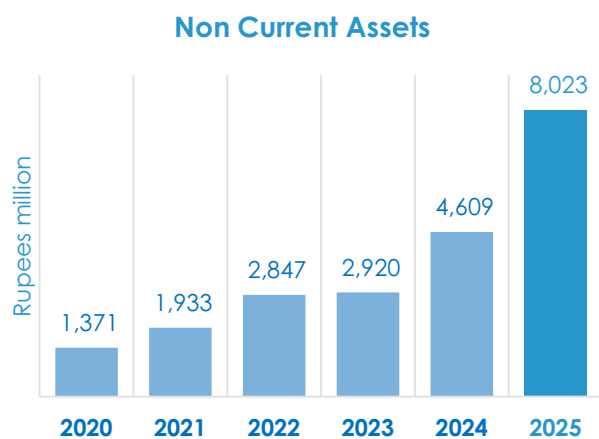
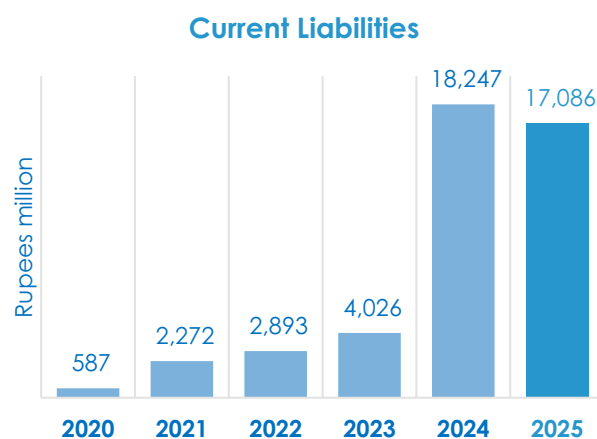
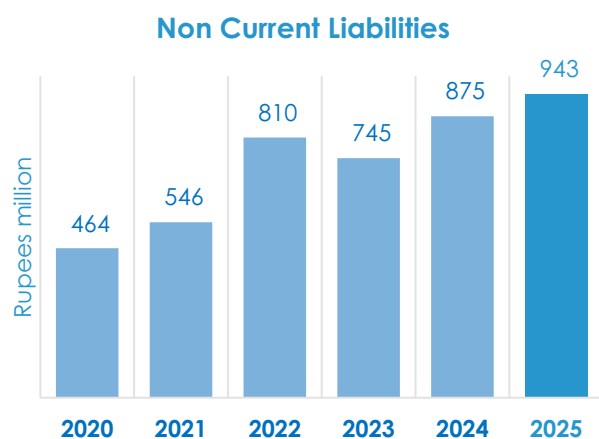
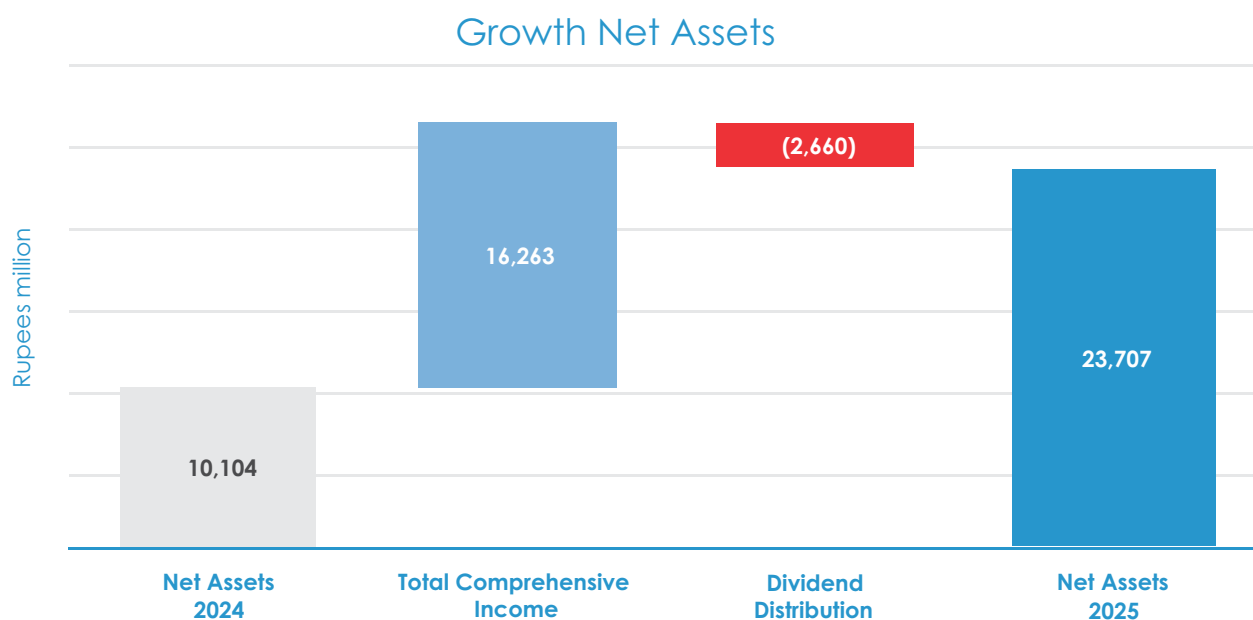
The Company evaluates its performance through key performance indicators (KPIs) that capture both financial outcomes and market dynamics. In developing these indicators, the Company considers its market positioning, competitive landscape, and broader economic conditions. Core indicators regularly monitored include sales, gross profit, profit after tax, and earnings per share, which provide a clear view of financial performance and profitability. In addition, the Company's market price serves as a benchmark of investor confidence and market perception.

Financial Position Analysis

Six Years Summary (Annexure-A)

Particulars	2025	2024	2023	2022	2021	2020
Equity and Liabilities						
Authorized Share Capital	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	500,000,000
Issued, subscribed and paid-up share capital	604,459,640	604,459,640	604,459,640	604,459,640	464,968,950	357,668,420
Capital Reserve - share premium account	557,406,192	557,406,192	557,406,192	557,406,192	557,406,192	557,406,192
Revenue Reserve - unappropriated profit	22,545,831,628	8,942,220,855	1,753,182,230	792,093,365	817,476,633	853,884,500
Total equity	23,707,697,460	10,104,086,687	2,915,048,062	1,953,959,197	1,839,851,775	1,768,959,112
Non-Current Liabilities						
Long term financing	49,825,282	151,892,953	344,773,069	510,383,878	295,398,663	257,207,861
Deferred tax liabilities	203,778,448	207,775,728	-	-	-	202,107,551
Post-employment benefits	689,751,270	495,893,469	392,826,050	295,513,621	244,891,848	-
Deferred grant	-	-	-	558,743	5,699,176	5,170,602
Deferred revenue	-	19,763,562	6,915,405	3,111,783	-	-
Total non-current liabilities	943,355,000	875,325,712	744,514,524	809,568,025	545,989,687	464,486,013
Current Liabilities						
Trade and other payables	16,380,112,157	16,160,140,423	3,809,918,412	2,498,331,108	2,008,188,102	413,569,969
Unclaimed dividend	22,228,966	6,269,891	1,407,358	1,407,358	1,407,358	1,443,792
Short term borrowings	-	-	-	162,875,560	119,679,608	-
Profit accrued on loans and other payables	134,718,125	17,220,879	23,362,697	34,835,623	8,998,064	40,073,361
Current portion of long-term liabilities	114,469,094	208,427,075	190,881,934	195,141,340	134,125,605	131,637,943
Taxation-Net	434,275,876	1,854,552,237	-	-	-	-
Total current liabilities	17,085,804,218	18,246,610,505	4,025,570,401	2,892,590,989	2,272,398,737	586,725,065
Total equity and liabilities	41,736,856,678	29,226,022,904	7,685,132,987	5,656,118,211	4,658,240,199	2,820,170,190
Assets						
Non-Current Assets						
Property, plant & equipment	7,939,921,844	4,560,374,008	2,861,287,076	2,640,250,123	1,844,421,043	1,318,332,806
Intangible asset	62,564	130,814	199,064	284,624	382,691	76,944
Long term loans and advances	74,167,676	39,444,745	13,593,831	21,752,978	28,959,063	27,490,153
Long term deposits	8,990,470	8,930,470	6,038,355	5,871,855	4,045,855	3,512,855
Deferred Taxation	-	-	39,208,370	178,768,131	54,931,308	21,670,008
Total non-current assets	8,023,142,554	4,608,880,037	2,920,326,696	2,846,927,711	1,932,739,960	1,371,082,766
Current Assets						
Stores, spares and loose tools	63,066,066	5,809,570	3,649,621	7,520,318	3,278,289	5,281,932
Stock in trade	14,227,879,268	14,318,096,914	2,711,102,908	1,741,815,484	817,897,347	660,110,327
Trade debts	111,137,653	133,017,887	270,284,774	179,841,812	116,923,695	122,597,252
Loans, advances, deposits, prepayments and other receivables	2,715,138,956	2,398,535,831	750,963,903	706,970,407	1,772,423,816	212,278,858
Cash and bank balances	16,596,492,181	7,761,682,665	1,028,805,085	173,042,479	14,977,092	448,819,055
Total current assets	33,713,714,124	24,617,142,867	4,764,806,291	2,809,190,500	2,725,500,239	1,449,087,424
Total Assets	41,736,856,678	29,226,022,904	7,685,132,987	5,656,118,211	4,658,240,199	2,820,170,190

Financial Position Analysis



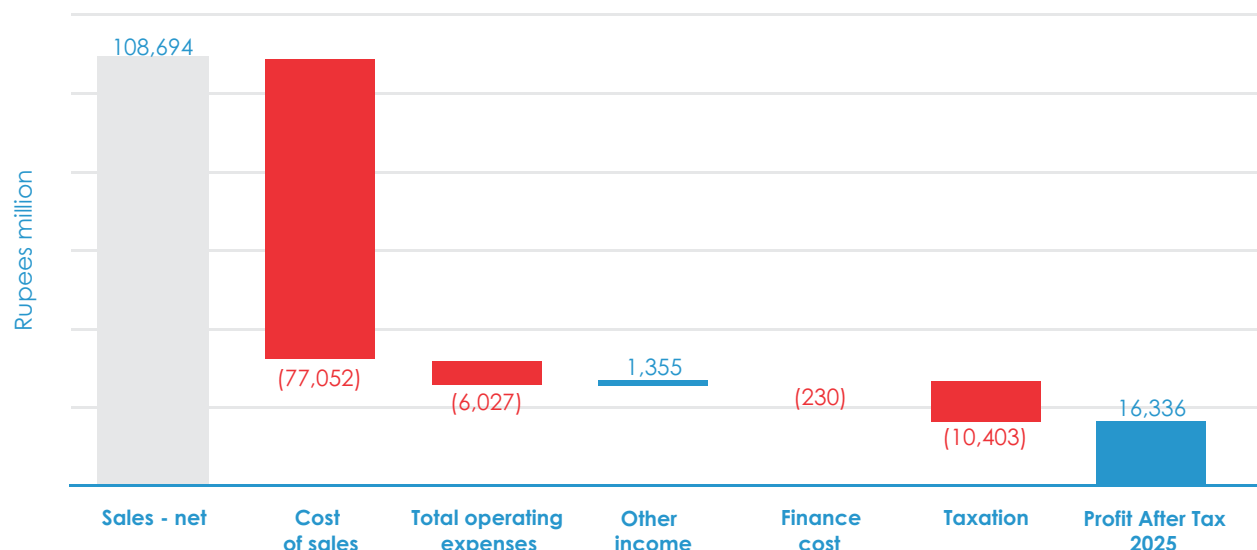
Profit or Loss Analysis

Six Years Summary (Annexure-A)

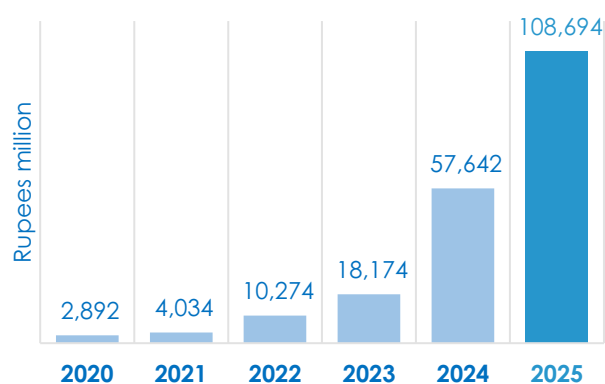
Particulars	2025	2024	2023	2022	2021	2020
Sales - net	108,694,499,692	57,642,468,564	18,174,296,868	10,274,217,196	4,033,601,008	2,891,754,502
Cost of sales	77,052,448,989	41,996,098,564	15,624,820,657	9,381,272,016	3,666,877,339	2,598,740,361
Gross profit	31,642,050,703	15,646,370,000	2,549,476,211	892,945,180	366,723,669	293,014,141
Distribution and marketing cost	3,474,402,975	1,810,895,576	588,484,168	428,677,498	126,876,804	96,378,289
Administrative expenses	560,327,372	383,302,629	239,758,490	148,116,313	122,369,793	100,432,901
Other operating expenses	1,992,726,278	999,809,051	102,401,168	17,173,228	9,423,655	6,336,784
Total Operating expenses	6,027,456,625	3,194,007,256	930,643,826	593,967,039	258,670,252	203,147,974
Operating profit	25,614,594,078	12,452,362,744	1,618,832,385	298,978,141	108,053,417	89,866,167
Other Income	1,355,017,678	832,388,254	30,963,925	18,352,460	17,612,193	14,969,028
Operating profit before finance cost	26,969,611,756	13,284,750,998	1,649,796,310	317,330,601	125,665,610	104,835,195
Finance cost	230,296,277	168,911,343	168,360,565	53,878,028	21,185,607	64,061,567
Profit before taxation	26,739,315,479	13,115,839,655	1,481,435,745	263,452,573	104,480,003	40,773,628
Taxation / levies	10,403,114,137	5,180,163,079	486,359,121	145,613,045	28,684,681	13,140,081
Profit after taxation	16,336,201,342	7,935,676,576	995,076,624	117,839,528	75,795,322	27,633,547
Earnings per share -basic and diluted	270.26	131.29	16.46	1.95	1.25	0.96

Profit or Loss Analysis

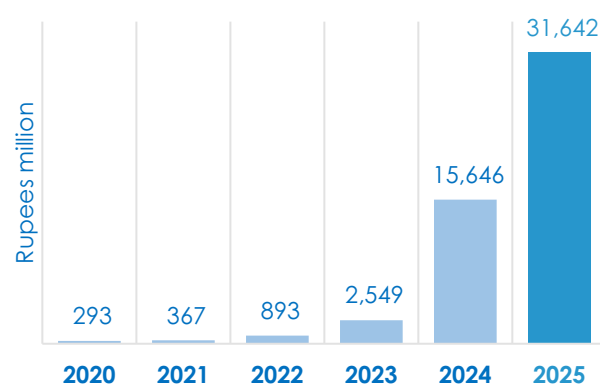
Profit or Loss Waterfall - 2025



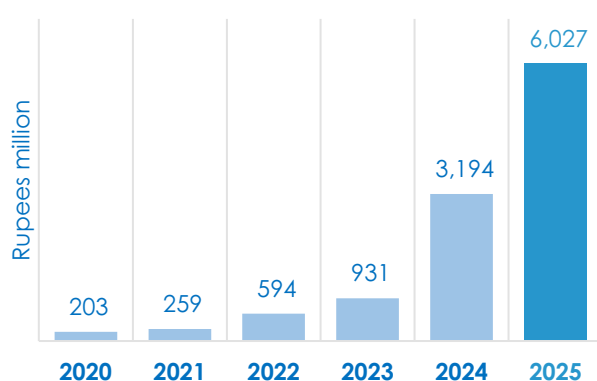
Sales



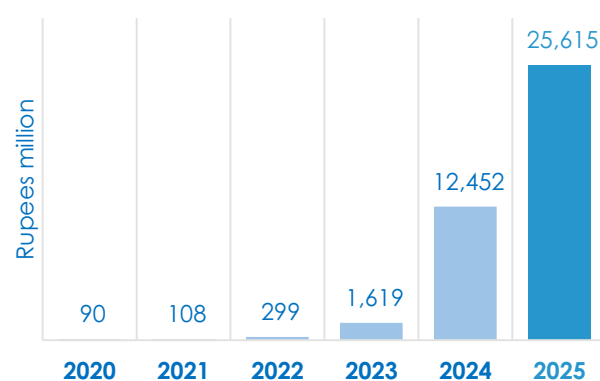
Gross Profit



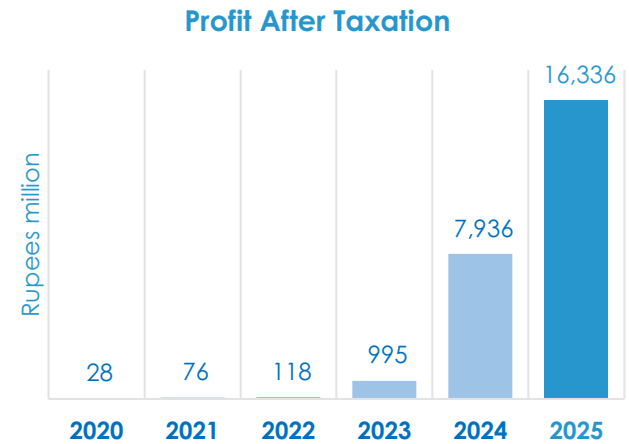
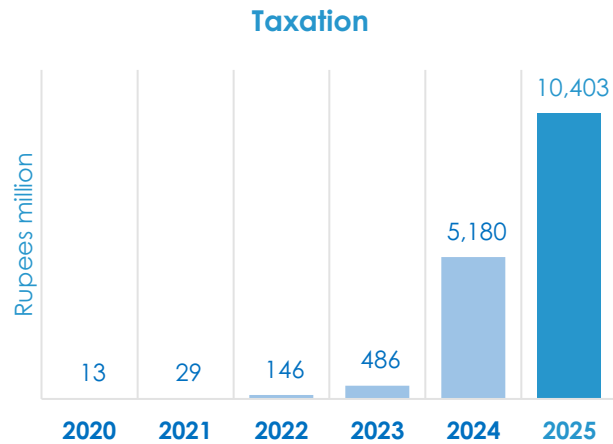
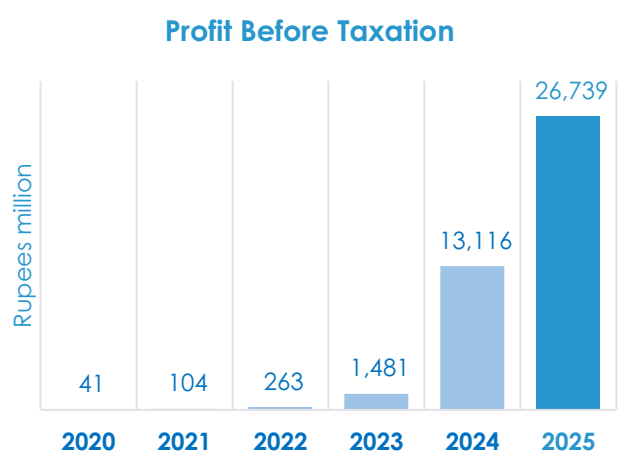
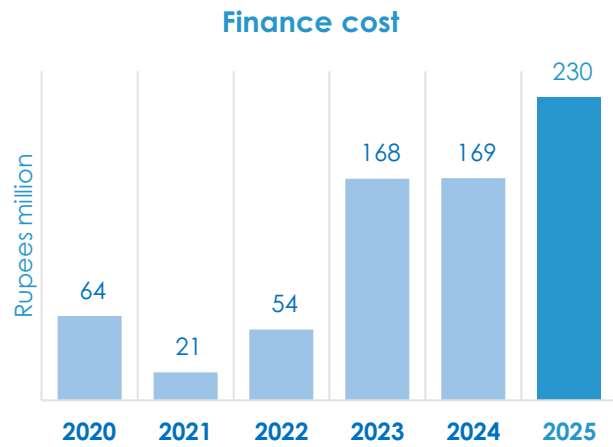
Operating Expenses



Operating Profit



Profit or Loss Analysis

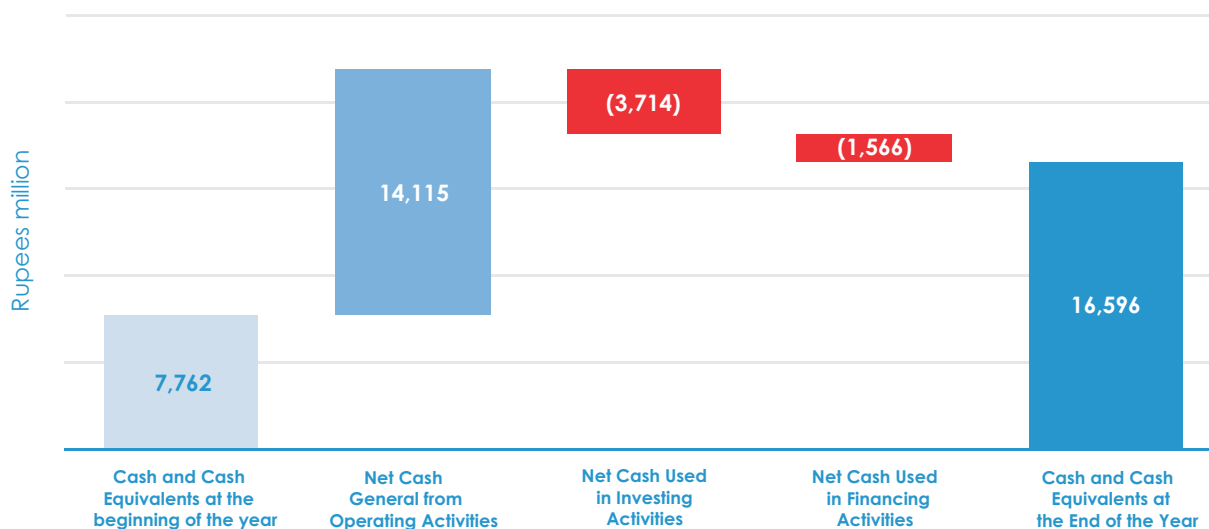


Cash Flow Analysis

Six Years Summary (Annexure-A)

Particulars	2025	2024	2023	2022	2021	2020
Cash Flow Statement						
Cash flows from operating activities	14,114,888,384	8,962,518,900	1,621,781,900	781,162,778	(61,903,001)	(99,801,706)
Cash flows from investing activities	(3,714,461,120)	(1,974,972,332)	(453,195,856)	(941,471,728)	(547,841,015)	(335,740,018)
Cash flows from financing activities	(1,565,617,748)	(254,668,988)	(312,823,438)	318,374,337	175,902,052	878,393,418
Net increase / (decrease) in cash & cash equivalent	8,834,809,516	6,732,877,580	855,762,606	158,065,387	(433,841,963)	442,851,694

Cash Movement - 2025



Free Cash Flows

Particulars	2025	2024	2023	2022	2021	2020
Profit Before Taxation	26,739,315,479	13,115,839,655	1,481,435,745	263,452,573	104,480,003	40,773,628
Adjustment non-cash items	1,643,437,657	935,893,684	596,496,337	252,123,116	73,440,082	110,714,588
Changes in working capital	(2,248,120,644)	(2,072,220,676)	304,286,591	580,888,732	(133,411,200)	(142,681,564)
Total	26,134,632,492	11,979,512,663	2,382,218,673	1,096,464,421	44,508,885	8,806,652
Less: Capital expenditure	3,732,521,120	1,989,256,217	454,614,356	945,680,728	549,608,015	342,567,018
Free Cashflows	22,402,111,372	9,990,256,446	1,927,604,317	150,783,693	(505,099,130)	(333,760,366)

Financial Ratios – Six Years Analysis

Particulars		2025	2024	2023	2022	2021	2020
Profitability Ratios							
Gross Profit to Sales	%	29.11	27.14	14.03	8.69	9.09	10.13
Profit Before tax to Sales	%	24.60	22.75	8.15	2.56	2.59	1.41
Net Profit to Sales	%	15.03	13.77	5.48	1.15	1.88	0.96
Operating Profit to Sales	%	23.57	21.60	8.91	2.91	2.68	3.11
EBITDA Margin to Sales	%	25.12	23.54	10.36	4.54	3.66	4.29
Operating leverage	Times	1.19	3.08	5.74	1.14	0.51	3.17
Shareholders' Funds (In Million)	PKR	23,707.70	10,104.09	2,915.05	1,953.96	1,839.85	1,768.96
Return on Equity After Tax	%	96.63	121.91	40.87	6.21	4.20	1.96
Return on Capital employed - (PBIT)	%	109.41	121.00	45.08	11.48	5.27	4.69
Return on Capital employed - After Tax	%	66.27	72.28	27.19	4.26	3.18	1.24
Return on Investment	%	46.04	43.00	14.92	2.28	2.03	1.15
Total Shareholders Return	%	118.18	84.25	4.49	5.21	15.82	11.46
Sustainable Growth Rate	%	78.04	103.34	30.94	6.21	4.20	1.96
Investment / Market Ratios							
Basic Earnings per Share (EPS)	PKR	270.26	131.29	16.46	1.95	1.25	0.96
Price Earnings ratio	Times	4.22	6.34	3.09	31.86	134.15	130.45
Price to Book ratio	Times	2.91	4.98	1.05	1.92	4.25	2.52
Dividend Yield ratio	%	4.56	2.40	7.87	-	-	-
Dividend Payout ratio	%	19.24	15.23	24.30	-	-	-
Dividend Cover Ratio	Times	5.20	6.56	4.12	-	-	-
Cash Dividend per share	PKR	52	20	4	-	-	-
Market value per share at the year end	PKR	1,139.82	832.46	50.85	62.12	168.21	124.59
Market value per share - Highest Value during the year	PKR	1,370.41	852.72	68.59	180.15	204.54	258.64

Particulars		2025	2024	2023	2022	2021	2020
Market value per share - Lowest Value during the year	PKR	830.76	53.91	44.74	60.88	123.98	76.51
Breakup value per share	PKR	392.21	167.16	48.23	32.33	39.57	49.46
Free Float Shares	No.	21,156,087	19,162,076	18,986,922	19,345,905	15,101,094	6,644,521
Free Float Shares as % of total shares outstanding	%	35.00	31.70	31.41	32.01	32.48	18.58
Free Cash Flow	PKR	22,402,111,372	9,990,256,446	1,927,604,317	150,783,693	(505,099,130)	(333,760,366)

Activity / Turnover Ratios

Inventory Turnover	Times	5.40	4.93	7.02	7.33	4.96	3.98
No. of Days in Inventory	Days	67.61	74.00	52.01	49.80	73.56	91.71
Debtor Turnover	Times	890.37	285.85	80.75	69.24	33.68	24.28
No. of Days in Receivable	Days	0.41	1.28	4.52	5.27	10.84	15.03
Creditor Turnover	Times	58.89	43.42	24.69	16.69	9.39	7.15
No. of Days in Payable	Days	6.20	8.41	14.78	21.87	38.86	51.08
Operating Cycle	Days	68.02	75.28	56.53	55.07	84.40	106.75
Total Assets Turnover	Times	3.06	3.12	2.72	1.99	1.08	1.21
Fixed Assets Turnover	Times	17.21	15.31	6.30	4.30	2.44	2.41
Equity Multiplier	Times	2.10	2.84	2.74	2.72	2.07	1.70

Liquidity / Capital Structure Ratios

Current ratio	Times	1.97	1.35	1.18	0.97	1.20	2.47
Quick ratio	Times	1.14	0.56	0.51	0.37	0.84	1.34
Cash to Current Liabilities	Times	0.97	0.43	0.26	0.06	0.01	0.76
Cash flow from operations to Sales	Times	0.13	0.16	0.09	0.08	(0.02)	(0.03)
Cash flow to capital expenditures	Times	2.37	3.38	1.88	0.17	(0.79)	1.29
Cash flow coverage ratio	Times	85.91	24.87	3.03	1.11	(0.14)	(0.26)
Financial leverage ratio	Times	0.01	0.04	0.19	0.28	0.24	0.24
Weighted average cost of debt	%	31.34	18.20	11.87	2.84	1.40	4.33
Debt to Equity ratio (as per book value)	Ratio	1 : 99	4 : 96	19 : 81	28:72	24 : 76	24 : 76

Particulars		2025	2024	2023	2022	2021	2020
Debt to Equity ratio (as per market value)	Ratio	0.3 : 99.7	0.6 : 99.4	10.3 : 89.7	10.8 : 89.2	4.8 : 95.2	7.3 : 92.7
Net assets per share	PKR	392.21	167.16	48.23	32.33	39.57	49.46
Interest Coverage ratio	Times	117.11	78.65	9.80	5.89	5.93	1.64

Non-Financial Ratios

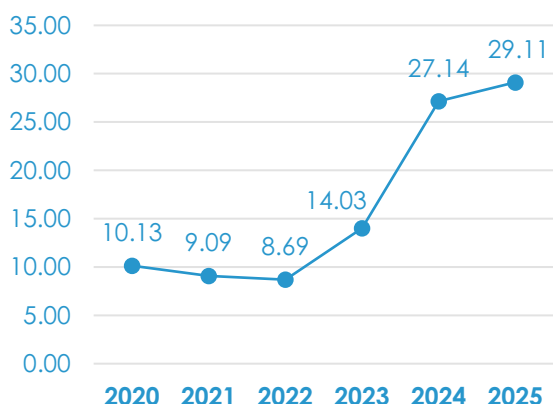
% of Plant Availability	%	91	92	85	91	89	83
Production per Employee	No.	52	68	42	84	122	97
Revenue per Employee	PKR	73,392,640	44,892,888	15,375,886	9,888,563	4,374,838	3,467,332
Staff turnover ratio	%	7.16	6.46	10.83	9.49	8.46	6.59
Spares Inventory as % of Assets Cost	%	0.15	0.02	0.05	0.13	0.07	0.19
Maintenance Cost as % of Operating Expenses	%	0.31	0.74	0.80	1.78	1.93	1.88
Customer Retention Ratio	%	100.00	100.00	100.00	100.00	100.00	100.00

Graphical Presentation

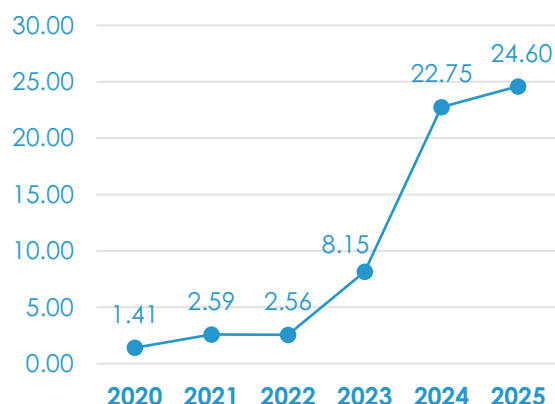
Financial Ratios

Profitability Ratios

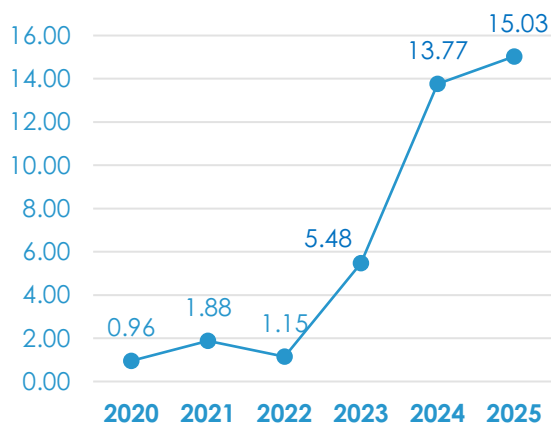
Gross Profit to Sales (%age)



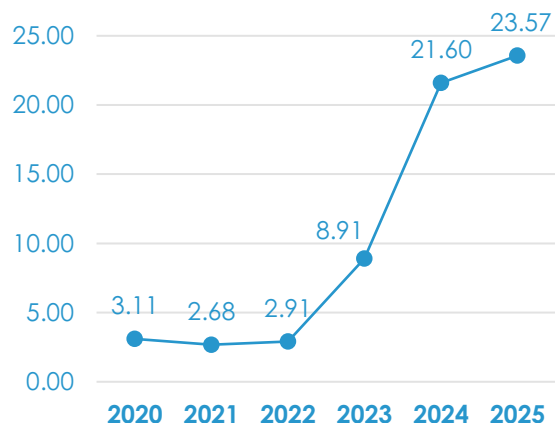
Profit Before tax to Sales (%age)



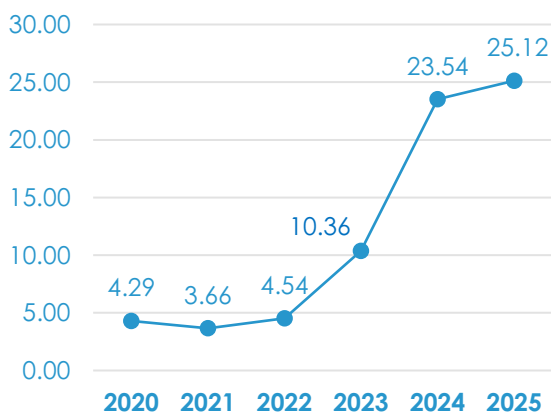
Net Profit to Sales (%age)



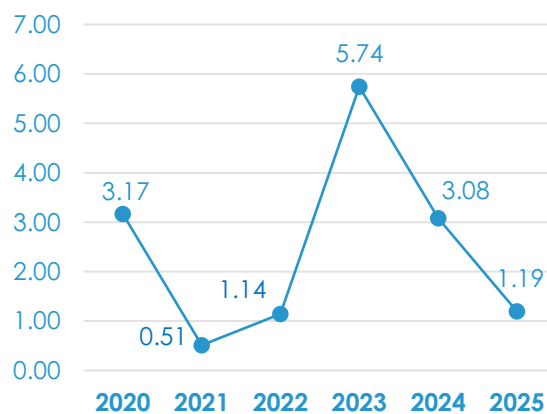
Operating Profit to Sales (%age)



EBITDA Margin (%age)



Operating Leverage (Times)

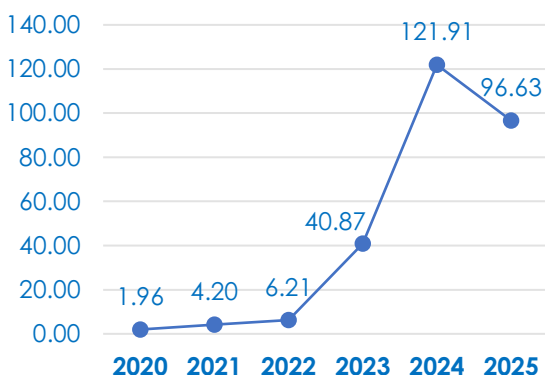


Graphical Presentation

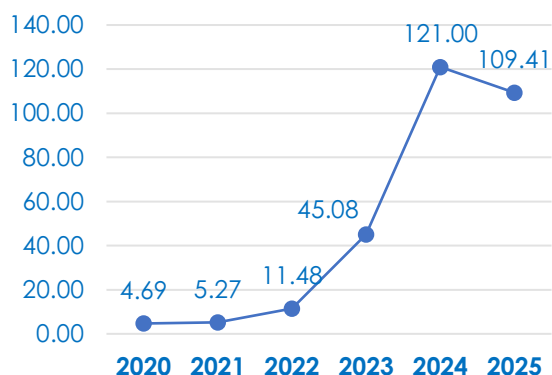
Financial Ratios

Profitability Ratios

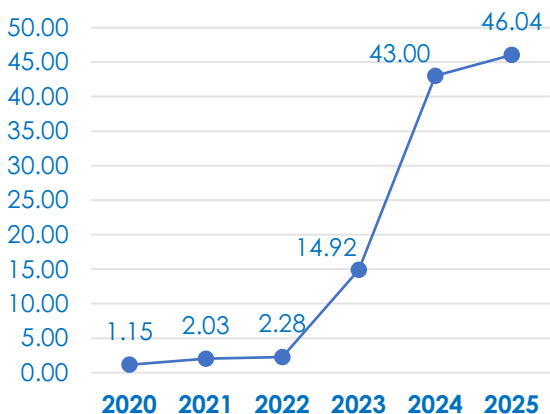
**Return on Equity (After Tax)
(%age)**



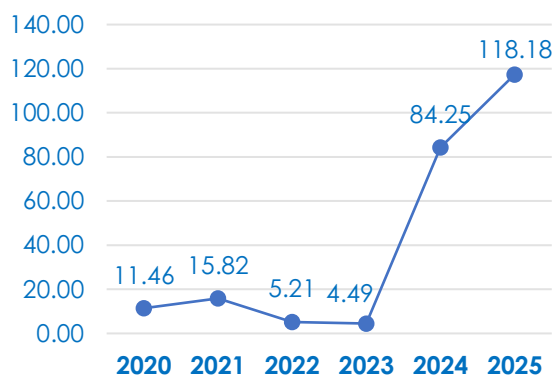
**Return on Capital Employed -
(PBIT) (%age)**



Return on Investment (%age)



**Total Shareholders Return
(%age)**

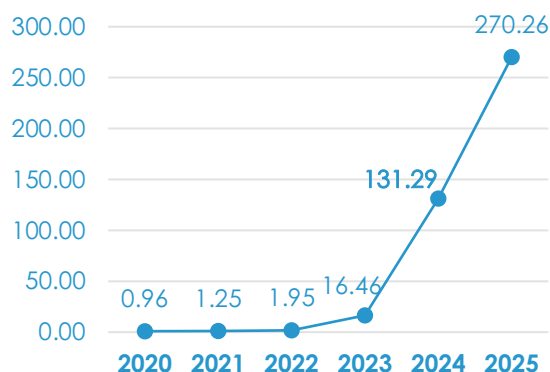


Graphical Presentation

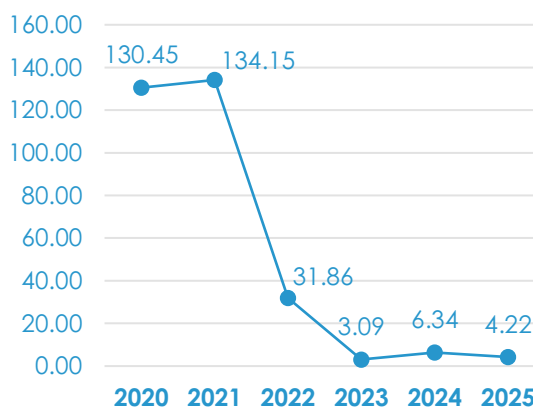
Financial Ratios

Investment / Market Ratios

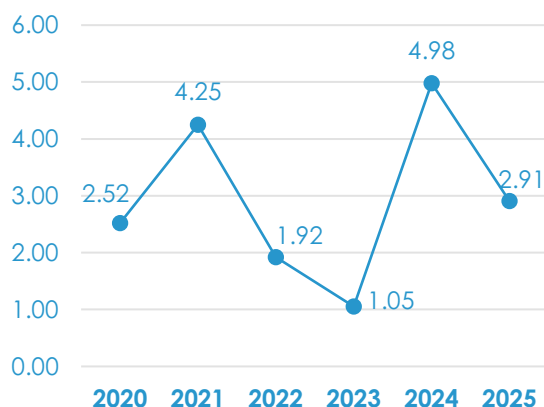
Basic Earnings per Share (EPS) (PKR)



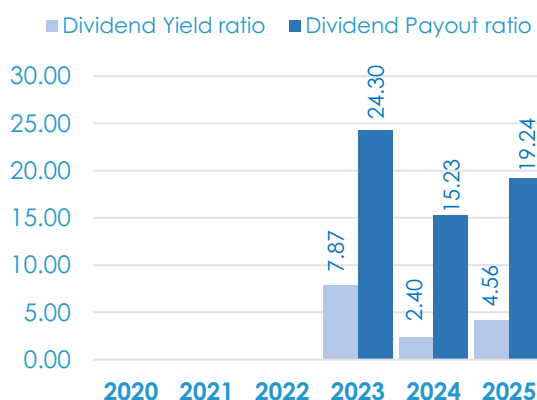
Price Earnings Ratio (Times)



Price to Book Ratio (Times)



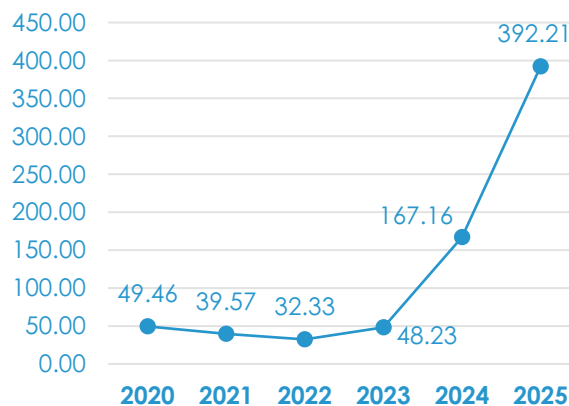
Dividend Ratio (%age)



Market Value Per Share - Year End (PKR)



Breakup Value Per Share (PKR)

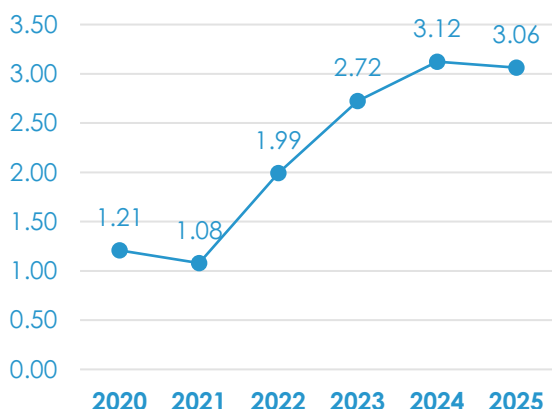


Graphical Presentation

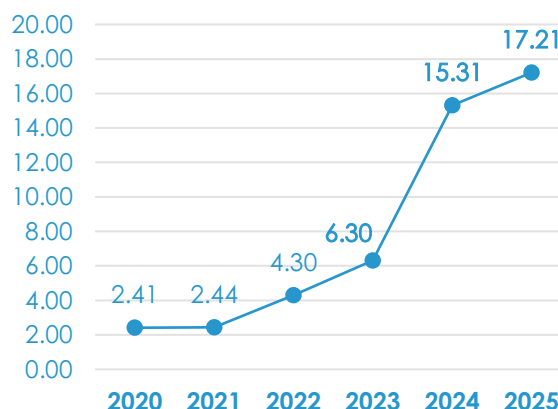
Financial Ratios

Activity / Turnover Ratios

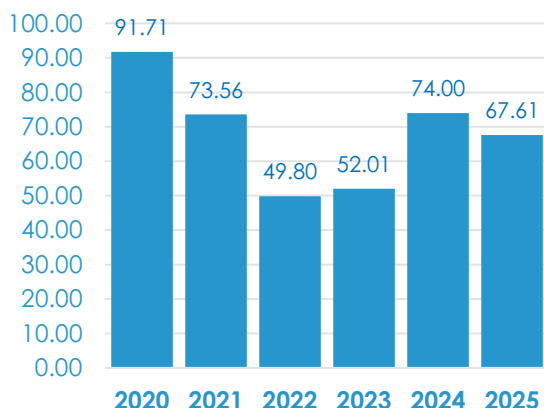
Total Assets Turnover (Times)



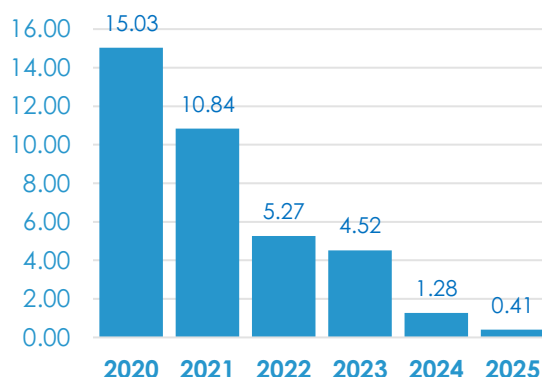
Fixed Assets Turnover (Times)



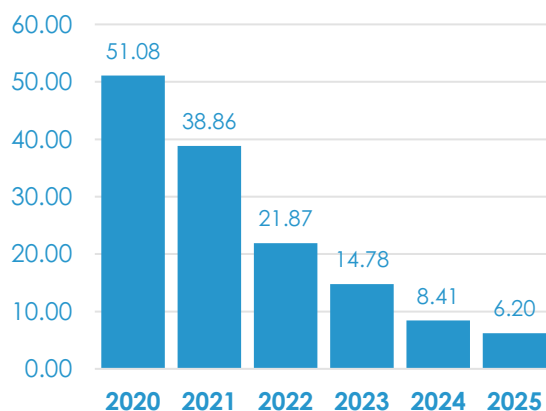
No. of Days in Inventory (Days)



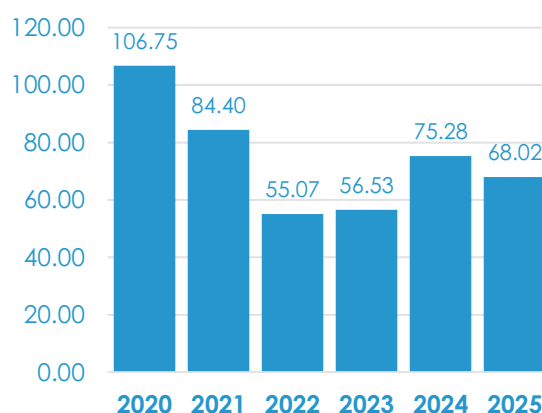
No. of Days in Receivable (Days)



No. of Days in Payable (Days)



Operating Cycle (Days)

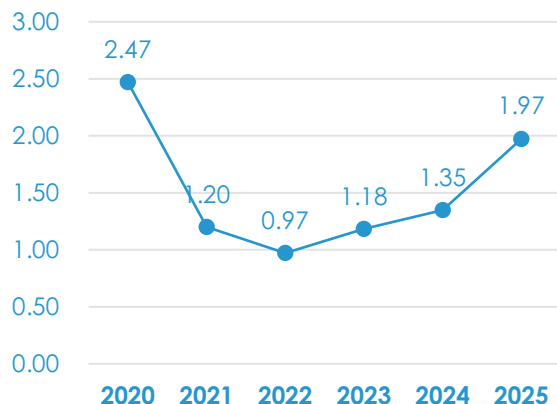


Graphical Presentation

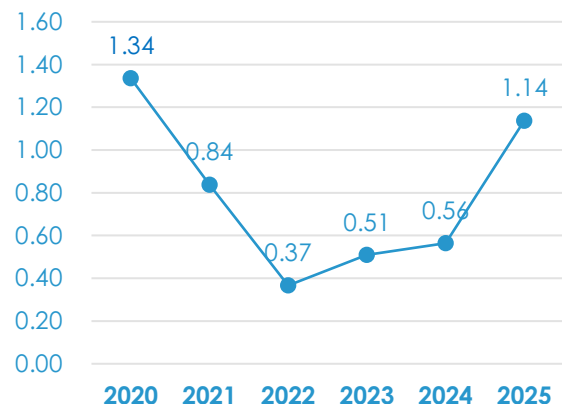
Financial Ratios

Liquidity / Capital Structure Ratios

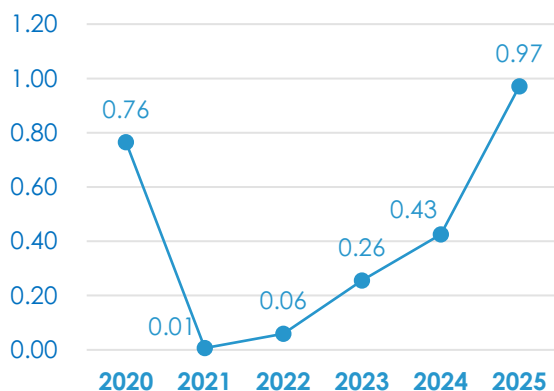
Current Ratio (Times)



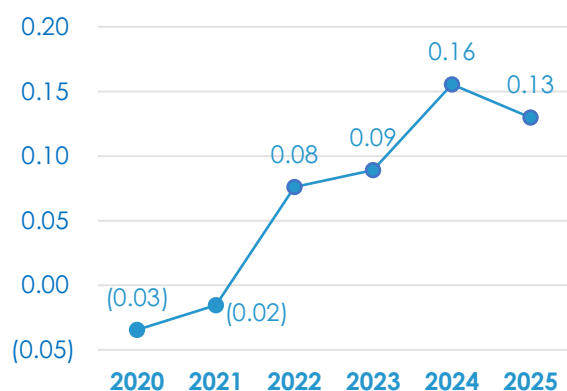
Quick Ratio (Times)



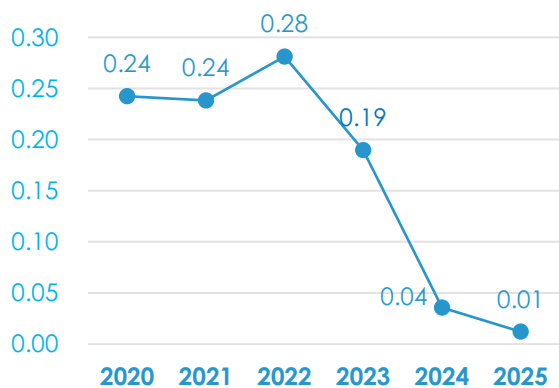
Cash to Current Liabilities (Times)



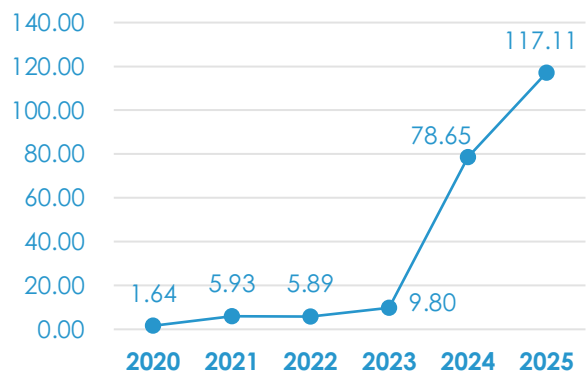
Cash Flow from Operations to Sales (Times)



Financial Leverage Ratio (Times)



Interest Coverage Ratio (Times)

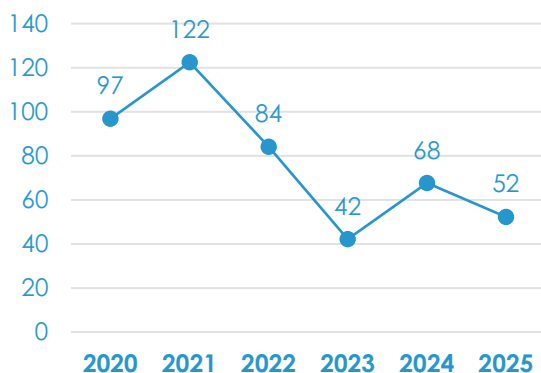


Graphical Presentation

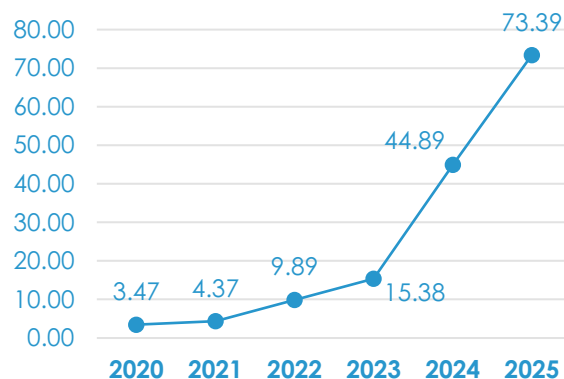
Financial Ratios

Non-Financial Ratios

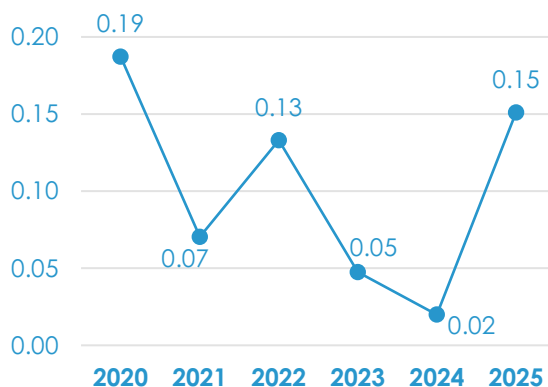
Production Per Employee (No.)



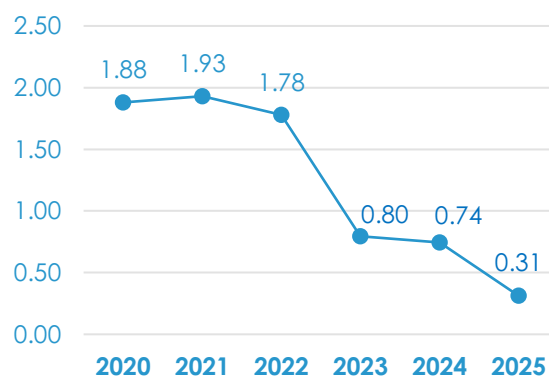
Revenue Per Employee (PKR' Million)



Spares Inventory as % of Assets Cost (%age)



Maintenance Cost as % of Operating Expenses (%age)



DuPont Analysis

Ratio	2025	2024
Tax Burden	61.09%	60.50%
Interest Burden	99.15%	98.73%
EBIT Margin	24.81%	23.05%
Asset Turnover	3.06	3.12
Equity Multiplier	2.10	2.84
Return on Equity	96.63%	121.91%

Return on Equity 96.63%	=	Return on Assets 46.04%	/	Ownership Ratio 47.65%
Return on Assets 46.04%	=	Net Profit Margin 15.03%	x	Assets Turnover 3.06
Net Profit Margin 15.03%	=	Net profit 16,336,201,342	/	Sales 108,694,499,692
Assets Turnover 3.06	=	Sales 108,694,499,692	/	Avg. Total Assets 35,481,439,791
Ownership Ratio 47.65%	=	Avg. Total Equity 16,905,892,074	/	Avg. Total Assets 35,481,439,791
Avg. Total Equity 16,905,892,073	=	Avg. Total Assets 35,481,439,791	-	Avg. Total Liabilities 18,575,547,718
Avg. Total Liabilities 18,575,547,718	=	Avg. Total Non - Current Liabilities 909,340,356	+	Avg. Total Current Liabilities 17,666,207,362

Analysis:

The Company has recorded improved operating efficiency with EBIT Margin rising to 24.81% in 2025 from 23.05% in 2024, while Tax and Interest Burdens remained stable. However, a decline in Asset Turnover and lower financial leverage (Equity Multiplier 2.10 vs. 2.84) led to a reduced Return on Equity of 96.63% compared to 121.91% last year.

Horizontal Analysis

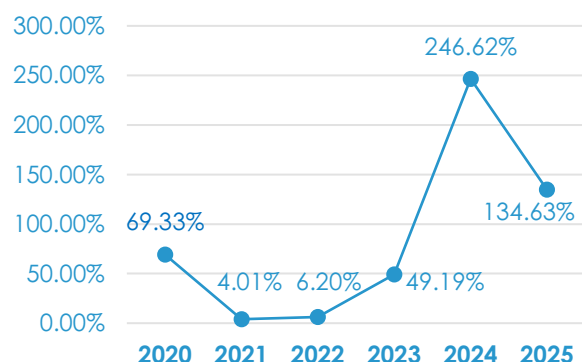
Statement of Financial Position

Particulars	2025 vs 2024	2024 vs 2023	2023 vs 2022	2022 vs 2021	2021 vs 2020	2020 vs 2019
Equity and Liabilities						
Authorized Share Capital						
Issued, subscribed and paid-up share capital	0.00 %	0.00 %	0.00 %	30.00 %	30.00 %	65.84 %
Capital Reserve - share premium account	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	100.00 %
Revenue Reserve - un-appropriated profit	152.13 %	410.06 %	121.34 %	(3.11)%	(4.26)%	3.00 %
Total equity	134.63%	246.62%	49.19%	6.20%	4.01%	69.33%
Non Current Liabilities						
Long term financing	(67.20)%	(55.94)%	(32.45)%	72.78 %	14.85 %	27.54 %
Deferred tax liabilities	(1.92)%	100.00 %	0.00 %	0.00 %	(100.00)%	2,112.77 %
Post-employment benefits	39.09 %	26.24 %	32.93 %	20.67 %	100.00 %	(100.00)%
Deferred grant	0.00 %	0.00 %	(100.00)%	(90.20)%	10.22 %	100.00 %
Deferred revenue	(100.00)%	185.79 %	122.23 %	100.00 %	0.00 %	0.00 %
Total Non-Current Liabilities	7.77%	17.57%	(8.04)%	48.28%	17.55%	25.32%
Current Liabilities						
Trade and other payables	1.36 %	324.16 %	52.50 %	24.41 %	385.57 %	(19.85)%
Unclaimed dividend	254.54 %	345.51 %	0.00 %	0.00 %	(2.52)%	(3.50)%
Short term borrowings	0.00 %	0.00 %	(100.00)%	36.09 %	100.00 %	0.00 %
Profit accrued on loans and other payables	682.30 %	(26.29)%	(32.93)%	287.15 %	(77.55)%	155.32 %
Current portion of long-term liabilities	(45.08)%	9.19 %	(2.18)%	45.49 %	1.89 %	487.63 %
Taxation-Net	(76.58)%	100.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Total current liabilities	(6.36)%	353.27%	39.17%	27.29%	287.30%	5.61%
Total equity and liabilities	42.81%	280.29%	35.87%	21.42%	65.18%	43.09%
Assets						
Non-Current Assets						
Property, plant & equipment	74.11 %	59.38 %	8.37 %	43.15 %	39.91 %	32.09 %
Intangible asset	(52.17)%	(34.29)%	(30.06)%	(25.63)%	397.36 %	(29.12)%
Long term loans and advances	88.03 %	190.17 %	(37.51)%	(24.88)%	5.34 %	10.42 %
Long term deposits	0.67 %	47.90 %	2.84 %	45.13 %	15.17 %	5.81 %
Deferred Taxation	0.00 %	(100.00)%	(78.07)%	225.44 %	153.49 %	100.00 %
Total non-current assets	74.08%	57.82%	2.58%	47.30%	40.96%	33.58%
Current Assets						
Stores, spares and loose tools	985.55 %	59.18 %	(51.47)%	129.40 %	(37.93)%	76.50 %
Stock in trade	(0.63)%	428.13 %	55.65 %	112.96 %	23.90 %	2.21 %
Trade debts	(16.45)%	(50.79)%	50.29 %	53.81 %	(4.63)%	6.05 %
Loans, advances, deposits, prepayments and other receivables	13.20 %	219.39 %	6.22 %	(60.11)%	734.95 %	21.93 %
Cash and bank balances	113.83 %	654.44 %	494.54 %	1,055.38 %	(96.66)%	7,421.23 %
Total current assets	36.95%	416.65%	69.61%	3.07%	88.08%	53.42%
Total Assets	42.81%	280.29%	35.87%	21.42%	65.18%	43.09%

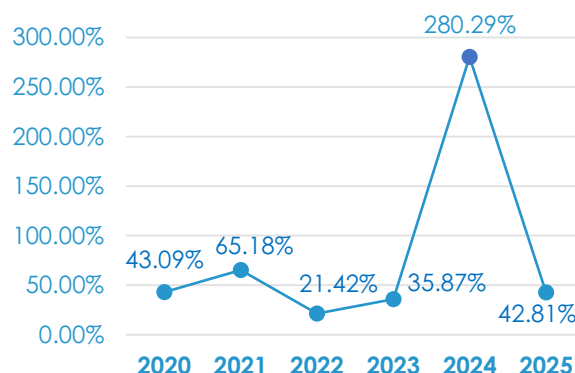
Graphical Presentation

Horizontal Analysis - Statement of Financial Position

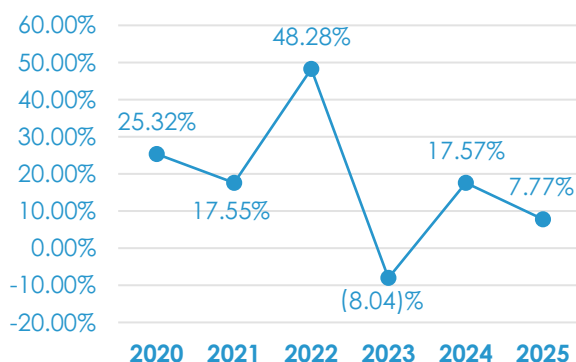
Total Equity



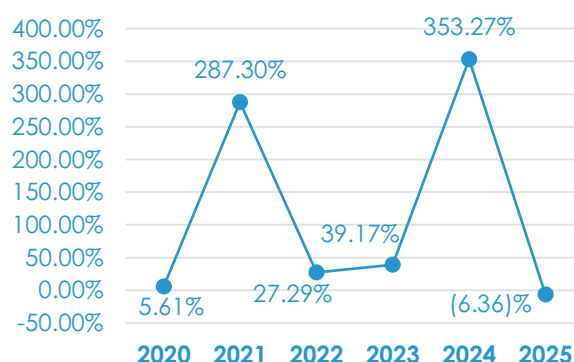
Total Assets



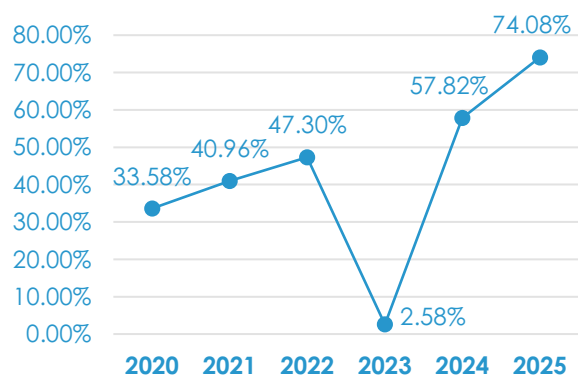
Total Non Current Liabilities



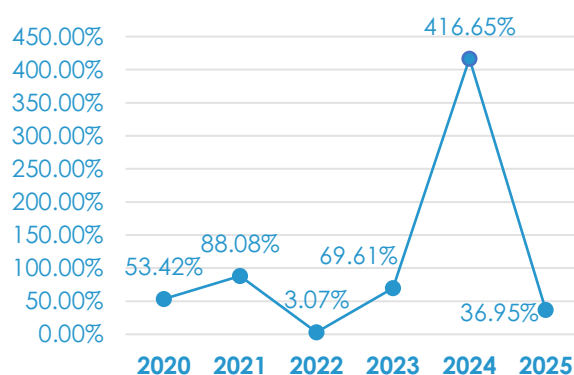
Total Current Liabilities



Total Non Current Assets



Total Current Assets



Vertical Analysis

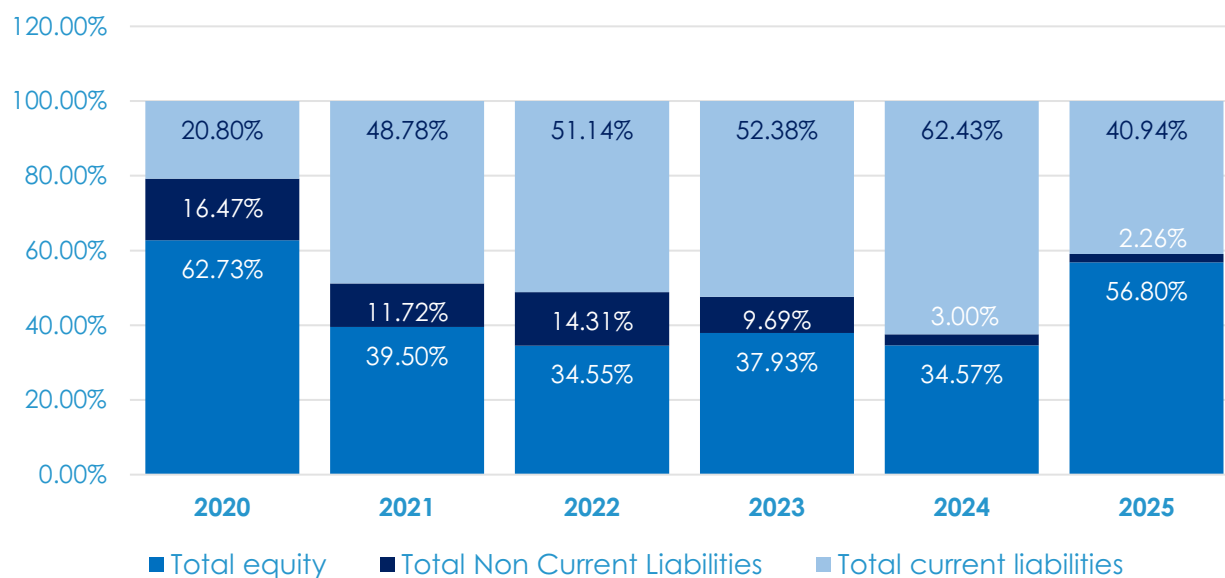
Statement of Financial Position

Particulars	2025	2024	2023	2022	2021	2020
Equity and Liabilities						
Authorized Share Capital						
Issued, subscribed and paid up share capital	1.45%	2.07%	7.87%	10.69%	9.98%	12.68%
Capital Reserve - share premium account	1.34%	1.91%	7.25%	9.85%	11.97%	19.76%
Revenue Reserve - un-appropriated profit	54.02%	30.60%	22.81%	14.00%	17.55%	30.28%
Total equity	56.80%	34.57%	37.93%	34.55%	39.50%	62.73%
Non-Current Liabilities						
Long term financing	0.12%	0.52%	4.49%	9.02%	6.34%	9.12%
Deferred tax liabilities	0.49%	0.71%	0.00%	0.00%	0.00%	7.17%
Post-employment benefits	1.65%	1.70%	5.11%	5.22%	5.26%	0.00%
Deferred grant	0.00%	0.00%	0.00%	0.01%	0.12%	0.18%
Deferred revenue	0.00%	0.07%	0.09%	0.06%	0.00%	0.00%
Total Non-Current Liabilities	2.26%	3.00%	9.69%	14.31%	11.72%	16.47%
Current Liabilities						
Trade and other payables	39.25%	55.29%	49.58%	44.17%	43.11%	14.66%
Unclaimed dividend	0.05%	0.02%	0.02%	0.02%	0.03%	0.05%
Short term borrowings	0.00%	0.00%	0.00%	2.88%	2.57%	0.00%
Profit accrued on loans and other payables	0.32%	0.06%	0.30%	0.62%	0.19%	1.42%
Current portion of long-term liabilities	0.27%	0.71%	2.48%	3.45%	2.88%	4.67%
Taxation-Net	1.04%	6.35%	0.00%	0.00%	0.00%	0.00%
Total current liabilities	40.94%	62.43%	52.38%	51.14%	48.78%	20.80%
Total equity and liabilities	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Assets						
Non-Current Assets						
Property, plant & equipment	19.02%	15.60%	37.23%	46.68%	39.59%	46.75%
Intangible asset	0.00%	0.00%	0.00%	0.01%	0.01%	0.00%
Long term loans and advances	0.18%	0.13%	0.18%	0.38%	0.62%	0.97%
Long term deposits	0.02%	0.03%	0.08%	0.10%	0.09%	0.12%
Deferred Taxation	0.00%	0.00%	0.51%	3.16%	1.18%	0.77%
Total non-current assets	19.22%	15.77%	38.00%	50.33%	41.49%	48.62%
Current Assets						
Stores, spares and loose tools	0.15%	0.02%	0.05%	0.13%	0.07%	0.19%
Stock in trade	34.09%	48.99%	35.28%	30.80%	17.56%	23.41%
Trade debts	0.27%	0.46%	3.52%	3.18%	2.51%	4.35%
Loans, advances, deposits, prepayments and other receivables	6.51%	8.21%	9.77%	12.50%	38.05%	7.53%
Cash and bank balances	39.76%	26.56%	13.39%	3.06%	0.32%	15.91%
Total current assets	80.78%	84.23%	62.00%	49.67%	58.51%	51.38%
Total Assets	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

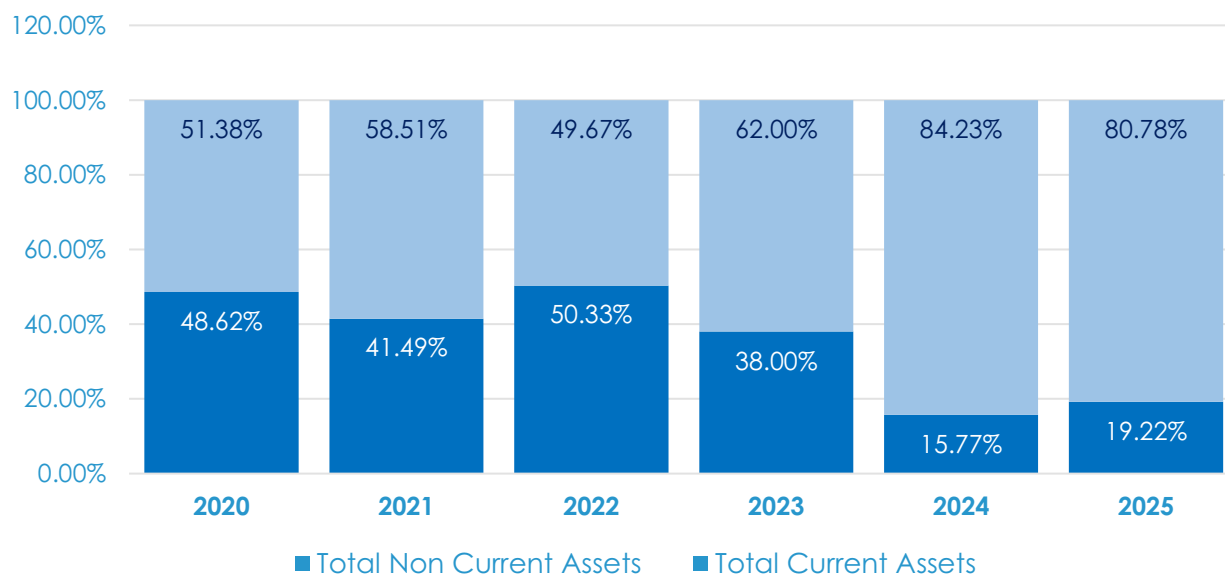
Graphical Presentation

Vertical Analysis Statement of Financial Position

Total Equity and Liabilities



Total Assets



Horizontal Analysis

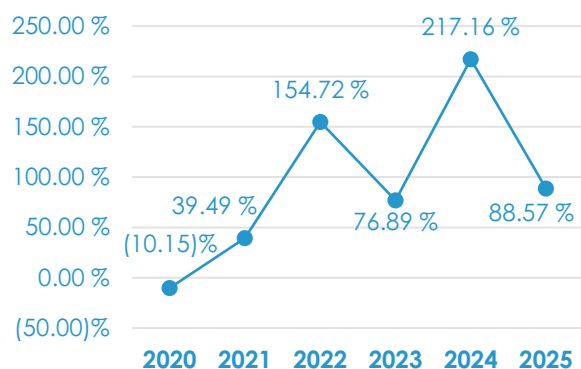
Statement of Profit or Loss

Particulars	2025 vs 2024	2024 vs 2023	2023 vs 2022	2022 vs 2021	2021 vs 2020	2020 vs 2019
Sales - net	88.57 %	217.16 %	76.89 %	154.72 %	39.49 %	(10.15)%
cost of sales	83.48 %	168.78 %	66.55 %	155.84 %	41.10 %	(10.01)%
Gross profit	102.23 %	513.71 %	185.51 %	143.49 %	25.16 %	(11.40)%
Distribution and marketing cost	91.86 %	207.72 %	37.28 %	237.87 %	31.64 %	3.12 %
Administrative expenses	46.18 %	59.87 %	61.87 %	21.04 %	21.84 %	7.63 %
Other operating expenses	99.31 %	876.36 %	496.28 %	82.24 %	48.71 %	(44.72)%
Total Operating expenses	88.71 %	243.20 %	56.68 %	129.62 %	27.33 %	2.48 %
Operating Profit	105.70 %	669.22 %	441.46 %	176.69 %	20.24 %	(32.17)%
Other Income	62.79 %	2,588.25 %	68.72 %	4.20 %	17.66 %	309.41 %
Operating Profit Before Finance Cost	103.01 %	705.24 %	419.90 %	152.52 %	19.87 %	(22.99)%
Finance Cost	36.34 %	0.33 %	212.48 %	154.31 %	(66.93)%	163.71 %
Profit Before Taxation	103.87 %	785.35 %	462.32 %	152.16 %	156.24 %	(63.54)%
Taxation / levies	100.83 %	965.09 %	234.01 %	407.63 %	118.30 %	(55.98)%
Profit After Taxation	105.86 %	697.49 %	744.43 %	55.47 %	174.29 %	(66.30)%

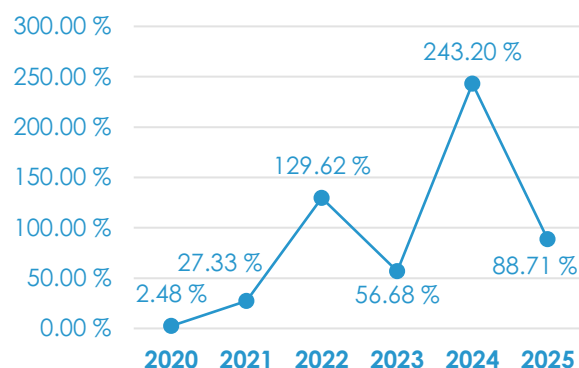
Graphical Presentation

Horizontal Analysis Statement of profit or Loss

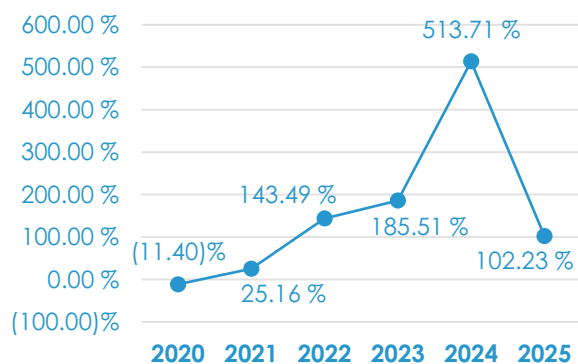
Sales - Net



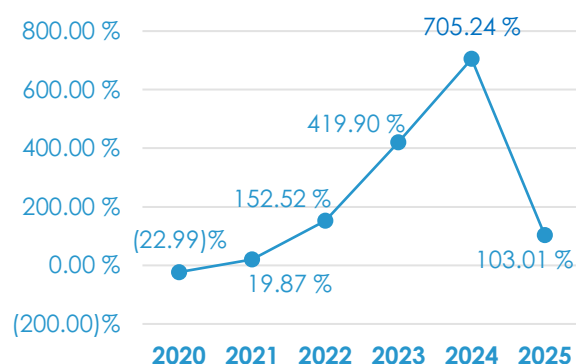
Total Operating Expenses



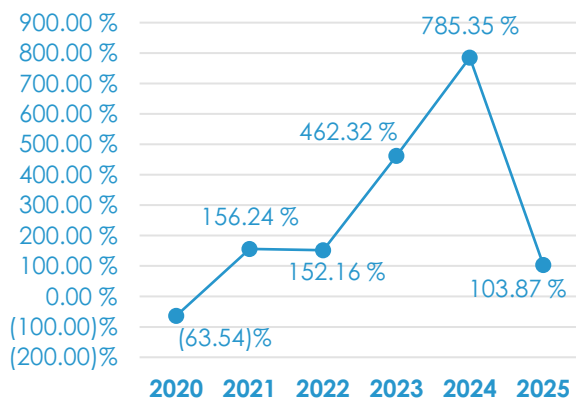
Gross Profit



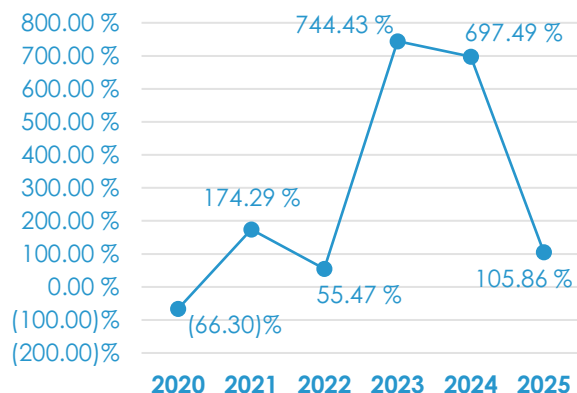
Operating Profit Before Finance Cost and Tax



Profit Before Tax



Profit After Tax



Vertical Analysis

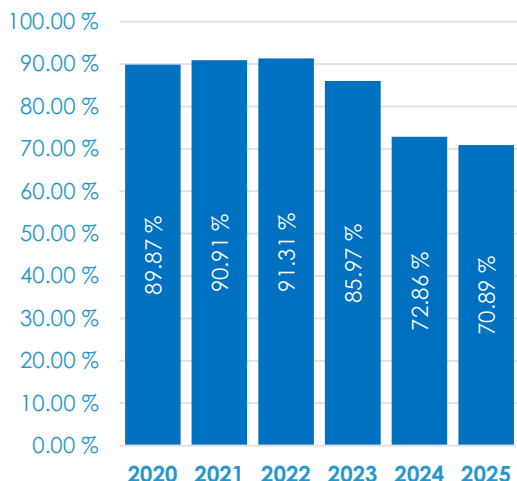
Statement of Profit or Loss

Particulars	2025	2024	2023	2022	2021	2020
Sales - net	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
cost of sales	70.89 %	72.86 %	85.97 %	91.31 %	90.91 %	89.87 %
Gross profit	29.11 %	27.14 %	14.03 %	8.69 %	9.09 %	10.13 %
Distribution and marketing cost	3.20 %	3.14 %	3.24 %	4.17 %	3.15 %	3.33 %
Administrative expenses	0.52 %	0.66 %	1.32 %	1.44 %	3.03 %	3.47 %
Other operating expenses	1.83 %	1.73 %	0.56 %	0.17 %	0.23 %	0.22 %
Total Operating expenses	5.55 %	5.54 %	5.12 %	5.78 %	6.41 %	7.03 %
Operating Profit	23.57 %	21.60 %	8.91 %	2.91 %	2.68 %	3.11 %
Other Income	1.25 %	1.44 %	0.17 %	0.18 %	0.44 %	0.52 %
Operating Profit Before Finance Cost	24.81 %	23.05 %	9.08 %	3.09 %	3.12 %	3.63 %
Finance Cost	0.21 %	0.29 %	0.93 %	0.52 %	0.53 %	2.22 %
Profit Before Taxation	24.60 %	22.75 %	8.15 %	2.56 %	2.59 %	1.41 %
Taxation / levies	9.57 %	8.99 %	2.68 %	1.42 %	0.71 %	0.45 %
Profit After Taxation	15.03 %	13.77 %	5.48 %	1.15 %	1.88 %	0.96 %

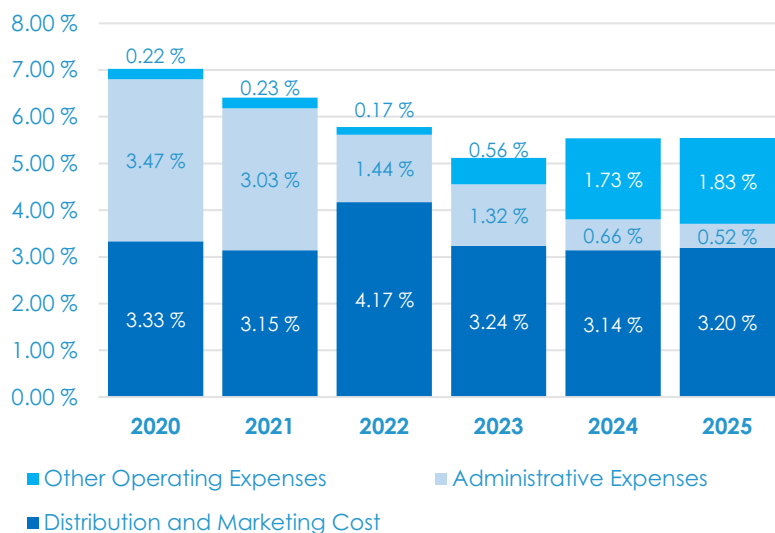
Graphical Presentation

Vertical Analysis - Statement of profit or Loss

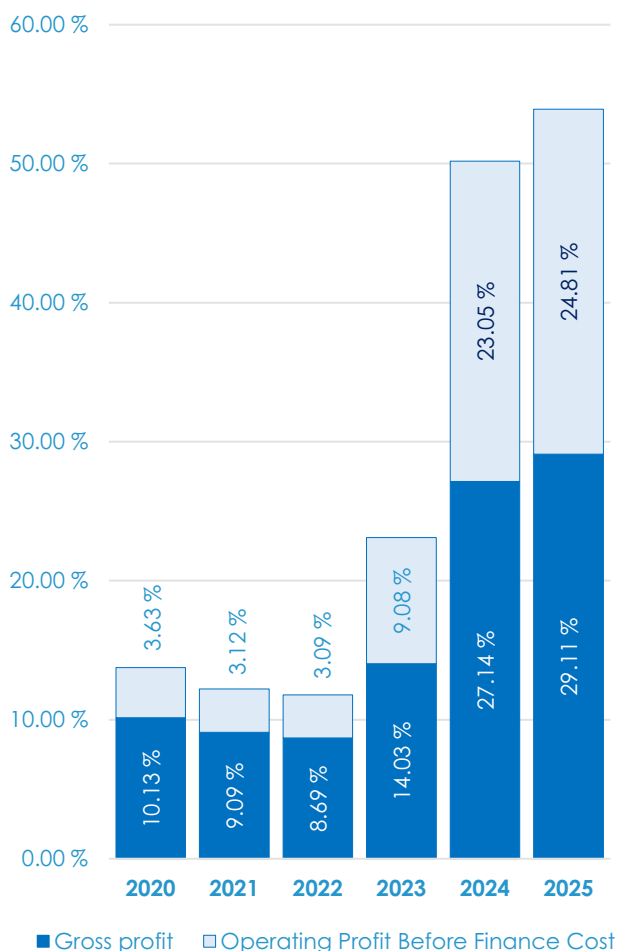
Cost of Sales



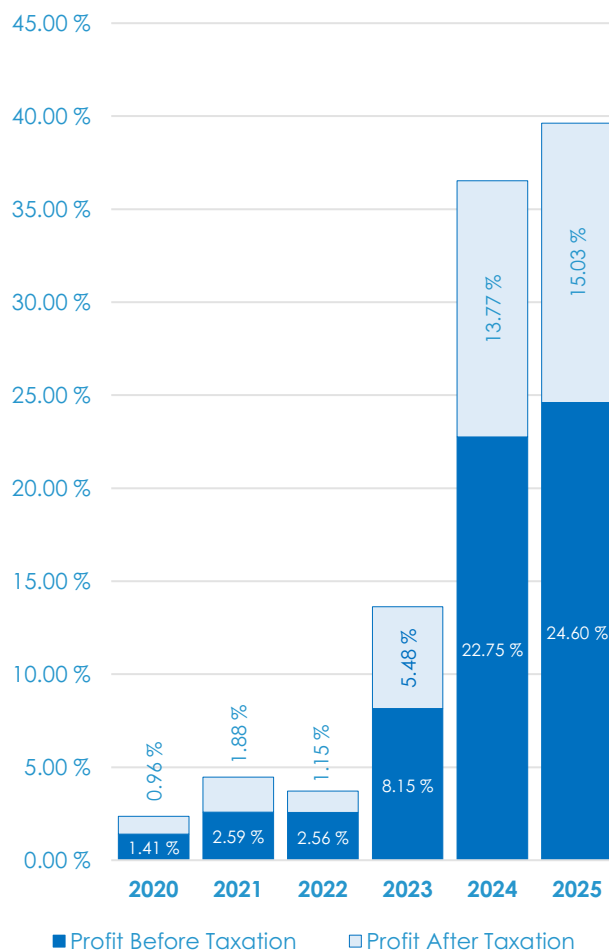
Operating Expenses



Profits



Profits



Horizontal Analysis

Statement of Cash Flows

Particulars	2025 vs 2024	2024 vs 2023	2023 vs 2022	2022 vs 2021	2021 vs 2020	2020 vs 2019
Cash flows from operating activities	57.49 %	452.63 %	107.61 %	(1,361.91)%	(37.97)%	(282.01)%
Cash flows from investing activities	88.08 %	335.79 %	(51.86)%	71.85 %	63.17 %	8.96 %
Cash flows from financing activities	514.77 %	(18.59)%	(198.26)%	81.00 %	(79.97)%	292.23 %
Net increase / (decrease) in cash & cash equivalent	31.22 %	686.77 %	441.40 %	(136.43)%	(197.97)%	(1,608.48)%

Vertical Analysis

Statement of Cash Flows

Particulars	2025	2024	2023	2022	2021	2020
Cash flows from operating activities	159.76 %	133.12 %	189.51 %	494.20 %	14.27 %	(22.54)%
Cash flows from investing activities	(42.04)%	(29.33)%	(52.96)%	(595.62)%	126.28 %	(75.81)%
Cash flows from financing activities	(17.72)%	(3.78)%	(36.55)%	201.42 %	(40.55)%	198.35 %
Net increase / (decrease) in cash & cash equivalent	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %

PATTERN OF SHAREHOLDING

AS ON JUNE 30, 2025

ANNEXURE-B

FORM-20

THE COMPANIES ACT, 2017 (SECTION 227 (2)(f)) AND THE COMPANIES REGULATIONS, 2024 (REGULATION 30)

SAZGAR ENGINEERING WORKS LIMITED

Registration Number: 0025184

NUMBER OF SHAREHOLDERS	SHAREHOLDING			TOTAL SHARES HELD	PERCENTAGE %
	FROM		TO		
5,970	1	-	100	186,480	0.31%
2,159	101	-	500	556,030	0.92%
588	501	-	1,000	451,387	0.75%
693	1,001	-	5,000	1,560,970	2.58%
107	5,001	-	10,000	781,826	1.29%
30	10,001	-	15,000	380,058	0.63%
28	15,001	-	20,000	494,520	0.82%
11	20,001	-	25,000	253,123	0.42%
6	25,001	-	30,000	162,085	0.27%
8	30,001	-	35,000	259,942	0.43%
8	35,001	-	40,000	309,600	0.51%
4	40,001	-	45,000	170,555	0.28%
10	45,001	-	50,000	484,809	0.80%
3	50,001	-	55,000	156,200	0.26%
2	55,001	-	60,000	117,764	0.19%
4	65,001	-	70,000	273,500	0.45%
2	70,001	-	75,000	145,388	0.24%
3	80,001	-	85,000	250,749	0.41%
1	85,001	-	90,000	90,000	0.15%
3	95,001	-	100,000	298,000	0.49%
1	110,001	-	115,000	112,122	0.19%
1	115,001	-	120,000	115,917	0.19%
2	120,001	-	125,000	249,800	0.41%
2	130,001	-	135,000	261,968	0.43%
1	135,001	-	140,000	137,000	0.23%
1	145,001	-	150,000	150,000	0.25%
1	150,001	-	155,000	150,480	0.25%
2	155,001	-	160,000	314,433	0.52%
1	165,001	-	170,000	170,000	0.28%
1	210,001	-	215,000	214,031	0.35%
1	265,001	-	270,000	269,900	0.45%
1	270,001	-	275,000	272,435	0.45%
1	290,001	-	295,000	292,652	0.48%
1	345,001	-	350,000	350,000	0.58%
1	420,001	-	425,000	421,170	0.70%
1	495,001	-	500,000	500,000	0.83%
1	535,001	-	540,000	535,395	0.89%
1	645,001	-	650,000	648,800	1.07%
1	800,001	-	805,000	801,857	1.33%
1	890,001	-	895,000	894,000	1.48%
1	925,001	-	930,000	927,815	1.53%
1	1,030,001	-	1,035,000	1,032,218	1.71%
1	1,200,001	-	1,205,000	1,200,688	1.99%
1	2,705,001	-	2,710,000	2,706,358	4.48%
1	2,995,001	-	3,000,000	2,998,047	4.96%
1	3,815,001	-	3,820,000	3,816,975	6.31%
1	3,870,001	-	3,775,000	3,874,935	6.41%
1	7,015,001	-	7,020,000	7,018,473	11.61%
1	22,600,001	-	22,650,000	22,625,509	37.43%
9,672	-	-	-	60,445,964	100.00%


MIAN ASAD HAMEED
CHIEF EXECUTIVE


SAEED IQBAL KHAN
DIRECTOR

CATEGORIES OF SHAREHOLDERS

ANNEXURE-B/I

CATEGORIES OF SHAREHOLDERS	NUMBER OF SHARES HELD	% OF SHAREHOLDING
I Directors, Chief Executive Officer, and their Spouse And Minor Children		
i. Mr. Mian Asad Hameed	22,625,509	37.43%
ii. Mrs. Saira Asad Hameed	3,874,935	6.41%
iii. Mr. Saeed Iqbal Khan	2,706,358	4.48%
iv. Mr. Mian Muhammad Ali Hameed	7,018,473	11.61%
v. Mrs. Sana Suleyman	927,815	1.53%
vi. Mr. Humza Amjad Wazir	1,853	0.00%
vii. Mr. Muhammad Omer Saeed	528	0.00%
viii. Mr. Umair Ejaz	1,588	0.00%
ix. Mr. Taha Mahmood	1,443	0.00%
x. Mrs. Naghmana Saeed W/o Mr. Saeed Iqbal Khan	1,032,218	1.71%
xi. Mr. Muhammad Suleyman Khan spouse of Mrs. Sana Suleyman	16,704	0.03%
xii. Mrs. Amina Humza Wazir W/o Mr. Humza Amjad Wazir	801,857	1.33%
II Associated Companies, Undertakings & Related Parties	Nil	-
III NIT and ICP	Nil	-
IV Banks, Development Financial Institutions, Non Banking Financial Institutions	771,232	1.28%
V Insurance / Takaful Companies		
i. ASKARI GENERAL INSURANCE COMPANY LIMITED	5,000	0.01%
ii. PREMIER INSURANCE LIMITED	1,841	0.00%
iii. CENTURY INSURANCE COMPANY LTD.	7,371	0.01%
iv. ADAMJEE LIFE ASSURANCE COMPANY LTD-IMF	125,000	0.21%
v. ALFALAH INSURANCE COMPANY LIMITED	23,402	0.04%
vi. ADAMJEE LIFE ASSURANCE COMPANY LIMITED	25,000	0.04%
vii. E. F. U. GENERAL INSURANCE LIMITED	72,087	0.12%
viii. DAWOOD FAMILY TAKAFUL LIMITED	149,986	0.25%
VI Modarabas and Mutual Funds		
i. CDC - TRUSTEE MCB PAKISTAN STOCK MARKET FUND	500,000	0.83%
ii. CDC - TRUSTEE PAKISTAN CAPITAL MARKET FUND	6,300	0.01%
iii. CDC - TRUSTEE ALHAMRA ISLAMIC STOCK FUND	150,480	0.25%
iv. CDC - TRUSTEE ATLAS STOCK MARKET FUND	137,000	0.23%
v. CDC - TRUSTEE FAYSAL STOCK FUND	3,850	0.01%
vi. CDC - TRUSTEE ALFALAH GHP VALUE FUND	7,865	0.01%
vii. CDC - TRUSTEE AKD INDEX TRACKER FUND	6,959	0.01%
viii. CDC-TRUSTEE ALHAMRA ISLAMIC ASSET ALLOCATION FUND	34,000	0.06%
ix. CDC - TRUSTEE MEEZAN ISLAMIC FUND	4,667	0.01%
x. CDC - TRUSTEE FAYSAL ASSET ALLOCATION FUND	4,700	0.01%
xi. CDC - TRUSTEE ATLAS ISLAMIC STOCK FUND	31,188	0.05%
xii. CDC - TRUSTEE APF-EQUITY SUB FUND	7,900	0.01%
xiii. CDC - TRUSTEE ALFALAH GHP ISLAMIC STOCK FUND	112,122	0.19%
xiv. CDC - TRUSTEE APIF - EQUITY SUB FUND	5,050	0.01%
xv. CDC - TRUSTEE MCB PAKISTAN ASSET ALLOCATION FUND	15,000	0.02%
xvi. CDC - TRUSTEE ALFALAH GHP STOCK FUND	214,031	0.35%
xvii. CDC - TRUSTEE ALFALAH GHP ALPHA FUND	46,741	0.08%
xviii. CDC - TRUSTEE ABL STOCK FUND	69,000	0.11%
xix. CDC - TRUSTEE LAKSON EQUITY FUND	84,260	0.14%
xx. CDC - TRUSTEE HBL PF EQUITY SUB FUND	960	0.00%
xxi. CDC - TRUSTEE ALFALAH GHP INCOME FUND - MT	263	0.00%
xxii. CDC - TRUSTEE KSE MEEZAN INDEX FUND	59,116	0.10%
xxiii. MCBFSL - TRUSTEE ABL ISLAMIC STOCK FUND	8,000	0.01%
xxiv. CDC - TRUSTEE UBL ASSET ALLOCATION FUND	9,900	0.02%
xxv. CDC - TRUSTEE FIRST CAPITAL MUTUAL FUND	3,000	0.00%
xxvi. CDC - TRUSTEE AWT ISLAMIC STOCK FUND	13,850	0.02%
xxvii. CDC - TRUSTEE AWT STOCK FUND	6,100	0.01%
xxviii. CDC - TRUSTEE ALFALAH MTS FUND - MT	6,311	0.01%
xxix. CDC - TRUSTEE LAKSON TACTICAL FUND	330	0.00%
xxx. CDC - TRUSTEE LAKSON ISLAMIC TACTICAL FUND	662	0.00%

CATEGORIES OF SHAREHOLDERS

ANNEXURE-B/I

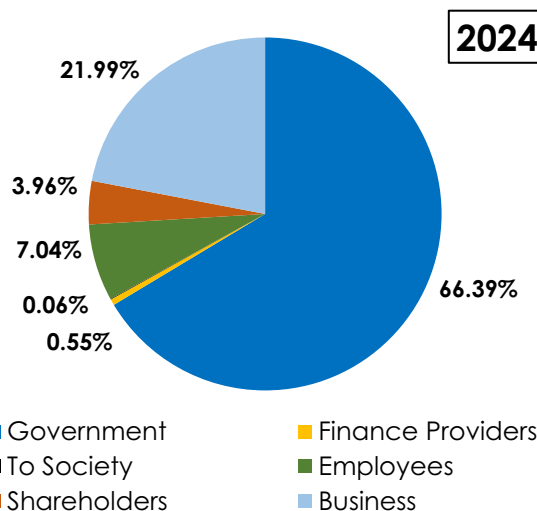
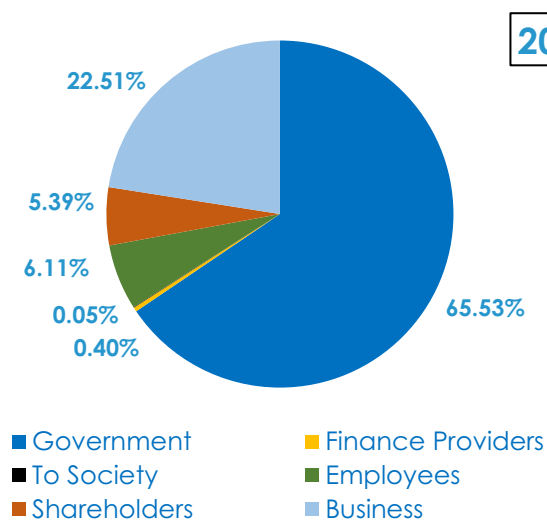
CATEGORIES OF SHAREHOLDERS	NUMBER OF SHARES HELD	% OF SHAREHOLDING
xxxi CDC - TRUSTEE ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND	1,500	0.00%
xxxii CDC - TRUSTEE ATLAS ISLAMIC DEDICATED STOCK FUND	3,000	0.00%
xxxiii CDC - TRUSTEE FAYSAL ISLAMIC STOCK FUND	14,422	0.02%
xxxiv CDC - TRUSTEE ALFALAH CONSUMER INDEX EXCHANGE TRADED FUND	3,368	0.01%
xxxv CDC - TRUSTEE ALFALAH GHP DEDICATED EQUITY FUND	13,400	0.02%
xxxvi CDC - TRUSTEE MAHAANA ISLAMIC INDEX EXCHANGE TRADED FUND	2,509	0.00%
xxxvii CDC - TRUSTEE FAYSAL ISLAMIC STOCK FUND-II	1,640	0.00%
VII Shareholders Holding 10% (other than above S.No. I)	Nil	-
VIII General Public		
a. Local	7,707,382	12.75%
b. Foreign	85,556	0.14%
IX Others (to be specified)		
i Joint Stock Companies	5,390,431	8.92%
ii Government Holding	292,652	0.48%
iii. Foreign Companies	4,714,447	7.80%
iv. Others	475,852	0.79%
TOTAL	60,445,964	100%


MIAN ASAD HAMEED
 CHIEF EXECUTIVE


SAEED IQBAL KHAN
 DIRECTOR

Statement of Value Addition and Its Distribution

	June 30, 2025 Rupees	%	June 30, 2024 Rupees	%
VALUE ADDITION				
Gross Sales	128,874,658,880		67,777,174,952	
Other Operation Income	1,355,017,678		832,388,254	
Total Income	130,229,676,558		68,609,563,206	
Addition of material and services and other expenses	71,950,925,808		38,115,101,948	
TOTAL VALUE ADDITION	58,278,750,750		30,494,461,258	
VALUE DISTRIBUTION				
To Government				
Workers' welfare fund	546,305,117		287,069,159	
Sales tax	15,350,127,739		7,619,148,982	
Income tax, custom duties & F.E.D	22,295,235,541		12,338,901,023	
	38,191,668,397	65.53%	20,245,119,164	66.39%
To Employees				
Workers' profits participation fund	1,442,645,018		706,047,215	
Salaries, wages and benefits	2,119,369,223		1,441,861,735	
	3,562,014,241	6.11%	2,147,908,950	7.04%
To Society				
CSR activities	31,538,646		18,131,608	
	31,538,646	0.05%	18,131,608	0.06%
To Finance Providers				
Financial charges to providers of finance	230,296,277		168,911,343	
	230,296,277	0.40%	168,911,343	0.55%
To Shareholders				
Dividend to shareholders	3,143,190,128		1,208,919,280	
	3,143,190,128	5.39%	1,208,919,280	3.96%
Retained in / (Distributed) from Business				
Un-appropriated profit	13,120,043,061		6,705,470,913	
	13,120,043,061	22.51%	6,705,470,913	21.99%
TOTAL VALUE DISTRIBUTION	58,278,750,750	100%	30,494,461,258	100%



Share Price Sensitivity Analysis

The Market Capitalization of the Company at the end of the year 2024-25 was Rs. 68.9 billion. There are many factors which affect the Company's market share price. Some of these factors are mentioned below:

Stock Market



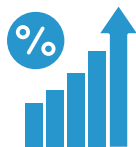
Company's share price depends on overall market performance, investor confidence in the economy and particular sector and the overall fundamentals of the Company. Positive sentiments, news-flows prevailing in the market may result in an appreciation of the share price of the Company.

Law and Order



A favorable and stable political environment and law order situation help in creating a conducive business environment. Sales of the Company are directly impacted by political instability and adverse law and order conditions, hence the share price.

Interest Rates



The variation in interest rates may have a direct impact on the sale of vehicles through consumer financing.

Material Prices Volatility



The production of three-wheeler and four-wheeler requires major raw materials which constitute a significant portion of the Company's total annual expenses. Any negative or positive change in the raw material prices will affect the Company's performance and influence the share price.

Regulations and Government Policies



Company is exposed to Government regulations and policies which directly affect the Company's financial performance which in turn may affect the share price.

Exchange Fluctuations

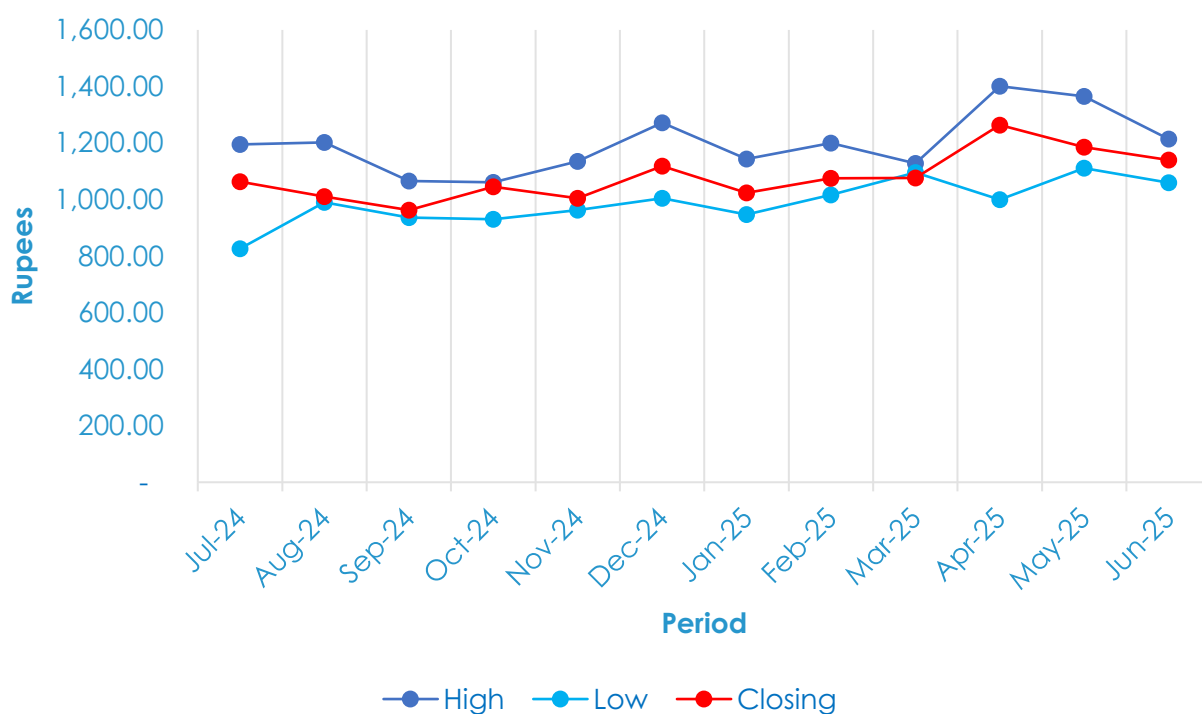


Company is frequently engaged in exports and import arrangements, through which the entity is exposed to exchange rate risk. Any favorable or unfavorable movement in exchange rates might affect the Company's profitability and hence, affect the share price.

The following table shows the monthly high, low and closing share prices of the Company and the volume of shares traded on the Pakistan Stock Exchange Limited during the financial year ended **June 30, 2025**:

Months	Highest (Rs.)	Lowest (Rs.)	Closing (Rs.)	No. of Shares Traded	Market Capitalization in Value* (Rs.)
Jul-24	1,194.80	826.15	1,062.97	21,043,161	64,252,246,353
Aug-24	1,202.00	990.00	1,010.74	12,024,686	61,095,153,653
Sep-24	1,066.00	936.00	962.59	7,581,092	58,184,680,487
Oct-24	1,061.00	930.16	1,045.14	11,064,490	63,174,494,815
Nov-24	1,135.00	962.36	1,004.49	10,220,173	60,717,366,378
Dec-24	1,272.04	1,005.03	1,118.38	12,691,925	67,601,557,218
Jan-25	1,142.96	947.00	1,023.76	5,410,122	61,882,160,105
Feb-25	1,200.00	1,017.00	1,075.70	8,602,530	65,021,723,475
Mar-25	1,128.00	1,095.00	1,076.62	2,192,170	65,077,333,762
Apr-25	1,401.00	1,000.00	1,263.81	11,306,863	76,392,213,763
May-25	1,365.00	1,111.00	1,185.86	8,042,010	71,680,450,869
Jun-25	1,214.00	1,060.00	1,139.82	4,089,916	68,897,518,686

*Market Capitalization in Value is calculated on the closing value.



Segmental Analysis of Business Performance

Based on internal management reporting structure and products produced and sold, the Company is organized into the following operating segments:

- Automobiles - Three-Wheelers
- Automotive Parts
- Household Appliances
- Automobiles - Four-Wheelers

The detail regarding segment wise performance is appearing in the Note 38 Annual Audited Financial Statements for the year ended June 2025.

Disclosure of Market Share of the Company

The Company is the rising player in the automotive industry in Pakistan, with production capacity of 20,000 units of three-wheelers and 24,000 units of four-wheelers. There are many competitors in the industry that can match the Company's scale. However, due to the lack of accurate and comprehensive industry data, the precise market share measurement is not possible.

CEO Presentation Video on the Company's Business Performance

CEO's presentation regarding the Company's performance, business overview, strategy and outlook is placed on the Company's corporate website and can be accessed through the following link:

<https://sazgarautos.com/reports/shareholder-information-investor-complaint/>

SUSTAINABILITY & CSR REPORT



ABOUT THE REPORT

We are pleased to present the 2nd Sustainability Report of the Company, underscoring our commitment to transparency, accountability, and sustainable practices as we embark on our journey towards a more environmentally and socially responsible future.

Reporting Period

The report covers the information about activities and impacts for the period commencing July 01, 2024 and ending June 30, 2025. The reporting period for this report aligns with the Company's annual financial reporting period (July - June 2025). This Report is published in September 2025.

Report Boundary and Content

Sazgar Engineering Works Limited as a Company operates as a single entity. The Company has no holdings, subsidiaries or joint ventures. The sustainability reporting period is aligned with the Annual Audited Financial Statements for the year ended June 30, 2025.

This report has been prepared in accordance with the:

- ✦ **Global Reporting Initiative (GRI) Sustainability Reporting Standards;**
- ✦ **Guidelines on ESG Disclosure for Listed Companies issued by the Securities and Exchange Commission of Pakistan (SECP);**
- ✦ **ESG Reporting Guidance issued by the Pakistan Stock Exchange (PSX).**

Additionally, the report considers the disclosure requirements of **IFRS S1 and IFRS S2**, issued by the International Sustainability Standards Board (ISSB), as guiding references to enhance transparency and investor relevance.

This report represents a continued step in our sustainability reporting practice, presenting transparent disclosures on our material sustainability-related impacts, risks, and opportunities—including those related to climate. It outlines our performance, key initiatives, and future aspirations, aligned with the **United Nations Sustainable Development Goals (SDGs)**.

There have been no restatements or revisions of previously reported information on account of any errors, changes in measurement methodology, or changes in the nature of the business. The reporting period, scope, boundary, and measurement methods applied remain unchanged.

Assurance

The report is not externally assured. The company has planned to get the external assurance on sustainability reporting in the future. However, this report has been reviewed by the Sustainability Committee and approved by the Board.

Reporting Commitment

We commit to the following in our sustainability reporting:

- We will gather sustainability related data from various sources across the organization and ensure it is accurate and reliable.
- We will publish our sustainability report every year, aligned with our annual financial reporting cycle.
- Our sustainability report will cover all relevant aspects of our operations, including but not limited to environmental impact, social responsibility, and governance practices.

Contact for Feedback

To share any feedback or comments related to this Sustainability Report, please email us at:

- sazgar@brain.net.pk
- info@sazgarautos.com

CORPORATE SNAPSHOT

Legal Status and Nature of Business

Sazgar Engineering Works Limited was incorporated in Pakistan on September 21, 1991 as a Private Limited Company and converted into a Public Limited Company on November 21, 1994. The Company is listed on the Pakistan Stock Exchange Limited. The Company is domiciled in Pakistan and is principally engaged in manufacturing and sale of automobiles, automotive parts. The automotive business includes the manufacturing and sale of Three Wheelers and Four Wheelers whereas Automotive Parts business includes the manufacturing and sale of tractor Wheel Rims.

The registered office of the company is situated at 88- Ali Town, Thokar Niaz Baig, Raiwind Road, Lahore. The manufacturing facility of three-wheeler and tractor wheel rims is located at 18- Km Raiwind Road, Lahore and four-wheeler manufacturing facility is situated at Maghrabi Tanki-1 Link Road, Near Ijtamah Chowk, Sunder-Raiwind Road, Lahore.

Scale of the Company

During the current financial year ended June 30, 2025, the Company has registered a net sale of Rs. 108.7 billion, which represents the sale of 10,844 Four-wheelers, 25,786 three-wheelers, 42,622 tractor wheel rims. The Company has earned a net profit after tax of Rs. 16.3 billion. The total assets and equity of the Company as at June 30, 2025 were amounting to Rs. 41.7 billion and Rs. 23.7 billion respectively. The workforce of the Company comprised of 1,552 permanent employees as at the close of financial year.

Supply Chain

The supply chain of the Company spans from procurement of raw materials, semi-finished & finished parts, finished goods, machinery, services and other inputs from local and foreign vendors to delivery/sale of finished vehicles and parts to customers through a country-wide network of dealers. The Company's supply chain is both labor and capital intensive. During the year, the Company purchases goods and services worth of Rs. 76.6 billion from its supply chain partners.

Activities, Brands, Products & Services

SAZGAR operates in Pakistan's automotive sector, catering to a diverse customer base comprising dealers, individual buyers, and institutional clients. The Company manufactures and markets four-wheelers of various types under brands "HAVAL", "JOLION", "BAIC" and three-wheelers under the brand "SAZGAR". The Company also imports and markets four wheelers under brand "TANK-500" and "ORA". These products are distributed through a nation-wide dealership network. In addition, the Company offers tractor wheel rims, which are supplied directly to leading tractor assemblers across the country. The Company also provides vehicle parts and after-sales services through its authorized dealers, ensuring continued support and customer satisfaction.

A detailed overview of our product offerings is available on our official website (www.sazgarautos.com) and on page no. 7-9 of the Annual Report 2025. SAZGAR affirms that it does not manufacture or sell any product that is banned in any of its operating markets.

Memberships and external initiatives

SAZGAR is a member of the following major associations:

- ✦ Pakistan Automotive Manufacturers Association
- ✦ Pakistan Association of Automotive Parts & Accessories Manufacturers
- ✦ The Lahore Chamber of Commerce and Industry.
- ✦ Pakistan – China Joint Chamber of Commerce & Industry

The Company does not provide financial contributions to these associations except membership fee; however, it actively participates in events such as exhibitions, seminars, and workshops organized by these associations.

Significant changes

There were no major changes in the Company's supply chain, locations, operations and organizational structure during the year. However, it continued to make significant investments on account of CAPEX, research & development / localization, marketing, with notable progress in expansion of four-wheeler manufacturing facility and increase in number of dealerships.

BOARD'S COMMITMENT TO CSR PRACTICES

The Board of Directors of Sazgar Engineering Works Limited (SEWL) is fully committed to adopting and promoting best practices in Corporate Social Responsibility (CSR) as an integral part of the Company's long-term strategy and value creation model. We recognize that responsible business conduct—grounded in ethical governance, environmental stewardship, and social accountability—is essential to the sustainable growth of our organization and the broader automotive ecosystem in Pakistan.

Our CSR strategy is guided by ethical governance, ensuring transparency, accountability, and responsible decision-making at all levels. It emphasizes environmental sustainability through cleaner technologies, resource efficiency, and emission reduction. At the same time, it promotes inclusive growth by supporting local communities, enhancing employee well-being, and creating fair opportunities for everyone.

The Board views CSR and sustainability not only as moral imperatives but also as strategic drivers of financial resilience. Our investments in clean technologies and sustainable product innovation enhance our competitive positioning, and open avenues for revenue growth.

As a domestic manufacturer of three-wheelers and four-wheelers, we understand our role in shaping urban mobility in Pakistan. The Company is actively expanding its portfolio to include eco-friendly mobility solutions, such as Hybrid Electric Vehicles (HEVs), Plug-in Hybrids (PHEV), and Electric Vehicles (EVs)—a testament to our commitment to reducing greenhouse gas emissions, lowering dependence on fossil fuels, and contributing to cleaner air and healthier urban environments.

Going forward, the Board remains committed to strengthening oversight of Environment, Social & Governance (ESG) initiatives and ensuring that Corporate Social Responsibility (CSR) considerations are fully integrated into strategic decision-making, capital investment, and performance monitoring. Through continuous improvement and innovation, the Company aims to lead Pakistan's transition toward a more inclusive, low-carbon, and responsible automotive future.

MESSAGE FROM THE CHIEF EXECUTIVE

Dear Stakeholders,

This is the 2nd Sustainability Report of the Company for the financial year 2024–25. This report reflects Company's ongoing commitment to responsible and transparent disclosure of environmental, social, and economic impacts. Our sustainability strategy is anchored in four key pillars: environmental stewardship, social responsibility, ethical governance, and economic resilience.

SAZGAR recognizes the pressing challenges facing Pakistan, including climate change, rising temperatures, water scarcity, air pollution, and extreme weather events. These climate-related risks have the potential to disrupt supply chains, impact manufacturing costs, and alter consumer preferences. In response, the Company is implementing forward-looking initiatives that address both current risks and long-term sustainability opportunities.

To stay resilient and future-ready, SAZGAR is aligning its strategic direction with the existing global trends and the evolving needs of the automotive industry in Pakistan. The shift towards decarbonization and growing demand for cleaner mobility solutions presents both a challenge and an opportunity. The Company is proactively embracing these trends by expanding its product portfolio to include Hybrid Electric Vehicles (HEVs), Plug-in Hybrid Vehicles (PHEVs) and Electric Vehicles (EVs), reducing emissions while supporting Pakistan's transition to a greener economy. Backed by ISO 14001, ISO 9001, and ISO 45001 certifications, we continue to invest in sustainable innovation, operational efficiency, and stakeholder value creation.

Your continued trust is enabling the Company to navigate risks, seize opportunities, and contribute to a more sustainable automotive future.

SAZGAR'S MISSION - THROUGH ESG LENS

ESG principles have always been a central element of our organization's mission and corporate strategy.

Environment (E):

The company's mission focuses on providing environment friendly means of transportation, indicating a commitment to minimizing the company's environmental footprint. This involves producing vehicles with reduced emissions, promoting fuel efficiency, and exploring alternative technologies.

Social (S):

The company's mission focuses on safety and comfort highlights a commitment to social responsibility. Providing safe transportation options contributes to reducing road accidents and enhancing public safety. Comfortable transportation solutions also prioritize the well-being and satisfaction of customers. Furthermore, growing through innovation of new products can create opportunities for job creation and economic development, benefiting local communities and society at large.

Governance (G):

The company's mission emphasizes on achieving market leadership and delivering higher returns to stakeholders suggests a commitment to strong governance practices. This includes transparent and ethical decision-making processes, effective risk management, and accountability to shareholders. Aligning with ESG principles in governance ensures that the company operates with integrity, accountability and a long-term perspective, ultimately enhancing its sustainability and reputation.

SUSTAINABILITY JOURNEY

2002-03

Policy on Health, Safety and Environment Policy (HSE) launched.

2004-05

Manufacturing and assembly of noise free and environment friendly Three-Wheeler vehicles.

2009-10

Initiated Corporate Social Responsibility (CSR) reporting.

2018-19

Revision of policy on Corporate Social Responsibility (CSR).

2019-20

Manufactures Pakistan's first ever fully Electric Three-Wheeler vehicle (EV).

2022-23

Launched first ever locally assembled Hybrid Electric Four-Wheeler Vehicle "Haval H6 HEV".

2023-24

- ✦ Board's Sustainability Committee Established.
- ✦ Obtained three ISO Certifications (ISO 9001, 14001, 45001).
- ✦ Sustainability reporting roadmap and prioritized SDGs.
- ✦ Revision of policy on Health, Safety and Environment Policy (HSE).
- ✦ Policy on Diversity, Equity & Inclusion (DE&I) launched.
- ✦ Policy on Protection Against Harassment at Work Place launched.
- ✦ Introduced two CBU four-wheeler models GWM 'Ora EV' and 'Tank-500 HEV'.

2024-25

- ✦ 1st Sustainability Report (2023-24) published.
- ✦ Initiated the deployment of Solar Power project of 5.7 mega-watt at four-wheeler manufacturing site.

SUSTAINABILITY POLICY

At SAZGAR, we continuously strive to operate our business in an economically, socially and environmentally responsible and ethical manner while improving the quality of life of the workforce and their families, local community and the society at large.

We are highly dedicated to integrate ESG principles into our operations, focusing on the following key areas:

Environmental Performance

Reducing emissions (climate change), improving energy efficiency, exploring renewables, waste management, and promote conservation.

Social Performance

Employee well-being, health & safety, support communities, product responsibility, protection of human rights & child labour and foster diversity.

Governance

Uphold transparency, ethical practices, strong corporate governance, financial performance & stability, IT / data security and stakeholder engagement.

Our overall **sustainability strategy** focuses on minimizing environmental impact, enhancing social well-being, and ensuring strong governance. Integrating ESG principles into our operations enables us to manage ESG risks and opportunities while creating long-term value and drive responsible growth in Pakistan's automotive sector.

SAZGAR & SUSTAINABLE DEVELOPMENT GOALS (SDGs)

As a company, we are convinced that the Sustainable Development Goals (SDGs) provide a shared focus that can empower collaborative action and will accelerate progress towards sustainability.

We fully support and committed to align our initiatives with the United Nations' Sustainable Development Goals, as we consider these goals as guiding tool on our sustainability journey.

We have prioritized the following core SDGs based on their relevance to our operations, stakeholder expectations, and our ability to drive meaningful impact:

- ✦ (SDG 2) - Zero hunger
- ✦ (SDG 3) - Good health and well-being
- ✦ (SDG 4) - Quality education
- ✦ (SDG 5) - Gender equality
- ✦ (SDG 6) - Clean water and sanitation
- ✦ (SDG 7) - Affordable and clean energy
- ✦ (SDG 8) - Decent work and economic growth
- ✦ (SDG 9) - Industry, innovation and infrastructure
- ✦ (SDG 10) - Reduced Inequalities
- ✦ (SDG 12) - Responsible consumption and production
- ✦ (SDG 13) - Climate action

By focusing on the above SDGs, we are also aiming to comply with the Pakistan Stock Exchange's (PSX) minimum SDGs reporting requirements.

Aligning with the SDGs will help us make a meaningful contribution to sustainable development and position our company strategically in the marketplace as an environmentally responsible manufacturer.



CORPORATE GOVERNANCE

Good corporate governance is fundamental to the smooth, effective and transparent operation of a company and its ability to attract investment and to protect the rights of shareholders & other stakeholders.

Our governance structure is based on the requirements of Companies Act 2017, Listed Companies (Code of Corporate Governance) Regulations 2019, applicable guidelines and directives issued by the Regulators and other best practices. Our robust governance framework reinforces our dedication to upholding high ethical standards, integrity, transparency, accountability, and adherence to relevant laws and regulations.

BOARD OF DIRECTORS

The Board of Directors (BOD) is SAZGAR's highest governing body. The Board has an oversight of the risks and opportunities arising from the Company's activities and is responsible for identifying the direction, strategies & objectives and monitoring the implementation of the same by management.

Board Statement to Establish High Level of Ethics & Compliance in the Company

The Board of Directors are fully committed to maintaining the highest standards of ethics and compliance. The Company pledges to uphold all legal and regulatory requirements while fostering a culture of honesty, accountability, and ethical conduct.

The Company expects every stakeholder to act with respect for these principles, ensuring fairness and integrity in the operations of the Company.

By championing these values, the Company aims to build trust and achieve long-term success while positively contributing to our community and industry.

Composition and Diversity

The Board consists of **nine members** which includes three Executive Directors, three Non-Executive Directors and three Independent Directors.

None of the directors hold directorship of more than seven listed companies.

The board comprises of highly **qualified professionals** from varied disciplines, with expertise and experience relevant in the context of the company's operations.

The Company's **independent directors** were selected after due diligence from a database maintained by Pakistan Institute of Corporate Governance (PICG) and they have provided their consent to act as director, along with 'Declaration to the Company' that they qualify the criteria of independence notified under the Companies Act 2017.

The existing board members were elected for a period of three years, in accordance with the provisions of the Companies Act, 2017 and shall hold office up to March 19, 2026.

The Company has not introduced any specific quotas for specific nationalities, ethnic minorities, or special age groups for the Board.

The Board of the Directors of the Company did not include any **foreign Directors**. During the year, no Board meeting was held outside Pakistan.

In addition, the detailed explanation about the following is outlined in the Directors' Report 2025.

- ✦ **Directors' Training Program (DTP)**
- ✦ **Director' Remuneration Policy**
- ✦ **Directors' Remuneration Packages**

The **office of the Chairperson and the Chief Executive Officer (CEO)** are separate, and the Chairperson is a non-executive director. The two posts are separate to ensure a clear distinction between the Chairperson's responsibility to manage the Board and the Chief Executive Officer's responsibility to manage the Company's business.

Gender diversity on Board

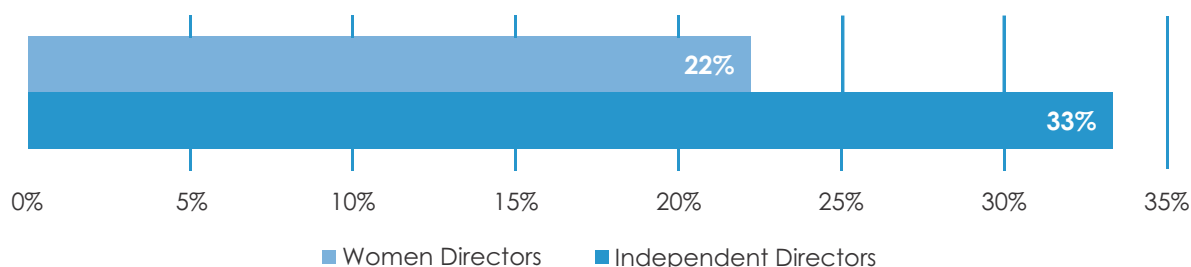
The company has two female non-executive directors (out of total three NEDs) on its board, aligning with the Code of Corporate Governance for listed companies, which mandates the inclusion of female directors on the board.



Allocation of Board seats

Type	Independent Directors	Female Directors
Seat Count	03	02

Representation On Board



Profile of the Board

Directors' profiles including name, status (independent / non-executive / executive), education, industry experience and involvement with other companies have been placed on page no. 11 the Annual Report 2025 and on the website of the company.

Meetings of the Board

In compliance with regulations, the Board is required to meet at least once every quarter to effectively monitor the Company's performance. Additional meetings may be conducted in order to address other critical matters as needed.

All Board meetings conducted during the year 2024-25 were in compliance with the Companies Act 2017 and related regulations. The Chief Financial Officer and the Company Secretary also participated in all of the meetings. The minutes of all the meetings were recorded and promptly circulated among all directors for approval. These minutes were then formally authorized in subsequent Board meetings.

For more details about frequency and attendance at Board meetings, refer to the Directors' Report 2025.

Roles and Responsibilities of the Board

The Board of Directors plays a pivotal role in guiding the Company towards long-term success and enhancing value for stakeholders. It sets the strategic direction for the company, defining its vision, mission, core values, ethical standards, and business policies.

The Board of the Company exercises all its powers and discharges its duties as provided by the Companies Act, 2017 and Listed Companies (Code of Corporate Governance) Regulations 2019 and Company's Articles of Association. These include, but are not limited to, adoption of corporate governance practices, setting & monitoring company's strategies, governance of risk & internal control system, appointment of key management positions, approval of annual budgets including capital expenditures, investments in new ventures and approval of related party transactions.

Financial statements of the Company, including interim and final dividends and review of internal / external audit observations regarding the overall control environment including effectiveness of the control procedures, are also approved by the Board. An independent Internal Audit department ensures continuous compliance and monitoring of formal policies and effectiveness of the internal control framework, designed by the Board for the conduct of the Company's business.

Decision Taken by the Board & Delegated to Management

All of the decisions are made after thorough deliberations during Board meetings, ensuring compliance with legal requirements and adherence to best practices in corporate governance.

The Board meetings of the Company are usually held quarterly to decide the matters requiring the Directors' approval. Further, if a decision on any matter is required on an urgent basis and then an emergent meeting is also called, however, some matters are also decided by the Board through a circular resolution.

The Board members ensure that they fulfill all responsibilities assigned to them as required under applicable laws and regulations.

The Board also delegates its tasks to subcommittees and the management and keeps follow up in Board meetings. The day-to-day operational matters and the task assigned by the Board or its subcommittees are dealt with by the management in consultation with the CEO.

Board's Performance Evaluation

The Human Resource and Remuneration Committee of the Board conducts an annual performance evaluation process.

The evaluation results are placed before the Board for its consideration and necessary action.

The Company does not involve an external consultant to carry out an evaluation of the Board's performance. During the year, there were no changes in the composition of Board as a result of Board's performance evaluation.

BOARD COMMITTEES

The Board has constituted five committees, with proper delegation as per Listed Companies (Code of Corporate Governance) Regulations 2019, which assist the Board in discharging its duties in an effective manner.

The Board Committees are as follows:

Sr. No.	Name of Committees
1	Audit Committee
2	Risk Management Committee
3	Human Resource & Remuneration Committee
4	Nomination Committee
5	Sustainability Committee

The Committees function according to their respective **terms of reference** (TORs), which have been placed on the website of the company.

For more details about Board Committees, their structure and meeting frequency, refer to the Directors' Report 2025.

Roles and Responsibilities of the Chairperson and CEO

The Chairperson is responsible for leading the Board of Directors, ensuring its effective functioning and adherence to corporate governance principles. Chairperson provides strategic oversight, guide discussions, and ensures that decisions align with the company's long-term goals. The Chairperson also acts as a liaison between the Board and the CEO, fostering a constructive working relationship and ensuring that the Board is informed and engaged in key matters affecting the company.

The CEO is responsible for the day-to-day management and operational leadership of the company, executing the Board's strategic directives. He drives business performance, manage & safeguard resources, and ensures compliance with regulatory and corporate governance standards. He is accountable for delivering financial results, fostering a positive corporate culture, and representing the company to stakeholders, including investors, regulators, and the public.

INTERNAL CONTROL SYSTEM AND RISK MANAGEMENT

The Board of Directors has the overall responsibility for the governance of risk and for establishing and maintaining an effective & adequate system of internal controls.

The Company has established an adequate system of internal controls, which is sound in design and has been effectively implemented and is being monitored continuously. The credible internal controls and systems provide strategic value beyond being viewed as a cost center, strengthening oversight across departments and operations to anticipate and respond effectively to evolving business risk profiles.

Company prioritizes a proactive approach to risk management to safeguard its operations and stakeholders. Company's risk management process involves systematic identification, assessment, and mitigation of risks, including those that are related sustainability. Company's Risk Management Committee reviews the key risks and develop the strategies to mitigate / counter these risks.

The Company has an independent Internal Audit function, which carries out reviews on the financial, operational, IT and compliance controls, and reports to the management and the Audit Committee. External auditors also perform systems control testing annually as part of their overall external audit. The Audit Committee, on behalf of the Board, considers the effectiveness of the internal control procedures, reviews and assesses the adequacy of risk management for its effectiveness in risk mitigation. It reviews reports from the internal and external auditors and reports its conclusions to the Board.

Company's risk management framework and internal control system along with relevant responsibilities have been defined in the policy document, which have been placed on the Company's website.

CORPORATE PRACTICES / POLICY COMMITMENTS

Our commitment to responsible business practices and corporate policies is vital for creating value for our stakeholders. In light of it, Company has established a "Code of Business Conduct" applicable to all members of the Board, senior management and other employees. This code outlines the guidelines / commitment to Ethical behavior, Ethical business practices, including Conflict of interest, Anti-corruption, Anti-competitive behavior, workplace harassment, gifts, health & safety, environment etc.

All Board members and employees are briefed on the Code of Business Conduct upon joining SAZGAR and are obligated to adhere to its principles throughout their tenure, to avoid any unethical practices.

All of the policies adopted and implemented by the Company stipulate the application of the precautionary principle and these apply to all the organization's activities and to all its business relationships. During the year, no incident of un-ethical conduct identified or reported.

Company's **Code of Conduct** has been placed on the company's website (www.sazgarautos.com).

Company's significant policies include but not limited to:

- ✦ Communication and Disclosure Policy
- ✦ Risk Management Policy
- ✦ Internal Control Policy
- ✦ Whistle Blowing Policy
- ✦ Policy on Related Party Transactions
- ✦ Director' Remuneration Policy
- ✦ Investor Relations Policy
- ✦ Corporate Social Responsibility (CSR) Policy
- ✦ Protection Against Harassment Policy
- ✦ Diversity, Equity and Inclusion Policy (DE&I)
- ✦ Health, Safety, and Environment (HSE) Policy

These policy commitments are integrated at every organizational level, from the highest governance body to operational teams. The overall responsibility for embedding, implementing and reviewing the policy commitments rests with the Board, which is further delegated to the CEO of the Company. However, all department heads ensure the day-to-day implementation of their respective policies. Regular discussions on responsible business conduct are held at senior leadership meetings to ensure oversight and accountability.

Compliance with the policy commitments is ensured through internal and external audits. The Company frequently updates its policies and procedures based on regulatory changes, inputs of the stakeholders and need of the business.

Mitigating Negative Impacts

The Company is committed to provide for or cooperate in the mitigation and remediation of the negative impacts of its activities and operations as far as reasonably possible. In addition to addressing grievances through established mechanisms, we also consider insights from internal evaluations of potential negative impacts to guide our mitigation efforts.

Our approach primarily focuses on minimizing environmental and social effects, and we are actively working towards it. ESG risks are carefully prioritized and integrated into our strategic planning and execution. This proactive stance allows us to identify potential issues early and take timely actions to safeguard air, land, water, and community around.

Policy on Diversity

The Company is committed to fostering a diverse, equitable, and inclusive workplace where individuals of all genders, backgrounds, abilities, and beliefs are valued and respected. Our recruitment and employment practices ensure equal opportunities, free from discrimination on the basis of race, religion, gender, marital status, age, or disability, with fair and equitable remuneration for all.

We actively hire from different industries, cultures, and communities, including individuals with disabilities, and provide the necessary facilities and training to support their success. Our formal DE&I and Protection Against Harassment policies, supported by a defined inquiry process and whistleblowing mechanism, safeguard against discrimination or harassment and promote a culture of openness and mutual respect. This approach enables us to adapt to evolving business needs while contributing to social inclusion and community development.

Policy on Dividend Distribution

The Company ensures full compliance with the Companies Act, 2017 and the Companies (Distribution of Dividend) Regulations, 2017 issued by the Securities and Exchange Commission of Pakistan (SECP).

In line with regulatory guidelines. The Company disburses final dividends within ten working days from the date of declaration at the Annual General Meeting (AGM) and for interim dividend the payment process is completed within ten working days from start of the book closure.

Conflict of Interest

The Company believes in handling actual or perceived conflicts of interest constructively. All employees are directed to avoid situations where there is a possibility of conflict.

Company's code of business conduct contains clear policy / guidance to ensure that any conflict of interest is properly disclosed, recorded and addressed, upholding the interests of the company.

Additionally, as per the provisions of Companies Act, 2017, every interested Director is required to disclose his interest, in respect of any contracts / arrangements / appointments etc. at the meeting of the Board. Interested Directors do not participate in voting on the said resolution and it is properly recorded in the minutes of the Board meeting.

The conflict of interests is managed and monitored by instructing employees about managing and avoiding conflict of interest, staying away from any kind of actual and perceived conflict, imparting the conflict to the stakeholders and implementing strategies to handle the conflict of interest.

Related Party Transactions

The Policy on Related Party Transactions sets out clear guidelines to ensure such transactions are conducted with fairness, transparency, and in the best interest of the Company and its shareholders. It mandates strict compliance with all applicable legal and regulatory requirements, including accurate reporting and timely disclosures, thereby upholding accountability, integrity, and trust in corporate dealings.

All the transactions between the Company and its related parties are incurred fairly and transparently considering the policy framework.

The details of all related party transactions are placed before the Audit Committee of the Company, and upon recommendations of the Audit Committee, the same are placed before the Board for review and approval.

Related party transactions not conducted at arm's length shall be presented separately to the Board, with justification, for approval based on the Audit Committee's recommendation.

Any Board member who has a potential interest in any Related Party Transaction will disclose the fact and abstain from voting on the approval of the said Related Party Transaction. If a majority of the directors are involved in a related party transaction, the matter is required to be presented to shareholders at a general meeting for approval and ratification, ensuring full transparency and strict adherence to sound governance principles.

The details of the all the related party relationships and transactions are given in Note 37 of the annual audited financial statements for the year ended June 30, 2025.

Whistleblowing

The Company's Whistleblowing Policy outlines procedures for employees to report concerns about unethical behavior, illegal activities, or violations of company policies in a confidential and protected manner. It ensures anonymity and protection against retaliation for whistleblowers, while also detailing the investigation process and actions taken in response to reported concerns.

During the year 2024-25 no incident has been reported.

Anti-corruption and Anti-competitive Behavior

Company's code of business conduct contains explicit guidance on anti-corruption and anti-competitive behavior. This code is supported by a robust risk management system designed to identify and mitigate risks in these areas. During the year, a thorough risk assessment of all major operations was conducted, revealing no significant risks related to corruption or anti-competitive behavior.

During the FY 2024-25, the Company reported no violations of laws, regulations, and no fines or non-monetary penalties were imposed.

Insider Trading

The Company has issued clear instructions relating to insider trading which requires all the relevant employees to maintain confidentiality of inside information at all times. The Company is in compliance with all the requirements of laws & regulations relating to insider trading including maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.

PRIVACY AND DATA/RECORDS PROTECTION

The company is committed to safeguarding the both physical and electronic data/records of the Company and the personal information of its stakeholders, recognizing the importance of secure data handling and protection. To achieve this, the company continuously improves its processes and systems to ensure robust data security.

Head of Information Technology oversees the implementation, maintenance, and adherence to data protection measures and identifies opportunities for technological enhancements to further strengthen data security.

Additional precautionary measures, including the installation of fire extinguishers and fire-resistant systems, are in place to safeguard the Company's sensitive documents. Records and information that are no longer required are disposed of efficiently and securely.

GRIEVANCE AND COMPLAINT HANDLING

The Company is committed to safeguarding the interests of its investors, shareholders, and other stakeholders. The Company ensures that all shareholder grievances are addressed promptly, efficiently, and transparently, with each matter handled on an individual basis. This approach reinforces the Company's commitment to maintaining shareholder trust, delivering high standards of service, and fostering strong, positive relationships with all stakeholders.

A grievance handling mechanism is implemented at both the operational sites, where stakeholder can file their concerns/complaints. The administration department is responsible to deal with any such grievances, with support from the relevant department. The investigation's outcomes are reported to the management for appropriate action and resolution.

In addition, a dedicated email address, "sazgar@brain.net.pk", has also been established to facilitate stakeholders in submitting grievances / feedback. In addition to the aforementioned email address, complaints and suggestions can also be received in writing, duly addressed to the Company Secretary.

Shareholders are actively encouraged to provide feedback during General Meetings, enabling the Company to gain valuable insight into their perspectives on operations and decisions.

All matters raised through communication with stakeholders, issues reported by suppliers and customers, and concerns brought up by members during general meetings are regularly evaluated to determine if revisions to the company's policies or commitments are necessary to manage the impact of its operations.

The Company Secretary is responsible to keep the highest governance body updated on all such matters.

All queries received during the fiscal year 2024-25 were promptly addressed and communicated. However, throughout the year, there were no complaints from any individual or institutions, concerning public or social issues.

TRANSPARENCY AND REPORTING

We are committed to transparency in governance practices and reporting, including the publication of comprehensive sustainability report and other relevant disclosures. Our reports provide stakeholders with transparent insights into our decisions and performance. By sharing accurate and timely information, we aim to enhance accountability, trust, and credibility with our stakeholders, ultimately driving positive impacts.

COMPLIANCE WITH LAWS

Company is legally obligated under the Companies Act, Code of Corporate Governance and the PSX Listings Requirements to comply with laws and regulations and proactively monitor and assess regulatory developments to determine their applicability and impact on the company.

This proactive approach reflects the Company's dedication to implementing the necessary safeguards to ensure full compliance with an evolving regulatory framework. By doing so, the Company strengthens stakeholder confidence and minimizes risks related to reputation, finances, and regulatory exposure.

The Board's Audit Committee regularly reviews updates in regulations, compliance with legal requirements, and adherence to the company's code of conduct. Supported by the internal audit department, the committee assesses how well the company complies with laws and addresses any breaches of the code of conduct. It also ensures that any violations are properly investigated, appropriate actions are taken, and preventive measures are put in place to avoid future issues.

However, no incident of non-compliance with laws & regulations occurred during the year 2024-25.

LEGISLATIVE & REGULATORY ENVIRONMENT

The Company diligently adheres to the robust regulatory framework established by the Securities and Exchange Commission of Pakistan (SECP) and the Pakistan Stock Exchange Limited (PSX). The Company complies with the Companies Act, 2017, the PSX Listing Regulations and other applicable laws, ensuring transparency and accountability in financial reporting and corporate practices.

The Company's operations are further guided by the national policies set by the Ministry of Industries and Production. The Company strictly follow environmental regulations mandated by the Environmental Protection Agency (EPA) and adhere to international standards such as ISO certifications.

The Company's commitment extends to fulfilling its obligations under tax laws, labor regulations, and anti-corruption measures, reflecting its dedication to ethical business practices and sustainable growth. Through these efforts, the Company aims to enhance

shareholder value, meet regulatory requirements, and contribute positively to the automotive industry and the communities it serves.

HUMAN RESOURCE MANAGEMENT AND SUCCESSION PLANNING

The Company is committed to attracting, developing, and retaining highly skilled, qualified, and experienced professionals who can contribute to the Company's vision and long-term growth. Our recruitment process is designed to identify individuals with both technical expertise and the values that align with our organizational culture. Once onboard, employees benefit from comprehensive training and development initiatives aimed at enhancing their capabilities, fostering innovation, and preparing them for evolving business challenges.

To keep our workforce engaged and motivated, we offer competitive compensation and benefits packages that are benchmarked against market standards. Our succession planning strategy focuses on spotting talented employees early, helping them grow through specific training, and preparing them for future leadership roles. This approach supports career growth, keeps employees motivated, and ensures the Company has strong leaders for long-term success.

STAKEHOLDERS' RELATIONSHIP AND ENGAGEMENT

Engaging with our stakeholders is integral to our sustainability strategy and decision-making processes. We are committed to engage with our stakeholders to better understand their needs, expectations, and concerns and providing accurate and timely information. Overall frequency of stakeholder's engagements is based on the corporate and business requirements as laid down by the corporate laws, contractual obligations, as and when required.

Through dialogue, collaboration, and transparent communication, we strive to build trusting relationships and address stakeholder interests effectively.

Stakeholders are identified and prioritized based on their nature of relationship with SAZGAR, interest of the stakeholder in the business, ability to impact, responsibility, dependence and willingness to engage. Stakeholders' engagements occurred at various occasions throughout the year by relevant departments of the company as part of their ongoing activities; however, no sustainability report specific engagement was carried out during the year.

List of stakeholders, frequency of consultations, concerns raised and our response are as follows:

1) Shareholders/Investors

Frequency: Ongoing/Annual

Safeguarding our shareholders' interest is our key responsibility. As the relationship with shareholders directly influences the Company's market confidence and long-term valuation. Active engagement and transparent communication help align corporate strategies with shareholder expectations, which can enhance investment attractiveness, and support sustained business growth and profitability.

Our shareholders' interest revolves around profitability, growth, economic returns, new projects, transparent disclosures and financial reporting and regulatory compliances.

Our strategy to meet shareholders' expectations focuses on the continuous innovation and business development, effective governance and corporate reporting.

Annual General Meetings, stock exchange announcements, corporate briefings, annual and quarterly reports, notices to shareholders, company website are the most effective means of our engagement with our shareholders.

2) Banks/Lenders

Frequency: Ongoing

We value our relationship with our financial partners and lenders, as they allow us the means to achieve our vision. Company's financial performance, new projects and compliance are their key interests.

We meet their expectations by focusing on business sustainability, financial stability and by providing transparent financial information in a timely manner.

Meetings, e-mails, periodic financial reporting are the important means for our engagement with this category of stakeholders.

3) Suppliers/Vendors

Frequency: Ongoing

Collaborative partnership with suppliers is a key for effective working capital management, quality inputs, optimize costs, and strengthened supply-chain resilience, driving stronger operational performance and long-term value creation.

Our suppliers' interest revolves around new business opportunities, timely payments, guidance on new material requirements, mutually beneficial terms & conditions.

We consistently endeavor to cultivate robust relationship with our suppliers, however, our strategy to meet their expectations includes continuous business development which leads to increased opportunities, effective training/guidance on new requirements.

E-mails, request for quotations, periodic site visits, are the most effective means of engagement with our suppliers.

4) Government & Regulators

Frequency: Ongoing/Annual

A constructive relationship with government and regulators ensures compliance, reduces legal risks, and supports stable, long-term business operations.

Compliance with laws and regulations is the key concern of this stakeholder group. We satisfy their concerns by ensuring compliance with all legal and regulatory requirements and contributing to the economy in terms of taxes/duties.

The engagement methods include submission of periodic reports/returns, responding to enquiries, seminars/webinars and meetings as and when required.

5) Customers

Frequency: Ongoing

Our customers' expectations are focused on product specifications and quality, product price, delivery time, after sale services. Our dealerships and sales and marketing team remain in close contact to this segment of our stakeholders to resolve issues on priority basis, as our success and performance depends on customers' loyalty and brand image.

Our strategy to meet their expectations includes continuous innovation, improving product quality, offering competitive pricing, enhancing their experience by improved after sale services.

Customer service channels, events & exhibitions, company website are the most effective means of engagement with our customers.

6) Dealers

Frequency: Ongoing

Strong relationships with dealerships enhance market reach, customer experience, and sales performance, directly contributing to revenue growth and company value.

Our dealers' expectations are focused on logistics, product quality, trainings, product knowledge and return on investment.

We meet their expectations by providing relevant trainings for better customer experience at dealerships, improving product quality and delivery timelines, offering lucrative business terms.

The engagement methods include corporate events, dealers' conference, training sessions, meetings as and when required.

7) Employees

Frequency: Ongoing /Annual

Motivated employees drive productivity, innovation, and operational efficiency, directly influencing the company's performance and long-term value.

We have extensive employee-engagement arrangements in place. The employees' concerns revolve around remuneration and benefits, responsibilities, trainings, health, safety & well-being and work-life balance.

We meet their needs by compliance with labour laws, competitive remuneration and packages, on job trainings, open communication channels, employees' well-being initiatives.

Staff meetings, trainings, company events, performance appraisals are the most effective means of engagement with our employees.

8) Local Community

Frequency: Ongoing

The Company actively participates in various social work initiatives as part of its corporate social responsibility (CSR). Employment opportunities, infrastructural development, education, health, clean water and other social issues are their key concerns.

We meet their needs by implementing structured CSR initiatives focusing on health, education, hunger and creating job opportunities.

CSR activities, internship programs are the important means for our engagement with this category of stakeholders.

Local community engagement is always beneficial, as people of Pakistan provide the grounds for SAZGAR to build its future.

9) Media

Frequency: Occasional / As required

Insights on industry and company's financial performance, transparent & accurate information are their key concerns. Our strategy to meet their expectations includes timely communication of fair information.

Interviews, corporate events, TVCs, social media pages are the most effective means of engagement.

Engagement with this stakeholder group would result in effective awareness regarding the Company and offered products and services, indirectly have a positive impact.

10) Analysts

Frequency: Ongoing/Annual

Key interests of this stakeholder group revolve around company's performance, growth, economic returns, new projects, transparent disclosures.

Transparent engagement with analysts supports accurate market valuation, investor confidence, and informed decision-making, positively impacting the company's performance and value.

We meet their expectations by maintaining consistent and transparent financial and operational disclosures, while providing timely updates on performance, growth initiatives, and new projects to support informed analysis and decision-making.

Annual General Meetings, stock exchange announcements, corporate briefings, annual and quarterly reports, company website are the most effective means of our engagement with analysts.

MATTERS RAISED IN THE LAST AGM OF THE COMPANY

The 33rd Annual General Meeting of the Company, held on October 26, 2024, was attended by shareholders of the Company including minority shareholders. The meeting was also attended by the Chairman of the Audit Committee to answer any queries and matters within the scope of the audit committee's responsibilities.

During the meeting, there were no significant matters / issues raised except for discussion on the agenda items.

EFFORTS TO ENGAGE MINORITY SHAREHOLDERS

The Company values all shareholders equally and consider them an integral part of the Company. The Company facilitates all shareholders including minority shareholders to attend and take part in Annual general meetings. Ever since the Company has made arrangements to participate annual general meeting through video conferencing, minority shareholders' participation has further improved, as they can conveniently attend through video link.

The notice of Annual General Meeting is sent to all shareholders at least 21 days before the date of meeting. During the meeting, input from all shareholders is encouraged and their concerns and suggestions are noted as a part of continuous improvement process.

Further, to provide an additional opportunity to minority shareholders to interact with the management of the Company, the Company has also been conducting corporate briefing sessions.

INVESTORS' RELATIONS SECTION

The Company communicates all major financial information needed for investors' decision-making by uploading it on the corporate website, i.e. (www.sazgarautos.com) under the section of Investor Relations, on a timely basis.

CORPORATE BRIEFING SESSIONS OF THE COMPANY

Corporate Briefing Sessions are held to brief investors regarding the performance of the Company and future outlook. These sessions help the Company to understand and resolve the concerns of the shareholders and to add a synergy factor to achieve better results for the Company's prospects.

This year, two corporate briefing sessions were held on 26-Oct-2024 and 22-May-2025. During the meeting the management briefed the following matters about the Company:

- ✦ Company overview and scope of business.
- ✦ Strategic and operational developments.
- ✦ Financial performance along with key ratios.
- ✦ Future prospects of the Company.

Thereafter a Question-and-Answer Session was held.

For more details on corporate briefing session, please refer the presentation delivered during the meeting, placed on our corporate website.

CORPORATE BENEFIT TO SHAREHOLDERS

Throughout the fiscal year, our dedication to enhancing shareholder value remained unwavering. Over the years, shareholders have benefited from both capital appreciation and consistent dividend distributions. The Company remains committed to sustainable growth, underpinned by prudent financial management, sound governance practices, and strategic market positioning to deliver enduring value for all shareholders.

For detail on dividend declared during the FY 2024-25, refer to the Directors' Report 2025.

WHISTLEBLOWING MECHANISM AND PROTECTION OF COMPLAINANTS

The Company has a Whistleblowing Policy that provides employees, suppliers, contractors, and other stakeholders with a secure and transparent mechanism to report any misconduct, malpractice, or unethical behavior. All reported concerns are thoroughly investigated, with outcomes and corrective measures communicated to the whistleblower. The Policy ensures protection of whistleblowers and those assisting investigations against retaliation, harassment, or adverse action, even if allegations are not substantiated, provided they were made in good faith. All cases are reported to the Chief Executive and the Chairman of the Audit Committee, ensuring independent oversight and fair handling of complaints.

MATERIALITY ASSESSMENT

We undertook a structured materiality assessment to identify, assess and prioritize sustainability-related impacts, risks, and opportunities that are most relevant to the operations and our stakeholders, reflecting:

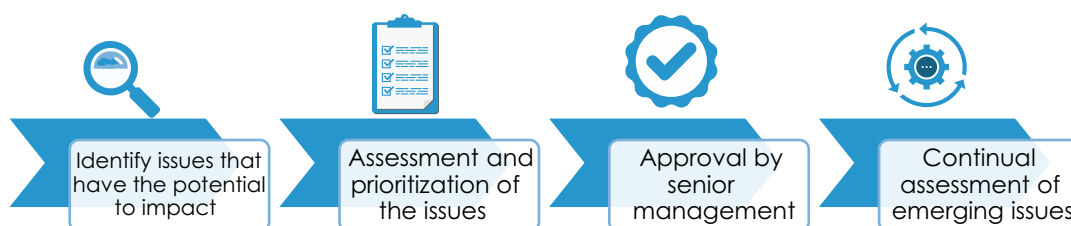
- the Company's actual and potential impacts (both negative & positive) on the economy, environment, and people;
- the sustainability (including climate) related risks and opportunities in the external environment that could reasonably be expected to affect the Company's prospects (cashflows, access to finance or cost of capital over the short, medium and long term), as well as influence decisions made by primary users of general-purpose financial reports.

To achieve this, we consider both internal and external perspectives, ensuring our approach aligns with the expectations of the broader stakeholders while also meeting the information needs of the primary users of sustainability-related financial information.

Significant judgement has been applied to identify and assess the sustainability-related risks and opportunities that are relevant to the Company, as well as the material information related to those risks and opportunities.

Methodology:

- ✦ The sustainability (including climate) related matters were identified taking into account the Company's objectives, strategies, policies, vision, mission & core values, Company's existing risk assessments, operations / value-chain, internal / external resources & relationships, impacts of the Company's activities, possible topics as per GRI standards, potential sustainability matters specific to automotive industry, and stakeholders' perspectives.
- ✦ In addition to above, sustainability (including climate) related risks and opportunities identified by entities that operate in the same industry, IFRS Sustainability Disclosure Standards (SDS), disclosure topics in SASB Standards, and industry-based guidance of IFRS-S2 were also considered to identify sustainability including climate-related matters relevant to the Company.
- ✦ Each identified matter was assessed, to evaluate the significance, considering the combination of severity & likelihood of the impact. The combination of these two factors determines the overall rating. Issues were prioritized based on the assessment results, to understand the importance to the Company and guide our mitigation strategies.
- ✦ Finalized list of material matters was presented to the senior management for approval to ensure alignment with the Company's strategies and targets.
- ✦ No external experts were engaged during the process of determining the material sustainability matters.

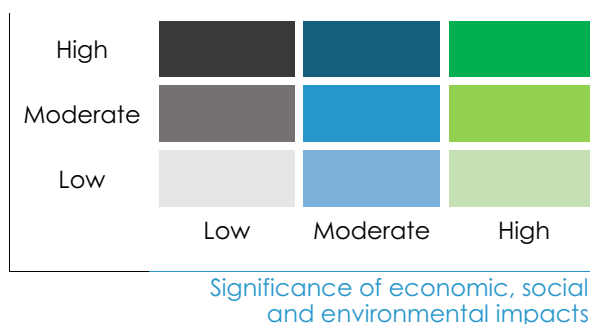


The table below includes the material sustainability-related matters identified as part of the materiality process described:

Material Matters		Impact on economy, environment & people	Impact on business (risks & opportunities)
Economic	Economic Performance & returns	Positive impacts through consistent financial returns, economic contributions, payments to employees and suppliers, and overall societal well-being.	Investors' confidence, achievement of strategic objectives, impact on reputation, regulatory changes.
	Indirect Economic Impact	Positive impacts on communities through infrastructure projects, growth of service sectors and job creation within the supply chain.	
	Procurement Practices / Supply Chain Impact	Business opportunities for suppliers, economic development and other impacts on environment and society.	
Environment	Energy	Negative environmental effects of using non-renewable energy sources.	Climate change risk, energy supply, transitioning to low-carbon energy sources.
	Emissions & Climate Change	Negative environmental impact due to emissions (including product emissions)	Climate change risk, regulatory changes.
	Materials	Negative impacts through the use of depleting finite resources.	Availability of raw materials
	Waste	Negative environmental effects from waste generation and disposal.	Regulatory penalties, weaken relations with local communities.
	Water and Effluents	Negative impacts on water resources, leading to scarcity and environmental challenges.	Regulatory penalties, availability of fresh water, weaken relations with local communities.
Social	Employment, Labour Relations and DE&I	Drive economic growth through job creation, while fostering fair & inclusive workplaces that enhance employee wellbeing and collaboration.	Attract & retention of top talent, enhance compliance.
	Occupational Health and Safety	Negative impacts on health of workforce affecting productivity.	
	Training & Education	Improves employees' ability to contribute effectively, supporting the company's success and value creation.	
	Local Communities	Positive impacts on communities through socio-economic development, healthcare, education, and food support. Negative impact of business activities on business.	

Materiality Matrix

Impact on business /
Influence on stakeholder
decisions



SUSTAINABILITY (INCLUDING CLIMATE) RELATED FINANCIAL DISCLOSURES

SUSTAINABILITY OVERSIGHT

We recognize the critical importance of strong governance in driving our sustainability efforts. Our governance framework ensures that sustainability (including climate) considerations are integrated into our decision-making processes and business operations.

Board Oversight

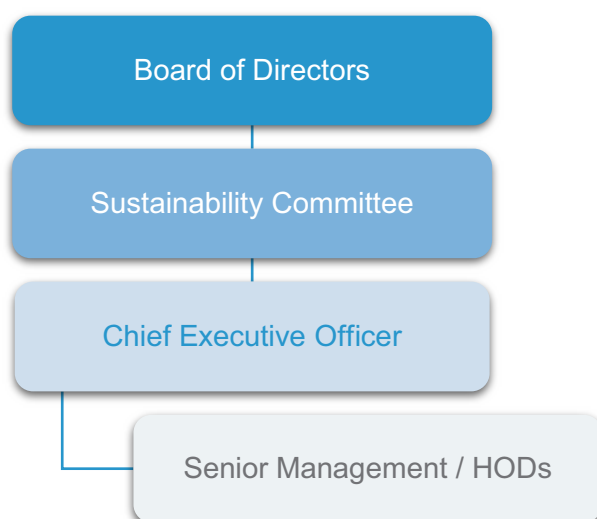
The Board of Directors is responsible for governance and oversight of sustainability (including climate) related risks and opportunities, which includes the environmental, social and governance considerations, within the company by setting the company's sustainability strategies and assessing their potential financial & operational impacts, setting priorities and targets to create long term corporate value.

Sustainability including climate-related impacts, risks and opportunities are integrated into the Board's review of corporate strategy, major investments, and risk management processes. Strategic proposals, including capital allocation, new projects, or business expansion, are evaluated with reference to their ESG implications.

In order to effectively discharge the sustainability related duties, the board has established a dedicated Sustainability Committee.

Recognizing the growing importance of sustainability, moving forward, emphasis will be placed on proficiency in ESG topics including climate-related issues, when evaluating and selecting candidates for Board positions. This focus ensures that leadership is equipped to address sustainability challenges and opportunities, reinforcing a commitment to responsible governance.

Sustainability Governance Structure:



Board Sustainability Committee

The Sustainability Committee monitors and review sustainability (including climate) related impacts, risks and opportunities, devises sustainability strategies based, setting and monitoring relevant targets, oversees compliance of relevant laws pertaining to relevant sustainability related considerations and reports, at-least once a year, to the Board on sustainability matters. The structure and the Terms of reference (TORs) of the sustainability committee have been placed on the website of the company.

Role of Management

Senior management, led by the CEO, supports the Board Sustainability Committee in terms of day-to-day implementation of the company's sustainability strategy, recommending and developing sustainability metrics and targets and reviewing progress; and the sustainability report.

The CEO, supported by the executive team / HODs, is responsible for integrating sustainability considerations into strategic planning and operational decision-making, ensuring that sustainability (including climate) risks are addressed proactively and that opportunities are effectively leveraged.

The assessment and management of sustainability (including climate) related impacts, risks and opportunities is embedded across the Company at various levels and delegated authority flows down from the board through the CEO.

The Company is making all the efforts to embed sustainability objectives into its performance management systems. Plans are underway to align annual performance reviews, remuneration, and promotion decisions with the achievement of sustainability goals. A cross-functional team, comprising representatives from key departments, is being established to drive sustainability initiatives across the organization and to support the development of comprehensive sustainability reporting.

RISK MANAGEMENT AND STRATEGY

SAZGAR's risk management system and risk management policy are designed to provide a consistent and clear framework for managing risks and reporting risks to management & to the board.

Company's risk management framework along with relevant responsibilities have been outlined in the policy document, which have been placed on the Company's website.

Identifying and Assessing Sustainability (including climate) Related Risks and Opportunities

The Company's process for identifying and assessing Sustainability (including climate) related risks and opportunities are embedded within its broader risk management framework. Risks and opportunities are identified as part of the broader process, which includes brainstorming, inquiries with key stakeholders, inputs from senior management and consulting other sources.

The detail of the process is set out in the 'Materiality Assessment' section of this report.

The Board of Directors conducts an annual review of business risks and opportunities, which includes Sustainability (including climate) risks and opportunities. This ensures that emerging sustainability risks and opportunities, including those related to climate, are understood and addressed. The Sustainability Committee specifically monitors and reviews Sustainability (including climate) risks and opportunities, ensuring that these are consistently identified and assessed.

Integration of Sustainability (including climate) Risks and Opportunities into the Overall Risk Management Framework

Sustainability (including climate) risks and opportunities are integrated into the organization's overall risk management framework in the following ways:

Unified Risk Management Approach: Sustainability (including climate) risks are treated as part of the overall risk management process. Company follows the same identification, assessment, and management procedures as for other business risks, ensuring consistency and coherence.

Board and Committee Oversight: Both the Board and the Sustainability Committee play key roles in overseeing the identification, assessment, and management of Sustainability (including climate) risks and opportunities, ensuring that these are aligned with the company's broader risk management strategies.

Risk Culture Development: The organization fosters a risk-aware culture that includes climate-related risks and opportunities. This culture is supported by the CEO and Risk Owners, who ensure that all employees understand the importance of identifying and managing these risks and opportunities.

Risk Register Inclusion: Sustainability (including climate) risks are included in the company's Risk Register, which is regularly updated and reviewed to ensure that all identified risks are being effectively managed and monitored.

Climate-related Scenario Analysis

A climate-related scenario analysis was performed to understand and evaluate the potential impacts of the climate change on the Company's operations, using a range of expected scenarios. The scenario analysis was carried out as part of the Company's strategic planning cycle for the year ended 30 June 2025.

The scenarios selected reflect the potential temperature change that is 'Below 2.0°C scenario' and '4.0°C scenario' (source: *Intergovernmental Panel on Climate Change - IPCC*). Our scenario analysis has identified various categories of risks and opportunities. We have assessed their impact on financial conditions over the short, medium, and long term.

We categorized and identified risks as physical risks and transition risks. Physical risks result from extreme weather events while transition risks result from the transition to a low-carbon and climate-resilient economy which includes policy & legal risks, technology risks, market risks, and reputational risks.

Key Assumptions used are as follows:

Below 2.0°C scenario	4.0°C scenario
<p>In this scenario, it assumed that aggressive measures to achieve low-carbon & climate-resilient economy (till year 2050) will be promoted globally. Based on that we expect:</p> <ul style="list-style-type: none"> - Major shifts in policy and regulations, such as new levies / taxes, regulations on fuel efficiency and zero-emission vehicles. - Transition to a circular economy. - Significant shift in consumers' preferences, widespread use of carbon-free products like EVs. - Technological advancements, availability of energy-saving clean technology. 	<p>In this scenario, we assume that irreversible environmental changes will occur, leading to:</p> <ul style="list-style-type: none"> - More intense storms, rainfall patterns, flooding and heatwaves. - Widespread / extremely severe supply chain disruption due to disastrous weather events.
Transitional Risks are set to have a more substantial impact in this scenario but low physical risks.	Physical risks impacts will be more significant under the higher temperature rise scenario in the long term.

Time Horizon considered for risks and opportunities:

Period	Years	Comments
Short Term	0 – 3	The Company defines the short term as a period of up to three years, aligned with its annual capital expenditure and operating expense budgets, and focused on immediate operational and financial planning.
Medium Term	3 – 10	The medium term covers a three-to-ten-year horizon, reflecting the Company's strategic resource allocation and funding plans to address identified risks and opportunities.
Long Term	Greater than 10	The long term extends beyond ten years, with the time frame determined by the nature and anticipated impact of specific risks or opportunities, particularly those with material climate or market implications.

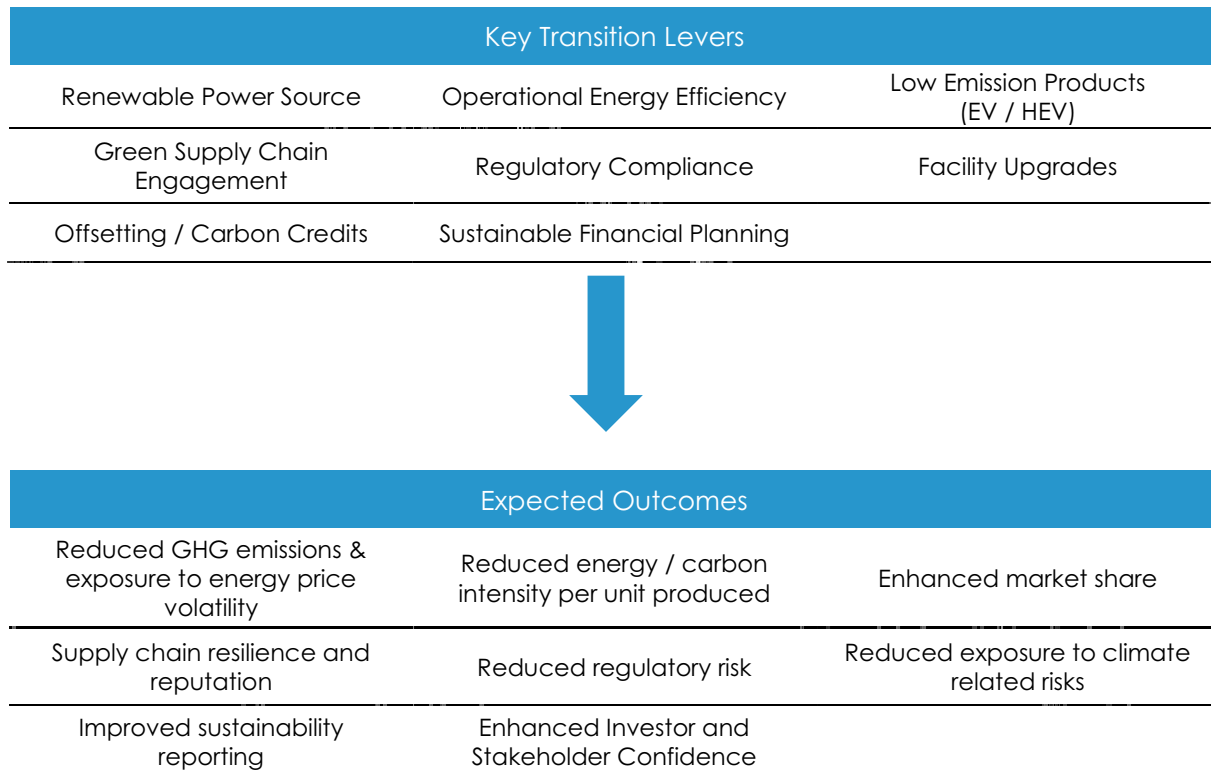
Climate-Related Risks and Opportunities

Company is exposed to various risks associated with climate change, including the impact of increased severe weather events on our operations (including supply chain), workforce and infrastructure, regulatory changes and changing consumer preferences.

As regulatory and stakeholder expectations around climate action continue to intensify, the company may face increased operational costs, shifts in product demand, and pressure on profit margins. Emerging or potential regulations—whether at the international or local level—could require the company to further reduce emissions associated with the use of its products, modify manufacturing processes, or realign its product portfolio toward lower-emission alternatives. These adaptations may necessitate significant investments and could result in material financial impacts.

Transition towards a lower-carbon economy

Our short-, medium-, and long-term **action plan** to address climate-related uncertainties and our environmental impacts is focused on:



Physical Risks

Type / Driving Factor	Value Chain Location	Risk	Time Horizon
Severe weather events and changes in climate conditions (Acute / Chronic)	Upstream, Direct Operations, Downstream	Physical climate change may adversely affect the supply chain, hinder production activity, and reduce workforce efficiency.	Long term

Effects on business model and value chain

Increased intensity, frequency and duration of storms / rainfall, heatwaves / temperature extremes as a result of climate change may damage our facilities, disrupt our production activity, energy supply, logistics operations, procurement of materials from our suppliers, and the timely delivery of our products to customers. In addition, it may negatively impact the working conditions at our business sites and those of our suppliers, reducing workforce efficiency and productivity.

We purchase a wide variety of materials / parts, freight & transportation services from numerous suppliers to support the manufacturing of our products. In some instances, we purchase materials / parts from a single source, which may increase risk of supply disruptions. The critical raw materials primarily include imported iron sheets, imported components for three-wheelers and four-wheelers.

Potential Impact	Risk Level	Effects on strategy and decision-making	Financial Effects
4.0°C scenario	Long term: High Short / Medium term: Moderate	<u>Short / Medium term</u> <ul style="list-style-type: none"> - Diversification of our supplier base and developing alternative sourcing options to minimize the impact of supply disruptions, especially for critical raw materials. - Close collaboration with logistics partners to ensure flexibility in our transportation networks, enabling us to respond swiftly to disruptions. - Monitor and regulate indoor temperatures to maintain safe and comfortable working conditions for employees. - Improvements in emergency response plans. 	There are no current financial effects on the business. However, the anticipated short / medium / long term impacts on financial position, financial performance, and cash flows are as follows, along with the reference to the Notes to the Annual Financial Statements 'that are likely to be affected': <ul style="list-style-type: none"> - Increased CAPEX required for infrastructure upgrades. (Note: 17) - Impairment of assets due to frequent disruptions and damages. (Note: 17) - Increased repair and maintenance expenditures. (Note: 26) - Increased working capital requirements due to buffer inventory. (Note: 11, 21) - Increased insurance cost. (Note: 27 & 28) - Increased finance cost. (Note: 31)
Below 2.0°C scenario	Long term: Low Short / Medium term: Low	<u>Long term</u> <ul style="list-style-type: none"> - Holding higher inventory levels to buffer against supply chain disruptions. - Facility preparedness, with ongoing investments in infrastructure upgrades and backup power solutions to mitigate the effects of weather conditions. 	

Our ongoing strategies to manage physical climate-related risks focus on building long-term resilience and adaptability across our operations and supply chain.

Transition Risks

Type / Driving Factor	Value Chain Location	Risk	Time Horizon
Policy and Legal risk (Energy, water, waste management etc.)	Direct Operations	Increased operating cost due to carbon tax / levy. Increased reporting requirements. Fines / penalties due to potential non-compliance with laws & regulations.	Short term
Policy and Legal risk (Vehicle emissions and fuel economy)	Downstream	Increasing pressure to meet stringent regulations on vehicle emissions and fuel economy including forced product modifications. Fines / penalties due to potential non-compliance with laws & regulations.	Long term
Market risk: Change in consumer behavior	Downstream	Drop in unit sales of internal-combustion engine (ICE) vehicles.	Long term
Technology risk	Direct Operations	Advancements in green technologies requires increased capital investments.	Medium term
Policy and legal / Reputational risk	Upstream	Increased pressure from our key suppliers to adopt sustainable practices.	Medium term

Climate-related Scenario	Risk Type	Risk Level (Short / Medium / Long term)	Effect on Strategy and business model (short / medium / long term)	Financial Effects
4.0°C	Transition risks	Low	<ul style="list-style-type: none"> ✦ Regular monitoring of governmental developments and take proactive actions. ✦ Capital investments for energy-efficient and low-carbon technologies. ✦ Initiatives to promote cleaner environment. ✦ Development & introduction of new variants of electric / hybrid electric vehicles. ✦ Reporting on company's ESG performance. 	There are no current financial effects on the business. However, the anticipated short / medium / long term impacts on financial position, financial performance, and cash flows are as follows, along with the reference to the Notes to the Annual Financial Statements 'that are likely to be affected': ✦ Increased CAPEX. (Note: 17) ✦ R&D and other operational expenditures. (Note: 27 & 28)
Below 2.0°C		High		

Climate-related Opportunities

Type / Driving Factor	Value Chain Location	Opportunity	Time Horizon	Anticipated Financial Effects (No current financial effects)
Severe weather events and changes in climate conditions	Direct Operations	Supply chain diversification and localization; infrastructure resilience upgrades; improved working conditions for employees.	Short term	Investment in R&D. Increased CAPEX / OPEX.
Policy and Legal	Direct Operations	Strengthened competitive position (build reputation as an environmentally responsible manufacturer) Increased access to capital / green funding by compliance to environmental policies and regulations including reporting requirements.	Medium term	Increased access to capital.
Market & Technology change	Downstream	Develop and promote sales of low emission / new energy vehicles.	Short term	Increased revenues through access to new and emerging markets.
Technology change	Direct Operations	Optimize operating cost with transition to renewable energy sources or energy-saving technologies.	Short term	Increased CAPEX

Effect on strategy and business model:

Our overall strategy to exploit the climate-related opportunities includes localization of imported parts, transition to renewable energy sources, making investment to improve working conditions for employees, pursuing green financing, promoting NEVs via aggressive marketing campaigns, targeting new demographic segments such as tech-savvy consumers or environmentally conscious buyers.

Resources for Climate Action

The company's strategy is supported by diverse funding sources, including internally generated equity, liquid assets, and available credit facilities, which provide the financial flexibility to implement climate-related initiatives and resilience measures.

Disclosure Uncertainty

The quantitative information about the financial effects of sustainability including climate-related risks or opportunities is not provided because the level of measurement uncertainty involved in estimating those effects is so high that the resulting quantitative information would not be useful.

Climate Resilience

The company's strategies collectively bolster resilience against sustainability including climate related risks and related uncertainties. Company's approach is to remain agile, and continuously assess its capacity to adjust and adapt its strategy and business model to climate changes.

Currently, the company has the capacity to adjust or adapt over the short, medium, and long term, supported by substantial financial resources. These resources include equity, which reflects the strong retained earnings, liquid assets as well as available credit facilities. This combination of internal funds and external borrowing capacity provides the financial flexibility needed to manage unforeseen challenges, invest in strategic initiatives, and sustain long-term growth.

As the company continues its impressive growth, we anticipate an increasing capacity to effectively manage uncertainty in the years ahead.

Other Sustainability Related Risks and Opportunities

Risk	Value Chain	Time Horizon	Opportunity	Effect on Strategy and business model	Financial Effect
Water and Waste Management					
Failure to optimize water usage and effectively treat the waste (both solid / water) produced in operations, may put at risk future business opportunities, lead to imposition of fines, non-availability of fresh water, strained relations with local communities and a trust deficit among stakeholders.	Direct operations / Downstream	Long term	Build reputation as an environmentally responsible manufacturer, opening doors to new partnerships.	<p>Adopt water recycling initiative to reduce freshwater dependency.</p> <p>Continuous monitoring and improvement in waste management system.</p> <p>Regular monitoring of governmental developments and take proactive actions.</p>	<p>There are no current financial effects on the business. However, the anticipated short / medium / long term impacts on financial position, financial performance, and cash flows are as follows, along with the reference to the Notes to the Annual Financial Statements 'that are likely to be affected':</p> <p>✦ Increased CAPEX. (Note: 17)</p>
Energy Crisis					
<p>Inadequate energy supply can lead to production disruptions, delayed output, damaging reputation and customer relationship.</p> <p>Energy constraints can also hinder expansion plans and prevent the company from meeting growing demand.</p>	Direct operations	Long term	Build reputation as an environmentally responsible manufacturer by reducing dependency on fossils fuels.	<p>Continuous monitoring of energy utilization.</p> <p>Investment in renewable energy sources.</p>	✦ Increased CAPEX. (Note: 17)

METRICS AND TARGETS

Climate-Related Performance Metrics & Targets

GHG emissions generated during FY 2024-25:

Metric	MT CO2e	Target
Total GHG Emissions (Scope 1 & 2)	6,682	-
(Unit-1: Wheel Rims) GHG Emissions per unit produced	0.01	2% reduction till Year 2030
(Unit-1: Three-Wheelers) GHG Emissions per unit produced	0.03	2% reduction till Year 2030
(Unit-2: Four-Wheelers) GHG Emissions per unit produced	0.49	5% reduction till Year 2030

*For onwards monitoring, baseline period will be FY 2024-25.

The key objective for the CO2 target is to reduce the carbon footprint of the company, to achieve this emission reduction target, we are leveraging key climate transitioning levers, as mentioned earlier. This target applies to the Company in its entirety.

For measuring and reporting GHG emissions, the Control Approach under the Greenhouse Gas Protocol has been considered. This approach is selected because it aligns with the Company's operational structure, where it exercises full control over its activities. By using the Control Approach, the Company reports 100% of the emissions from both operational sites, as these sites fall within the Company's defined boundaries based on its operational control. This method ensures transparency and accountability in reflecting the environmental impact of the Company's operations.

A centralized approach is implemented for aggregating GHG emissions data at the corporate level. Activity data from both the operational units are systematically collected, consolidated, validated and the appropriate documented emission factors are applied, to obtain a comprehensive overview of the Company's total emissions. Key inputs to the GHG measurements include energy consumption and usage of various fuels across both the facilities.

Sources of Scope-1 and Scope-2 GHG emissions include stationary combustion and mobile combustion. GHG emissions measured above covers only three constituent greenhouse gases namely Carbon dioxide (CO2), Methane (CH4), and Nitrous oxide (N2O). The global warming potential values used are based on a 100-year time horizon using assessment report of IPCC.

For Scope 1 GHG emissions, the Company utilizes cross-sector calculation tool (emission factors) as specified by the Greenhouse Gas Protocol. Scope 2 GHG emissions factors are sourced from Institute for Global Environmental Strategies (IGES) List of Grid Emission Factors.

Other industry metrics:

No metric and targets have been set for the 'amount and percentage of assets or business activities vulnerable to climate-related transition / physical risks. Currently, no carbon pricing has been applied by the Company in the decision making and additionally, no specific amount of capital expenditure, financing or investment has been deployed towards climate-related risks and opportunities. However, moving forward this shall be considered in sustainability target setting.

Other Sustainability Related Key Performance Metrics & Targets

Category	Metric	UOM	Performance for 2024-25	Target
ENVIRONMENT	Board / Management team oversee and/or manage sustainability including climate related risks	-	Yes	-
	Company follows a formal environmental policy	-	Yes	-
	Total amount of energy consumed	GJ	Page No. 165	-
	Total amount of energy consumed per unit produced	GJ	Page No. 165	-
	Percentage of energy consumed from renewable energy source	%	0%	2% For the year 2026
	Ratio of electrified three wheelers out of total three-wheeler sales.	%	0.16%	0.5% For the year 2026
	Sale of electrified (HEV/EV) four wheelers Vehicles.	%	Yes	-
	Plantation of trees	No.	2,000	2,000 For the year 2026
SOCIAL	Gender Pay Gap	Ratio	Page No. 81	-
	Employees turnover rate	%	Page No. 173	-
	Gender diversity (Female employees under staff category)	%	1.42%	Enhance gender diversity by 2026.
	Policy on DE&I, Protection Against Harassment at Work Place, Non-Discrimination exists.	-	Yes	-
	Grievance redressal procedure / mechanism exist	-	Yes	-
	Differently abled individuals in the workforce.	No.	20	-

Category	Metric	UOM	Performance for 2024-25	Target
SOCIAL	Company follows a formal employee Health & Safety policy	-	Yes	-
	CSR activities and total amount spent	Rs.	Page No. 182	Enhance the CSR spending For 2026
	Number of employee training hours	No.	Page No. 178	-
	Number of injuries reported during the year	No.	zero	Zero injury rate For the year 2026
	Percentage of four-wheel vehicle models rated by NCAP with an overall 5-star safety rating	%	89%	-
	Number of Safety-related defect complaints received during the year	No.	zero	Zero, for the year 2026
	Number of vehicles recalled during the year	No.	zero	Zero, for the year 2026
	Average fuel economy of vehicles (three & four wheelers) sold during the year, weighted by sales volume	Km/L	22.46	-
GOVERNANCE	Number of Board seats occupied by women	No.	2	-
	Office of the Chairperson and the Chief Executive Officer (CEO) are separate	-	Yes	-
	Number of Board seats occupied by independent directors	No.	3	-
	Formal code of conduct / ethics / anti-corruption policy exists	-	Yes	-
	Compliance with Listed Companies (Code of Corporate Governance) Regulations 2019	-	Page No. 77	-
	Company publishes sustainability report	-	Yes	-

ECONOMIC PERFORMANCE

Manufactured Capital, Social And Relationship Capital & Financial Capital

- Economic Performance - Indirect Economic Impacts - Supply Chain Impacts - Procurement Practices

SAZGAR is committed to up-lift the economy besides various challenges faced by the country. We believe, we have a huge responsibility to play an active role in strengthening the auto industry ensuring healthy returns to our shareholders with ethical business practices.

Our approach to economic performance involves a holistic and proactive strategy aimed at achieving financial stability, driving revenue growth, and maximizing value creation for stakeholders while minimizing negative impacts on the economy and society.

Our comprehensive risk management systems and processes are designed to identify and evaluate potential adverse effects resulting from our operations. Leveraging proactive measures, such as careful planning, optimal resource allocation, and technological innovations, we endeavor to proactively anticipate or alleviate both potential and realized negative impacts.

We are contributing to multiple UN Sustainable Development Goals (SDGs) through our economic performance.

Economic Impacts

Economic performance is a critical aspect of our sustainability efforts at SAZGAR, as it reflects our ability to create value for stakeholders and contribute to economic growth and prosperity.

Our operations have both direct and indirect economic impacts, which are essential to understand for a comprehensive assessment of our economic performance.

Direct economic impacts are the payment of dividends, duties and taxes, financial charges, employment opportunities, salaries and benefits to employees, supply chain payments. Whereas, the **indirect economic impacts** are employment opportunities in upstream and downstream industries, stimulating growth in the service sectors like insurance, logistics etc. and development of local communities through CSR initiatives such as education, healthcare, hunger and infrastructure development.

The Board of Directors is responsible for the economic impact of SAZGAR operations. The objectives, policies and targets are discussed and approved by the Board of Directors. The Board has delegated the execution of policies and decision-making on day-to-day Company affairs to the Chief Executive. The economic performance is reviewed on a quarterly basis at Board meetings and appropriate actions are taken by the Board.

Our Performance

Company's financial performance for the year 2025 represents a significant growth in revenue by 89% and net-profit by 106% as compare to the year 2024.

For detailed information on financial review and performance for the year 2025, refer to the Director's Report on page 52 of the Annual Report 2025.

Sustainable value creation involves establishing operations that can be maintained independently, without dependence on subsidies or grants. During the year the Company did not receive any direct or indirect financial assistance from the government.



Risks and opportunities posed by climate change that have the potential to impact the Company's business prospects, have been disclosed earlier in this report.

Fair business transactions and transparent approach to taxation

Company's Code of Conduct strictly prohibits any form of corruption in its operations and business dealings. To reinforce this principle, a comprehensive risk management framework is in place to detect areas vulnerable to misconduct and apply preventive controls. In addition, the Company ensures fair and transparent payments to government authorities, contributing to national development and the provision of public services.

There is zero tolerance for tax evasion and we also ensure that our business partners, employees and other stakeholders comply with applicable tax laws. SAZGAR endeavors to build and maintain a constructive relationship with Pakistan's tax authorities based on mutual respect, transparency and trust.

Our dedication to accuracy and ethical tax practices is maintained through rigorous controls and processes overseen by the Chief Financial Officer. Moreover, we actively engage with various stakeholders, including tax authorities and industry peers, to gather insights and feedback. This helps us identify areas for improvement, address concerns, evaluate the effectiveness of our actions, and shape our responsible tax management approach.

We remain transparent in our dealings and pay appropriate amount of taxes according to the laws and regulations as applicable in Pakistan. During the financial year 2025, the Company made a contribution of Rs. 37.6 billion to the **national exchequer**.

See page 115 of Annual Report 2025 for further details of taxes paid to the government and other value distribution.

Particulars	Rs.
Economic Value Generated	58,278,750,750
Economic Value Distributed	45,158,707,689
Economic Value Retained	13,120,043,061

SAZGAR'S Defined Benefit Plan

We offer defined benefits in the form of gratuity scheme to its employees where no contribution is required from employees. It does not maintain a separate fund for gratuity and the liability for the defined benefit plan is calculated on the basis of actuarial valuation by using projected unit credit method.

For more details, refer Note 9 to the annual audited financial Statements for the year ended June 30, 2025.

ELECTRIC (EVs) AND HYBRID ELECTRIC VEHICLES (HEVs / PHEVs):

Contribution To Economic Resilience

Electric Vehicles (EVs) and Hybrid Electric Vehicles (HEVs / PHEVs) significantly contribute to economic performance, particularly in Pakistan, by addressing several key challenges while unlocking various benefits.

By transitioning to EVs and HEVs / PHEVs, SAZGAR facilitates substantial cost savings for consumers, in the form of reduced fuel consumption. Moreover, the decreased consumption of fossil fuels lessens Pakistan's dependence on imported oil, thus conserving valuable foreign exchange reserves.

Additionally, the adoption of EVs and HEVs / PHEVs fosters the growth of a domestic electric / hybrid vehicle industry, leading to job creation and economic stimulation. This shift towards cleaner transportation alternatives not only mitigates environmental degradation but also reduces healthcare costs, thereby improving overall societal well-being.

To further escalate this, the Company is undertaking a major **infrastructure investment** to expand its four-wheeler manufacturing/assembling facilities to accommodate the local assembly of New Energy Vehicles (NEVs). This strategic expansion, with an estimated budget of PKR 11.5 billion, reflects our long-term commitment to advancing the local vehicle ecosystem.

SAZGAR's contribution to economic resilience based on the sales for the year 2024-25:

Fuel Consumption Saving*	Foreign Exchange Saving *
9.5 million Liters	US\$ 8.8 Million

* Approximate figures, based on the sale units of HEVs / EVs (4W) & EVs (3W) during the year 2024-25.

Localization Program for Four-Wheel Segment

SAZGAR has initiated a localization program to manage the local sourcing of the parts of our four wheelers. This initiative promotes industrial development, new technologies, job creation, skill development and economic development of the country.

Our localization department is working closely with potential and existing supply chain partners to assist them to follow and meet principal standards of safety and quality. Our close collaboration and support have led our suppliers to make dedicated investments in order to supply high-quality parts for our four-wheel vehicles.

Our Dealerships

We have 50+ authorized booking agents for our three-wheel segment and 20 authorized dealerships for our four-wheel segment, operating nationwide which are independently owned and controlled. All our products and services, including new vehicles (both three & four wheelers), spare parts, and after sales services are offered at our authorized dealers.

Our dealerships' activities result in **direct and in-direct economic impacts** in the form of payment of taxes, creation of job opportunities, use of energy and water and compliance with laws as applicable in Pakistan.



As a rising player in the automotive industry, we need to ensure exceptional experience for our respected customers at our dealerships. We support our dealers through workshops, training sessions, and we also provide them detailed guidance for operational improvements leading to greater customer satisfaction. In addition, dealer surveys are also conducted based on a pre-defined criteria, by our sales & marketing team. Based on the survey results, appropriate actions are planned by the management and promptly communicated to the respective dealer.

In addition, we are making efforts to educate and inform our dealers about our sustainability ambitions, and we encourage them to adopt and implement similar initiatives, in order to uphold sustainability principles.

Supply Chain

We recognize the wide-reaching impacts of our activities and partnerships throughout the supply chain. We prioritize supporting local economic development by sourcing materials and services locally. Intensive dialogue and close coordination have always been essential for effectively managing any negative impacts within the supply chain and achieving sustainable business, process and production practices.

The Company's supply chain is both labor and capital intensive. The company procures materials and services from both local and foreign suppliers. Our goal is to pay fairly to all our supply chain partners.

The procurement departments at both Three-Wheeler unit and Four-Wheeler unit are responsible for ensuring a reliable supply of quality input materials/services that covers the following categories:

Category	Sources
Four-wheeler CKDs and CBUs	Import
Parts and materials for wheel rims and three wheelers	Local/Import
Parts and accessories to support after-sales services	Local/Import
Goods & services for operations and administration	Local

We have a well-defined **procurement policy** and a **supplier assessment mechanism** in place. Our procurement team at each operational site evaluates the potential and existing suppliers based on the pre-defined criteria followed by visits to suppliers' geographic location (Pakistan only), leads to risk mitigation and performance enhancement.

In addition, we constantly make efforts to educate and inform our suppliers about our sustainability ambitions, and we encourage them to implement the same, to strengthen the supply chain resilience, drive innovation, and uphold sustainability principles.

During the year, the Company purchases goods and services worth Rs. 76.6 billion from its supply chain partners.

In 2025, 9% of our goods and services were procured locally and the remaining 91% were procured from foreign suppliers.

ENVIRONMENTAL PERFORMANCE

Natural Capital, Intellectual Capital & Manufactured Capital

- Climate Change - Energy - Emissions - Water and Effluents - Materials - Waste

We are deeply committed to environmental sustainability and recognize the critical role our operations play in shaping the ecological landscape. As a manufacturing concern operating in Pakistan, we understand the importance of minimizing our environmental impact and promoting responsible stewardship of natural resources.

We are committed to implementing environmentally friendly technologies and streamlining processes to minimize our environmental footprint. Our stringent **Health, Safety, and Environment (HSE) policy**, applicable on both the manufacturing sites, underscores our dedication to maintaining high standards.

We ensure effective environmental management and resource efficiency through third-party certified environmental management systems. We have successfully achieved three ISO Certifications including;

- ✦ **ISO 14001: 2015** Environmental Management System
- ✦ **ISO 9001: 2015** Quality Management System
- ✦ **ISO 45001: 2018** Occupational Health & Safety Management System.

Management at both manufacturing sites oversees plant performance, ensures regulatory compliance, and monitors compliance standards, while integrating HSE considerations through regular training to promote safe, healthy, and environmentally responsible operations.

The Company regularly obtains compliance certificate by Environmental Protection Agency (EPA), Government of Punjab. No non-compliances have been reported during the year. Further, no environment-related complaints were received through the Company's formal grievance mechanism during the reporting period.

Climate Change

Climate change poses one of the most significant challenges of our time, with far-reaching implications for ecosystems, communities, and economies worldwide.

At SAZGAR, we are committed to playing our part in the shift to a low-carbon economy by reducing our environmental footprint. Working closely with our partners, we aim to cut emissions and minimize environmental impacts across our entire value chain. Through a proactive approach, we focus on preventing and mitigating potential adverse environmental impacts, giving our stakeholders the confidence that we are taking meaningful action to address climate change.

Our approach to addressing climate change encompasses multiple initiatives: monitoring and identifying ways to minimize GHG emissions from our operations; excessive plantations; exploring opportunities to transition to cleaner energy sources across our operations; measures to optimize energy usage; and enhancing our resilience to climate-related risks and impacts.

Role of **governance** body, related **risk & opportunities**, response **strategies** and related **metric & targets** have been stated in the "Sustainability (including Climate) Related Financial Disclosures" section of this report.

We are contributing to multiple UN Sustainable Development Goals (SDGs) through our actions outlined this section.

ENERGY CONSUMPTION

SAZGAR fully committed to using energy efficiently thereby reducing the overall energy consumption and associated GHG emissions. The Company operates two manufacturing facilities. The Company's major sources of energy are grid-based electricity, natural gas, LPG and diesel. Currently there is no use of renewable energy source.

The data on energy consumption and emissions is obtained from management systems. The conversion factors are sourced from U.S. Energy Information Administration. The energy consumption and sources in this report have been determined from data provided by production sites of Company and present an overall picture of energy consumption in manufacturing operations only.

Fuel consumption within the organization during the year 2024-25 includes:

Description	Consumption (GJ)
Electricity	28,135
Natural Gas & LPG	14,036
Diesel	7,528
Total	49,699

Description	Unit-1	Unit-1	Unit-2
	Wheel Rims	Three-Wheelers	Four-Wheelers
Total Consumption (Unit: GJ*)	4,063	6,094	39,543
Energy Intensity (GJ*/ unit produced)	0.10	0.25	3.58

* Energy consumption data is recorded in relevant conventional unit, for instance, M3 for natural gas, kWh for electricity. Unit of measurement of all energy sources are converted into consolidated unit, gigajoules (GJ), as a standard measure for representing energy consumption.

The total energy consumed within the organization during the year 2024-25 is 49,699 GJ as compare to 38,316 GJ during the year 2023-24.

SAZGAR strives to optimize its plants' energy efficiency and intensity to reduce overall energy consumption and related greenhouse gas emissions.

Energy efficiency for the production of four-wheelers achieved during the year 2024-25 is 23,821 GJ, based on the decrease in the energy intensity from 5.74 to 3.58.

Year-on-year efficiency is assessed by comparing current energy intensity with the previous year's energy intensity. To measure efficiency, the prior year's intensity is applied to the current year's production level and compared with the actual energy consumed, with the difference representing the energy savings achieved.

Saving Energy



The company has implemented a series of proactive energy-saving measures to drive positive environmental impact:

- ✦ Our assembly plants' design helps to maximize the use of natural light during the daytime to reduce energy use.
- ✦ Energy efficient LED lights are installed throughout our premises.
- ✦ Use of inverter-based air conditioners instead of non-Inverter air conditioners.
- ✦ Use of efficient AC/DC fans instead of traditional ceiling fans.
- ✦ Employees are encouraged to conserve energy by switching off extra electrical appliances when not used and / or during breaks.

Moving towards Renewable Energy

The Company strongly believes in environmental conservation via adopting renewable energy sources, which will reduce the carbon footprint and improve energy efficiency to reduce reliance on conventional electrical energy and result in cost savings.

For the coming year 2025-26, SAZGAR aims to explore and implement options to add the share of renewable energy in the energy mix.

GHG EMISSIONS

Greenhouse Gases (GHG) emissions are a major cause of climate change. Our use of natural gas, LPG, diesel and electricity in production activities are the major contributors to our GHG emissions. The Company has set the target to reduce GHG emissions per unit produced. In addition, opportunities are being explored to expedite the shift to the low carbon economy.

The total emissions (**scope 1 & 2**) during the year 2024-25 were 6,682 MT as compare to 3,783 MT during the year 2023-24. The Company has adopted the practice of comparing current-year emissions against those of the previous year to monitor the trend. During the year, the emissions have increased primarily on account of increase in production.

Description	Unit-1	Unit-1	Unit-2	Total
	Wheel Rims	Three-Wheelers	Four-Wheelers	
GHG Emissions CO2 equivalent, MT (Scope 1)	179	448	1,772	2,399
GHG Emissions CO2 equivalent, MT (Scope 2)	249	373	3,661	4,283
Total GHG Emissions	427	822	5,433	6,682
GHG Emissions intensity (MT CO2e / unit produced)	0.01	0.03	0.49	-

Other greenhouse gases, such as CH₄, N₂O, are also included in the overall calculation of greenhouse gas emissions (CO₂e).

There were no emissions of biogenic substance and **ozone-depleting gases (ODS)** during the year. The Company does not use ozone-depleting substances (ODS) in its vehicle production or facility operations. All air conditioning systems in vehicles and buildings use non-ODS refrigerants. Additionally, the Company ensures proper maintenance, leak prevention, and responsible handling of refrigerants to minimize environmental impact.

The GHG figures only include the emissions caused by the Company. The Company does not have a mechanism in place to calculate **scope 3 emissions**. However, efforts are being made to develop and implement a comprehensive measurement system.

Company regularly obtains validation for gaseous emissions and ambient air from Environment Protection Agency (EPA), Government of Punjab. Moreover, NOX, SOX and other significant air emissions are minimal and are within the limits prescribed by Punjab Environmental Quality Standards (PEQS).

Future Commitments – 2025-26

Key commitment for the coming year includes the Installation of on-site renewable energy capacity.

Green Initiative

In pursuit of our commitment to environmental stewardship and sustainable practices, we are proud to highlight our ongoing initiative to mitigate the impact of greenhouse gas emissions through plantation of trees.

During the year, we have planted around 2,000 trees (2023-24: 1000 trees) of Rs. 794,000 at our factory premises and surrounding areas. Through this endeavor, we aim to offset our carbon footprint while concurrently promoting biodiversity and ecosystem resilience.



Contribution to a **Cleaner Environment** through EVs & HEVs / PHEVs



In our efforts to promote environmental sustainability, our Electric Vehicles (EVs) and Hybrid Electric Vehicles (HEVs) play a crucial role in creating a cleaner environment. Unlike traditional vehicles powered by internal combustion engines, our EVs and HEVs produce significantly lower emissions of pollutants such as carbon dioxide (CO₂). Operating on electric power leads to improved air quality and reduced pollution in urban areas.

Embracing this innovative technology results in:

53% reduced CO₂ emissions (in-direct)



**(Calculation based on the saving of fuel consumption by the sale of Four-Wheeler HEVs / EVs and Three-Wheeler EVs during the year 2024-25.)*

Additionally, the use of EVs and HEVs helps to decrease noise pollution, contributing to quieter and more peaceful surroundings. Through the adoption of cleaner and more sustainable transportation alternatives, we are committed to minimizing our environmental impact and fostering a healthier, greener future for communities in Pakistan and beyond.

WATER FOOTPRINT



In our commitment to sustainability, we understand the critical role of water stewardship across our operations. We are dedicated to the responsible water management to ensure the availability of fresh/clean water for our communities and ecosystems.

Our approach to water management takes into account water as a **shared resource** with communities. Efficient management of water resources and securing access to safe water and sanitation are critical for fostering economic growth and productivity. Recognizing this, we are committed to reducing our freshwater withdrawal, improving water use efficiency, and safeguarding local water ecosystems.

We mainly use water for the production process, largely in the paint section, and for our employees for drinking / sanitation purposes. We meet our water requirements through the underground water sourced from non-protected areas, ensuring no impact on protected species, however, size or volume of the water body cannot be estimated reliably.

We actively ensure the provision of **safe drinking water** and adequate sanitation facilities at all our business locations. By doing so, we contribute to improved health and well-being for our employees, while supporting broader efforts aligned with SDG-6.

To identify and address **water-related impacts**, the Health, Safety & Environment (HSE) team undertakes periodic site assessments, focusing on water usage patterns, discharge practices, potential for runoff or leakages and awareness among employees.

The Company is committed to collaborating with local communities and stakeholders to address water quality and availability concerns. As part of our community engagement and water stewardship efforts, we have established a **filtered freshwater access point** at our three-wheeler manufacturing facility, providing clean drinking water to the surrounding community.

Currently, the Company does not have a mechanism in place to **monitor or quantify** actual water withdrawal, consumption and discharge. However, to enhance transparency and improve water stewardship, we plan to invest in a monitoring system in the coming year. While no long-term water-related targets have been established yet, the Company remains committed to refining its water management approach and aims to develop measurable targets as our capabilities evolve.

Waste Water Handling

Water used during the production processes contain harmful pollutants and it is processed before it can be discharged into the drain. This treatment ensures that pollutants are reduced to acceptable limits, as the Punjab Environmental Quality Standards (PEQS) prescribes.

Company regularly obtains validation for waste water and drinking water from Environment Protection Agency (EPA), Government of Punjab.

MATERIAL CONSUMPTION

We are committed to ensure that natural resources are utilized in a manner that is sustainable in order to generate economic benefits along with meeting the needs of our customers. Our approach is guided by internal procurement standards, supplier requirements, and compliance with environmental laws and regulations.

We rely on different types of materials and chemical substances which are used in the production, and their sourcing and consumption can have significant environmental, social, and economic impacts.

The major categories of materials are metals, plastics, textiles, natural materials, fuels, consumable liquids, electronics, glass, and other compounds.

We ensure that our material consumption aligns with defined standards and is reinforced by rigorous quality checks to maintain compliance and efficiency. These measures have resulted in low rejection rates, minimizing waste and contributing to economic value creation, reflecting our commitment to responsible consumption and production.

The calculation of the weight of the materials used in the production requires significant amount of work considering the volume and the complex nature of materials. However, we are making all our efforts to identify and report the weight of different materials used in the production.

As a company, we are continuously searching for ways in which we can incorporate environmentally friendly materials in our products. There was no recycled material used in the production processes in this year. Company does not reclaim products and their packaging materials.

WASTE MANAGEMENT



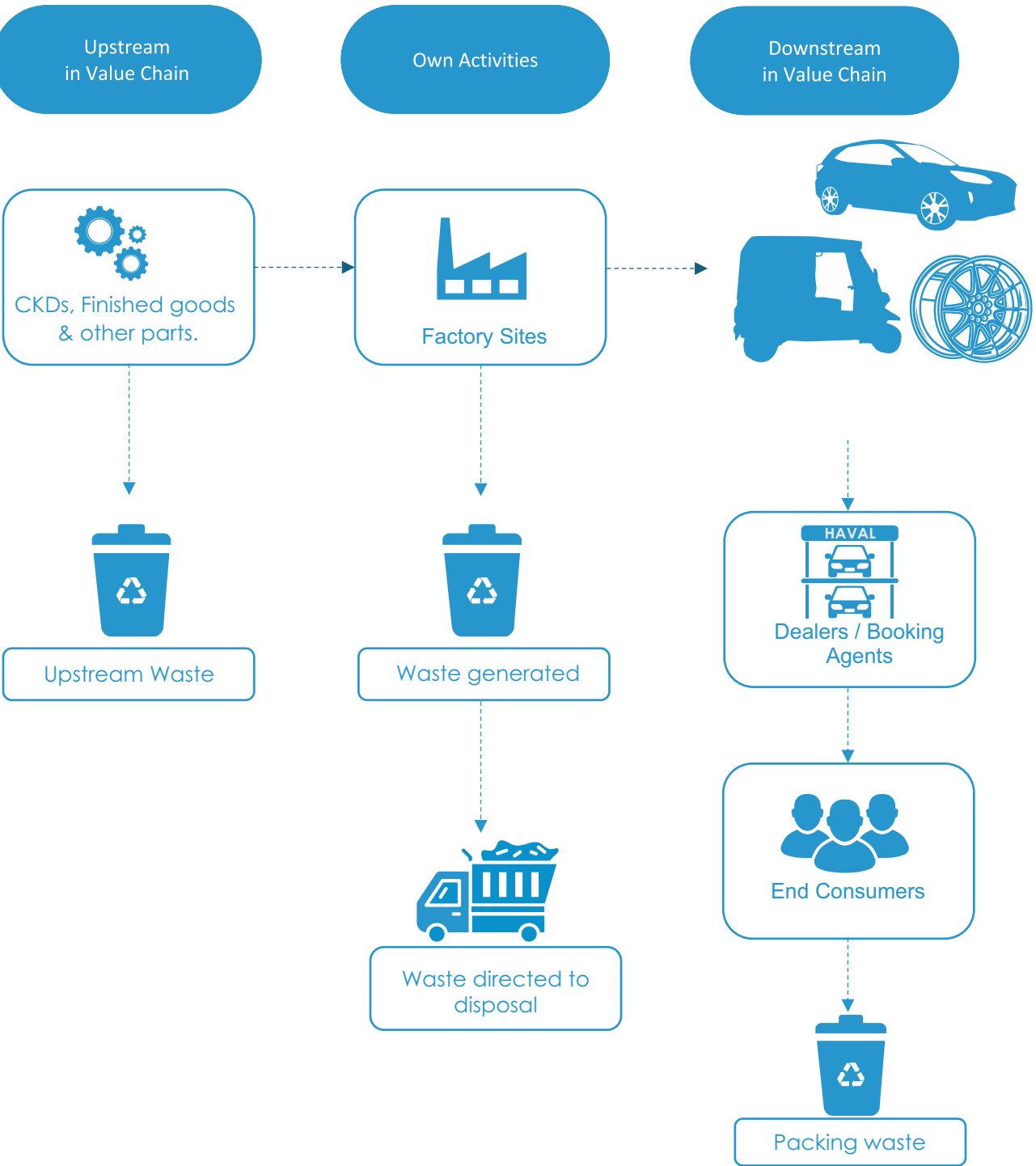
Waste poses serious risks to human health, ecosystems, and natural resources. Our operations produce both hazardous and non-hazardous waste. Disposal of wastes through incineration, landfilling, and other practices can adversely impact the environment and public health. As a result, we emphasize robust waste management practices to mitigate the harmful effects of waste and its disposal.

The non-hazardous waste consists of plastic scrap, wood, iron/metal items, and packing material. The hazardous waste mainly consists of paint shop waste.

Our approach is to minimize waste generated from our operations and carefully manage our waste streams to reduce environmental impacts. We prioritize waste prevention over recovery or disposal and promote waste prevention throughout our value chain. However, unavoidable

production waste is disposed of properly. Before declaring an item as waste, an assessment is carried out at relevant levels. We only declare items as waste and divert them to disposal when they have no use within our operations.

The quantity of waste varies from year to year, primarily depending on production activities. The plant site accumulates waste until it reaches a significant level, and then it is treated by using the best available option. All types of wastes and effluents are treated through disposal (or reusing in some instances) to legitimate scrap dealers. There were no significant spills during the year by the Company nor were any reported by the external stakeholders through the grievance reporting mechanism in place.



Re-cycling / Re-using waste materials

We make all efforts to use reuse / recycle the waste materials where possible.

Metal sheet waste generated from the production of tractor wheel rims are being used for the development of iron parts of three-wheelers. Additionally, iron waste at our four-wheel plant is being used for creating items like racks, that are being placed in inventory stores, production areas etc.

Strategy & Performance

Waste by type and disposal method

Type	Disposal method
Non-Hazardous	Re-use / Disposal (plastic, wood, iron / metal, packing material)
Hazardous	Disposal (paint shop waste)

During the year **1,719 tons** of solid waste (both hazardous & non-hazardous) was disposed through scrap dealers.

Waste by composition, in metric tons (t)

Type	2024-25		
	Waste generated	Waste diverted from disposal	Waste directed to disposal
Non-Hazardous	1,701	-	1,701
Hazardous	18	-	18
Total	1,719	-	1,719

Waste diverted to disposal-by-disposal operation, in metric tons (t)

Type	2024-25		
	Onsite	Offsite	Total
Non-Hazardous			
Incineration (with energy recovery)	-	-	-
Incineration (without energy recovery)	-	-	-
Landfill	-	-	-
Other disposal operations	-	1,701	1,701
Total			1,701
Hazardous			
Incineration (with energy recovery)	-	-	-
Incineration (without energy recovery)	-	-	-
Landfill	-	-	-
Other disposal operations	-	18	18
Total			18

SOCIAL PERFORMANCE

Human Capital, Social And Relationship Capital & Intellectual Capital

- Employment & Labour Relations - Occupation Health & safety - Training & Education - Local Communities
- Product Responsibility

OUR PEOPLE OUR STRENGTH

Our employees are at the heart of our social responsibility. Their talent, dedication, and diverse perspectives not only drive our financial strength and competitiveness but also help us foster an inclusive, safe, and supportive workplace—enabling us to create lasting value for our stakeholders and the communities we serve.

The Company is committed to long-term employee development by hiring the right talent, maximizing their potential, and ensuring their continuous growth.

We have comprehensive **HRM policies** covering employee training, equal opportunity, DE&I, health & safety and protection against harassment at workplace. We strictly adhere to labor and safety laws, including those against forced, compulsory, and child labor. Our commitment to fair working conditions and human rights is strong, with a focus on gender equality and diversity to empower all employees to reach their full potential.

Head of HR department oversees the employment and labour practices. The HR department actively tracks any violations of these practices and commits to compliance with laws and regulations through regular discussions and reports to the management.

We continually enhance our human resources practices, systems, and service quality. Performance appraisals help identify career development and training needs, ensuring a fair reward system.

To uphold our reputation as a responsible employer, we regularly evaluate our performance, updating our policies and procedures based on feedback and sharing these updates with stakeholders.

We are contributing to multiple UN Sustainable Development Goals (SDGs) through our actions outlined in this section.



Employee Recruitment and Retention

At SAZGAR, we understand that our success hinges on attracting and retaining top talent. Our approach to employee recruitment and retention is designed to build a diverse, skilled workforce and create an environment where employees are motivated to grow and excel. Our commitment to these practices is integral to our sustainability strategy, supporting our long-term goals and reinforcing our values.

Our **recruitment** strategy focuses on finding individuals who are not only highly qualified but also align with our company values and culture.

We ensure that all hiring decisions are based on the qualifications, experience, and suitability of candidates for the job. Our recruitment process is designed to be fair and unbiased, providing equal opportunities to all applicants. We prioritize recruiting from local communities to support regional development. By aligning job opportunities with the skills and expertise available locally, we contribute to the growth and empowerment of the communities we

operate in. We actively seek to build a diverse workforce by implementing strategies that reach a wide range of candidates. This diversity enriches our company culture and drives innovation.

Retaining top talent is crucial for maintaining continuity and achieving our strategic objectives. Our retention efforts are centered around creating a supportive and rewarding work environment. Key initiatives include:

- Skill enhancement trainings to support our employees in their professional growth.
- Comprehensive compensation package that is competitive within the industry.
- Actively seeking feedback from employees through regular meetings, using their input to improve workplace conditions and address their concerns.
- Recognize the achievements and contributions of our employees. This helps to motivate and retain talent by acknowledging their hard work and dedication.

The Company only provides full-time employment and does not offer employment on part-time or temporary basis and no portion of the organization's activities are performed by workers who are not employees of the Company.

Employee Composition

The Company's employees' composition is shown below. This data has been compiled by the Company's human resource department as per actual and no assumptions have been made.

During the year 2024-25, the hiring rate was 18% while the turnover rate was 7%.

Total Workforce (Head count)	
FY 2025	1,552
FY 2024	1,392

Workforce Employment – By Gender						
Type	2025			2024		
	Male	Female	Total	Male	Female	Total
Permanent	1,549	3	1,552	1,389	3	1,392
Temporary	-	-	-	-	-	-
Total	1,549	3	1,552	1,389	3	1,392

Workforce by Employment Type – By Gender						
Type	2025			2024		
	Male	Female	Total	Male	Female	Total
Full Time	1,549	3	1,552	1,389	3	1,392
Part Time	-	-	-	-	-	-
Total	1,549	3	1,552	1,389	3	1,392

Workforce By Age Group				
Type	2025		2024	
	No.	%	No.	%
<30	596	38%	542	39%
30-50	786	51%	693	50%
>50	170	11%	157	11%
Total	1,552	100%	1,392	100%

Workforce Employment – By Region						
Type	2025			2024		
	Permanent	Temporary	Total	Permanent	Temporary	Total
Lahore	1,525	-	1,525	1,367	-	1,367
Karachi	20	-	20	19	-	19
Islamabad	7	-	7	6	-	6
Total	1,552	-	1,552	1,392	-	1,392

Workforce by Employment Type – By Region						
Type	2025			2024		
	Full Time	Part Time	Total	Full Time	Part Time	Total
Lahore	1,525	-	1,525	1,367	-	1,367
Karachi	20	-	20	19	-	19
Islamabad	7	-	7	6	-	6
Total	1,552	-	1,552	1,392	-	1,392

Hiring and Attrition

Hiring By Age Group				
Type	2025		2024	
	No.	%	No.	%
<30	170	64%	159	57%
30-50	92	35%	111	40%
>50	4	2%	7	3%
Total	266	100%	277	100%

Hiring By Gender				
Type	2025		2024	
	No.	%	No.	%
Male	264	99.2%	274	99%
Female	2	0.8%	3	1%
Total	266	100%	277	100%

Hiring By Region				
Type	2025		2024	
	No.	%	No.	%
Lahore	263	98.9%	272	98%
Karachi	1	0.4%	-	-
Islamabad	2	0.8%	5	2%
Total	266	100%	277	100%

Attrition By Age Group				
Type	2025		2024	
	No.	%	No.	%
<30	55	52%	30	37%
30-50	39	37%	42	51%
>50	12	11%	10	12%
Total	106	100%	82	100%

Attrition By Gender				
Type	2025		2024	
	No.	%	No.	%
Male	104	98%	82	100%
Female	2	2%	-	-
Total	106	100%	82	100%

Attrition By Region				
Type	2025		2024	
	No.	%	No.	%
Lahore	105	99%	81	99%
Karachi	-	-	-	-
Islamabad	1	1%	1	1%
Total	106	100%	82	100%

Individuals In Governance Body - Board of Directors

BOD - By Gender				
Type	2025		2024	
	No.	%	No.	%
Male	7	78%	7	78%
Female	2	22%	2	22%
Total	9	100%	9	100%

BOD - By Minority Group				
Type	2025		2024	
	No.	%	No.	%
Muslim	9	100%	9	100%
Non-Muslim	-	-	-	-
Total	9	100%	9	100%

BOD - By Age Group				
Type	2025		2024	
	No.	%	No.	%
<30	-	-	-	-
30-50	5	56%	5	56%
>50	4	44%	4	44%
Total	9	100%	9	100%

Diversity, Equity and Inclusion (DE&I)

The Company is dedicated to promoting equality, diversity, and inclusion. We believe that gender equality and empowering women are crucial for sustainable development and for building a peaceful and successful world.

To support these values, we have set up a fair hiring process. We ensure equal opportunities for everyone, regardless of race, religion, gender, marital status, age, or disability.

The Company hires both males and females with vast experiences, from different industry backgrounds, cultures, beliefs, and ethnicities. This ensures that the Company can adapt to the changing needs of business. During the year, 02 **female employees** were hired. We do not discriminate in terms of basic salary or remuneration. The **ratio of salary** and remuneration of men to women is 0.89 to one (this ratio is of relevant male versus female employees for staff category). Female employees are eligible for **parental leave** as per company policy. A total of three female employees were eligible out of which no employee availed parental leave in 2025.

We have a formal **policy on DE&I** and Protection against harassment, which aims to proactively tackle discrimination or harassment of any kind. A well-defined inquiry procedure is part of this policy and is governed by an Inquiry Committee that deals with sexual harassment complaints and ensures swift and fair action.

We are happy to report that there were no reported incidents of discrimination or harassment during the year.

We are committed to fostering and maintaining strong relationships between management and employees through effective communication. Our management team actively encourages employees to share their perspectives and seek clarity on strategic issues. We promote a **culture of open dialogue**, where employees are invited to raise concerns or request information from their line managers. Additionally, we have established a **whistleblowing mechanism** to address concerns related to business ethics, compliance, safety, environmental performance, harassment, and other employment-related matters.



Workforce by Minority Group – By Gender						
Type	2025			2024		
	Male	Female	Total	Male	Female	Total
Muslim	1,503	3	1,506	1,347	3	1,350
Non-Muslim	46	-	46	42	-	42
Total	1,549	3	1,552	1,389	3	1,392

Hiring disabled persons

We provide employment opportunities to persons with disabilities along with the provision of additional facilities and appropriate training. Currently, 20 individuals, who are differently abled, are working for the Company.

Remuneration and benefits

We offer fair and competitive salaries to attract and retain top talent and build a robust human capital. We ensured that our remuneration packages align with market benchmarks. Additionally, we ensured that the workforce at both our operational sites receive minimum wages by directly paying them into their bank accounts.

To build a culture promoting merit and competence, we have a well-structured and open annual **performance appraisal system** that is continuously reviewed for improvement. All our employees, regardless of category or gender, go through a formal appraisal and feedback process on an annual basis.

The results for annual performance appraisal are used as a basis for determination of annual increments. High performers are promoted to advanced roles and receive higher salary increases.

The Company also values and honors the dedication and outstanding contributions of its long-serving employees. We are committed to recognizing and appreciating the loyalty and hard work of our team members throughout their time with us. To acknowledge their significant contributions, we present a Lifetime Achievement Award, a meaningful way to celebrate their exceptional service.

In 2024-25, we paid Rs. 2.12 billion to our workforce as salaries and other benefits, surpassing the Rs. 1.44 billion disbursed in 2023-24.



Benefits provided to full-time employees

- | | |
|----------------------------------|---|
| ✦ Gratuity | ✦ Fuel benefit |
| ✦ Loans and advances | ✦ Daily meal |
| ✦ Bonus | ✦ Pick and drop facility |
| ✦ Medical coverage | ✦ Residential facility for non-resident employees |
| ✦ Leave Encashment | ✦ Hajj sponsorship |
| ✦ Casual, Sick and Annual leaves | |

Respect for Human Rights

The Company is committed to ensuring a workplace free from discrimination and harassment, where everyone is treated with respect and fairness, and given equal opportunities. Human rights violations of any sort are not tolerated.

Key management practices including such as observance of working hours, respect for diversity and workplace health and safety are continuously reinforced at the Company. We regularly review our operations to uphold human rights and have set up an effective system for reporting any issues. Head HR oversees the human rights issues, monitors compliance with policies and reports to the management.

We recognize that any potential non-compliance with labour / human rights laws & regulations by our supply chain partners may have significant consequences, we constantly make efforts to educate and encourage them to implement the applicable laws and adopt the best available practices in this regard.

This year, we did not identify or receive any reports of human rights violations. The Company makes every effort to engage in sincere discussions with its employees about any issues that exist or might arise. This helps in maintaining a relationship of mutual trust.

One month notification period is allowed before implementation of any change that can have an impact on employees.

Zero Tolerance for Child and Forced Labour

The Company strongly discourages any form of child labor and firmly complies with local regulations concerning legal minimum age requirement for work permits. The Company does not have any child/forced/compulsory labor within its operations nor is it aware of any such cases at its dealerships.

There were no complaints reported during the year related to violation of human rights.

Training and development

Retaining talent and cultivating future leaders are essential for reaching both our short and long-term objectives.

As a result, the Company provides a broad range of opportunities to its employees in the form of on-the-job learning, trainings, and courses. Such programs include various in-house, national, and international seminars / conferences / programs.

We support development at all levels – starting from career training through to further development of top management.

However, no transition assistance programs have been provided to employees who have resigned/ retired during the year.



Annual training hours per employee – FY 2025	
Training hours	830
Number of Employees	1,552
Training hours per Employee	0.53

Training Hours by Gender – FY 2025		
Description	Male	Female
Training hours per Employee	0.53	1.33

Training Hours by Category – FY 2025		
Description	Staff	Workers
Training hours per Employee	1.81	0.33





Educational Assistance

As part of our commitment to employee development, we provide financial support for educational and other training opportunities.

This initiative helps employees advance their skills and knowledge, benefiting both their personal growth and our organization.

By covering costs for relevant training courses and programs, we ensure that our team members have the resources they need to succeed and excel in their roles. During the year 2024-25, we paid Rs. 0.19 million for external trainings and educational support of our employees.

Health and Safety



We prioritize the health and safety and well-being of our workforce as fundamental to our sustainable business practices. We have successfully achieved **ISO 45001 - Occupational Health & Safety Management System**, marking a significant milestone in our commitment to managing occupational health and safety risks. Regular internal audits and external audits against compliance with ISO 45001 were performed during the year to review the performance.

Company regularly obtains validation for drinking water, indoor air, noise levels, ambient air etc. from Environment Protection Agency (EPA), Government of Punjab. All the results are within the acceptable limits prescribed by the Punjab Environmental Quality Standards (PEQS) and OHSA guidelines.

Our **Health, Safety and Environmental (HSE) Policy** underscores our dedication to maintaining safe working conditions across all operations. We have implemented robust safety management system, including hazard identification, regular risk assessments, incident reporting, safety trainings, and first-aid facility. These measures enable us to proactively identify and mitigate potential hazards, ensuring a secure environment for our employees.

The health and safety system covers all operational locations, activities, and covers 100% of our employees including management and non-management.

The Company places strong emphasis on **workers' participation and consultation** in all aspects of the health and safety management system, led by the Health & Safety Department. Currently there is no formal joint management-worker health and safety committees exist. A process has been established that engage employees and workers under our control, allowing their input to influence and shape our safety practices. Regular safety meetings are conducted to provide a platform for workers to discuss health & safety matters, to share experiences, and propose improvements. Feedback mechanism is also in place to allow workers to report hazards.

Key **health and safety instructions** are prominently posted throughout the company's facilities to help maintain a safe working environment. Workers are provided with appropriate personal protective equipment (PPE) and ventilation / temperature control facilities to mitigate negative occupational health and safety impacts.

Regular **training sessions** on occupational health and safety are essential in fostering a culture of safety among our workforce. These sessions include general safety practices, fire safety, basic first aid, and training on specific job-related hazards. These trainings are provided free of charge, during paid working hours. Trainers deliver these sessions in the local language to ensure clear understanding by all employees.

We identify **work-related hazards and assess risks** on both routine and non-routine tasks. These processes are carried out by experienced personnel, ensuring that assessments are of high quality. The competency of these individuals is maintained through periodical trainings. A structured hierarchy of controls is followed to eliminate or minimize risks, and the outcomes of these risk assessments are continuously reviewed to enhance the overall occupational health and safety management system.

There are clear instructions that allow workers to remove themselves from any situation they believe could cause injury or illness, with safeguards in place to prevent reprisals for exercising this right. Additionally, workers are encouraged to report any risks and safety incidents. The Company carefully tracks incidents and complaints received from employees and take prompt actions for resolution. All the relevant findings are used to improve the organization's occupational health and safety management system continually.

Occupational **health physician** is available 24/7 at both manufacturing sites to provide medical assistance, manage workplace health emergencies, and support employees' well-being. In addition to emergency care, they conduct periodic health checks, and promote preventive healthcare practices, thereby contributing to the overall health and safety culture of the organization.

Moreover, in-house ambulance facility is also available to immediately transport the unwell/injured employees to the nearest hospital.

During the year, no significant **work-related ill health fatalities**, or any other cases of significant **injuries** have been reported.

Looking forward, we remain committed to continuous improvement in health and safety performance. By leveraging our ISO 45001 certification and adopting innovative technologies, we aim to enhance our safety monitoring capabilities and further reduce risks. Our goal is to create a workplace where safety is ingrained in every aspect of our operations, contributing to the long-term well-being and success of our workforce and business.



EMPOWERING COMMUNITIES

The Company is committed to addressing societal challenges while creating value for the company. As a responsible corporate citizen, we actively engage in initiatives that benefit local communities. Company's **CSR Policy** aides the plans to pursue social contribution activities that leads to strengthen communities and contribute to the enrichment of society.

The senior management of our HR, Admin & Corporate Affairs department supported by a team, oversees the implementation and monitoring of our social initiatives, with regular progress updates provided to top management.

Our efforts primarily focus on health, education, and other community-driven projects. We strive to create sustainable value through operations that can be maintained independently, without relying on subsidies or grants.

No impact assessment of the CSR interventions was conducted during the year. However, we engage with local communities at different occasions, we have determined that there was no significant actual or potential negative impact of our operations on communities around the plant sites.

During the year, the Company has contributed 0.4% of its after-tax profit of the preceding year (FY-2024) towards community investment.

CSR Spend 2025
RS. 31.5 Million

Paid Internship Opportunity

We offer paid internship opportunities for university graduates / diploma holders, providing them with practical exposure to the automotive industry. These opportunities aim to enhance their knowledge and skills, preparing them for future career prospects.

During the year, students from various reputed institutions like NUST, GCU, UET joined for the paid internship at Sazgar.



Industrial / Educational Visits

The Company facilitates students and officials from various institutes and organizations to visit its production plants at Lahore.

This year (2025), officials and students from the following institutions visited our plants and observed the process of production of vehicles and auto-parts (wheel rims). Visitors took keen interest in the assembly line and appreciated the precision exhibited by the workers.

- Government College of Technology, Bahawalpur (Mechanical Power – Auto & Farm Machinery – Technology).
- The Association for Overseas Technical Cooperation and Sustainable Partnerships (AOT/SABK Dosokai Lahore Regional Center).
- Ghulam Ishaq Khan Institute of Engineering Sciences and Technology.

Ramadan Ration Boxes



In observance of the holy month of Ramadan, the Company distributed ration boxes to employees and poor people having worth Rs. 12.3 million, reflecting our commitment to supporting their well-being during this time of reflection, compassion, and togetherness.

This initiative aimed to ease the burden of daily essentials, enabling employees and their families to focus on the spiritual and communal values of the season. Through this act of care and solidarity, we positively impacted **more than 1,500 families**, reinforcing our culture of empathy and mutual support.



Blood Donation Drive



As part of its commitment to community well-being and social responsibility, the Company collaborated with the Aleem Dar Foundation to organize a blood donation drive at its manufacturing site, with a special focus on supporting thalassemia patients who require regular blood transfusions for survival.

Employees were encouraged to voluntarily donate blood, contributing to a critical healthcare need and helping improve the quality of life for affected individuals. The initiative fostered a culture of empathy, volunteerism, and social impact within the workforce while strengthening the Company's engagement with the community.



Hajj Sponsorship

The company sponsored four employees to perform Hajj this year, covering all associated expenses amounting to Rs. 4.58 million. This initiative reflects our dedication to supporting our employees' spiritual growth and honoring their personal and religious commitments, fostering a sense of care and community within the organization.

SAZGAR Sports Gala

As part of its commitment to employee well-being and workplace engagement, the Company organized a Sports Gala during the year, offering employees an opportunity to participate in a variety of athletic and recreational activities. A sum of Rs. 1.87 million was spent for this purpose.

The event promoted physical fitness, teamwork, and a healthy work-life balance, while strengthening interpersonal connections across the workforce. By encouraging active lifestyles and supporting mental well-being, the initiative reflects the Company's dedication to fostering a healthier, more motivated, and inclusive workplace culture.





Special Financial Assistance

We are committed to supporting our employees and their families during difficult times.

We provide special financial assistance to the families of former employees who have passed away, for food and educational purposes, helping to ease the financial burden during these challenging circumstances.

Our goal is to offer meaningful support that reflects our dedication to the well being of our workforce and their loved ones.

During the year 2024-25, we paid Rs. 0.34 million for special support of our former employees.



Donations

We are dedicated to fostering community well-being through our donations in the areas of health, education, and food. Through our financial contributions, we aim to provide essential support to underserved communities, ensuring access to vital healthcare services, nutritious food, and quality learning opportunities that can significantly enhance their quality of life and future prospects.

These contributions are directed toward initiatives such as improving medical facilities, supporting treatment for vulnerable patients, providing food assistance to families in need, upgrading educational infrastructure, and enabling skill development programs. By channeling resources into these critical areas, the Company seeks to empower individuals, strengthen community resilience, and create a foundation for long-term social progress.



Donations In-kind

In addition to financial contributions, the Company extended support to organizations through in-kind donations, which includes three-wheeler vehicles, including electric (EV) three-wheelers, to facilitate their community service operations.

These vehicles are intended to assist organizations in enhancing mobility for their outreach programs and delivering essential goods and services more efficiently.

By contributing sustainable transportation solutions, the Company not only supports the operational capacity of these organizations but also promotes cleaner mobility and reduced environmental impact, reflecting its commitment to social welfare and environmental responsibility.

In 2024-25, the Company has made a total contribution of Rs. 11.43 million. The company does not make any contributions to any political party or for any political purpose to any individual or body.



PRODUCT RESPONSIBILITY

Our approach to product responsibility is governed by a comprehensive management system that ensures quality, safety, and sustainability are embedded in every aspect of our business.

Product responsibility is integral to our company's mission of delivering vehicles that are safe, reliable, and environmentally sustainable. Our commitment to customer safety is embedded in every stage of our product lifecycle, from design and manufacturing to after-sales service. ISO 9001 certification further emphasizes our dedication to maintaining the highest quality standards across all operations.

We maintain a culture of continuous improvement, with cross-functional teams regularly reviewing and enhancing our practices to address emerging challenges and opportunities.



Product Design and Safety Standards

Safety remains our top priority. We design and engineer our vehicles to meet stringent safety standards, conducting extensive testing to validate the safety and reliability of our vehicles under various operating conditions to identify and mitigate potential risks.

All our three & four-wheeler products (100%) are extensively tested during Production and before final delivery. It includes durability testing, environmental testing, evaluations of electronic systems to prevent malfunctions and battery safety assessments.

All our four-wheel products GWM Haval H6, Jolion, Ora and Tank holds an impressive **5-star ANCAP** safety rating internationally.



During the year, no incidents of non-compliance concerning the health and safety impacts of our products occurred.

Innovation in Safety Technology

The use of cutting-edge safety technologies makes our products safer than any other. Our four-wheelers are designed with advanced safety features to ensure the protection of our customers like Electronic Stability Control, Traction Control System, Second Collision Mitigation, Cornering Brake Control, Roll Movement intervention, Brake Assist, HDC/HHC and many more.

Environmental Sustainability

Environmental sustainability is a key priority in our product responsibility strategy. We are committed to reducing the environmental impact of our vehicles through innovative design and advanced technologies. Our efforts are focused on developing and promoting electric and hybrid vehicles that contribute to a cleaner, greener future.

Hybrid Electric Four-Wheelers

We offer hybrid electric four-wheelers that combine the benefits of traditional internal combustion engines with electric propulsion. These hybrid vehicles are designed to reduce fuel consumption and lower greenhouse gas emissions, offering a balanced solution for customers seeking both performance and sustainability. Our hybrid electric four-wheelers are equipped with advanced technology that optimizes energy use, providing an efficient and environmentally friendly driving experience.

Electric Three-Wheelers

In response to the growing demand for eco-friendly transportation, we have introduced a range of electric three-wheelers designed to reduce emissions and provide efficient, sustainable mobility solutions.

These vehicles are ideal for urban environments, offering zero-emission transportation that helps reduce air pollution and dependence on fossil fuels. Our electric three-wheelers are engineered for durability, energy efficiency, and low maintenance, making them an attractive option for both individual and commercial users.

After-Sale Services

Our commitment to product responsibility extends beyond the sale of our vehicles. We provide comprehensive after-sale services, including free checkups, oil changes, and test rides, to ensure that our customers' vehicles remain in optimal condition. Our marketing approach is centered on transparency and customer satisfaction, offering clear and accurate information to help customers make informed decisions. We also maintain a robust network of trained dealers who are equipped to deliver exceptional service and support throughout the vehicle's lifecycle.

Customer Feedback and Continuous Improvement

We actively gather and analyze customer feedback related to vehicle safety and performance. This feedback informs our ongoing efforts to enhance safety features and address any potential risks. Our customer service team is trained to respond promptly to safety-related concerns, ensuring that any issues are resolved quickly and effectively.

We have introduced a WhatsApp chatbot designed to ensure customers' experience with SAZGAR. "SAZ" (chatbot) is a one stop solution for all questions whether it relates to sales, after sales, vehicle performance etc. We value customers' feedback and ensure their concerns are addressed promptly.



Safety Recalls and Transparency

In the rare event of a safety recall, we maintain full transparency and take immediate action to notify customers and rectify the issue. Our recall procedures are designed to minimize inconvenience to customers while prioritizing their safety. However, during the year no vehicle was recalled due to safety malfunctioning.

Commitment to Ongoing Safety

As the automotive industry evolves, so too our approach to customer health and safety. We are committed to staying at the forefront of safety innovation, ensuring that our vehicles not only meet current safety standards but set new benchmarks for the future.

Marketing Communications

We uphold the highest standards of integrity in our marketing communications. All promotional materials are designed to be honest and transparent, providing customers with accurate details about our products, including safety features, environmental impact, and performance capabilities.

We maintain connectivity with our customers through our website and various social media platforms. The online presence allows the company to maintain continuous communication with customers; help customers in locating nearby dealerships; and furnish customers with comprehensive information on product features and pricing.

We are committed to fair competition and strictly adhere to anti-competitive regulations, ensuring that our marketing practices are ethical and in compliance with all relevant laws and standards.

Dealers' Trainings

Recognizing the critical role that our dealers play in customer satisfaction; we invest seriously in their training and development. Our dealer training programs cover a wide range of topics, including product knowledge, customer service, and safety protocols. By equipping our dealers with the skills and knowledge they need, we ensure that they can provide the highest level of service and support to our customers.

Throughout the year, multiple training sessions were conducted, attended by both company staff and dealers.





FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAZGAR ENGINEERING WORKS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **SAZGAR ENGINEERING WORKS LIMITED (the Company)**, which comprise the statement of financial position as at June 30, 2025 and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2025 and of the profit, its comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

Following are the key audit matters:

Key Audit Matters	How the matter was addressed in our audit
1. Revenue Recognition	
Refer notes 3.10 and 25 to the annexed financial statements	<p>Our key audit procedures included:</p> <ul style="list-style-type: none">Obtained understanding and evaluated the accounting policies and the Company's procedures with respect to revenue recognition.

Key Audit Matters	How the matter was addressed in our audit
<p>The Company has earned net revenue of Rs. 108,694.50 million for the year ending June 30, 2025. The Company is primarily engaged in assembling and sale of automobiles, automotive parts and household electric appliances.</p> <p>We consider revenue a key audit matter due to the significant increase as compared to last year and the fact that it is one of the key performance indicators of the Company. In addition, revenue was also considered an area of significant audit risk as part of the audit process.</p>	<ul style="list-style-type: none"> Assessed the design, implementation and operating effectiveness of the key internal controls over revenue recognition. Reviewed provisional booking orders for vehicles to understand the terms, particularly relating to the timing and transfer of control of goods, and assessed the appropriateness of the revenue recognition policies and practices followed by the Company. Performed analytical procedures over revenue transactions to identify trends and any unusual change in revenue for four-wheel segment. Performed cut-off procedures on sales to ensure revenue has been recorded in the correct period. Checked receipts from customers to whom sales were made on sample basis. Considered adequacy of related disclosures and assessed whether these are in accordance with the applicable accounting and reporting standards.
2. Stock in trade	
<p>Refer to note 3.9 & 21 to the financial statements.</p> <p>As at June 30, 2025, the Company holds certain items of raw materials, work in process, finished goods and stock in transit amounting to Rs. 14,227.88 million.</p> <p>Stock in trade is stated at lower of cost and estimated net realizable value.</p> <p>We have considered this area as a key audit matter due to its size and the judgment involved in valuation.</p>	<p>Our key audit procedures included:</p> <ul style="list-style-type: none"> Observed physical inventory count procedures and compared, on a sample basis, physically counted inventories with the inventories in valuation sheets provided by the management. Obtained an understanding of the process and procedures with respect to the specific items of the raw materials, work in process and finished goods. Compared on a sample basis specific purchases and directly attributable costs with underlying supporting documents. Checked the accumulation of costs at different stages of production to ascertain the valuation of finished goods on a sample basis. Compared the net realizable value, on a sample basis, to the cost of finished goods to assess whether any adjustments are required to stocks value in accordance with applicable accounting and reporting standards.

Key Audit Matters	How the matter was addressed in our audit
	<ul style="list-style-type: none"> Assessed the provision for slow moving stocks as of the reporting date and assessed whether it is in accordance with the Company's policies and relevant accounting and reporting standards. Considered adequacy of the related disclosures and assessed whether these are in accordance with the applicable accounting and financial reporting standards.

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

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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.

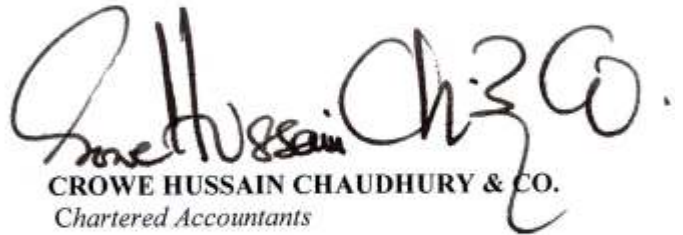
Report on Other Legal and Regulatory Requirements

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

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

Lahore
Dated: August 29, 2025
UDIN: AR202510051oaHxLfM9K



CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized share capital 100,000,000 (2024: 100,000,000) ordinary shares of Rs. 10 each		1,000,000,000	1,000,000,000
Issued, subscribed and paid up capital	5	604,459,640	604,459,640
Capital reserve - share premium	6	557,406,192	557,406,192
Revenue reserve - unappropriated profit		22,545,831,628	8,942,220,855
Shareholders' Equity		23,707,697,460	10,104,086,687
Non Current Liabilities			
Diminishing musharakah financing	7	49,825,282	151,892,953
Deferred tax liability	8	203,778,448	207,775,728
Post employment benefits	9	689,751,270	495,893,469
Deferred revenue	10	-	19,763,562
		943,355,000	875,325,712
Current Liabilities			
Trade and other payables	11	16,380,112,157	16,160,140,423
Unclaimed dividend		22,228,966	6,269,891
Short term borrowings	12	-	-
Profit payable	13	134,718,125	17,220,879
Current portion of non-current liabilities	14	114,469,094	208,427,075
Taxation - net	15	434,275,876	1,854,552,237
		17,085,804,218	18,246,610,505
Contingencies and Commitments	16	-	-
Total Equity and Liabilities		41,736,856,678	29,226,022,904
ASSETS			
Non Current Assets			
Property, plant and equipment	17	7,939,921,844	4,560,374,008
Intangible assets	18	62,564	130,814
Long term loans to employees	19	74,167,676	39,444,745
Long term deposits	20	8,990,470	8,930,470
		8,023,142,554	4,608,880,037
Current Assets			
Stores, spares and loose tools		63,066,066	5,809,570
Stock in trade	21	14,227,879,268	14,318,096,914
Trade debts	22	111,137,653	133,017,887
Loans, advances, deposits, prepayments and other receivables	23	2,715,138,956	2,398,535,831
Cash and bank balances	24	16,596,492,181	7,761,682,665
		33,713,714,124	24,617,142,867
Total Assets		41,736,856,678	29,226,022,904

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


MIAN ASAD HAMEED
CHIEF EXECUTIVE


SAEED IQBAL KHAN
DIRECTOR


MUHAMMAD ATIF RAO
CHIEF FINANCIAL OFFICER

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
Sales - net	25	108,694,499,692	57,642,468,564
Cost of sales	26	(77,052,448,989)	(41,996,098,564)
Gross Profit		31,642,050,703	15,646,370,000
Distribution and marketing costs	27	(3,474,402,975)	(1,810,895,576)
Administrative expenses	28	(560,327,372)	(383,302,629)
Other operating expenses	29	(1,992,726,278)	(999,809,051)
		(6,027,456,625)	(3,194,007,256)
Operating Profit		25,614,594,078	12,452,362,744
Other income	30	1,355,017,678	832,388,254
Finance cost	31	(230,296,277)	(168,911,343)
		1,124,721,401	663,476,911
Profit before Levy and Taxation		26,739,315,479	13,115,839,655
Levy / final taxation	32	(1,431,417)	(494,830)
Profit before Taxation		26,737,884,062	13,115,344,825
Taxation	32	(10,401,682,720)	(5,179,668,249)
Net Profit for the Year		16,336,201,342	7,935,676,576
Earnings per Share - Basic and Diluted	33	270.26	131.29

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


MIAN ASAD HAMEED
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SAEED IQBAL KHAN
DIRECTOR


MUHAMMAD ATIF RAO
CHIEF FINANCIAL OFFICER

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
Net Profit for the Year		16,336,201,342	7,935,676,576
Other comprehensive income			
<i>Items that may be re-classified subsequently to profit or loss</i>			
<i>Items that will not be re-classified subsequently to profit or loss</i>			
Re-measurement of net defined benefit obligation	9.6	(72,968,153)	(21,286,383)
Other comprehensive loss for the year		(72,968,153)	(21,286,383)
Total Comprehensive Income for the Year		16,263,233,189	7,914,390,193

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


MIAN ASAD HAMEED
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MUHAMMAD ATIF RAO
CHIEF FINANCIAL OFFICER

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2025

Particulars	Share Capital	Capital Reserve	Revenue Reserve	Total
		Share Premium	Unappropriated Profit	
	Rupees	Rupees	Rupees	Rupees
Balance as at June 30, 2023	604,459,640	557,406,192	1,753,182,230	2,915,048,062
Net profit for the year	-	-	7,935,676,576	7,935,676,576
Other comprehensive loss for the year	-	-	(21,286,383)	(21,286,383)
Total comprehensive income for the year	-	-	7,914,390,193	7,914,390,193
Transaction with Owners				
Final cash dividend @ Rs. 4 (40%) per ordinary share for the year ended June 30, 2023	-	-	(241,783,856)	(241,783,856)
First interim dividend @ Rs. 8 (80%) per ordinary share for the year ended June 30, 2024	-	-	(483,567,712)	(483,567,712)
Balance as at June 30, 2024	604,459,640	557,406,192	8,942,220,855	10,104,086,687
Net profit for the year	-	-	16,336,201,342	16,336,201,342
Other comprehensive loss for the year	-	-	(72,968,153)	(72,968,153)
Total comprehensive income for the year	-	-	16,263,233,189	16,263,233,189
Transaction with Owners				
Final cash dividend @ Rs. 12 (120%) per ordinary share for the year ended June 30, 2024	-	-	(725,351,568)	(725,351,568)
First interim cash dividend @ Rs. 10 (100%) per share for the year ended June 30, 2025	-	-	(604,459,640)	(604,459,640)
Second interim cash dividend @ Rs. 10 (100%) per ordinary share for the year ended June 30, 2025	-	-	(604,459,640)	(604,459,640)
Third interim cash dividend @ Rs. 12 (120%) per share for the year ended June 30, 2025	-	-	(725,351,568)	(725,351,568)
Balance as at June 30, 2025	604,459,640	557,406,192	22,545,831,628	23,707,697,460

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


MIAN ASAD HAMEED
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SAEED IQBAL KHAN
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MUHAMMAD ATIF RAO
CHIEF FINANCIAL OFFICER

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Generated from Operations	34	26,096,113,287	11,955,069,844
Finance cost	13	(106,974,170)	(126,543,748)
Income tax		(11,827,387,778)	(2,738,424,302)
Deferred revenue	10	(22,909,102)	22,730,792
Staff gratuity	9.2	(23,953,853)	(33,544,401)
Workers' welfare fund	11.4	-	(37,705,776)
Workers (profit) participation fund	11.3	-	(79,063,509)
		(11,981,224,903)	(2,992,550,944)
Net Cash Generated from Operating Activities		14,114,888,384	8,962,518,900
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	17	(3,732,521,120)	(1,989,256,217)
Proceeds from disposal of property, plant and equipment	17.1.2	18,120,000	17,176,000
Long term deposits		(60,000)	(2,892,115)
Net Cash Used in Investing Activities		(3,714,461,120)	(1,974,972,332)
CASH FLOW FROM FINANCING ACTIVITIES			
Diminishing musharakah financing repaid	7	(192,880,112)	(185,217,610)
Profit on bank deposits received	30	1,270,925,705	651,037,657
Dividend paid		(2,643,663,341)	(720,489,035)
Net Cash Used in Financing Activities		(1,565,617,748)	(254,668,988)
Net Increase in Cash and Cash Equivalents		8,834,809,516	6,732,877,580
Cash and Cash Equivalents at the beginning of the year	24	7,761,682,665	1,028,805,085
Cash and Cash Equivalents at the End of the Year		16,596,492,181	7,761,682,665

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


MIAN ASAD HAMEED
CHIEF EXECUTIVE


SAEED IQBAL KHAN
DIRECTOR


MUHAMMAD ATIF RAO
CHIEF FINANCIAL OFFICER

NOTES

TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Note 1

The Company and its Operations

Sazgar Engineering Works Limited was incorporated in Pakistan on September 21, 1991 as a Private Limited Company and converted into a Public Limited Company on November 21, 1994. The Company is listed on the Pakistan Stock Exchange Limited. The Company is domiciled in Pakistan and is engaged in manufacturing and sale of automobiles, automotive parts and household electric appliances.

The geographical locations and addresses of the Company's business units, including production facilities are as under:

Business unit	Geographical location
Registered office	88- Ali Town, Thokar Niaz Baig, Raiwind Road, Lahore.
Manufacturing facility - three wheeler, wheel rim and household electric appliances	18-Km Raiwind Road, Lahore.
Manufacturing facility - four wheeler	Maghrabi Tanki-1 Link Road, Near Ijtamah Chowk, Sunder-Raiwind Road, Lahore.

Note 2

Basis of Preparation

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

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

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for the recognition of post employment benefits and interest free loans to employees at present value.

2.3 Functional and presentation currency

These financial statements are prepared and presented in Pak Rupees (Rs.) which is the Company's functional and presentation currency. All the figures have been rounded off to the nearest rupee, unless otherwise stated.

2.4 Key judgements and estimates

The preparation of financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and related assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

These estimates and related assumptions are reviewed on an ongoing basis. Accounting estimates are revised in the period in which such revisions are made. Significant management estimates in these financial statements relate primarily to:

- Useful lives, residual values and depreciation method of property, plant and equipment – Note 3.3 & 17.1
- Liability in respect of post employment benefits Note 3.1 and 9
- Estimation of contingent liabilities - Note 3.19 and 16
- Current income tax expense, provision for current tax and recognition of deferred tax asset (for carried forward tax losses and credits) - Note 3.7, 8, 15 and 32

NOTES

TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

However, the management believes that the change in outcome of estimates would not have a material effect on the amounts disclosed in these financial statements.

2.5 Changes in accounting standards, interpretations and pronouncements

2.5.1 Standards, interpretations and amendments to approved accounting standards which became effective during the year

The following standards, amendments, and interpretations are effective for the year ended June 30, 2025. These standards, amendments and interpretations are either irrelevant to the Company's operations or are not expected to significantly impact the Company's financial statements other than certain additional disclosures.

Standard or Interpretation		Effective Date - Annual Periods Beginning on or After
IAS 1	Presentation of Financial Statements (Amendments)	January 01, 2024
IAS 7	Amendments to IAS 7 "Statement of Cash Flows"	January 01, 2024
IFRS 7	Amendments to IFRS 7 "Financial Instruments Disclosures"- Supplier Finance Arrangements	January 01, 2024
IFRS 16	Amendments to IFRS 16 "Leases" - Clarification on how seller-lessee subsequently measures sale and lease back transaction	January 01, 2024

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

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Standard or Interpretation		Effective Date - Annual Periods Beginning on or After
IAS 21	Amendments to lack of exchangeability	January 01, 2025
IFRS 7 & 9	Amendments to Classification and Measurement of Financial Instruments - Amendments to IFRS 7 and IFRS 9	January 01, 2026
IFRS 7 & 9	Contracts referencing Nature-dependent Electricity	January 01, 2026
IFRS 1, 7, 9, 10 and IAS 7	Annual Improvements to IFRS Accounting Standards	January 01, 2026
IFRS S1	General Requirements for Disclosure of Sustainability-related Financial Information	July 01, 2025
IFRS S2	Climate-Related Disclosures	July 01, 2025

Other than the aforementioned standards, interpretations, and amendments, IASB has also issued the following standards, which have not been notified locally, in relation to the Company, by the Securities and Exchange Commission of Pakistan (SECP) as at June 30, 2025:

IFRS 1	First Time Adoption of IFRS
IFRS 18	Presentation and Disclosure in Financial Statements
IFRS 19	IFRS 19 'Subsidiaries Without Public Accountability: Disclosures'

The management believes that adoption of the new standards, amendments and interpretations, which are in issue but not yet effective, is not likely to have any material impact, on the recognition, measurement, presentation and disclosure of items in the financial statements for current and future periods and foreseeable future transactions.

NOTES

TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Note 3

Material Accounting Policy Information

Material accounting policy information adopted in the preparation of these financial statements is set out below. These policies have been consistently applied to all the periods presented unless stated otherwise.

3.1 Employee benefits

3.1.1 Short term obligation

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position.

3.1.2 Post employment benefits

Defined benefit plan

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

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

3.2 Compensated absences

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

3.3 Property, plant and equipment

Owned

Items of property, plant and equipment other than freehold land are stated at cost less accumulated depreciation and identified impairment losses, if any. Freehold land is stated at cost less any identified impairment loss.

Cost in relation to self manufactured assets includes direct cost of materials, labour and applicable manufacturing overheads. Cost of tangible fixed assets consists of historical cost, borrowing cost pertaining to the construction / erection period and directly attributable cost of bringing the assets to working condition.

Depreciation on all property, plant and equipment except freehold land and capital work progress is charged by applying the reducing balance method in accordance with the rates specified in note 17.1 of these financial statements, whereby the cost of an asset is written off over its estimated useful life. Depreciation on additions is charged when the asset is available for use while no depreciation is charged when the asset is disposed off.

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

Normal maintenance and repairs are charged to statement of profit or loss as and when incurred. Major renewals and replacements are capitalized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

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

3.4 Capital work-in-progress

Capital work-in-progress is stated at cost less identified impairment losses, if any. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. Cost may also include applicable borrowing costs. These are transferred to specific assets as and when these are available for use. All other repairs and maintenance are charged to statement of profit or loss during the period in which these are incurred.

NOTES

TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

3.5 Impairment of fixed assets

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

3.6 Loan, advances and prepayments and other receivables

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

3.7 Taxation

Income tax expense for the year comprises current and deferred tax and is recognized in statement of profit or loss except to the extent that relates to items recognized directly in other comprehensive income or equity, in which case it is recognized in other comprehensive income or equity.

3.7.1 Current

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the year end of the reporting date.

The charge for current tax is higher of corporate tax (higher of tax based on taxable income and minimum tax) and alternative corporate tax. Super tax applicable on the Company is also as per the applicable rates as per the Income Tax Ordinance, 2001. However, in case of loss for the year, income tax expense is recognized as minimum tax liability on turnover of the Company in accordance with the provisions of the Income Tax Ordinance, 2001.

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

Alternative corporate tax is calculated at 17% of accounting profit, after taking into account the required adjustments. Current tax for current and prior periods, to the extent unpaid is recognized as a liability. If the amount already paid irrespective of current and prior period exceeds the amount due to those periods the excess recognized as an asset.

The Company offsets current tax assets and current tax liabilities if, and only if, the entity has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

The management periodically evaluates positions taken in the tax returns with respect to situation in which applicable tax regulations are subject to interpretation and establishes provision where appropriate.

When minimum tax is higher than tax calculated on taxable profits, excess amount is recognized as levy under IFIRC 21 / IAS 37. Further, the Company shall also charge tax expense under levy when tax is calculated under final tax regime.

3.7.2 Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary timing differences arising from the difference between the carrying amount of the assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction neither affects accounting nor taxable profit or loss.

NOTES

TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Deferred tax liabilities are recognized for all major taxable temporary differences.

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

Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent of probable future taxable profit available that will allow deferred tax asset to be recovered.

Deferred tax is calculated at rates that are expected to apply to the period when the differences reverse based on the tax rates and tax laws that have been enacted or have been notified for subsequent enactment by the reporting date.

When different tax rates apply to different levels of taxable income, deferred tax assets and liabilities are measured using the average rates that are expected to apply to the taxable profits / (tax losses) of the periods in which temporary differences are expected to be reversed.

3.8 Store, spares and loose tools

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

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

3.9 Stock-in-trade

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

The Company reviews the carrying amount of stock in trade on a regular quarterly basis and as appropriate, inventory is written down to its net realizable value or provision is made for obsolescence if there is any change in its usage pattern and physical form of related stock in trade. The provision of slow moving items is determined based on the management's assessment regarding their future usability.

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

3.10 Revenue Recognition

Revenue is recognized when the performance obligation is satisfied by applying the following five steps model of revenue recognition:

- a) Identify the contract with a customer;
- b) Identify the performance obligation in the contract;
- c) Determine the transaction price of the contract;
- d) Allocate the transaction price to each of the separate performance obligations in the contract; and
- e) Recognize the revenue as the Company satisfies a performance obligation

In case of vehicles and parts, revenue is recognised when goods are dispatched and invoiced to the customers. Revenue is measured at the transaction price agreed under the contract, adjusted for variable consideration such as discount, if any. In most cases, the consideration is received before the goods are dispatched / invoiced. Deferred payment terms may also be agreed in case of sales to certain categories of customers. Transaction price is adjusted for time value of money in case of significant financing component.

The Company's contracts with customers include promises to transfer goods or services without charges such as free inspections of vehicles. Such promised goods or services are generally considered performance obligations and related sales revenue is deferred under IFRS 15, if it is deemed material.

3.11 Segment reporting

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

NOTES

TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

3.12 Cash and cash equivalents

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

3.13 Trade and accrued liabilities

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for the goods and services received, whether billed or not to the Company. The amounts are unsecured and are usually paid as per terms and conditions. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

3.14 Provisions

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

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

3.15 Financial instruments

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

3.15.1 Financial assets

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

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

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

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

Recognition and derecognition

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

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. In the case of a financial asset at fair value through profit or loss (FVTPL), the Transaction costs of financial assets carried at FVTPL are expensed in the statement of profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

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

(i) Amortized cost

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

NOTES

TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

(ii) **Fair value through statement of other comprehensive income (FVTCI)**

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

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

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

De-recognition of financial assets

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

Impairment of financial assets

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

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

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

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

Write-off

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

3.15.2 Financial liabilities

Classification, initial recognition and subsequent measurement

The Company classifies its financial liabilities in the following categories:

- a) At fair value through profit or loss; and
- b) Other financial liabilities

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

(i) Fair value through profit or loss

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

(ii) Amortized cost

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

NOTES

TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

De-recognition of financial liabilities

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

3.15.3 Offsetting of financial assets and financial liabilities

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

3.16 Earning per share

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

3.17 Interest free loans to employees

The Company provides interest free loans to its employees for various purposes. The loans are initially recognized at fair value which is the present value of future deductions to be made from employees' salaries, discounted at the market interest rate. The difference between fair value of the interest free loan and principal amount at initial recognition is recorded as expense in statement of profit or loss. The loan is subsequently measured at amortized cost with respective finance income to be recorded in profit or loss. In addition, the deferred employee benefit is fully expensed in the statement of profit and loss at the time of initial recognition.

3.18 Provision of warranty obligation

The Company recognises the estimated liability, on an accrual basis, to repair or replace products under warranty at the reporting date, and recognises the estimated product warranty costs in the statement of profit or loss when the sale is recognised.

3.19 Contingent liabilities

A contingent liability is 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.

A contingent liability is also disclosed when there is a present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits would be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

3.20 Return on Bank Deposits

Return on bank deposits is recognized and recorded on an accrual basis, reflecting the income as it is earned rather than when it is received.

3.21 Foreign currency translation

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

Note 4

Summary of Other Accounting Policies

Other accounting policies which do not have significant impact on financial statements are set out below for ease of user's understanding of these financial statements. These policies have been applied consistently for all periods presented, unless otherwise stated.

4.1 Research and development

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

NOTES

TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

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

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

4.2 Borrowing cost

Borrowing cost is recognised initially at fair value, net of transaction cost incurred. Borrowing costs are recognised as an expense in the period in which these are incurred except where such costs are directly attributable to the acquisition, construction or production of a qualifying asset in which case such costs are capitalised as part of the cost of that asset.

4.3 Dividend and appropriation to reserves

Dividend declared and appropriations to reserves are recognised in the financial statements in the period in which they are approved.

4.4 Intangible assets

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

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

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

Note 5

Issued, Subscribed and Paid up Capital

2025	2024		2025	2024
Number of Shares			Rupees	Rupees
21,363,000	21,363,000	Ordinary shares of Rs. 10 each fully paid in cash	213,630,000	213,630,000
39,082,964	39,082,964	Ordinary shares of Rs. 10 each allotted as fully paid bonus shares	390,829,640	390,829,640
60,445,964	60,445,964		604,459,640	604,459,640

5.1 All ordinary shares rank equally with regards to the residual assets of the Company. Ordinary shareholders are entitled to receive all distributions including dividends and other entitlements in the form of bonus and right shares as and when declared by the Company. Voting and other rights are in proportion to the shareholding.

5.2 As at the reporting date, the shares of the Company as held by its related parties are as follows:

	2025	2024	2025	2024
	Percentage		Number of Shares	
Directors	61.47%	64.76%	37,158,502	39,144,484
Others	5.75%	2.45%	3,478,132	1,479,940

5.3 No shares were further issued or cancelled during the year.

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TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Note 6

Capital Reserve - Share Premium

	2025 Rupees	2024 Rupees
Premium on issuance of right shares	557,406,192	557,406,192

- 6.1 This represents the premium received on right shares issued during the year ended June 30, 2020. This reserve can be utilized by the Company only for the purposes specified in Section 81 of the Companies Act, 2017.

Note 7

Diminishing Musharakah Financing

	Note	2025 Rupees	2024 Rupees
Diminishing musharakah - Islamic banking			
MCB Islamic Bank Limited	7.2	3,390,996	14,885,496
Meezan Bank Limited	7.3	47,460,305	124,679,285
Habib Metropolitan Bank Limited	7.4	84,375,002	121,875,002
Faysal Bank Limited	7.5	16,666,660	83,333,292
		151,892,963	344,773,075
		(102,067,681)	(192,880,122)
		49,825,282	151,892,953
Less: Current portion of diminishing musharakah financing			

7.1 Movement in diminishing musharakah financing

Opening balance	344,773,075	529,990,685
Obtained during the year	-	-
Repaid during the year	(192,880,112)	(185,217,610)
Closing balance	151,892,963	344,773,075

Note	Financial Institution	For the year ended June 30,	Total Facility	Utilized Portion	Un-Utilized Portion	Purpose of Facility	Rate of Profit	Payment of Installment	Repayment Commencement Date	Date of Maturity	Tenure	Security Details
			----Rs. in million----									
7.2	MCB Islamic Bank Limited	2025	44.6	3.39	41.21	For the acquisition of four wheeler plant and machinery	6M-KIBOR + 1.35% and 1.75%	Quarterly	April 2020	November 2025	Six years including one year grace period	- Pari passu charge over fixed assets of Rs. 90 million - Personal guarantees of certain directors
		2024	44.6	14.89	29.71							
7.3	Meezan Bank Limited	2025	48	32.71	0.54	For the acquisition of four wheeler plant and machinery	6M-KIBOR + 1.75%	Quarterly	August 2021	November 2025	Seven years including two years and 7 months grace period	- Pari passu charge over fixed assets of Rs. 627.33 million - Personal guarantees of certain directors
				14.75			SBP Rate + 4%	Quarterly	October 2021	July 2026	Five years and six months including 9 months grace period	
		2024	161	98.12	36.38		6M-KIBOR + 1.75%	Quarterly	August 2021	November 2025	Seven years including two years and 7 months grace period	
				26.50			SBP Rate + 4%	Quarterly	October 2021	July 2026	Five years and six months including 9 months grace period	
7.4	Habib Metropolitan Bank Limited	2025	94	84.37	9.63	For the acquisition of four wheeler plant and machinery	3M-KIBOR + 1.50%	Quarterly	October 2022	July 2027	Five years including one year grace period	- Pari passu charge over fixed assets of Rs. 267.00 million - Pari passu charge over current assets of Rs. 200 million - Personal guarantees of certain directors
		2024	132	121.87	10.13							
7.5	Faysal Bank Limited	2025	67	16.67	50.33	For the acquisition of four wheeler plant and machinery	3M-KIBOR + 1.75%	Quarterly	November 2022	August 2025	Four years including one year grace period	- Pari passu charge over fixed assets of Rs. 534.00 million - Pari passu charge over current assets of Rs. 200 million - Personal guarantees of certain directors
		2024	133	83.33	49.67							

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TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Note 8

Deferred Tax Liability / (Asset)

	Note	2025 Rupees	2024 Rupees
Taxable temporary differences			
Accelerated tax depreciation		366,729,894	296,217,362
Deductible temporary differences			
Provision against doubtful trade debts		(281,371)	(719,926)
Provision against warranty		(157,833,524)	(73,950,607)
Deferred revenue		(4,836,551)	(13,771,101)
		203,778,448	207,775,728

8.1 Reconciliation of deferred tax liabilities / (assets) - Net

Opening balance		207,775,728	(39,208,370)
Charged to profit or loss during the year	32	(3,997,280)	246,984,098
Charged to other comprehensive income during the year		-	-
Closing balance		203,778,448	207,775,728

8.2 Analysis of deferred tax

	Statement of Financial Position		Statement of Profit or Loss	
	2025 Rupees	2024 Rupees	2025 Rupees	2024 Rupees
Accelerated tax depreciation	366,729,894	296,217,362	70,512,532	117,280,635
Provision for doubtful trade debt	(281,371)	(719,926)	438,555	(719,926)
Provision for warranty	(157,833,524)	(73,950,607)	(83,882,917)	(60,797,679)
Minimum tax u/s 113 of the Income Tax Ordinance, 2001	-	-	-	204,992,169
Deferred revenue	(4,836,551)	(13,771,101)	8,934,550	(13,771,101)
	203,778,448	207,775,728	(3,997,280)	246,984,098

8.3 Deferred tax liabilities / (assets) on temporary differences are measured at effective rate of 39% (2024: 39%) per annum.

Note 9

Post Employment Benefits

	Note	2025 Rupees	2024 Rupees
Staff gratuity - unfunded	9.1	689,751,270	495,893,469

9.1 The Company operates an unfunded gratuity scheme covering its permanent employees subject to completion of minimum prescribed period of service. Most recent actuarial valuation was carried out as on June 30, 2025. Actuarial valuation estimates are based on assumption on anticipation of future salary increase, mortality and inflation rates.

NOTES

TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

9.2 Movement in the present value of defined benefit obligations

	Note	2025 Rupees	2024 Rupees
Opening balance		495,893,469	392,826,050
Current service cost		73,465,811	54,216,686
Interest cost on defined benefit obligation		71,377,690	61,108,751
Benefits paid		(23,953,853)	(33,544,401)
Actuarial losses from changes in financial assumptions		49,706,040	3,273,429
Experience adjustments		23,262,113	18,012,954
		689,751,270	495,893,469

9.3 Charge for the year

Current service cost	73,465,811	54,216,686
Interest cost	71,377,690	61,108,751
	144,843,501	115,325,437

9.4 The charge for the year has been allocated as follows:

The expense is recognized in the following line items in the statement of profit or loss under the head salaries, wages and other benefits.

Cost of sales	26.2	102,978,860	82,689,038
Distribution and marketing costs	27.1	9,856,067	8,058,931
Administrative expenses	28.1	32,008,574	24,577,468
		144,843,501	115,325,437

9.5 Year end sensitivity analysis (± 100 Bps) on defined benefit obligation

Discount rate + 100 bps	637,318,315	460,871,248
Discount rate - 100 bps	751,829,134	536,840,578
Salary increase + 100 Bps	752,285,770	537,558,114
Salary increase - 100 Bps	635,939,373	459,647,986

9.6 Re-measurement recognized in other comprehensive income

Actuarial losses from changes in financial assumptions	49,706,040	3,273,429
Experience adjustments	23,262,113	18,012,954
Total re-measurement recognized in other comprehensive income	72,968,153	21,286,383

9.7 The Company does not have any plan assets covering its post-employment benefits payable. The comparative statement of present value of defined benefit obligations is as under:

	2025 Rupees	2024 Rupees	2023 Rupees	2022 Rupees	2021 Rupees
Present value of defined benefit obligations	689,751,270	495,893,469	392,826,050	295,513,621	244,891,848
Fair value of plan assets	-	-	-	-	-
Net liability	689,751,270	495,893,469	392,826,050	295,513,621	244,891,848

9.8 Estimated Charge for future period

	2026 Rupees
Service cost	99,740,794
Interest cost	70,154,981
	169,895,775

NOTES

TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

9.9 Actuarial assumptions

The present value of defined benefit obligations and charge for the current year have been determined on the basis of actuarial estimates provided by the actuary as under:

	2025	2024
Discount rate for year end obligation	11.75%	14.75%
Discount rate for interest cost in profit or loss	14.75%	16.25%
Average expected remaining working lives of employees	8 Years	8 Years
Expected mortality rate for active employees	SLIC 2001-2005 Setback 1 Year	
Actuarial valuation method	Projected Credit Unit Method	
Retirement assumption	60 Years	
Expected rate of increase in salary level - per annum	11.75% for 2026 and onwards	15% for 2025 and 13.75% onwards

9.10 Expected benefit payments for next 10 years and beyond

	Rupees
Year 2026	185,375,209
Year 2027	46,388,808
Year 2028	58,469,855
Year 2029	62,295,899
Year 2030	72,235,090
Year 2031	70,810,611
Year 2032	102,958,511
Year 2033	99,316,011
Year 2034	83,213,191
Year 2035	108,768,957
Year 2036 and onwards	16,127,532,869

Note 10

Deferred Revenue

	Note	2025 Rupees	2024 Rupees
Deferred revenue	10.1	12,401,413	35,310,515
Less: Current portion of deferred revenue	14	(12,401,413)	(15,546,953)
		<u>-</u>	<u>19,763,562</u>

10.1 Movement in deferred revenue

Opening balance	35,310,515	12,579,723
Additions during the year	76,314,000	37,779,000
Revenue recognized during the year	(99,223,102)	(15,048,208)
Closing balance	12,401,413	35,310,515

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TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Note 11

Trade and Other Payables

	Note	2025 Rupees	2024 Rupees
Advances from trade customers - contract liability	11.1	9,800,690,718	12,950,356,962
Creditors - unsecured		1,270,441,912	1,346,313,454
Accrued and other liabilities		422,470,568	303,116,364
Sales tax and excise duty payable		340,260,459	267,769,041
Income tax deducted at source		516,555,367	127,976,423
Provision for warranty claims	11.2	404,701,343	189,616,937
Workers' (profit) participation fund	11.3	2,148,692,235	706,047,217
Workers' welfare fund	11.4	815,249,142	268,944,025
<i>Islamic mode of financing - Murabaha / Musawammah:</i>			
- Faysal Bank Limited	11.5	363,245,850	-
- Meezan Bank Limited	11.6	297,804,563	-
- Habib Bank Limited	11.7	-	-
- United Bank Limited	11.8	-	-
- Allied Bank Limited	11.9	-	-
- Habib Metropolitan Bank Limited	11.10	-	-
- Askari Bank Limited	11.11	-	-
- Dubai Islamic Bank Pakistan Limited	11.12	-	-
- The Bank of Punjab	11.13	-	-
- Bank Al-Habib Limited	11.14	-	-
- Bank Alfalah Limited	11.15	-	-
		16,380,112,157	16,160,140,423

11.1 This represents advances received from customers in respect of sale of vehicles and related parts. The opening balance of contract liability has been recognized as revenue during the year.

11.2 Movement in provision for warranty claims

Opening balance	189,616,937	45,454,925
Charged during the year	217,434,818	144,162,012
	407,051,755	189,616,937
Utilized during the year	(2,350,412)	-
Closing balance	404,701,343	189,616,937

11.3 Movement in workers' (profit) participation fund

Opening balance	706,047,217	79,063,511
Expense recognised during the year	29 1,442,645,018	706,047,215
	2,148,692,235	785,110,726
Payments made during the year	-	(79,063,509)
Closing balance	2,148,692,235	706,047,217

11.4 Movement in workers' welfare fund

Opening balance	268,944,025	19,580,642
Expense recognised during the year	546,305,117	268,944,025
Prior year adjustment	-	18,125,134
	546,305,117	287,069,159
Payments made during the year	815,249,142	306,649,801
	-	(37,705,776)
Closing balance	815,249,142	268,944,025

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FOR THE YEAR ENDED JUNE 30, 2025

Islamic mode of financing - Murabaha / Musawammah

Note	Financial Institutions Name / Facility Type	For the Year Ended June 30,	Total Funded Facility	Utilized Portion	Un-Utilized Portion	Maximum Period	Rate of Profit	Security Details
----Rs. in million----								
11.5	Faysal Bank Limited - Islamic Banking - Murabaha arrangement (Sublimit of Note 16.2.8)	2025	400	363.25	36.75	120 Days	KIBOR + 1.00%	- Pari passu charge over fixed assets of Rs. 534 million - Pari passu charge over current assets of Rs. 400 million (2024: Rs. 300 million) - Personal guarantees of certain directors
		2024	300	-	300	120 Days	KIBOR + 1.00%	
11.6	Meezan Bank Limited - Muswammah arrangement (Sublimit of Note 16.2.3)	2025	400	297.80	102.20	180 Days	KIBOR + 1.10%	- Pari passu charge over fixed assets of Rs. 797.33 million - Pari passu charge over the current assets of Rs. 400 million - Personal guarantees of certain directors
		2024	400	-	400	180 Days	KIBOR + 1.25%	
11.7	Habib Bank Limited - Islamic Banking - Muswammah arrangement	2025	160	-	160	120 Days	KIBOR + 1.10%	- Pari passu charge over fixed assets of Rs. 214 million - Pari passu charge over current assets of Rs. 160 million - Personal guarantees of certain directors
		2024	160	-	160	120 Days	KIBOR + 1.10%	
11.8	United Bank Limited - Ameen Islamic Banking Murabaha arrangement (Sublimit of Note 16.2.5)	2025	350	-	350	180 Days	KIBOR + 1.10%	- Pari passu charge over fixed assets of Rs. 467 million - Pari passu charge over current assets of Rs. 350 million - Personal guarantees of certain directors
		2024	350	-	350	180 Days	KIBOR + 1.10%	
11.9	Allied Bank Limited - Murabaha arrangement (Sublimit of Note 16.2.6)	2025	Nil	-	Nil	Nil	-	-
		2024	135	-	135	90 Days	KIBOR + 1.10%	- Pari passu charge over fixed assets of Rs. 185 million - Pari passu charge over current assets of Rs. 110 million - Personal guarantees of certain directors
11.10	Habib Metropolitan Bank Limited - Murabaha arrangement (Sublimit of Note 16.2.7)	2025	200	-	200	120 Days	KIBOR + 1.10%	- Pari passu charge over fixed assets of Rs. 267 million - Pari passu charge over current assets of Rs. 200 million - Personal guarantees of certain directors
		2024	200	-	200	120 Days	KIBOR + 1.10%	

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Islamic mode of financing - Murabaha / Musawammah

Note	Financial Institutions Name / Facility Type	For the Year Ended June 30,	Total Funded Facility	Utilized Portion	Un-Utilized Portion	Maximum Period	Rate of Profit	Security Details
----Rs. in million----								
11.11	Askari Bank Limited - Islamic Banking - Murabaha arrangement (Sublimit of Note 16.2.9)	2025	300	-	300	120 Days	KIBOR + 1.25%	- Pari passu charge over fixed assets of Rs. 400 million - Pari passu charge over current assets of Rs. 300 million - Personal guarantees of certain directors
		2024	300	-	300	120 Days	KIBOR + 1.25%	
11.12	Dubai Islamic Bank Pakistan Limited - Islamic Banking - Murabaha arrangement (Sublimit of Note 16.2.10)	2025	300	-	300	120 Days	KIBOR + 1.10%	- Pari passu charge over fixed assets of Rs. 400 million - Pari passu charge over current assets of Rs. 300 million - Personal guarantees of certain directors
		2024	300	-	300	120 Days	KIBOR + 1.10%	
11.13	The Bank of Punjab - Islamic Banking - Muswammah arrangement (Sublimit of Note 16.2.11)	2025	250	-	250	180 Days	KIBOR + 1.00%	- Pari passu charge over fixed assets of Rs. 334 million - Pari passu charge over current assets of Rs. 250 million - Personal guarantees of certain directors
		2024	250	-	250	180 Days	KIBOR + 1.00%	
11.14	Bank Al Habib Limited - Islamic Banking - Murabaha arrangement (Sublimit of Note 16.2.12)	2025	250	-	250	120 Days	KIBOR + 1.10%	- Pari passu charge over fixed assets of Rs. 334 million - Pari passu charge over current assets of Rs. 250 million - Personal guarantees of certain directors
		2024	250	-	250	120 Days	KIBOR + 1.10%	
11.15	Bank Al Falah Limited - Islamic Banking - Muswammah arrangement (Sublimit of Note 16.2.15)	2025	350	-	350	120 Days	KIBOR + 1.00%	- Pari passu charge over fixed assets of Rs. 467 million - Pari passu charge over current assets of Rs. 350 million - Personal guarantees of certain directors
		2024	Nil	-	Nil	Nil	-	-

NOTES

TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Note 12

Short Term Borrowings

	Note	2025 Rupees	2024 Rupees
Islamic mode of financing (Shariah compliant financial institution)			
Running Musharakah arrangements			
- Habib Bank Limited	12.1	-	-
- Askari Bank Limited	12.2	-	-
- United Bank Limited	12.3	-	-
- Meezan Bank Limited	12.4	-	-
- Allied Bank Limited	12.5	-	-
- Faysal Bank Limited	12.6	-	-
- The Bank of Khyber	12.7	-	-
Istisna arrangements			
- Meezan Bank Limited	12.8	-	-
- Bank Alfalah Limited	12.9	-	-
- Bank Al Habib Limited	12.10	-	-
		-	-

Note	Financial Institutions Name / Facility Type	For the Year Ended June 30,	Sublimit of Note	Total Funded Facility	Utilized Portion	Un-Utilized Portion	Rate of Profit	Security Details
----Rs. in millions----								
12.1	Habib Bank Limited - Islamic Banking - Running Musharakah arrangement	2025	11.7	160	-	160	KIBOR + 1.10%	- Pari passu charge over fixed assets of Rs. 214 million - Pari passu charge over current assets of Rs. 160 million - Personal guarantees of certain directors
		2024		160	-	160	KIBOR + 1.10%	
12.2	Askari Bank Limited - Islamic Banking - Running Musharakah arrangement	2025	11.11	100	-	100	KIBOR + 1.25%	- Pari passu charge over fixed assets of Rs. 400 million - Pari passu charge over current assets of Rs. 300 million - Personal guarantees of certain directors
		2024		100	-	100	KIBOR + 1.25%	
12.3	United Bank Limited - Ameen Islamic Banking - Running Musharakah arrangement	2025	11.8	280	-	280	KIBOR + 1.10%	- Pari passu charge over fixed assets of Rs. 467 million - Pari passu charge over current assets of Rs. 350 million - Personal guarantees of certain directors
		2024		280	-	280	KIBOR + 1.10%	
12.4	Meezan Bank Limited - Running Musharakah arrangement	2025	11.6	400	-	400	KIBOR + 1.1%	- Pari passu charge over fixed assets of Rs. 761.33 million - Pari passu charge over current assets of Rs. 400 million (2024: Rs. 329 million) - Personal guarantees of certain directors
		2024		221	-	221	KIBOR + 1.25%	

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FOR THE YEAR ENDED JUNE 30, 2025

Note	Financial Institutions Name / Facility Type	For the Year Ended June 30,	Sublimit of Note	Total Funded Facility	Utilized Portion	Un-Utilized Portion	Rate of Profit	Security Details
----Rs. in millions----								
12.5	Allied Bank Limited - Business Running Musharakah arrangement	2025	11.9	Nil	-	Nil	-	- Pari passu charge over fixed assets of Rs. 185 million - Pari passu charge over current assets of Rs. 110 million - Personal guarantees of certain directors
		2024		45	-	45	KIBOR + 1.10%	
12.6	Faysal Bank Limited - Running Musharakah arrangement	2025	11.5	100	-	100	KIBOR + 1%	- Pari passu charge over fixed assets of Rs. 534 million. - Pari passu charge over current assets of Rs. 400 million. - Personal guarantees of certain directors
		2024		Nil	-	Nil	-	
12.7	The Bank of Khyber - Running Musharakah arrangement	2025	-	250	-	250	KIBOR + 1%	- Pari passu charge over fixed assets of Rs. 334 million. - Pari passu charge over current assets of Rs. 250 million. - Personal guarantees of certain directors
		2024		Nil	-	Nil	-	
12.8	Meezan Bank Limited - Istisna arrangement	2025	11.6	Nil	-	Nil	-	- Pari passu charge over fixed assets of Rs. 797.33 million - Pari passu charge over current assets of Rs. 329 million - Personal guarantees of certain directors
		2024		40	-	40	KIBOR + 1.25%	
12.9	Bank Alfalah Limited - Istisna arrangement	2025	11.15	350	-	350	KIBOR + 1%	- Pari passu charge over fixed assets of Rs. 467 million - Pari passu charge over current assets of Rs. 350 million - Personal guarantees of certain directors
		2024		Nil	-	Nil	-	
12.10	Bank Al-Habib Limited - Istisna arrangement	2025	11.14	100	-	100	KIBOR + 1.10%	- Pari passu over fixed assets of Rs 334 million - Pari passu charge over current assets of Rs. 250 million - Personal guarantees of certain directors
				1,488	-	1,488	Nil	
		2024		Nil	-	Nil	-	-

NOTES

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FOR THE YEAR ENDED JUNE 30, 2025

Note 13

Profit Payable

	2025 Rupees	2024 Rupees
Diminishing musharkah financing - secured	7,221,639	15,356,278
Short term borrowings - secured	2,032,033	1,854,412
Interest on Workers' (Profit) Participation Fund	124,644,932	10,189
Profit on muswammah payable	819,521	-
	134,718,125	17,220,879

Note 14

Current Portion of Non-Current Liabilities

	Note	2025 Rupees	2024 Rupees
Diminishing musharakah financing - Islamic banking	7	102,067,681	192,880,122
Deferred revenue	10	12,401,413	15,546,953
		114,469,094	208,427,075

Note 15

Taxation - Net

	2025 Rupees	2024 Rupees
Opening balance	1,854,552,237	-
Add: Charge for the current year	10,441,322,209	4,932,684,151
Less: Prior year	(34,210,792)	-
Less: Payment / adjustment during the year	(11,827,387,778)	(3,078,131,914)
Closing balance	434,275,876	1,854,552,237

15.1 The provision for current year tax represents corporate tax at 29% (2024: 29%) and super tax at the rate of 10% (2024: 10%) as per the Income Tax Ordinance, 2001.

15.2 Income tax assessments are deemed finalized by the management up to the Tax Year 2024 as tax returns were filed under the self assessment scheme.

Note 16

Contingencies and Commitments

16.1 Contingencies

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

16.1.2 The Sindh Revenue Board (SRB) restored sales tax on renting of immovable property services, retrospectively vide Sindh Sales Tax on Services (Amendment) Act, 2018. Consequently the landlord of the Company's Karachi Office has claimed sales tax on rental services amounting to Rs. 257,064 for the tax year 2016, 2017 and 2018. The Company has challenged the law by filing a writ petition in the Honourable Sindh High Court, Karachi and has been granted a stay order on December 31, 2018. In the opinion of the legal advisor, the outcome of the case is expected in favour of the Company, hence no provision is incorporated in these financial statements.

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FOR THE YEAR ENDED JUNE 30, 2025

- 16.1.3** During the year 2022, ATIR decided the case against the Company for tax year 2013 of Rs. 2,479,693 as on November 09, 2021. The Company filed a reference petition before the Honourable Lahore High Court, Lahore on February 03, 2022. The said petition is pending before the Honourable Court. In the opinion of the legal counsel, favourable outcome of the appeal is expected, hence, no provision is incorporated in these financial statements.
- 16.1.4** DCIR passed an order under section 11 (2) of the Sales Tax Act, 1990 for the tax period from July-2011 to June-2012 and created a demand of Rs. 192,568,536 as on May 30, 2018, . The Company filed an appeal against this order with CIR (A). The CIR (A) has remanded back the case to DCIR with upheld amount of Rs. 2,223,033. The Company filed an appeal with ATIR against the decision of CIR (A) for the upheld amount and decision of remand back. In the opinion of the tax consultant, favourable outcome of the appeal is expected, hence, no provision is incorporated in these financial statements.
- 16.1.5** DCIR passed an order under section 11 (2) of the Sales Tax Act, 1990 for the tax period from July-2013 to June-2014 and created a demand of Rs. 7,418,949 as on September 28, 2017. The Company filed an appeal against this order with CIR (A) and got a relief of Rs. 5,694,504 as on April 30, 2021. For remaining tax upheld of Rs. 1,724,445, the Company filed an appeal before ATIR as on June 29, 2021. Further, the Department also filed an appeal before ATIR regarding the relief of Rs. 5,694,504. The appeals are still pending and in the opinion of the tax consultant, favourable outcome of the appeal is expected, hence, no provision is incorporated in these financial statements.
- 16.1.6** Additional Commissioner Inland Revenue (ACIR) initiated proceedings under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2018 and created a tax demand of Rs. 8,848,110 as on February 06, 2020, The Company filed an appeal before the Commissioner Inland Revenue Appeal CIR(A) and got a relief of Rs. 4,264,240. However the DCIR filed an appeal before the ATIR against the order of CIR(A). On the other hand, the Company also filed an appeal before the ATIR as on April 14, 2020. The proceedings of ATIR are still pending. In the opinion of tax consultant, favourable outcome of the appeals is expected, hence, no provision is incorporated in these financial statements.
- 16.1.7** DCIR initiated proceedings under section 161/205 of the Income Tax Ordinance, 2001 for tax year 2017 and created a tax demand of Rs. 33,952,716 as on March 30, 2019, The Company filed an appeal against this order with CIR (A) and CIR (A) deleted the order of DCIR as on June 25, 2019. However, DCIR filed an appeal with ATIR against the order of CIR (A) as on August 27, 2019, proceedings are still pending. In the opinion of tax consultant, favourable outcome of the appeal is expected, hence, no provision is incorporated in these financial statements.
- 16.1.8** The Company has filed writ petition in the Honourable Lahore High Court, Lahore (LHC) against the illegal selection by the Commissioner Inland Revenue for the audit of sales tax affairs for tax year 2017 under section 25 of the Sales Tax Act, 1990. Which was rejected by the honourable Court. The Company filed an Intra Court Appeal (ICA) before LHC and the honourable Court has granted an interim relief to the Company and restrained the Commissioner Inland Revenue to pass a final order till the decision of appeal as on January 21, 2020. The case is still pending. In the opinion of the legal counsel, outcome of this case will be in favour of the Company. Hence, no provision is incorporated in these financial statements.
- 16.1.9** A group of persons in rickshaw market Karachi deposited a sum of Rs. 10.93 million (2024: Rs. 10.93 million) unilaterally in the Company's bank account for the purchase of auto rickshaw without any authorization from the Company. The Company filed a suit in Honourable Sindh High Court, Karachi (SHC) against these persons as on September 24, 2019. Instead of appearing in the Honourable Sindh High Court, Karachi, they filed nine civil suits against the Company for the declaration, cancellation, recovery and damages amounting to Rs. 109.43 million. The cases are still pending. In the opinion of the legal advisor, these claims are frivolous and the outcome of these cases will be in favour of the Company, hence, no provision has been incorporated in these financial statements.
- 16.1.10** Federal Board of Revenue issued SRO 845(I)/2021 dated June 30, 2021 in which Additional Custom Duty (ACD) was imposed on import of our four wheels CKD kits. The Company filed writ petitions in LHC as on March 30, 2021 and Honourable Sindh High Court, Karachi as on April 15, 2021 and obtained stay orders. The cases are still pending. In the opinion of legal counsel, favourable outcome of the cases is expected, hence, no provision is incorporated in these financial statements.

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- 16.1.11** The Company has challenged the legality and constitutionality of section 5 (A) of the Income Tax Ordinance, 2001 by filing a constitutional petition in LHC as on July 10, 2018. During the previous years, the FBR brought various amendments in the Income Tax Ordinance, 2001 relating applicability of section 5A, which may have material bearing on our case. Therefore, the matter was discussed in detail with the legal counsel and it was decided that with the permission of Honourable Court, the present writ petition was withdrawn and fresh writ petition was filed before the LHC. Therefore, the Company filed a fresh writ petition on the subject matter as on December 19, 2022. In the opinion of the legal counsel, favourable outcome of the petition is expected, hence, no provision is incorporated in these financial statements.
- 16.1.12** DCIR issued an order under Section 11(2) of the Sales Tax Act, 1990, for the tax periods from July 2020 to June 2021, creating a demand of Rs. 226,283,805 on January 27, 2023. The Company filed an appeal against this order with the CIR(A) on February 23, 2023. CIR(A) subsequently remanded the case back to the assessing officer. As neither the Company nor the Department was satisfied with the order of CIR(A), both parties filed appeals with ATIR. The proceedings are still pending. In the opinion of tax consultant, favourable outcome of the appeal is expected, hence, no provision is incorporated in these financial statements.
- 16.1.13** ACIR passed an order as on June 19, 2023 under section 122 (5A) of the Income Tax Ordinance, 2001 for the tax year 2021 and created a demand of Rs. 2,512,850. Subsequent to the reporting date, the Company filed an appeal against this order before CIR (A) as on July 18, 2023. The proceedings are still pending. In the opinion of tax consultant, favourable outcome of the appeal is expected, hence, no provision is incorporated in these financial statements.
- 16.1.14** The Company received an order passed by DCIR as on January 25, 2024 under section 11(2) of the Sales Tax Act, 1990 for the tax periods from July 2017 to June 2018 and created a demand of Rs. 39,069,356. The Company filed an appeal against this order before CIR(A) as on February 21, 2024. On April 24, 2025, the case was remanded back by ATIR, Lahore. Furthermore, the Intra-Court Appeal is pending adjudication. In the opinion of tax consultant, favourable outcome of the appeal is expected, hence, no provision is incorporated in these financial statements.
- 16.1.15** Proceedings under Section 122(5A) were initiated by the DCIR for the tax year 2009, resulting in a tax demand of Rs. 5,440,062 as of March 31, 2015. The Company filed an appeal with the CIR(A), which granted relief amounting to Rs. 5,318,163. For the remaining tax demand of Rs. 121,899, the Company appealed to the ATIR. Additionally, the DCIR filed a separate appeal with the ATIR against the relief granted by the CIR(A). During the year, the ATIR ruled in favor of the Company, nullifying the demands raised by the DCIR. Subsequently, the CIR filed a reference application with LHC on October 25, 2023, challenging the ATIR's decision. The case is still pending, in the opinion of legal counsel, favourable outcomes of the reference application are expected, hence, no provision is incorporated in these financial statements.
- 16.1.16** The DCIR issued an order under Section 122(5A) for the tax year 2003, creating an income tax liability of Rs. 545,930. The Company appealed the order to the CIR(A), which upheld the DCIR's decision. The Company then filed an appeal with the ATIR on November 12, 2009. On April 14, 2021, the ATIR ruled in favor of the Company, deleting the demands upheld by the CIR(A). Following this, the CIR filed a reference petition with LHC challenging the ATIR's decision. The case is still pending, in the opinion of legal counsel, favourable outcomes of the reference application are expected, hence, no provision is incorporated in these financial statements.
- 16.1.17** Proceedings under Section 122(5A) were initiated by the DCIR for the tax year 2012, resulting in a tax demand of Rs. 387,050,666 as of April 30, 2018. The Company filed an appeal with the CIR(A) on June 4, 2018, where the CIR(A) annulled the DCIR's order and instructed a reassessment based on the available records. Subsequently, the Company appealed the decision of reassessment before the ATIR, and the case remains pending without any tax demand. In the opinion of tax consultant, favourable outcome of the appeals is expected, hence, no provision is incorporated in these financial statements.
- 16.1.18** Proceedings under Section 122(5A) were initiated by the DCIR for the tax year 2015, resulting in a tax demand of Rs. 31,262,633 as of July 9, 2021. The Company filed an appeal with the CIR(A) on July 19, 2021 where the CIR(A) annulled the DCIR's order and instructed a fresh proceeding based on the available record, along with a speaking order. The Company subsequently appealed before the ATIR, contesting that the CIR(A) should have passed a speaking order. The case is still pending, with no tax demand. In the opinion of tax consultant, favourable outcome of the appeals is expected, hence, no provision is incorporated in these financial statements.

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- 16.1.19** The ACIR initiated proceedings under Section 122(5A) of the Income Tax Ordinance, 2001 for the tax year 2017, resulting in a tax demand of Rs. 11,385,589 as of September 26, 2018. The Company appealed this order to the CIR(A) and received partial relief of Rs. 5,745,964 with directions to the OIR for verification of certain matters. Subsequently, the DCIR appealed the CIR(A)'s order to the ATIR, and the Company also filed an appeal before the ATIR on April 14, 2021. On October 18, 2023, the ATIR remanded the case to the OIR for reconsideration. The assessment is still pending, with no tax demand. In the opinion of tax consultant, favourable outcome of the appeals is expected, hence, no provision is incorporated in these financial statements.
- 16.1.20** The ACIR initiated proceedings under Sections 161/205 of the Income Tax Ordinance, 2001, for the tax year 2014 resulting in a tax demand of Rs. 8,468,165 as of December 6, 2019. The Company appealed this order before the CIR(A), and the CIR(A) annulled the ACIR's order, directing a fresh proceeding after providing a fair opportunity to be heard. Dissatisfied with the CIR(A)'s decision, the Company appealed to the ATIR. On October 18, 2023 the ATIR remanded the case to the OIR for reconsideration. The assessment is still pending, with no tax demand. In the opinion of tax consultant, favourable outcome of the appeals is expected, hence, no provision is incorporated in these financial statements.
- 16.1.21** The DCIR issued an order on January 27, 2023 under Section 11(2) of the Sales Tax Act, 1990 for the tax periods from January, 2014 to February, 2017, creating a demand of Rs. 6,770,083. The Company filed an appeal with the CIR(A) on February 23, 2023. On April 28, 2023 the CIR(A) upheld the DCIR's order. Aggrieved by this decision, the Company appealed to the ATIR. On January 5, 2024 the ATIR remanded the case, directing that a fresh order be passed after providing an adequate opportunity to be heard. The assessment is still pending, with no tax demand. In the opinion of tax consultant, favourable outcome of the appeals is expected, hence, no provision is incorporated in these financial statements.
- 16.1.22** The DCIR issued an order on January 27, 2023 under Section 11(2) of the Sales Tax Act, 1990 for the tax periods from July, 2019 to June, 2021 creating a demand of Rs. 177,877,849. The Company appealed this order before the CIR(A) on March 8, 2023. On June 6, 2023 the CIR(A) upheld the DCIR's order. Aggrieved by this decision, the Company appealed to the ATIR, which deleted the CIR(A)'s order concerning the sale of auto rickshaws and remanded the sales related to loaders to the OIR for further verification. The assessment is still pending, with no tax demand. In the opinion of tax consultant, favourable outcome of the appeals is expected, hence, no provision is incorporated in these financial statements.
- 16.1.23** The company have filed a case before Honorable Appellate Tribunal Inland Revenue (ATIR) under case No. 1443/LB/2011 for the tax year 2004 against the order No 28 dated 28-07-2011 of the Commissioner Inland Revenue Appeal (involving an amount of Rs. 2,675,142/- exclusively related to the provision for gratuity. The ATIR, vide order dated 19-04-2017, decided the matter in the Company's favor. Subsequently, the CIR filed an appeal before the Honorable Lahore High Court (LHC), Lahore. The LHC remanded the case back to the ATIR with directions to issue a speaking order. The matter is currently pending adjudication before the ATIR. In the opinion of tax consultant, favourable outcome of the appeals is expected, hence, no provision is incorporated in these financial statements.
- 16.2** **Commitments**
- 16.2.1** Commitments in respect of outstanding letters of credit for raw materials amount to Rs. 12,785.50 million (2024: Rs. 13,061.57 million) as at the reporting date.
- 16.2.2** Commitments in respect of capital expenditures amount to Rs. 1,164.11 million (2024: Rs. 25.10 million) and bank guarantees amount to Rs. 602.05 million (2024: Rs. 30.82 million) as at the reporting date.

NOTES

TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Outstanding Letters of Credit

Note	Financial Institutions Name / Facility type	For the year ended June 30,	Total Unfunded Facility	Utilized Facility	Un-Utilized Facility	Security Details
-----Rs. in million-----						
16.2.3	Meezan Bank Limited	2025	5,000	2,329.65	2,670.35	- Nil cash margin or as per SBP requirement, whichever is higher - Lien on import documents - Personal guarantees of certain directors
			600	-	600	- 100% cash margin or as per SBP requirement, whichever is higher - Lien on import documents - Personal guarantees of certain directors
		2024	1,200	1,021.74	178.26	- Nil cash margin or as per SBP requirement, whichever is higher - Lien on import documents - Personal guarantees of certain directors
16.2.4	Habib Bank Limited - Islamic Banking	2025	3,550	269.90	3280.10	- Nil cash margin or as per SBP requirement, whichever is higher - Lien on import documents - Personal guarantees of certain directors
		2024	2,050	1,792.4	257.60	- Personal guarantees of certain directors
16.2.5	United Bank Limited - Ameen Islamic Banking	2025	3,000	1404.26	1595.74	- 15% cash margin or as per SBP requirement, whichever is higher - 15% cash margin in form of lien over saving account - Lien on import documents - Personal guarantees of certain directors
			250	-	250	- 100% cash margin or as per SBP requirement, whichever is higher - Lien on import documents - Personal guarantees of certain directors
			600	536.74	63.26	- Nil cash margin or as per SBP requirement, whichever is higher - Lien on import documents - Personal guarantees of certain directors
		2024	600	-	600	- Lien on import documents - Personal guarantees of certain directors
			250	-	250	- 100% cash margin or as per SBP requirement, whichever is higher - Lien on import documents
16.2.6	Allied Bank Limited - Islamic Banking	2025	Nil	Nil	Nil	- Nil cash margin or as per SBP requirement, whichever is higher - Lien on import documents - Personal guarantees of certain directors
		2024	225	-	225	- Personal guarantees of certain directors
16.2.7	Habib Metropolitan Bank Limited - Islamic Banking	2025	2,500	48.67	2,451.33	- Nil cash margin or as per SBP requirement, whichever is higher - Lien on import documents - Personal guarantees of certain directors
		2024	1,500	1,021.64	478.36	- Personal guarantees of certain directors

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TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Outstanding Letters of Credit

Note	Financial Institutions Name / Facility Type	For the Year Ended June 30,	Total Unfunded Facility	Utilized Portion	Un-Utilized Portion	Security Details
			-----Rs. in million-----			
16.2.8	Faysal Bank Limited - Islamic Banking	2025	2,933	2,933	-	- Nil cash margin or as per SBP requirement, whichever is higher - Lien on import documents - Personal guarantees of certain directors
			2,000	1,472.60	527.40	- 30% cash margin in form of lien over saving account - Lien on import documents - Personal guarantees of certain directors
			130	-	130	- 100% cash margin in form of lien over saving account - Lien on import documents - Personal guarantees of certain directors
		2024	1,500	1,131.18	368.82	- Nil cash margin or as per SBP requirement, whichever is higher - Lien on import documents - Personal guarantees of certain directors
			7,000	5,716.69	1,283.31	- 15% or 100% lien over saving account - Lien on import documents - Personal guarantees of certain directors
16.2.9	Askari Bank Limited - Islamic Banking	2025	1,500	1,201.88	298.12	- Nil cash margin or as per SBP requirement, whichever is higher - Lien on import documents - Personal guarantees of certain directors
			500	-	500	- 100% cash margin in form of lien over saving account - Lien on import documents
		2024	500	276.24	223.76	- Nil cash margin or as per SBP requirement, whichever is higher - Lien on import documents - Personal guarantees of certain directors
16.2.10	Dubai Islamic Bank Pakistan Limited	2025	750	212.45	537.55	- Nil cash margin or as per SBP requirement, whichever is higher - Lien on import documents - Personal guarantees of certain directors
		2024	750	656.14	93.86	- Personal guarantees of certain directors

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TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Outstanding Letters of Credit

Note	Financial Institutions Name / Facility Type	For the Year Ended June 30,	Total Unfunded Facility	Utilized Portion	Un-Utilized Portion	Security Details
-----Rs. in million-----						
16.2.11	The Bank of Punjab	2025	3,000	1,525.32	1,474.68	- Nil cash margin or as per SBP requirement, whichever is higher - Lien on import documents - Personal guarantees of certain directors
		2024	1,000	845.54	154.46	
16.2.12	Bank Al Habib Limited	2025	5,000	1,201.19	3,798.81	- 25% cash margin or as per SBP requirement, whichever is higher
		2024	600	600	-	- 25% cash margin or as per SBP requirement, whichever is higher - Lien on import documents - Personal guarantees of certain directors
			1,488	169.60	1318.40	- 30% cash margin or as per SBP requirement, whichever is higher - Lien on import documents - Personal guarantees of certain directors
16.2.13	National Bank of Pakistan - Islamic Banking	2025	1,000	521.33	478.67	- 100% cash margin in form of lien over saving account - Lien on import documents - Personal guarantees of certain directors
		2024	1,000	-	1,000	- 100% cash margin in form of lien over saving account - Lien on import documents - Personal guarantees of certain directors
16.2.14	The Bank of Khyber - Islamic Banking	2025	700	-	700	- Nil cash margin or as per SBP requirement, whichever is higher - Lien on import documents - Personal guarantees of certain directors
		2024	Nil	Nil	Nil	-
16.2.15	Bank Al Falah Limited - Islamic Banking	2025	1,000	292.60	707.40	- Nil cash margin or as per SBP requirement, whichever is higher - Lien on import documents - Personal guarantees of certain directors
		2024	Nil	Nil	Nil	-

NOTES

TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Note 17

Property, Plant and Equipment

	Note	2025 Rupees	2024 Rupees
Operating fixed assets - owned	17.1	6,061,900,046	4,223,942,764
Capital work in progress	17.2	1,878,021,798	336,431,244
		7,939,921,844	4,560,374,008

17.1 Operating fixed assets - Owned

	Freehold Land	Leasehold - Building and Civil Works	Freehold - Building and Civil Works	Plant and Machinery	Electric Fittings	Furniture and Fittings	Office Equipment	Electric Installations	Vehicles	Total
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Cost										
Balance as at July 01, 2023	335,952,940	2,509,800	610,617,278	2,296,563,940	12,384,572	9,898,061	20,211,225	62,166,437	148,752,493	3,499,056,746
Additions	1,085,350,400	-	188,199,026	149,275,537	12,129,451	6,705,611	24,254,544	24,701,794	192,208,610	1,682,824,973
Disposals	-	-	-	-	-	-	-	-	(20,469,000)	(20,469,000)
Balance as at June 30, 2024	1,421,303,340	2,509,800	798,816,304	2,445,839,477	24,514,023	16,603,672	44,465,769	86,868,231	320,492,103	5,161,412,719
Additions	1,366,832,550	-	165,917,427	387,102,830	-	9,114,080	988,000	56,202,124	204,773,555	2,190,930,566
Disposals	-	-	-	-	-	-	-	-	(19,947,000)	(19,947,000)
Balance as at June 30, 2025	2,788,135,890	2,509,800	964,733,731	2,832,942,307	24,514,023	25,717,752	45,453,769	143,070,355	505,318,658	7,332,396,285
Accumulated depreciation										
Balance as at July 01, 2023	-	1,379,396	140,406,155	420,098,938	7,460,505	2,842,795	5,998,823	12,136,592	77,446,466	667,769,670
Depreciation charged during the year	-	113,040	48,197,940	189,958,202	969,529	1,158,105	1,983,595	5,488,451	34,543,704	282,412,566
Disposals	-	-	-	-	-	-	-	-	(12,712,281)	(12,712,281)
Balance at June 30, 2024	-	1,492,436	188,604,095	610,057,140	8,430,034	4,000,900	7,982,418	17,625,043	99,277,889	937,469,955
Depreciation charged during the year	-	101,736	63,168,951	201,843,518	1,608,399	1,483,561	3,741,180	7,425,298	56,567,293	335,939,936
Disposals	-	-	-	-	-	-	-	-	(2,913,652)	(2,913,652)
Balance at June 30, 2025	-	1,594,172	251,773,046	811,900,658	10,038,433	5,484,461	11,723,598	25,050,341	152,931,530	1,270,496,239
Carrying amount As at June 30, 2024	1,421,303,340	1,017,364	610,212,209	1,835,782,337	16,083,989	12,602,772	36,483,351	69,243,188	221,214,214	4,223,942,764
Carrying amount As at June 30, 2025	2,788,135,890	915,628	712,960,685	2,021,041,649	14,475,590	20,233,291	33,730,171	118,020,014	352,387,128	6,061,900,046
Rate of depreciation	-	10%	5% - 10%	10%	10%	10%	10%	10%	20%	

	Note	2025 Rupees	2024 Rupees
17.1.1 Depreciation charge for the year has been allocated as follows:			
Cost of sales	26	284,065,980	249,603,811
Distribution and marketing costs	27	21,609,687	14,282,611
Administrative expenses	28	30,264,269	18,526,144
		335,939,936	282,412,566

17.1.2 Detail of disposals of property, plant and equipment

The details of property, plant and equipment disposed off during the year are as follows:

Asset	June 30, 2025						
	Cost	Carrying Amount	Sale Price	Gain	Particulars of the Buyer	Mode of Disposal	Relationship with the Purchaser
	-----Rupees-----						
Toyota Corolla	2,406,000	616,894	620,000	3,106	Mr. Sheikh Ijaz	Company policy	GM Marketing
ORA 7	17,541,000	16,416,454	17,500,000	1,083,546	Mr. Muhammad Usman	Negotiation	Third Party
	19,947,000	17,033,348	18,120,000	1,086,652			
Asset	June 30, 2024						
	Cost	Carrying Amount	Sale Price	Gain	Particulars of the Buyer	Mode of Disposal	Relationship with the Purchaser
	-----Rupees-----						
Honda Civic	2,637,000	696,395	706,000	9,605	Mr. Zubair Aamir	Company policy	GM Project
Honda Civic	3,003,000	562,254	570,000	7,746	Mr. Arshad Mahmood	Company policy	Company Secretary
Haval 2.0	6,550,000	4,089,401	9,500,000	5,410,599	Mr. Faisal Hashmi	Negotiation	Third Party
Baic BJ40	6,730,000	2,221,499	4,600,000	2,378,501	Mr. Sajid Mahmood Khan	Negotiation	Third Party
Shahzore Hyundai	1,549,000	187,170	1,800,000	1,612,830	Mr. Muhammad Haleem	Negotiation	Third Party
	20,469,000	7,756,719	17,176,000	9,419,281			

NOTES

TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

17.1.3 Particulars of immovable property (i.e. land and building) of the Company are as follow:

Location	Usage of immovable property	Nature	Total area (Acres)
Maghrabi Tanki-1, Link Road, Near Ijtamah Chowk, Sunder-Raiwind Road, Lahore.	Four Wheeler Plant	Owned	71.84
18 KM, Raiwind Road, Lahore.	Three Wheeler Plant & Automotive Parts	Owned	5.46
B-66, State Avenue S.I.T.E, Karachi.	Warranty Center, Karachi	Leased	0.36
78-W, Roshan Center, Main Jinnah Avenue, Blue Area, Islamabad.	Haval Display Center	Leased	0.10

17.1.4 The property, plant and equipment of the Company are subject to pari passu charge as security for certain financing by certain banks (note 7, 11 and 12).

17.2 Capital work in progress

Reconciliation of carrying amounts is as follows:

2025					
	Balance as at July 01, 2024	Expenditure incurred during the year	Inter classification	Transfer to operating fixed assets	Balance as at June 30, 2025
Rupees.....				
Plant and machinery	11,843,730	78,992,468	196,404,694	(111,412,780)	175,828,112
Civil works	128,182,820	1,502,732,423	-	(213,054,610)	1,417,860,633
Advances to suppliers	196,404,694	284,333,053	(196,404,694)	-	284,333,053
	336,431,244	1,866,057,944	-	(324,467,390)	1,878,021,798
2024					
	Balance as at July 01, 2023	Expenditure incurred during the year	Inter classification	Transfer to operating fixed assets	Balance as at June 30, 2024
Rupees.....				
Plant and machinery	-	107,197,254	-	(95,353,524)	11,843,730
Civil works	-	316,381,846	-	(188,199,026)	128,182,820
Advances to suppliers	-	196,404,694	-	-	196,404,694
Advance for land	30,000,000	-	-	(30,000,000)	-
	30,000,000	619,983,794	-	(313,552,550)	336,431,244

17.2.1 The capital work in progress as of June 30, 2025, pertains to plant, machinery and civil works.

NOTES

TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Note 18

Intangible Assets

	Note	2025 Rupees	2024 Rupees
Net Carrying Value			
Opening balance		130,814	199,064
Additions during the year		-	-
Amortization during the year	18.2	(68,250)	(68,250)
Closing balance		62,564	130,814
Gross Carrying Value			
Cost		4,699,173	4,699,173
Accumulated amortization		(4,636,609)	(4,568,359)
Net book value		62,564	130,814
Useful life		5 Years	5 Years

18.1 Intangible assets include costs incurred on patents, copyrights, trademarks, and designs.

18.2 Amortization charge for the year has been allocated to cost of sales.

Note 19

Long Term Loans to Employees

	2025 Rupees	2024 Rupees
Loans to employees (secured - considered good)		
- Executives	45,788,425	28,652,925
- Non-executives	120,391,091	87,399,441
	166,179,516	116,052,366
Less: Discounting of loan to employees	(54,334,274)	(48,509,413)
Unwinding of discount	3,436,682	1,408,095
	115,281,924	68,951,048
Less: Current portion of loans	(41,114,248)	(29,506,303)
	74,167,676	39,444,745

19.1 These loans and advances have been granted as per the Company's policy. These are secured against post employment benefits payable to employees. These loans are interest free and are repayable within 20 years (June 30, 2024: 20 years). The maximum amount of loan outstanding to executives at the end of any month during the year was Rs. 46.16 million (2024: Rs. 28.65 million). These loans do not include any amount receivable from directors or chief executive of the Company. The credit quality of these financial assets can be assessed with reference to no default history. Any outstanding loan due from an employee at the time of leaving the service of the Company is adjustable against final settlement of gratuity.

These loans were initially recognized at fair value using effective profit rates of 12.89% (2024: 20.85%). The difference between cash paid and present value of cash inflows upon initial recognition has been recognized as expense in statement of profit or loss.

NOTES

TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

19.2 Reconciliation of loans to employees

Description	Opening balance	Disbursements / transfers	Repayments / transfers	Closing balance
	Rupees	Rupees	Rupees	Rupees
Executives	28,652,925	28,566,600	(11,431,100)	45,788,425
Non-executives	87,399,441	79,567,161	(46,575,511)	120,391,091
Carrying value as at June 30, 2025	116,052,366	108,133,761	(58,006,611)	166,179,516
Carrying value as at June 30, 2024	76,343,494	82,290,067	(42,581,195)	116,052,366

Note 20

Long Term Deposits

	2025 Rupees	2024 Rupees
Deposit with Pakistan Steel Mills	400,000	400,000
Securities with utility companies	4,800,470	4,511,855
Rent securities	3,745,000	3,905,000
Others	45,000	113,615
	8,990,470	8,930,470

Note 21

Stock in Trade

	Note	2025 Rupees	2024 Rupees
Raw materials and components		8,257,739,347	6,803,018,057
Work-in-process		41,674,019	32,066,787
Finished goods		2,698,243,142	1,848,659,626
Less: Provision for slow moving items	21.2	(33,451,460)	(27,016,712)
		10,964,205,048	8,656,727,758
Stock in transit		3,263,674,220	5,661,369,156
		14,227,879,268	14,318,096,914

21.1 The stock in trade of the Company is subject to pari passu charge as security for certain financing by banks (note 7, 11 and 12).

21.2 Movement in provision for slow moving items

Opening balance	27,016,712	14,965,212
Charged during the year	6,434,748	12,051,500
Less: Written off during the year	-	-
Closing balance	33,451,460	27,016,712

Note 22

Trade Debts

	Note	2025 Rupees	2024 Rupees
Considered good		111,137,653	133,017,887
Considered doubtful		721,465	1,845,965
		111,859,118	134,863,852
Less: Allowance for expected credit losses	22.1	(721,465)	(1,845,965)
		111,137,653	133,017,887

NOTES

TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

22.1 Allowance for expected credit loss

	Note	2025 Rupees	2024 Rupees
Opening balance		1,845,965	1,221,865
Loss allowance for the year		-	1,124,500
		<u>1,845,965</u>	<u>2,346,365</u>
Less: Reversal of credit loss allowance during the year		<u>(1,124,500)</u>	<u>(500,400)</u>
Closing balance		<u>721,465</u>	<u>1,845,965</u>

22.2 The customer has no history of default. For age analysis of these trade debts, refer to note 35.1 (b).

Note 23

Loans, Advances, Deposits, Prepayments and Other Receivables

		2025 Rupees	2024 Rupees
Current portion of long term loans to employees	19	41,114,248	29,506,303
Advance to employees for expenses	23.1	9,892,245	4,140,328
Advance to suppliers (unsecured - considered good)		120,602,391	93,559,628
Letter of credit margins		509,672,406	462,218,771
Prepayments		16,371,907	15,959,774
Other receivables		1,400,000	834,000
Bank guarantee margins		5,413,160	5,413,160
Accrued profit on bank deposits		121,484,596	118,912,865
Advance sales tax		1,889,188,003	1,667,991,002
		<u>2,715,138,956</u>	<u>2,398,535,831</u>

23.1 These amounts are given in the normal course of business and do not carry any interest or mark-up.

Note 24

Cash and Bank Balances

		2025 Rupees	2024 Rupees
Cash in hand		1,988,530	2,144,370
Cash at banks in:			
- Current accounts - Conventional banking		25,649,903	53,637,696
- Current accounts - Islamic banking		1,108,623,930	492,918,918
- Saving accounts - Islamic banking	24.1	<u>15,460,229,818</u>	<u>7,212,981,681</u>
		<u>16,594,503,651</u>	<u>7,759,538,295</u>
		<u>16,596,492,181</u>	<u>7,761,682,665</u>

24.1 These represents shariah compliant bank deposits with Islamic banks that yield profit at the rates ranging from 3.67% to 19.17% (2024: 6.77% to 23.18%) per annum. During the year, profit of Rs. 1,273.50 million (2024: 769.95 million) was earned on these shariah compliant deposits.

24.2 The above figures of cash and bank balances reconcile to the amount of cash and cash equivalents shown in the statement of cash flows.

NOTES

TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Note 25

Sales - Net

	Note	2025 Rupees	2024 Rupees
Gross sales	25.1	128,880,790,540	67,790,386,654
Less: Sales tax		15,350,127,739	7,619,148,982
Federal excise duty		4,830,031,449	2,515,557,406
Sales return		6,131,660	13,211,702
		(20,186,290,848)	(10,147,918,090)
		108,694,499,692	57,642,468,564

25.1 This amount includes Rs. 69.05 million (2024: Rs. 70.01 million) related to export sales. It also includes the amortization of deferred revenue amounting to Rs. 99.22 million (2024: Rs. 15.05 million), that has been recognized in respect of deferred revenue outstanding at the beginning of the year.

25.2 Contract liabilities as at the beginning of the year have been recognized as sales upon dispatch of vehicles against such advances.

25.3 The disaggregation of revenue is disclosed in note 38 of these financial statements.

25.4 The Company's revenue based on geographical location is given as under:

Pakistan	108,625,450,635	57,572,456,674
Japan	23,578,110	22,883,310
Afghanistan	-	26,765,625
Tanzania	-	12,184,098
Liberia	9,941,750	5,133,240
Philippines	8,457,000	-
Nigeria	23,485,415	-
Others	3,586,782	3,045,617
	108,694,499,692	57,642,468,564

Note 26

Cost of Sales

	Note	2025 Rupees	2024 Rupees
Raw materials and components consumed	26.1	73,155,528,578	39,452,894,267
Salaries, wages and other benefits	26.2	1,576,715,288	1,058,475,389
Stores, spares and loose tools consumed		356,197,986	193,818,785
Power and fuel charges		861,070,549	622,030,158
Repairs and maintenance		253,613,468	328,568,911
Other manufacturing expenses		112,403,040	38,776,680
Provision for slow moving items	21.2	6,434,748	12,051,500
Depreciation	17.1.1	284,065,980	249,603,811
Amortization	18.2	68,250	68,250
		76,606,097,887	41,956,287,751
Work in process:			
- Opening stock		32,066,787	47,015,266
- Closing stock	21	(41,674,019)	(32,066,787)
		(9,607,232)	14,948,479
Cost of goods manufactured		76,596,490,655	41,971,236,230
Finished goods:			
- Opening stock		1,848,659,626	638,790,179
- Closing stock	21	(2,698,243,142)	(1,848,659,626)
- Cost of finished goods purchased during the year		1,305,541,850	1,234,731,781
		455,958,334	24,862,334
		77,052,448,989	41,996,098,564

NOTES

TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

26.1 This includes adjustment of scrap sales of Rs. 82.05 million (2024: Rs. 59.83 million).

26.2 This includes Rs. 102.98 million (2024: Rs. 82.69 million) in respect of post employment benefits.

Note 27

Distribution and Marketing Costs

	Note	2025 Rupees	2024 Rupees
Salaries and other benefits	27.1	179,203,372	123,392,890
Freight, octroi and others		467,617,943	313,952,998
Commission		2,034,087,913	947,096,353
Travelling and conveyance		55,638,944	43,789,620
Provision for warranty claims		217,434,818	144,162,012
Packing materials consumed		21,615,052	10,040,769
Advertisement and sale promotion		242,973,413	193,894,838
Insurance		63,827,959	2,217,376
Rent expenses	27.2	23,454,423	11,713,180
After sales service		141,065,874	3,259,134
Printing and stationery		5,873,577	3,093,795
Depreciation	17.1.1	21,609,687	14,282,611
		3,474,402,975	1,810,895,576

27.1 This includes Rs. 9.86 million (2024: Rs. 8.06 million) in respect of post employment benefits.

27.2 This represents lease rentals recognised on leases classified as short term.

Note 28

Administrative Expenses

	Note	2025 Rupees	2024 Rupees
Salaries and other benefits	28.1	363,450,563	259,993,456
Electricity		536,868	789,693
Communication expenses		24,026,171	20,960,462
Vehicle running expenses		27,825,901	24,020,222
Legal and professional		4,805,250	12,887,328
Travelling and conveyance		6,520,472	1,373,498
Fees and subscription		45,363,368	18,947,132
Insurance		1,450,667	1,460,548
Rent, rates and taxes	28.2	2,345,387	4,076,289
Printing and stationery		6,023,144	6,775,360
Entertainment		25,589,365	7,837,158
Office supplies		7,245,160	1,765,719
Miscellaneous expenses		3,104,079	-
Donations	28.3	11,776,708	3,889,620
Depreciation	17.1.1	30,264,269	18,526,144
		560,327,372	383,302,629

28.1 This includes Rs. 32 million (2024: Rs. 24.58 million) in respect of post employment benefits.

28.2 This represents lease rentals recognised on leases classified as short term.

28.3 Directors and their spouses do not have any interest in the donees.

NOTES

TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Note 29

Other Operating Expenses

	Note	2025 Rupees	2024 Rupees
Auditors' remuneration		2,212,500	2,005,000
Tax consultancy services		1,563,643	3,561,661
Exchange loss		-	1,516
Provision for doubtful debts		-	1,124,500
Workers' (profit) participation fund	11.3	1,442,645,018	706,047,215
Workers' welfare fund	11.4	546,305,117	287,069,159
		1,992,726,278	999,809,051

29.1 Auditors' remuneration

Statutory audit	1,700,000	1,600,000
Half yearly review	300,000	260,000
Workers' (profit) participation fund audit	52,500	25,000
Certificate fee	160,000	120,000
	2,212,500	2,005,000

Note 30

Other Income

	Note	2025 Rupees	2024 Rupees
Income from financial assets			
Profit from Islamic banking deposits	30.1	1,273,497,436	769,950,522
Exchange gain		442,421	-
Unwinding of discount	19	2,028,587	1,408,095
Income from non financial assets			
Gain on disposal of vehicles		1,086,652	9,419,281
Reversal of provision for doubtful debts	22.1	1,124,500	500,400
Sale of scrap items		50,190,367	34,036,651
Rectification charges		26,647,715	17,073,305
		1,355,017,678	832,388,254

30.1 This represents income from shariah compliant bank deposits.

Note 31

Finance Cost

	Note	2025 Rupees	2024 Rupees
Profit on:			
- Long term finances - Islamic banking		41,442,069	96,874,767
- Short term borrowings - secured - Islamic banking		53,515,333	820,316
- Profit on muswammah / murabaha - Islamic banking		874,618	7,037,329
Discounting of loan to employees	19	5,824,861	48,509,413
Interest on workers' (profit) participation fund		124,634,743	11,988,279
Bank charges and others		4,004,653	3,681,239
		230,296,277	168,911,343

NOTES

TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Note 32

Taxation

	Note	2025 Rupees	2024 Rupees
Levy / final taxation		1,431,417	494,830
Current tax			
- Current year		7,762,995,720	3,614,858,427
- Prior year		(34,210,792)	-
- Super tax		2,676,895,072	1,317,825,724
		10,405,680,000	4,932,684,151
Deferred tax	8	(3,997,280)	246,984,098
		10,401,682,720	5,179,668,249
		<u>10,403,114,137</u>	<u>5,180,163,079</u>

32.1 Reconciliation of tax charge for the year

Profit before Levy and Taxation	26,739,315,479	13,115,839,655
Tax @ 29% (2024: 29%) on profit before taxation	7,754,401,489	3,803,593,500
Tax effect of amounts that are allowable deductions for tax purposes	4,725,917	64,560,300
Tax effect of profit attributable to		
-presumptive income	(128,966)	(6,311,275)
-presumptive tax	1,431,417	494,830
Super tax	2,676,895,072	1,317,825,724
Prior year	(34,210,792)	-
	<u>10,403,114,137</u>	<u>5,180,163,079</u>

32.2 Reconciliation of Levy and Income tax under IAS-12

Current Tax liability as per applicable tax laws	10,407,111,417	4,933,178,981
Portion of current tax liability representing		
- Income tax as per IAS -12	(10,405,680,000)	(4,932,684,151)
- Levy as per IFRIC 21 / IAS 37	(1,431,417)	(494,830)
Difference	<u>-</u>	<u>-</u>

32.3 The current tax expense for the year is calculated using corporation tax rate of 29% (2024: 29%) and super tax at 10% (2024: 10%) per annum. Deferred tax assets and liabilities on temporary differences are measured at effective rate of 39% (2024: 29%) per annum.

Note 33

Earnings Per Share - Basic and Diluted

	2025	2024
Profit attributable to ordinary shareholders	Rupees <u>16,336,201,342</u>	<u>7,935,676,576</u>
Weighted average number of ordinary shares outstanding during the year	Numbers <u>60,445,964</u>	<u>60,445,964</u>
Basic earnings per share	Rupees <u>270.26</u>	<u>131.29</u>

33.1 There is no dilution effect on the earnings per share of the Company as the Company does not have any convertible instruments in issue as at the reporting date (2024: Nil) which would have any effect on the earnings per share if the option to convert is exercised.

NOTES

TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Note 34

Cash Generated from Operations

	Note	2025 Rupees	2024 Rupees
Profit before levy and taxation		26,739,315,479	13,115,839,655
Adjustment for:			
- Depreciation on property, plant and equipment	17.1	335,939,936	282,412,566
- Amortization on intangibles	18	68,250	68,250
- Provision for post employment benefits	9.3	144,843,501	115,325,437
- Provision for slow moving items - net	21.2	6,434,748	12,051,500
- Reversal for doubtful debt	22.1	(1,124,500)	(500,400)
- Provision for doubtful debt	22.1	-	1,124,500
- Workers' (profit) participation fund	11.3	1,442,645,018	706,047,215
- Provision for warranty claims - net	11.2	215,084,406	144,162,012
- Workers' welfare fund	11.4	546,305,117	287,069,159
- Finance cost	31	224,471,416	120,401,930
- Discounting of loan to employees	31	5,824,861	48,509,413
- Bank profits on saving accounts	30	(1,273,497,436)	(769,950,522)
- Effect of unwinding on loan to employees	30	(2,028,587)	(1,408,095)
- Miscellaneous income		(442,421)	-
- Gain on disposal of fixed assets	30	(1,086,652)	(9,419,281)
		<u>1,643,437,657</u>	<u>935,893,684</u>
Operating profit before working capital changes		28,382,753,136	14,051,733,339
(Increase) / decrease in current assets			
- Store, spares and loose tools		(57,256,496)	(2,159,949)
- Stock-in-trade	21	83,782,898	(11,619,045,506)
- Trade debts	22	23,004,734	136,642,787
- Loans, advances, deposits, prepayments and other receivables	19 & 23	(92,834,393)	(257,987,071)
Increase / (decrease) in current liabilities			
- Trade and other payables	11	(2,204,817,387)	9,670,329,063
		<u>(2,248,120,644)</u>	<u>(2,072,220,676)</u>
Increase in long term loans		<u>(38,519,205)</u>	<u>(24,442,819)</u>
Cash Generated from Operations		26,096,113,287	11,955,069,844

Note 35

Financial Risk Management

35.1 Financial risk factors and risk management framework

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

Risk management is carried out by the Company's management under policies approved by the Board of Directors. The Company's management evaluates and hedges financial risks based on principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and liquidity risk, provided by the Board of Directors. All treasury related transactions are carried out within the parameters of these policies.

The Company's overall risk management procedures to minimise the potential adverse effects of financial market on the Company's performance are as follows:

NOTES

TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

(a) Market risk

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

(i) Currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. This exists due to the Company's exposure resulting from outstanding import and foreign currency payments.

As at June 30, 2025, if Pakistani Rupee had weakened / strengthen by 1% against the the foreign currencies with all other variables held constant, pre-tax profit for the year would have been lower / higher by Rs. 139.53 million (2024: Rs. 130.87 million), mainly as a result of foreign exchange losses / gains on translation of the foreign currencies financial assets and liabilities.

	2025 Rupees	2024 Rupees
Letters of credit commitments	13,949,608,453	13,086,670,000
Foreign currency bank account	3,368,290	759,730
	13,952,976,743	13,087,429,730

The following exchange rates were applied during the year:

Rupees per foreign currency rate

	USD	USD
Average rate	279.34	283.12
Reporting date rate	283.76	278.34
	CNY	CNY
Average rate	38.72	38.99
Reporting date rate	39.60	38.31

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest rate risk arises from short and long-term borrowings. These are benchmarked to variable rates which expose the Company to cash flow interest rate risk.

The effective interest / mark-up rates for interest / mark-up bearing financial instruments are mentioned in relevant notes to the financial statements. The Company's interest / mark-up bearing financial instruments as at the reporting date are as follows:

	2025 Rupees	2024 Rupees
Fixed rate instruments		
Financial liabilities		
Murabaha financing	661,050,413	-
Floating rate instruments		
Financial liabilities		
Diminishing musharakah financing	151,892,963	344,773,075
Financial assets		
Saving accounts - Islamic banking	15,460,229,818	7,212,981,681

NOTES

TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Cash flow sensitivity analysis for variable rate instruments

As at June 30, 2025, if interest rates on the Company's borrowings had been 1% higher / lower with all other variables held constant, profit before tax for the year would have been lower / higher by Rs. 146.47 million (2024: Rs. 68.68 million), mainly as a result of interest exposure on variable rate borrowings.

Cash flow sensitivity analysis for fixed rate instruments

The profit before taxation for the year would have no fluctuation as there are no such instruments.

(iii) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (Other than those arising from interest/profit risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. At present, the Company is not exposed to price risk as there are no investments in marketable securities.

(iv) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to equity price risk since there are no direct investments in equity instruments traded in the market at the reporting date. The Company is also not exposed to commodity price risk since it does not hold any financial instrument based on commodity prices.

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions and other financial instruments.

The management assesses the credit quality of customers, taking into account their financial position, past experience and other factors. The utilization of credit limits is regularly monitored. For banks and financial institutions, only independently rated parties with a strong credit rating are accepted.

The Company monitors the credit quality of its financial assets with reference to historical performance of such assets and available external credit ratings, if any. As at June 30, 2025, the maximum exposure to credit risk is equal to the carrying amount of the financial assets as detailed below:

	Note	2025 Rupees	2024 Rupees
Trade debts	22	111,137,653	133,017,887
Bank balances	24	16,594,503,651	7,759,538,295
The aging of trade debts as at reporting date is as follows:			
Not past due		82,339,625	61,775,262
Past Due 0-30 days		28,329,620	70,541,739
Past due 31-120 days		468,408	700,886
Past due more than 120 days		-	-
		111,137,653	133,017,887

NOTES

TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Customers credit risk is managed by each business unit subject to the Company's established policies, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. The Company believes that it is not exposed to major concentration of credit risk as its exposure is spread over a large number of counter parties.

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

The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are operated in largely independent markets. The credit risk on liquid funds is limited because the counter parties are either banks (with reasonably high credit ratings) and trade receivables for which the exposure is spread over a large number of counter parties.

The credit quality of bank balances that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

	Rating		Rating	2025	2024
	Short term	Long term	Agency		
				Rupees	Rupees
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	2,401,235,882	129,487,380
Bank Al-Habib Limited	A1+	AAA	PACRA	611,921,559	660,026,985
Habib Bank Limited	A1+	AAA	VIS	2,119,656,804	485,263,860
The Bank of Punjab	A1+	AA+	PACRA	682,346,157	588,215,041
Al Baraka Bank (Pakistan) Limited	A1	AA-	VIS	881,790,627	1,966,347
Meezan Bank Limited	A1+	AAA	VIS	849,327,338	1,240,214,432
National Bank of Pakistan	A1+	AAA	PACRA	3,565,496,197	715,527,302
Allied Bank Limited	A1+	AAA	PACRA	21,568,949	27,557,207
Bank Islami Limited	A1	AA-	PACRA	15,597,465	14,663,690
JS Bank Limited	A1+	AA	PACRA	2,956	992,579
MCB Islamic Bank Limited	A1	A+	PACRA	2,268,217	4,891,990
United Bank Limited	A1+	AAA	VIS	346,343,060	61,298,510
Dubai Islamic Bank Pakistan Limited	A1+	AA	VIS	8,287,031	10,822,239
Bank Alfalah Limited	A1+	AAA	PACRA	69,853,189	58,384,313
Faysal Bank Limited	A1+	AA	PACRA	2,576,210,783	3,303,628,803
Askari Bank Limited	A1+	AA+	PACRA	2,440,251,644	456,597,617
Bank of Khyber	A1	A+	PACRA	2,345,793	-
				16,594,503,651	7,759,538,295

(c) Liquidity risk

Liquidity risk represents the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. Due to dynamic nature of the business, the Company maintains flexibility in funding by maintaining committed credit lines available. The Company's liquidity management involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios and maintaining debt financing plans. The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period as at the reporting date to contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows:

NOTES

TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Contractual maturities of financial liabilities as at June 30, 2025:

Description	Carrying amount	Contractual cash flows	Within 1 year	1-2 Years	2-5 Years	Above 5 Years
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Trade and other payables	1,692,912,480	1,692,912,480	1,692,912,480	-	-	-
Profit payable	134,718,125	134,718,125	134,718,125	-	-	-
Diminishing musharakah financing	151,892,963	151,892,963	102,067,681	49,825,282	-	-
	1,979,523,568	1,979,523,568	1,929,698,286	49,825,282	-	-

Contractual maturities of financial liabilities as at June 30, 2024:

Description	Carrying amount	Contractual cash flows	Within 1 year	1-2 Years	2-5 Years	Above 5 Years
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Trade and other payables	1,649,429,818	1,649,429,818	1,649,429,818	-	-	-
Profit payable	17,220,879	17,220,879	17,220,879	-	-	-
Diminishing musharakah financing	344,773,075	442,573,344	247,593,582	194,979,762	-	-
	2,011,423,772	2,109,224,041	1,914,244,279	194,979,762	-	-

(d) Fair value of financial instruments

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

The fair value hierarchy has the following levels:

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

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

35.2 Financial instruments by categories

Financial asset as at amortized cost

	2025 Rupees	2024 Rupees
Trade debts	111,137,653	133,017,887
Cash and bank balances	16,596,492,181	7,761,682,665
Long term loans to employees	115,281,924	68,951,048
Accrued profit on bank deposits	121,484,596	118,912,865
	16,944,396,354	8,082,564,465

The Company did not possess any financial assets designated as fair value through profit or loss and fair value through other comprehensive income categories.

Financial liabilities at amortized cost

Trade and other payables	1,692,912,480	1,649,429,818
Profit payable	134,718,125	17,220,879
Diminishing Musharakah Financing	151,892,963	344,773,075
Islamic mode of financing - Murabaha / Musawammah	661,050,413	-
Unclaimed dividends	22,228,966	6,269,891
	2,662,802,947	2,017,693,663

NOTES

TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Note 36

Capital Risk Management

The Company's objective when managing capital is to safe guard the Company's ability to continue as a going concern so that it can provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its business. The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the company may adjust the amount of dividend paid to shareholders or issue new shares. As at June 30, 2025 and 2024, the Company had surplus reserves to meet its requirements.

Consistent with others in the industry and the requirements of the lenders, the Company monitors the capital structure on the basis of gearing ratio. This ratio is calculated as net debt divided by total equity (as shown in the statement of financial position). Net debt is calculated as total borrowings (including current and non-current borrowings) less cash and bank balances and liquid investments. The Company is not exposed to any externally imposed capital requirements.

As at the reporting date, the gearing ratio of the Company was worked out as under:

	2025 Rupees	2024 Rupees
Total borrowings	812,943,376	344,773,075
Cash and bank balances	(16,596,492,181)	(7,761,682,665)
Net debt	(15,783,548,805)	(7,416,909,590)
Equity	23,707,697,460	10,104,086,687
Total capital employed	7,924,148,655	2,687,177,097
Gearing ratio	Nil	Nil

Note 37

Balances and Transactions with Related Parties

Related parties comprise associated companies due to common directorship, directors and key management personnel. The Company in the normal course of business carries out transactions with various related parties. The Company enters into transactions with related parties on the basis of mutually agreed terms. Outstanding balances as at the reporting date are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. Significant balances and transactions with related parties are as follows:

Transactions for the period

Related party	Relationship	Nature of Transaction	2025 Rupees	2024 Rupees
Pak Tractor Manufacturing Company (Private) Limited	Associate	Sale of goods		
		-Vehicle	-	9,280,990
		-Rims	1,191,776	9,381,189
		Receipt against sales	2,780,811	17,073,144

NOTES

TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Related party	Relationship	Nature of Transaction	2025 Rupees	2024 Rupees
Power Vision Systems (Private) Limited	Associate	Purchase of goods	-	64,841
		Payment against purchases	46,285	18,555
Non-executive directors		Meeting fee paid	2,080,000	2,820,000
		Travelling, boarding and lodging expenses	50,000	150,000
		Sale of goods - vehicles	-	32,791,970
		Receipts against sale of goods	-	29,291,970
		Dividend paid	203,835,600	49,548,416
Key management personnel		Remuneration, allowances and benefits	287,820,175	202,028,381
		Sale of goods - vehicle	-	8,119,490
		Receipts against sale of goods	-	8,119,490
		Dividend paid	1,457,311,012	420,761,412
		Sales of operating fixed asset vehicle	-	570,000
		Receipts against sale of operating fixed asset	-	570,000
Other executives		Remuneration, allowances and benefits	38,898,649	23,627,394
		Dividend paid	50,421,696	3,269,040
Spouses of directors		Dividend paid	72,610,748	13,985,820
Relatives of Directors		Sale of goods - vehicles	10,058,750	-
		Receipts against sale of goods	10,058,750	-
		Dividend paid	4,648,894	2,005,804

Balances outstanding as at June 30, 2025

Pak Tractor Manufacturing Company (Private) Limited	Trade debt	-	1,589,035
Power Vision Systems (Private) Limited	Payable	-	46,286

37.1 Following are the related parties with whom the Company had entered into transactions or have arrangement / agreement in place.

Name	Relationship	% of Shareholding
Associate		
Pak Tractor Manufacturing Company (Private) Limited	Associate	Common directorship
Power Vision (Private) Limited	Associate	Common directorship
Key Management Personnel		
Mr. Mian Asad Hameed	Chief Executive Officer	37.43%
Mr. Saeed Iqbal Khan	Executive director	4.48%
Mr. Mian Muhammad Ali Hameed	Executive director	11.61%
Mr. Arshad Mehmood	Company secretary	0.07%
Mr. Muhammad Atif Rao	Chief Financial Officer	Nil
Non-Executive Director		
Mrs. Saira Asad Hameed	Non-executive director	6.411%
Mrs. Sana Suleyman	Non-executive director	1.535%
Mr. Humza Amjad Wazir	Non-executive director	0.003%
Mr. Muhammad Omer Saeed	Non-executive director	0.001%
Mr. Umair Ejaz	Non-executive director	0.003%
Mr. Taha Mahmood	Non-executive director	0.002%

NOTES

TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Name	Relationship	% of Shareholding
Spouses of Directors		
Mrs. Naghmana Saeed	Spouse of director	1.708%
Mr. Muhammad Suleyman Khan	Spouse of director	0.028%
Mrs. Amina Humza Wazir	Spouse of director	1.327%
Other Executives		
Mr. Mian Muhammad Ammar Hameed	Other executive	2.433%
Mr. Adil Saeed Khan	Other executive	0.005%
Relatives		
Mr. Naveed Iqbal Khan	Relatives	0.004%
Mr. Waheed Iqbal Khan	Relatives	0.008%
Mrs. Zehra Ambreen Ali	Relatives	0.009%
Mr. Ahsan Ejaz	Relatives	0.000%
Mr. Khalid Iqbal Khan	Relatives	0.002%
Mr. Mian Pervaiz Hameed	Relatives	0.005%
Mr. Nadeem Ahmed Roomi	Relatives	0.005%
Mr. Ishtiaq Ahmed Roomi	Relatives	0.141%
Mr. Mian Zafar Hameed	Relatives	0.011%

Note 38

Segment Reporting

38.1 A business segment is a group of assets and operations engaged in providing products that are subject to risks and returns that are different from those of other business segments. The management has determined its operating segments based on the information that is presented to the Chief Operating Decision Maker for allocation of resources and assessments of performance. Based on internal management reporting structure and products produced and sold, the Company is organized into the following operating segments:

- Auto-Rikshaw
- Automotive Parts
- Household Appliances
- Automobiles-Four Wheeler

The Chief Operating Decision Maker (the Chief Executive Officer) of the Company monitors the operating results of its business units separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is generally evaluated based on certain key performance indicators including business volume, gross profit, profit from operations, reduction in operating cost and free cash flows.

Segment assets include all operating assets used by a segment and consist principally of receivables, inventories and property, plant and equipment, net of impairment and provisions but do not include deferred tax. Segment liabilities include all operating liabilities and consist principally of trade and bills payable.

The pricing for inter-segment transactions is determined on an arm's length basis.

NOTES

TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

38.2 Segment analysis

The segment information for the reportable segments for the year ended June 30, 2025 is as follows.

Automobiles- Three wheeler	Automotive parts	Household Appliances	Automobiles-Four wheeler	Total
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.....Rupees in Thousands.....

Segment Results for the year ended June 30, 2025

Segment revenue - Net	9,824,849	700,749	1,904	98,166,998	108,694,500
Segment operating results	408,850	12,839	35	27,181,821	27,603,545
Segment assets	1,636,980	663,472	-	22,779,293	25,079,745
Unallocated assets	-	-	-	-	16,657,111
Total assets	1,636,980	663,472	-	22,779,293	41,736,856
Segment liabilities	1,044,224	218,105	-	15,475,739	16,738,068
Unallocated liabilities	-	-	-	-	1,291,092
Total liabilities	1,044,224	218,105	-	15,475,739	18,029,160
Capital expenditure	-	-	-	3,732,521	3,732,521
Depreciation and amortization	13,765	12,474	-	309,769	336,008
Non-cash charges other than depreciation and amortization	59,146	26,414	-	65,718	151,278

Automobiles- Three wheeler	Automotive parts	Household Appliances	Automobiles-Four wheeler	Total
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.....Rupees in Thousands.....

Segment Results for the year ended June 30, 2024

Segment revenue - Net	5,778,023	1,056,745	532	50,807,170	57,642,469
Segment operating results	124,771	28,195	33	13,293,606	13,446,605
Segment assets	752,231	439,153	2,336	18,560,389	19,754,110
Unallocated assets	-	-	-	-	9,471,913
Total assets	752,231	439,153	2,336	18,560,389	29,226,023
Segment liabilities	427,341	35,247	-	16,409,051	16,871,639
Unallocated liabilities	-	-	-	-	2,250,298
Total liabilities	427,341	35,247	-	16,409,051	19,121,937
Capital expenditure	-	-	-	2,019,256	2,019,256
Depreciation and amortization	14,025	13,892	-	254,564	282,481
Non-cash charges other than depreciation and amortization	50,220	22,427	54	55,800	128,501

38.3 99.94% (2024: 99.88%) of the gross sales of the Company are made to customers located in Pakistan.

38.4 Entity-wise disclosures regarding reportable segment are as follows:

- Information about major customers

The Company's customer base is diverse with no single customer accounting for more than 10% of sales. The automotive parts sales is mainly related to Millat Tractors Limited and Al Ghazi Tractors Limited.

NOTES

TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

- Information about geographical areas

- All non-current and current assets of the Company as at June 30, 2025 are located in Pakistan.
- Revenue from export sales is Rs. 69.05 million (2024: Rs. 70.01 million).

38.5 Product-wise reconciliation of sales

	2025 Rupees	2024 Rupees
Automobiles - Four wheeler	98,166,998,402	50,807,169,646
Automobiles - Three wheeler	9,824,848,097	5,778,022,619
Automotive parts	700,749,142	1,056,744,521
Home appliance	1,904,051	531,778
Scrap sales	132,239,394	93,866,787
	108,826,739,086	57,736,335,351
Less: Scrap sales transferred to cost of sales	(82,049,031)	(59,830,136)
Less: Sale of scrap transferred to other operating income	(50,190,363)	(34,036,651)
	108,694,499,692	57,642,468,564

Note 39

Liabilities arising from Financing Activities

	As at June 30, 2024 Rupees	Non-cash changes Rupees	Cash flows (Net) Rupees	As at June 30, 2025 Rupees
Diminishing musharakah financing	344,773,075	-	(192,880,112)	151,892,963
Murabaha financing	-	661,050,413	-	661,050,413
Total liabilities from financing activities	344,773,075	661,050,413	(192,880,112)	812,943,376

Diminishing musharakah financing
Short term borrowings
Total liabilities from financing activities

	As at June 30, 2023 Rupees	Non-cash changes Rupees	Cash flows (Net) Rupees	As at June 30, 2024 Rupees
Diminishing musharakah financing	529,990,685	-	(185,217,610)	344,773,075
Short term borrowings	181,964,475	-	(181,964,475)	-
Total liabilities from financing activities	711,955,160	-	(367,182,085)	344,773,075

Note 40

Remuneration of Chief Executive, Directors and Executives

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

Particulars	Chief Executive		Executive Directors		Independent / Non Executive Directors		Executives		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Managerial remuneration	55,200,000	43,575,000	43,800,000	30,502,500	-	-	273,921,380	178,263,133	372,921,380	252,340,633
Bonus	18,400,000	14,498,590	14,600,000	10,114,680	-	-	90,177,522	56,308,975	123,177,522	80,922,245
Leave encashment	-	-	-	-	-	-	6,955,910	4,099,770	6,955,910	4,099,770
Income tax benefit	46,664,234	29,647,362	31,944,180	19,100,270	-	-	81,478,348	46,171,236	160,086,762	94,918,868
Medical expenses	-	609,215	683,385	414,193	-	-	6,613,852	3,803,461	7,297,237	4,826,869
Other allowances	-	-	712,500	-	-	-	3,305,078	59,500	4,017,578	59,500
Meeting Fee	-	-	-	-	2,130,000	2,970,000	-	-	2,130,000	2,970,000
Total	120,264,234	88,330,167	91,740,065	60,131,643	2,130,000	2,970,000	462,452,090	288,706,075	676,586,389	440,137,885
Number of persons	1	1	2	2	6	6	90	53	99	62

40.1 The Chief Executive, executive directors and certain executives of the Company are also provided with company maintained cars for official and personal use.

40.2 An executive is defined as an employee, other than the Chief Executive and directors, whose basic salary exceeds Rs. 1.2 million in a financial year.

NOTES

TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Note 41

Shariah Screening Disclosures by Company Listed on Islamic Index

		2025	2024
	Note	Rupees	Rupees
Loans / advances obtained as per Islamic mode	7	812,943,376	344,773,075
Shariah compliant bank deposits / bank balances / overdrawn	24	16,568,853,748	7,705,900,599
Profit earned from Shariah compliant bank deposits / bank balances	30	1,273,497,436	769,950,522
Revenue earned from a Shariah compliant business segment	25	108,694,499,692	57,642,468,564
Gain / loss or dividend earned from shariah compliant investments		-	-
Shariah compliant exchange gain earned		442,421	-
Mark up paid on Islamic mode of financing	31	95,832,020	104,732,412
Profits earned on any conventional loan or advance		-	-
Interest paid on any conventional loan or advance		-	-
Relationship with shariah compliant financial institute	41.1	-	-

41.1 Shariah compliant financial institutions are disclosed in note 7, 12, 16 and 24.

Note 42

Plant Capacity and Production

		2025	2024
		Numbers	Numbers
Total Capacity			
-Auto rickshaw - three wheeler (8 hours single shift basis)		20,000	20,000
-Automobiles - four wheeler (8 hours single shift basis)		24,000	24,000
-The capacity of the plant and machinery relating to automotive parts is indeterminable due to the versatility of production.			
Actual Production			
-Auto rickshaw	42.1	24,700	15,678
-Four wheeler	44.2	11,039	5,414
-Automotive parts			
-Wheel rims		41,717	65,711

42.1 The excess production of Auto rickshaw over normal capacity is due to working on overtime schedule to meet the increased demand during the year.

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

Note 43

Number of Employees

	2025	2024
	Number	Number
Number of permanent employees at the year end	1,552	1,392
Average number of permanent employees during the year	1,481	1,284

Note 44

Subsequent Event

The Board of Directors, in their meeting held on August 29, 2025, proposed a final cash dividend of Rs. 20 per share i.e 200% amounting to Rs. 1,208.92 million (2024: Rs.12 per share i.e 120% amounting to Rs. 725.352 million) for the year ended June 30, 2025 for approval of the members at the 34th Annual General Meeting. This dividend is in addition to interim dividend paid of Rs. 32 per share i.e. 320% amounting to Rs. 1,934.271 million declared during the current year. The financial statements for the year ended June 30, 2025 do not include the effect of the proposed appropriations, which will be accounted for in the financial statements for year ending June 30, 2026.

NOTES

TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Note 45

Authorization of Financial Statements

These financial statements were approved and authorized by the Board of Directors of the Company for issuance on August 29, 2025.

Note 46

General

Corresponding figures are rearranged / reclassified for better presentation and comparison. No material re-arrangement / reclassification has been made in these financial statements.



MIAN ASAD HAMEED
CHIEF EXECUTIVE



SAEED IQBAL KHAN
DIRECTOR



MUHAMMAD ATIF RAO
CHIEF FINANCIAL OFFICER

BCR (BEST CORPORATE REPORTING)

CHECKLIST-2025

Sr. No.	Statement of Clause	Annual Report Page Reference No.
1	Organizational Overview and External Environment	
1.01	Mission, vision, code of conduct, ethical, principal and core values.	2, 3, 24
1.02	Profile of the company including principal business activities, markets (local and international), key brands, products and services.	6, 7-9, 22
1.03	Geographical location and address of all business units including sales units and plants.	22 - 23
1.04	The legislative and regulatory environment in which the company operates.	138
1.05	Ownership, operating structure and relationship with group companies (i.e. subsidiary, associated undertaking etc.) and number of countries in which the organization operates.	N/A
1.06	Name and country of origin of the holding company / subsidiary company, if such companies are a foreign company.	N/A
1.07	Disclosure of beneficial (including indirect) ownership and flow chart of group shareholding and relationship as holding company, subsidiary company or associated undertaking.	N/A
1.08	Organization chart indicating functional and administrative reporting, presented with legends.	10
1.09	A general review of the performance of the company, including its subsidiaries, associates, divisions etc., for the year and major improvements from last year.	52 - 53
1.10	Description of the performance of the various activities / product(s) / service(s) / segment(s) of the entity and its group entities during the period under review.	53, 122
1.11	Position of the reporting organization within the value chain showing connection with other businesses in the upstream and downstream value chain.	17
1.12	a) Explanation of significant factors affecting the external environment including political, economic, social, technological, environmental and legal environment that is likely to be faced in the short, medium and long term and the organization's response.	25 - 26
	b) The effect of seasonality on business in terms of production and sales.	26
1.13	The legitimate needs, interests of key stakeholders and industry trends.	27
1.14	SWOT Analysis of the company.	28
1.15	Competitive landscape and market positioning (considering factors such as the threat of new competition and substitute products or services, the bargaining power of customers and suppliers, relative strengths and weaknesses of competitors and customer demand and the intensity of competitive rivalry).	26
1.16	History of major events.	18 - 19
1.17	Details of significant events occurred during the year and after the reporting period.	20 - 21, 245
2	Strategy and Resource Allocation	
2.01	Short, medium and long-term strategic objectives and strategies in place to achieve objectives.	30 - 32
2.02	Resource allocation plans to implement the strategy. Resource mean 'Capitals' including: a) Financial Capital; b) Human Capital; c) Manufactured Capital; d) Intellectual Capital; e) Social and Relationship Capital; and f) Natural Capital.	30 - 32
2.03	The capabilities and resources of the company that provide sustainable competitive advantage, resulting in value creation by the company.	32
2.04	Company's strategy on market development, product and service development.	32 - 33
2.05	The effects of the given factors on the company strategy and resource allocation: a) Technological Changes; b) Sustainability reporting and challenges; c) Initiatives taken by the company in promoting and enabling innovation; and d) Resource shortages (if any).	33

Sr. No.	Statement of Clause	Annual Report Page Reference No.
2.06	Key Performance Indicators (KPIs) to measure the achievement against strategic objectives including statement as to whether the indicators used will continue to be relevant in the future.	30 - 31
2.07	The linkage of strategic objectives with company's overall mission, vision and objectives.	34
2.08	Board's statement on the internal controls including IT controls of the company.	59 , 134
2.09	Board's statement on the significant plans and decisions such as corporate restructuring, business expansion, major capital expenditure or discontinuance of operations.	34
2.10	a) Information about defaults in payment of any debt with reasons and its repayment plan; b) Board strategy to overcome liquidity problems and plans to meet operational losses.	35
3	Risks and Opportunities	
3.01	Key risks and opportunities (internal and external), including sustainability-related risks and opportunities, affecting availability, quality and affordability of Capitals.	43 - 46
3.02	Company's robust assessment of the principal risks and uncertainties being faced, including those that would threaten the business model, future performance and solvency or liquidity. This may include operational risk, IT risk, regulatory risk, legal risk, political risk, strategic risk, and credit risk etc.	41 - 42
3.03	Risk Management Framework covering principal risks and uncertainties facing by the company, risk methodology, risk appetite and risk reporting.	
3.04	Specific steps being taken to mitigate or manage key risks or to create value from key opportunities by identifying the associated strategic objectives, strategies, plans, policies, targets and KPIs.	43 - 46
3.05	Disclosure of a risk of supply chain disruption due to an environmental, social or governance incident and company's strategy for monitoring and mitigating these risks (if any).	46
4	Sustainability Disclosures & Corporate Social Responsibility (CSR)	
4.01	Disclosure of the role of the Board to address the company's sustainability risks and opportunities, as required under the recent amendments of the SECP 'Listed Companies (Code of Corporate Governance) Regulations, 2019, SECP SRO 920/2024 dated June 12, 2024 for the following:	49, 58, 147, 148
	a) Disclosures of company specific sustainability-related risks and opportunities (climate-related risks and opportunities) and their impact on the financial performance in the short, medium and long term and how these are managed or mitigated;	151 - 156
	b) Disclosures about four-pillars core content (Governance, Strategy, Risk Management and Metrics and Targets), together with the specific metrics designed by the company to demonstrate the performance and progress of the company.	147 - 159
	c) Disclosure of company's sustainability and DE&I related strategies, priorities and targets, the measures taken to promote in the company as well as performance against these targets are periodically reviewed and monitored.	58, 128, 157-159, 176
	d) Boards are encouraged to adopt of the SECP's ESG Disclosure Guidelines (https://www.secp.gov.pk/document/secp-esg-disclosure-guidelines-for-listed-companies/)	82, 120
4.02	Highlights of the company's performance, policies, initiatives and plans in place relating to the various aspects of sustainability:	128, 151
	· Social initiatives - financial inclusion, research and development, employment generation, community health and education, and health and safety of staff etc.;	172 - 186
	· Environmental initiatives - climate change mitigation etc. by focusing on 3R's (Reduce, Reuse & Recycle), how does the company reduce pollution, depletion and degradation of natural resources; and indirect like investment/financing in green /sustainable project.	164 -171
	· Technological innovation - use of advanced technology, innovative ideas leading to sustainability practices like energy-efficient processes or eco-friendly product designs;	187 - 188
	· Information on consumption and management of materials, energy, water, emissions and waste.	164 -171

Sr. No.	Statement of Clause	Annual Report Page Reference No.
4.03	a) Has the board established a dedicated sustainability committee, having at least one female director, or assign additional responsibilities to an existing board committee.	61 , 147
	b) Has the committee submitted to the board a report, at least once a year, on embedding sustainability principles into the organization's strategy and operations to increase corporate value.	120 - 121, 148
4.04	Board's statement for the adoption of CSR best practices including Board's commitment to promote CSR and how the company's sustainable practices can affect the financial performance of the company.	124
4.05	Highlights of the company's performance, policies, initiatives for CSR.	56, 182
5	Governance	
5.01	Board composition:	
	a) Leadership structure of those charged with governance;	59, 61, 130
	b) Name of independent directors indicating justification for their independence;	61, 130
	c) Diversity in the board i.e. competencies, requisite knowledge & skills, and experience;	130 - 131
	d) Profile of each director including education, experience and engagement in other entities as CEO, Director CFO or Trustee etc.;	11 - 14
	e) No. of companies in which the executive director of the reporting organization is serving as non-executive director.	11 - 14 , 130
5.02	A brief description about role of the Chairman and the CEO.	133
5.03	A statement of how the board operates, including a high-level statement of which types of decisions are to be taken by the board and which are to be delegated to management.	132
5.04	Chairman's Review Report on the overall performance of the board including:	48 - 49
	a) Effectiveness of the role played by the board in achieving the company's objectives;	
	b) Chairman's significant commitments, such as strategic, financial, CSR and ESG etc., and any changes thereto from last year';	
	c) Board statement on the company's structure, processes and outcomes of internal control system and whether board has reviewed the adequacy of the system of internal control.	
5.05	Board statement of its commitment to establish high level of ethics and compliance in the company.	130
5.06	Annual evaluation of performance, along with a description of criteria used for the members of the board, including CEO, Chairman, and board's committees.	133
5.07	Disclosure if the board's performance evaluation is carried out by an external consultant once in every three years.	133
5.08	Details of formal orientation courses for directors.	61
5.09	Directors' Training Program (DTP) attended by directors, female executives, and head of departments from the institutes approved by the SECP, along with names of those who availed exemptions during the year.	61
5.10	Description of external oversight of various functions like systems audit or internal audit by an external specialist and other measures taken to enhance credibility of internal controls and systems.	134
5.11	Disclosure about related party transactions:	136
	a) Approved policy for related party transactions;	
	b) Details of all related party transactions, along with the basis of relationship describing common directorship and percentage of shareholding;	
	c) Contract or arrangement with the related party other than in the ordinary course of business on an arm's length basis, if any along with the justification for entering into such contract or arrangement;	
	d) Disclosure of director's interest in related party transactions;	
	e) In case of conflict, disclosure of how conflicts are managed and monitored by the board.	
5.12	Disclosure of Board's Policy on the following significant matters:	41, 134
	a) Risk Management and internal control policies.	
	b) Disclosure of director's interest in significant contracts and arrangements.	136

Sr. No.	Statement of Clause	Annual Report Page Reference No.
5.12	c) Remuneration of non-executive directors including independent directors for attending board meetings and general meetings.	59 - 60
	d) Retention of board fee by the executive director earned by him against his services as non-executive director in other companies.	N/A
	e) Security clearance of foreign directors.	131
	f) Board meetings held outside Pakistan.	131
	g) Human resource management including:	135, 139, 172-178
	· Preparation of succession plan;	
	· Merit based recruitment;	
	· Performance based appraisal system;	
	· Promotion, reward and motivation;	
	· Training and development;	
	· Diversity, Equity & Inclusion (DE&I) policy; and	
	· Employee engagement /feedback.	
	h) Social and environmental responsibility including managing and reporting policies like procurement, waste and emissions.	164
	i) Communication with stakeholders.	140
	j) Dividend policy.	135
	k) Investors' relationship and grievances.	137-138
	l) Employee's health, safety and protection.	172, 179
	m) Whistle blowing policy	136
	n) anti-harassment policy to safeguard the rights and well-being of employees.	176
	o) Safety of records of the company.	137
5.13	Board statement of the organization's business continuity plan or disaster recovery plan.	37
5.14	Compliance with the Best Practices of Code of Corporate Governance (No marks in case of any non-compliance).	77, 78 - 80
5.15	Disclosure about:	113 - 114
	a) Shares held by Sponsors / Directors / Executives;	
5.15	b) Distribution of shareholders (Number of shares as well as category, e.g. Promoter, Directors / Executives or close family member of Directors / Executives etc.) or foreign shareholding (if any).	113 - 114
5.16	Details about Board meetings and its attendance.	60
5.17	TORs, composition and meeting attendance of the board committees including (Audit, Human Resource, Nomination and Risk management).	133
5.18	Timely Communication:	246
	Date of authorization of financial statements by the board of directors:	
	Within 40 days - 6 marks	
	Within 50 days - 6 marks (in case of holding company who has listed subsidiary /subsidiaries)	
	Within 60 days - 3 marks	
5.19	(Entities requiring approval from a Regulator before finalization of their financial statements would be provided a 20 days relaxation, on providing evidence to the Committee).	74 - 76
	Audit Committee report should describe the work of the committee in discharging its responsibilities. The report should include:	
	a) Composition of the committee with at least one member qualified as "financially literate" and all members are non-executive / Independent directors including the Chairman of the Audit Committee.	
	b) Committee's overall role in discharging its responsibilities for the significant issues related to the financial statements, and how these issues were addressed.	
	c) Committee's overall approach to risk management and internal control, and its processes, outcomes and disclosure.	
	d) Role of Internal Audit in risk management and internal control, and the approach to Internal Audit to have direct access to Audit Committee and evaluation of Internal Auditor's performance.	
	e) Review of arrangements for staff and management to report to Audit Committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters, and recommended instituting remedial and mitigating measures.	

Sr. No.	Statement of Clause	Annual Report Page Reference No.
5.19	f) An explanation as to how it has assessed the effectiveness of the external audit process and the approach taken to the appointment or reappointment of the external auditor; and if the external auditor provides non-audit services, an explanation as to how auditor's objectivity and independence is safeguarded.	74 - 76
	g) If Audit Committee recommends external auditors other than the retiring external auditors, before the lapse of three consecutive years, reasons shall be reported.	
	h) The Audit Committee's views whether the Annual Report was fair, balanced and understandable and also whether it provided the necessary information to shareholders to assess the company's position and performance, business model and strategy.	
	i) Results of the self-evaluation of the Audit Committee carried out of its own performance.	
	j) Disclosure of the number of whistle-blowing incidences reported to the Audit Committee during the year.	
5.20	Presence of the chairman of the Audit Committee at the AGM to answer questions on the Audit Committee's activities / matters that are within the scope of the Audit Committee's responsibilities.	76
5.21	Board disclosure on Company's use of Enterprise Resource Planning (ERP) software including:	39
	a) How it is designed to manage and integrate the functions of core business processes / modules like finance, HR, supply chain and inventory management in a single system;	
	b) Management support in the effective implementation and continuous updation;	
	c) Details about user training of ERP software;	
	d) How the company manages risks or control risk factors on ERP projects;	
5.22	Disclosure about the Government of Pakistan policies related to company's business / sector in Directors' Report and their impact on the company business and performance.	51 - 52
5.23	Information on company's contribution to the national exchequer (in terms of payment of duties, taxes and levies) and to the economy (measured in terms of GDP contribution, new jobs creation, increase in exports, contributions to society & environment and community development etc.)	57 , 115
6	Analysis of the Financial Information	
6.01	Analysis of the financial and non-financial performance using both qualitative and quantitative indicators, showing linkage between:	83 - 92
	a) Past and current performance;	
	b) Performance against targets /budget; and	
	The analysis should cover significant deviations from previous year in operating results and the reasons for loss, if incurred, as well as future prospects of profits.	
6.02	a) Analysis of financial ratios (Annexure I) with graphical presentation and disclosure of methods and assumptions used in compiling the indicators.	93 - 101
	b) Explanation of negative change in the performance as compared to last year.	
6.03	Vertical and horizontal analysis of Balance Sheet, Profit and Loss Account and summary of Cash Flow Statement for last 6 years. Weightage to be given to graphical presentation.	103 - 111
6.04	Cash Flow Statement based on Direct Method (separate Cash Flow for specific funds e.g. Zakat).	-
6.05	a) Information about business segment and non-business segment; and	118 , 243
	b) Segmental analysis of business performance including segment revenue, segment results, profit before tax, segment assets and liabilities.	
6.06	Disclosure of market share of the company and share price sensitivity analysis.	116 - 118
6.07	Statement of value added and its distribution with graphical presentation:	115
	a) Employees as remuneration;	
	b) Government as taxes (separately direct and indirect);	
	c) Shareholders as dividends;	

6.07 Sr. No.	Statement of Clause	Annual Report Page Reference No.
	d) Providers of financial capital as financial charges; e) Society as donation; and f) Retained within the business.	115
6.08	Statement of Economic value added (EVA) [EVA = NOPAT – WACC x TC , where NOPAT is Net Operating Profit After Tax, WACC is Weighted Average Cost of Capital, and TC is Total Invested Capital]	-
6.09	CEO presentation video on the company's business performance of the year covering the company business strategy to improve and future outlook. (Please provide relevant webpage link of the video in the company's annual report).	118
7	Business Model	
7.01	Describe the business model including inputs, business activities, outputs and outcomes as per international applicable framework.	15 - 16
7.02	Explanation of any material changes in the entity's business model during the year.	
8	Disclosures on IT Governance and Cybersecurity	
8.01	The Board responsibility statement on the IT system/ controls and AI strategy of the company including compliance of legal and regulatory requirements regarding data privacy and cyber security and how the board is engaging with management in case of any breaches.	37 - 38
8.02	Disclosure related to IT governance and cybersecurity programs, policies and procedures and industry specific requirements for cybersecurity and strategy in place.	
8.03	Disclosure that at least one board-level committee is charged with oversight of IT governance and cybersecurity matters and how the board administers its IT risk oversight function related to these risks.	
8.04	Disclosure about company's controls and procedures about an "early warning system" that enables the company to identify, assess, address, make timely disclosures and timely communications to the board about cybersecurity risks and incidents.	37 - 38
8.05	Disclosure of policy related to independent comprehensive security assessment of technology environment, including third party risks and when last such review was carried out.	
8.06	Disclosure about resilient contingency and disaster recovery plan in terms of dealing with a possible IT failure or cyber breach and details about company's cyber insurance.	
8.07	Disclosure of advancement in digital transformation on how the organization has leveraged 4.0 Industrial revolution (Artificial Intelligence (AI), RPA, Data Analytics, Block Chain, Cloud Computing etc.) to improve transparency and governance, value creation and reporting.	
8.08	Disclosure about education and training efforts of the Company to mitigate cybersecurity risks.	
9	Future Outlook	
9.01	Forward-looking statement in narrative and quantitative form, including projections or forecasts about known trends and uncertainties that could affect the company's resources, revenues and operations in the short, medium and long term.	55 - 56
9.02	Status of the projects in progress and those disclosed in the forward-looking statement in the previous year and whether the performance of the company is aligned with the forward-looking statement.	
9.03	Disclosures about the company's future plans for AI adoption and its potential impact on the company's long-term strategy.	
9.04	Disclosure about company's future Research & Development initiatives.	
9.05	Sources of information and assumptions used for projections / forecasts in the forward-looking statement, and any assistance taken by any external consultant.	
10	Stakeholders Relationship and Engagement	
10.01	Stakeholder's engagement policy of the company and how the company has identified its stakeholders.	140

Sr. No.	Statement of Clause	Annual Report Page Reference No.
10.02	Stakeholders' engagement process and the frequency of such engagements during the year. Explanation on how the relationship is likely to affect the performance and value of the company, and how those relationships are managed.	140 - 143
	These engagements may be with:	
	a) Institutional investors;	
	b) Customers & suppliers;	
	c) Banks and other lenders;	
	d) Media;	
	e) Regulators;	
	f) Local committees; and	
	g) Analysts.	
10.03	Steps taken by the management to encourage the minority shareholders to attend the general meetings.	143
10.04	Investors' Relations section on the corporate website with all relevant information including audited annual reports are available in the section.	144
10.05	Issues raised in the last AGM, decisions taken and their implementation status.	143
10.06	a) Steps board has taken to solicit and understand the views of stakeholders through corporate briefing sessions; and	144
	b) Disclosure of brief summary of Corporate Analyst briefing conducted during the year.	
10.07	Highlights about redressal of investors' complaints including number of complaints received and resolved during the year.	137 - 138
10.08	Details about corporate benefits to shareholders like value appreciation, dividend etc.	144
10.09	Disclosure of whistle blowing mechanism to receive and handle complains in a fair and transparent manner, and provide protection to the complainant against victimization and reporting in the Audit Committee's report.	144
11	Striving for Excellence in Corporate Reporting	
11.01	Board's responsibility statement on full compliance of financial accounting and reporting standards as applicable in Pakistan (<i>i.e. International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB)</i>).	82
11.02	BCR criteria cross referred with page numbers of the annual report. (<i>details can be maintained by companies on the Investor Relation section of the company's website</i>).	
12	Specific Disclosures of the Financial Statements	
12.01	Specific disclosures of the financial statements required under the Companies Act, 2017 and IFRSs (Annexure II):	201 - 246
	Fair value of Property, Plant and Equipment.	
	Particulars of significant / material assets and immovable property including location and area of land.	
	Capacity of an industrial unit, actual production and the reasons for shortfall.	
	Specific disclosures required for shariah compliant companies / companies listed on the Islamic Indices as required under clause 10 of the Fourth Schedule of the Companies Act, 2017.	
	Disclosure requirements for common control transactions as specified under the Accounting Standard on 'Accounting for common control transactions' developed by ICAP and notified by SECP (through SECP S.R.O. 53(I)/2022 dated January 12, 2022)	
	Disclosure about Human Resource Accounting (includes the disclosure of process of identifying and measuring the cost incurred by the company to recruit, select, hire, train, develop, allocate, conserve, reward and utilize human assets).	
	Where any property or asset acquired with the funds of the company and is not held in the name of the company or is not in the possession and control of the company, this fact along with reasons for the property or asset not being in the name of or possession or control of the company shall be stated; and the description and value of the property or asset, the person in whose name and possession or control it is held shall be disclosed.	

Sr. No.	Statement of Clause	Annual Report Page Reference No.
13	Assessment based on Qualitative Factors	
13.01	Assessment of overall quality of information contained in the annual report based on the following qualitative factors:	Overall Report
	a) Clarity, simplicity and lucidity in presentation of Financial Statements;	
	b) Theme on the cover page;	
	c) Effective use of presentation tools, particularly diagrams, graphs, charts, smart arts, icons, tables and infographics in the annual report;	
	d) Effectiveness and relevance of photos and graphs;	
	e) Effectiveness of the theme on the cover page.	

GRI CONTENT INDEX

Statement of use	Sazgar Engineering Works Limited has reported in accordance with the GRI Standards for the period 01 July 2024 to 30 June 2025.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	No sector standard is available for our sector.

GRI Standard/ Other Source	Disclosure	Location (Page No.)	Omission		
			Requirement(s) Omitted	Reason	Explanation
General disclosures					
GRI 2: General Disclosures 2021	2-1 Organizational details	122			
	2-2 Entities included in the organization's sustainability reporting	120			
	2-3 Reporting period, frequency and contact point	120-121			
	2-4 Restatements of information	120			
	2-5 External assurance	121			
	2-6 Activities, value chain and other business relationships	123			
	2-7 Employees	173-175			
	2-8 Workers who are not employees	173			
	2-9 Governance structure and composition	130			
	2-10 Nomination and selection of the highest governance body	130			
	2-11 Chair of the highest governance body	130			
	2-12 Role of the highest governance body in overseeing the management of impacts	132			
	2-13 Delegation of responsibility for managing impacts	132			
	2-14 Role of the highest governance body in sustainability reporting	147-148			
	2-15 Conflicts of interest	136			

GRI Standard/ Other Source	Disclosure	Location (Page No.)	Omission		
			Requirement(s) Omitted	Reason	Explanation
	2-16 Communication of critical concerns	136-137			
	2-17 Collective knowledge of the highest governance body	61			
	2-18 Evaluation of the performance of the highest governance body	133			
	2-19 Remuneration policies	59			
	2-20 Process to determine remuneration	59			
	2-21 Annual total compensation ratio	-	All	Confidentiality constraints	Due to confidentiality reasons, the information cannot be disclosed
	2-22 Statement on sustainable development strategy	124-125			
	2-23 Policy commitments	134-135			
	2-24 Embedding policy commitments	135			
	2-25 Processes to remediate negative impacts	135			
	2-26 Mechanisms for seeking advice and raising concerns	136-138			
	2-27 Compliance with laws and regulations	138			
	2-28 Membership associations	123			
	2-29 Approach to stakeholder engagement	140			
	2-30 Collective bargaining agreements	-	All	-	-
Material topics					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	145			
	3-2 List of material topics	146			
Economic performance					
GRI 3: Material Topics 2021	3-3 Management of material topics	145-146 160			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	160			
	201-2 Financial implications and other risks and opportunities due to climate change	151-155			












GRI Standard/ Other Source	Disclosure	Location (Page No.)	Omission		
			Requirement(s) Omitted	Reason	Explanation
	201-3 Defined benefit plan obligations and other retirement plans	161			
	201-4 Financial assistance received from government	160			
Indirect economic impacts					
GRI 3: Material Topics 2021	3-3 Management of material topics	145-146 160			
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	162			
	203-2 Significant indirect economic impacts	160-163			
Procurement practices					
GRI 3: Material Topics 2021	3-3 Management of material topics	145-146 163			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	163			
Materials					
GRI 3: Material Topics 2021	3-3 Management of material topics	145-146 169			
GRI 301: Materials 2016	301-1 Materials used by weight or volume	-	All	Information unavailable / incomplete	Information not available as required by GRI Standards.
	301-2 Recycled input materials used	169			
	301-3 Reclaimed products and their packaging materials	169			
Energy					
GRI 3: Material Topics 2021	3-3 Management of material topics	145-146 165			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	165			
	302-2 Energy consumption outside of the organization	-	All	Information unavailable / incomplete	Company does not calculate the energy consumption outside the organization as such information is not significant in the overall context.
	302-3 Energy intensity	165			







GRI Standard/ Other Source	Disclosure	Location (Page No.)	Omission		
			Requirement(s) Omitted	Reason	Explanation
	302-4 Reduction of energy consumption	-	All	Information unavailable / incomplete	Information not available / calculated as required by GRI Standards.
	302-5 Reductions in energy requirements of products and services	-			
Water and effluents					
GRI 3: Material Topics 2021	3-3 Management of material topics	145-146 168			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	168			
	303-2 Management of water discharge-related impacts	168, 169			
	303-3 Water withdrawal	-	All	Information unavailable / incomplete	Information not available at the end of the reporting period.
	303-4 Water discharge	-	All		
	303-5 Water consumption	-	All		
Emissions					
GRI 3: Material Topics 2021	3-3 Management of material topics	145-146 166			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	157, 166			
	305-2 Energy indirect (Scope 2) GHG emissions	166			
	305-3 Other indirect (Scope 3) GHG emissions	-	All	Information unavailable / incomplete	Scope-3 emissions not calculated due to the non-availability of reliable data.
	305-4 GHG emissions intensity	166			
	305-5 Reduction of GHG emissions	-	All	Information unavailable / incomplete	Information not available / calculated as required by GRI Standards.
	305-6 Emissions of ozone-depleting substances (ODS)	166-167			
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions.				
Waste					
GRI 3: Material Topics 2021	3-3 Management of material topics	145-146 169			

GRI Standard/ Other Source	Disclosure	Location (Page No.)	Omission		
			Requirement(s) Omitted	Reason	Explanation
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	169-170			
	306-2 Management of significant waste-related impacts	169-170			
	306-3 Waste generated	171			
	306-4 Waste diverted from disposal	171			
	306-5 Waste directed to disposal	171			
Employment, Labor Relations and DE&I					
GRI 3: Material Topics 2021	3-3 Management of material topics	145-146 172			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	173			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	177			
	401-3 Parental leave	176	c, d, e	Not Applicable	No employee availed parental leave during the year.
GRI 402: Labor / Management Relations 2016	402-1 Minimum notice periods regarding operational changes	177			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	175			
	405-2 Ratio of basic salary and remuneration of women to men	176			
Occupational health and safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	145-146 172,179			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	179-180			
	403-2 Hazard identification, risk assessment, and incident investigation	180			
	403-3 Occupational health services	180			
	403-4 Worker participation, consultation, and communication on occupational health and safety	180			

GRI Standard/ Other Source	Disclosure	Location (Page No.)	Omission		
			Requirement(s) Omitted	Reason	Explanation
	403-5 Worker training on occupational health and safety	180			
	403-6 Promotion of worker health	180			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	180			
	403-8 Workers covered by an occupational health and safety management system	179			
	403-9 Work-related injuries	180			
	403-10 Work-related ill health	180			
Training and education					
GRI 3: Material Topics 2021	3-3 Management of material topics	145-146 172			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	178			
	404-2 Programs for upgrading employee skills and transition assistance programs	178			
	404-3 Percentage of employees receiving regular performance and career development reviews	177			
Local communities					
GRI 3: Material Topics 2021	3-3 Management of material topics	145-146 182			
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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 34th Annual General Meeting of **Sazgar Engineering Works Limited** will be held at Encore by Zafar, Fusion Hall, Near Shanu Baba Chowk, Pine Avenue Road, Lahore on Thursday, September 25, 2025 at 11:30 A.M. to transact the following businesses:

ORDINARY BUSINESSES:

1. To receive, consider and adopt the Audited Annual Financial Statements of the Company for the year ended 30th June, 2025 together with the Directors' Report, Auditors' Report and Chairperson's Review Report.
2. To appoint Auditors and to fix their remuneration for the year ending June 30, 2026. The present auditors' M/s Crowe Hussain Chaudhury & Co. Chartered Accountants, retire and being eligible, offer themselves for re-appointment. The Audit Committee and the Board of Directors have recommended their re-appointment.
3. To approve the payment of final cash dividend @ 200% of current paid up share capital i.e. Rupees 20/- per ordinary share as recommended by the Board of Directors, in addition to the interim cash dividend of 320% already paid making total of 520% for the year ended June 30, 2025.


By order of the Board

Lahore
September 04, 2025


Arshad Mahmood
Company Secretary

Notes:

- a. The share transfer books of the company will remain closed from September 19, 2025 to September 25, 2025 (both days inclusive). Transfers received in order at the share registrar office M/s Corp Tec Associates (Pvt.) Ltd., 503-E, Johar Town, Lahore at the close of business on 18th September, 2025 will be treated in time for the entitlement of final cash dividend and to attend the 34th Annual General Meeting of the Company.
- b. A member entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend the meeting and vote for his/her behalf. Proxies in order to be effective must be received at the Share Registrar Office duly stamped and signed not less than 48 hours (working days only) before the time of holding of the meeting.
CDC Account Holders will further have to follow the guidelines as laid down in Circular 1 dated January 26, 2000 issued by Securities and Exchange Commission of Pakistan for attending the meeting and appointment of proxies.
- c. Members are requested to promptly communicate the change in their addresses, if any, to the Company's share registrar.
- d. **Placement of Annual Report on Web-site:**
In terms of the approval of the members of the Company in their Annual General Meeting held on October 26, 2023 and pursuant to the SECP's Notification No. SRO 389 (1)/2023 dated March 21, 2023, the Annual Report of the Company containing audited financial statements of the Company for the year ended June 30, 2025 along with Auditors and Directors Report thereon, the Chairperson's Review and notice of AGM etc. have been placed on the website of the Company which can be downloaded from the following link and / or QR enabled code:

Weblink	QR Code
https://sazgarautos.com/reports/	

The shareholders who wish to receive hard copy of the Annual Report may send their request to the Company Secretary / Share Registrar, the Standard Request Form available on the website of the Company and the Company will supply hard copy of the Annual Report to the shareholders on demand, free of cost, within one week of such demand.

e. Video Conference Facility:

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

f. Attendance through Zoom:

The members may attend the AGM online through ZOOM, by following the below guidelines:

(i) The member shall get himself/herself registered by sending his/her request to the Company at e-mail ID as per Standard Request Form available on the Company's website (www.sazgarautos.com) or can send his/her request to the Company Secretary at 88-Ali Town, Thokar Niaz Baig, Raiwind Road, Lahore, along with a legible copy of CNIC not later than September 22, 2025.

(ii) Zoom Link shall be sent by the Company only on email ID or Mobile/Whatsapp Number mentioned in Standard Request Form.

(iii) Members may send their comments / suggestions on any of the agenda item to Company Secretary on email ID; company.secretary@sazgarautos.com not later than September 22, 2025.

g. Deposit of Physical Shares into CDC Account:

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 Commission, within a period not exceeding four years from the commencement of the Act i.e. May 30, 2017.

The Physical Shareholders having physical shareholding are encouraged to open CDC Investor Account with CDC or CDC Sub- Account with any of the brokers to place their physical shares into Script less form.

h. Particulars of Physical Shareholders:

According to Section 119 of the Companies Act, 2017 and Regulation 47 of the Companies Regulations, 2024, all physical shareholders are advised to provide their mandatory information such as CNIC number, address, email address, contact mobile/telephone number, International Bank Account Number (IBAN), etc. to Company's Share Registrar at their address, M/s CorpTec Associates (Pvt) Limited, 503-E, Johar Town, Lahore, email (info@corptec.com.pk) immediately to avoid any non-compliance of law or any inconvenience in future.

i. Electronic Payment of Dividend:

The provisions of Section 242 of the Companies Act, 2017 (the Act) read with Companies (Distribution of Dividends) Regulations, 2017 provide that any cash dividend declared by a listed company must be paid through electronic mode directly into the bank account designated by the entitled shareholder. In order to receive dividend directly into their bank account, shareholders are requested to communicate, if not already provided, below detailed information by filling in Electronic Credit Mandate Form available on Company's website (www.sazgarautos.com) and send it duly signed along with a copy of CNIC to the Share Registrar of the Company, in case of physical shares. In case shares are held in CDC, then Electronic Credit Mandate Form must be submitted directly to shareholder's broker / participant / CDC account services. In the absence of valid bank account details and CNIC, dividend amount will be withheld in compliance with the aforesaid provisions of the Act and Regulations. Electronic Credit Mandate Form shall authorize the Company to credit their current and future cash dividends directly to their designated bank accounts. The required information are:

- a) International Bank Account Number (IBAN)
- b) Name of Bank
- c) Branch name and address
- d) Valid copy of CNIC

j. Income Tax Deduction from Dividend Payment:

The current withholding tax rates on dividend payments as prescribed by the Income Tax Ordinance, 2001 (the Ordinance) are 15% for persons whose names are appearing in the active taxpayers' list (ATL) and 30% for persons whose names are not appearing in the ATL. To enable the Company to make tax deduction on the amount of Cash Dividend @ 15% instead of 30%, all the shareholders whose names are not entered into the ATL available on the website of the Federal Board of Revenue, are advised to make sure that their names are entered into ATL before the date of dividend payment, otherwise they shall not be treated as Active Taxpayers (despite the fact that they are filers of income tax return) and tax on their Cash Dividend will be deducted @ 30%.

The Corporate Shareholders having CDC account are required to have their National Tax Number (NTN) updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificates to the Share Registrar of the Company.

The FBR has clarified that shareholders' accounts jointly held by Filers and Non-Filers shall be dealt with separately and in such particular situation, each account holder is to be treated as either a Filer or a Non-Filer and tax will be deducted according to his/her shareholding. If the share is not ascertainable then each account holder will be assumed to hold equal proportion of shares and the deduction will be made accordingly. Therefore, in order to avoid deduction of tax at a higher rate, the joint account holders are requested to provide the below details of their shareholding to the Share Registrar of the Company.

Folio / CDC Account No.	Total Holding	Principal Shareholder		Joint Shareholder	
		Name & CNIC No.	Shareholding proportion (No. of Shares)	Name & CNIC No.	Shareholding proportion (No. of Shares)

In case the required information is not provided to the Company's Share Registrar by September 22, 2025, it will be assumed that the shares are held in equal proportion by the principal shareholder and joint holder(s).

k. Exemption from Deduction of Income Tax / Zakat:

Members seeking exemption from deduction of income tax or deduction at reduced rate, are requested to submit a valid exemption certificate or necessary documentary evidence as the case may be. Members desiring non-deduction of Zakat are also required to submit a valid declaration, duly attested by Notary Public on Stamp Paper to Company's Shares Registrar for non-deduction of Zakat.

Moreover, as per FBR's clarification, the valid Exemption Certificate under Section 159 of the Ordinance is mandatory to claim exemption of withholding tax under Clause 47B of Part-IV of Second Schedule to the Ordinance. Those who fall in the category mentioned in above clause must provide valid Tax Exemption Certificate to the Company's Shares Registrar; otherwise tax will be deducted on dividend amount as per prescribed rates.

l. Unclaimed/Unpaid Dividend and Share Certificates:

In compliance of Section 244 of the Act, the Company has already requested through individual letters to shareholders and also through newspaper to collect their unclaimed shares / unpaid cash dividend, if any. Shareholders are once again requested to lodge a claim for unclaimed shares / unpaid cash dividends with the Company's Share Registrar i.e. M/s CorpTec Associates Pvt. Limited, 503-E, Johar Town, Lahore.

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تشکیل نیابت داری

میں / ہم _____ ساکن _____

بحیثیت رکن (ممبر) سازگار انجینئرنگ ورکس لمیٹڈ

مقرر کرتا / کرتی ہوں / کرتے ہیں مسملی / مسماة _____ ساکن _____

کو یا ان کی غیر حاضری میں مسملی / مسماة _____ ساکن _____

جو کہ خود بھی سازگار انجینئرنگ ورکس لمیٹڈ کا / کے رکن ہے کہ وہ بطور میرا / ہمارا مختار نامہ سازگار انجینئرنگ ورکس لمیٹڈ کے چوتیسویں سالانہ اجلاس عام میں جو بروز جمعرات 25 ستمبر 2025 کو دن 11:30 بجے انکوار بائے ظفر، (فیوژن ہال) شانو بابا چوک، پائن ایونیو روڈ لاہور میں منعقد ہو رہا ہے۔ یا اسکے ملتوی شدہ اجلاس میں شرکت کرے اور وہ میری / ہماری جگہ میری / ہماری طرف سے حق رائے دہی استعمال کرے۔

مورخہ _____ 2025 کو میرے / ہمارے دستخط سے جاری ہو۔

فولیو نمبر	سی ڈی ای شرکت کنندہ I.D نمبر	سی ڈی ای / ذیلی کھاتہ نمبر	حصص کی تعداد

پچاس روپے کی رسیدی ٹکٹ پر دستخط

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

نوٹ:

1. پراکسی کے لئے کہنی کارکن ہونا ضروری ہے۔
2. دستخط کی مماثلت کہنی میں رجسٹرڈ نمونہ دستخط کے ساتھ ہونا ضروری ہے۔
3. اگر پراکسی ای رکن کی طرف جاری کی گئی ہے جس کے / کی حصص سنٹرل ڈیپازٹری کہنی آف پاکستان لمیٹڈ میں جمع ہیں۔ تو پراکسی کے ہر اہمبر کا I.D نمبر اور CDC اکاؤنٹ / ذیلی اکاؤنٹ نمبر بشمول تصدیق شدہ کمپیوٹرائزڈ شناختی کارڈ یا الیکٹرانک اثباتی کے پاسپورٹ کی فوٹو کاپی لانا لازمی ہے۔ کارپورٹ اہلکار کے نمائندہ ارکان اس مقصد کیلئے درکار ستاد یزات ساتھ لے کر آئیں۔
4. پراکسی اجلاس کے وقت اپنا اصل کمپیوٹرائزڈ شناختی کارڈ یا اصل پاسپورٹ مہیا کرے گا / گی۔
5. مناسب طور پر مکمل شدہ پراکسی کے دستاویز اجلاس سے کم از کم 48 گھنٹے قبل (صرف ایام کار) کہنی کے شیئر رجسٹرار آفس کو موصول ہو جانے چاہئیں۔

FORM OF PROXY

I / WE _____
of _____
a member of **SAZGAR ENGINEERING WORKS LIMITED**
hereby appoint Mr. / Mrs. / Ms. _____
of _____
or failing him Mr. / Mrs. / Ms. _____
of _____

Who is / are also member / s of SAZGAR Engineering Works Limited to act as my / our proxy and to vote for me/us and on my/our behalf at the 34th Annual General Meeting of the share holders of the Company to be held on Thursday September 25, 2025 at 11:30 A.M. at Encore by Zafar, Fusion Hall Near Shanu Baba Chowk , Pine Avenue Road, Lahore and at any adjournment thereof.

Signed this _____ day of _____ 2025

Folio No.	CDC Participant ID No.	CDC Account No. Sub-Account No.	No. of shares held

Signature over
Revenue Stamp of
Rupees 50/-

Witness 1

Signature. _____
Name _____
CNIC NO. _____
Address _____

Witness 2

Signature. _____
Name _____
CNIC NO. _____
Address _____

Notes:

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



SAZGAR

Sazgar Engineering Works Limited

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

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