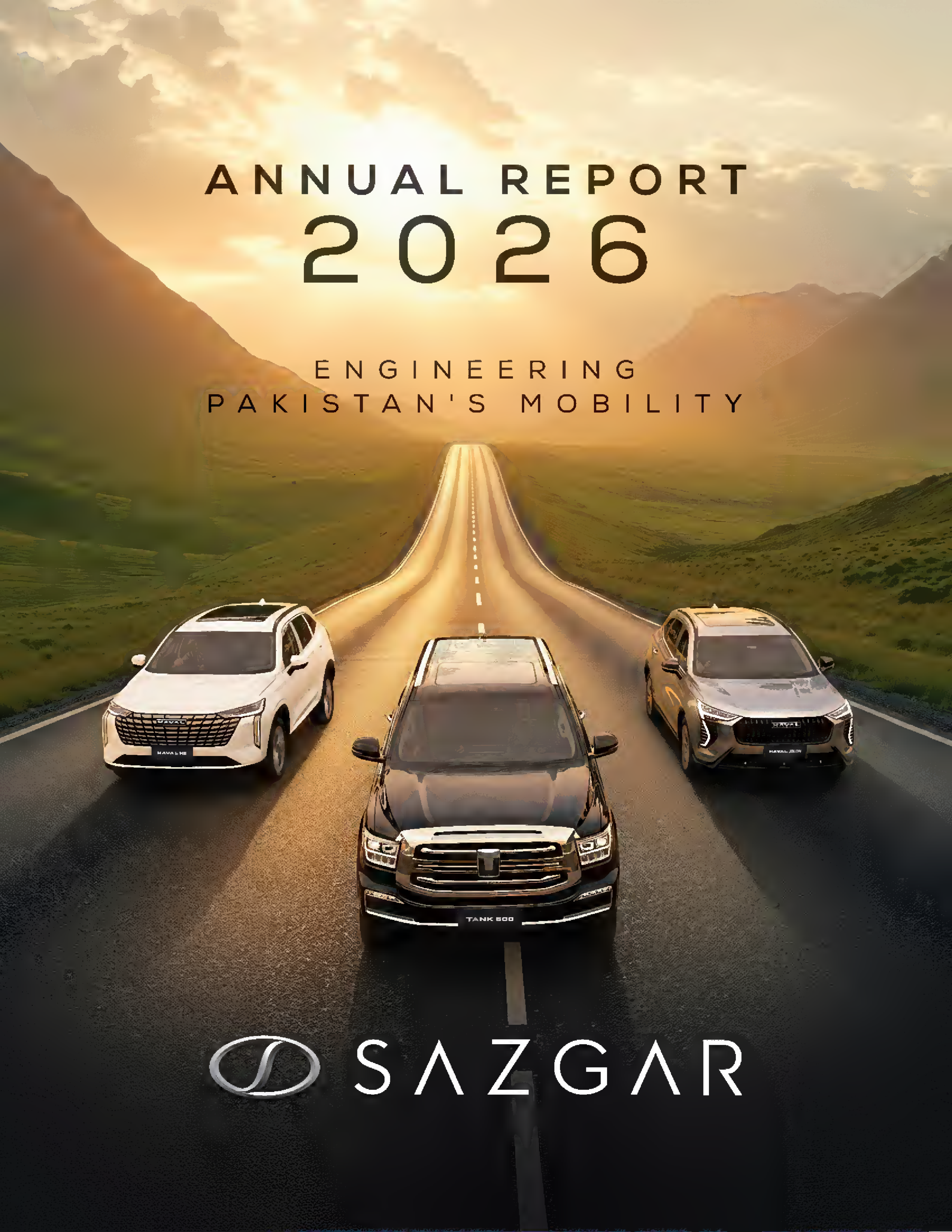


ANNUAL REPORT 2026

ENGINEERING PAKISTAN'S MOBILITY

SAZGAR

بسم الله الرحمن الرحيم

ENGINEERING PAKISTAN'S MOBILITY

For over three decades, Sazgar has been defined by one idea: Mobility Engineered for every Pakistani, on every road. In 2026, that engineering moves further. From the narrow lanes of our cities to the open highways beyond them, from the three-wheeler that powers a family's livelihood to the SUV that carries them further still, Sazgar engineers for the roads Pakistan actually drives on.

Engineering Mobility begins long before a vehicle leaves the plant. It is the precision of our production lines, the technical 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 engineering standards, and from partnerships — like ours with GWM — that bring the best engineering in the world to Pakistan's roads.

As we scale our New Energy portfolio alongside our three-wheeler leadership, our engineering stays focused on what matters most: every road, every family, every business. With Sazgar, engineering doesn't stop at the highway — it moves through every mile of the country we call home.

C O N T E N T S

ORGANIZATIONAL OVERVIEW

Vision, Mission & Corporate Strategy	03
Core Values	04
Company Information	05
About SAZGAR	07
Product Portfolio	08
Organization Chart	11
Profile Of Board of Directors	12
Business Model	15
Value Chain Positioning	17
History of Major Events	19
Major Events During the Year 2025-26	21
Geographical Presence	23
Code Of Business Conduct & Ethics	25
External Environment Analysis	26
SWOT Analysis	29

30 STRATEGY & RESOURCE ALLOCATION

37 IT. GOVERNANCE, CYBERSECURITY & ERP SOFTWARE

42 RISK AND OPPORTUNITIES REPORT

OVERSIGHT AND COMPLIANCE

Chairperson's Review Report	52
Directors' Report	55
Board Audit Committee Report	78
Independent Auditor's Review Report	80
Statement of Compliance	81
Gender Pay Gap Statement	83
Striving for Excellence in Corporate Reporting	84

ANALYSIS OF THE FINANCIAL INFORMATION

Analysis of the Non Financial Performance	87
Analysis of the Financial Performance - Financial Position Analysis - Six Years Summary - Profit or Loss Analysis - Six Years Summary - Cash Flows Analysis - Six Years Summary	89
Financial Ratios - Six Years Analysis	99
Dupont Analysis	108
Horizontal Analysis - Statement of Financial Position	109
Vertical Analysis - Statement of Financial Position	111
Horizontal Analysis - Statement of Profit or Loss	113
Vertical Analysis - Statement of Profit or Loss	115

Horizontal Analysis - Statement of Cash Flow	117
Vertical Analysis - Statement of Cash Flow	117
Statement of Value Addition and Its Distribution	118
Statement of Economic Value Added	119
Share Price Sensitivity Analysis	120
Segmental Analysis of Business Performance	122
Pattern of Shareholding	123

SUSTAINABILITY AND CSR REPORT

About The Report	128
Corporate Snapshot	130
Message from the Chief Executive	132
SAZGAR's Mission-Through ESG Lens	133
Sustainability Journey	134
Sustainability Policy	135
Sazgar & Sustainable Development Goals (SDGs)	136
Corporate Governance	137
Stakeholder's Relationship and Engagement	148
Materiality Assessment	153
Sustainability (Including Climate) Related Financial Disclosures	156
Creating Impact (Environment, People and Economy)	180

FINANCIAL STATEMENTS

Report on the Audit of The Financial Statements	211
Statement of Financial Position	216
Statement of Profit or Loss	217
Statement of Comprehensive Income	218
Statement of Changes in Equity	219
Statement of Cash Flows	220
Notes to the Financial Statements	221

ANNEXURES

BCR Criteria Index	265
GRI Content Index	273
SDG Index	279

281 NOTICE OF THE 35TH ANNUAL GENERAL MEETING

284 FORM OF PROXY

ORGANIZATIONAL
OVERVIEW


TANK 500

VISION

Dynamic, Quality Conscious and Ever Progressive

MISSION

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

- INNOVATION
- GROWTH ORIENTED
- DIVERSE CULTURE
- PEOPLE CENTRIC
- INTEGRITY FIRST
- CREATIVITY

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.
Charted 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 Ijtimah
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
- JS Bank Limited
- Soneri Bank Limited

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, thee-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. Details of our products are available on our corporate website www.sazgarautos.com and further in this report.

SAZGAR

GWM BAIC

CANNON TANK HAVAL ORA

PRODUCT
PORTFOLIO

FOUR WHEELERS

TANK 500 HEV & PHEV (CKD MODEL)

These vehicles are beautifully designed, high-quality products, and they offer excellent safety features compared to their competitors. Under this brand, the Company offers Hybrid Electric Vehicles (HEV), and Plug-in Hybrid Electric Vehicles (PHEV). The engine capacity of Tank 500 is 2.0L Turbo. These vehicles are environmentally friendly and take the lead in automotive innovation, delivering an exhilarating driving experience while significantly reducing emissions.

TANK

HAVAL H6

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

These vehicles are beautifully designed quality products and offer excellent safety features as compared to its competition. Under this brand, the Company offers ICE, Hybrid Electric Vehicles (HEV) and Plug-in Hybrid Electric Vehicles (PHEV) The engine capacity is ranging from 1.5L Turbo to 2.0L. The HEV and PHEV's vehicles are environment friendly and take the lead in automotive innovation, delivering an exhilarating driving experience while significantly reducing emissions.

HAVAL JOLION (CKD MODELS) 1.5 T, 1.5 HEV

HAVAL-JOLION Vehicles are compact SUVs that combine style, performance, and advanced technology. With their bold designs and spacious interior, these offer a luxurious driving experience. Under this brand, the Company offers petrol as well as Hybrid Electric Vehicles (HEV). The engine capacity of these vehicles is 1.5L. These vehicles are environment friendly and reduce petrol consumption significantly.

HAVAL JOLION

ORA

ORA 07, 05 & 03 (CBU MODELS)

ORA is a pure Electric Vehicle (EV) and is imported as Completely Built in Unit (CBU) form from China. The beautiful and distinctive ORA stands out with a truly one-of-a-kind design, embracing the concept of Retro Futuristic. Seamlessly blending the charm of the past with the sophistication of the future, it captivates from every angle, from the front to the rear. Three models, ORA 3, ORA 5 and ORA 7 are available in this category.

BAIC BJ40L (CKD MODEL)

BJ40 is designed in accordance with the classic features of an absolute SUV – "Strong, Simple and Imposing". The shape is tough, pure, concise and fashionable. The engine capacity of this vehicle is 2.0L Turbo petrol Automatic. This vehicle is a unique product with exclusive features and does not have any competition in the market, however, this product pertains to a niche market.

BJ40

PRODUCT **PORTFOLIO**

DELUXE

THREE WHEELERS

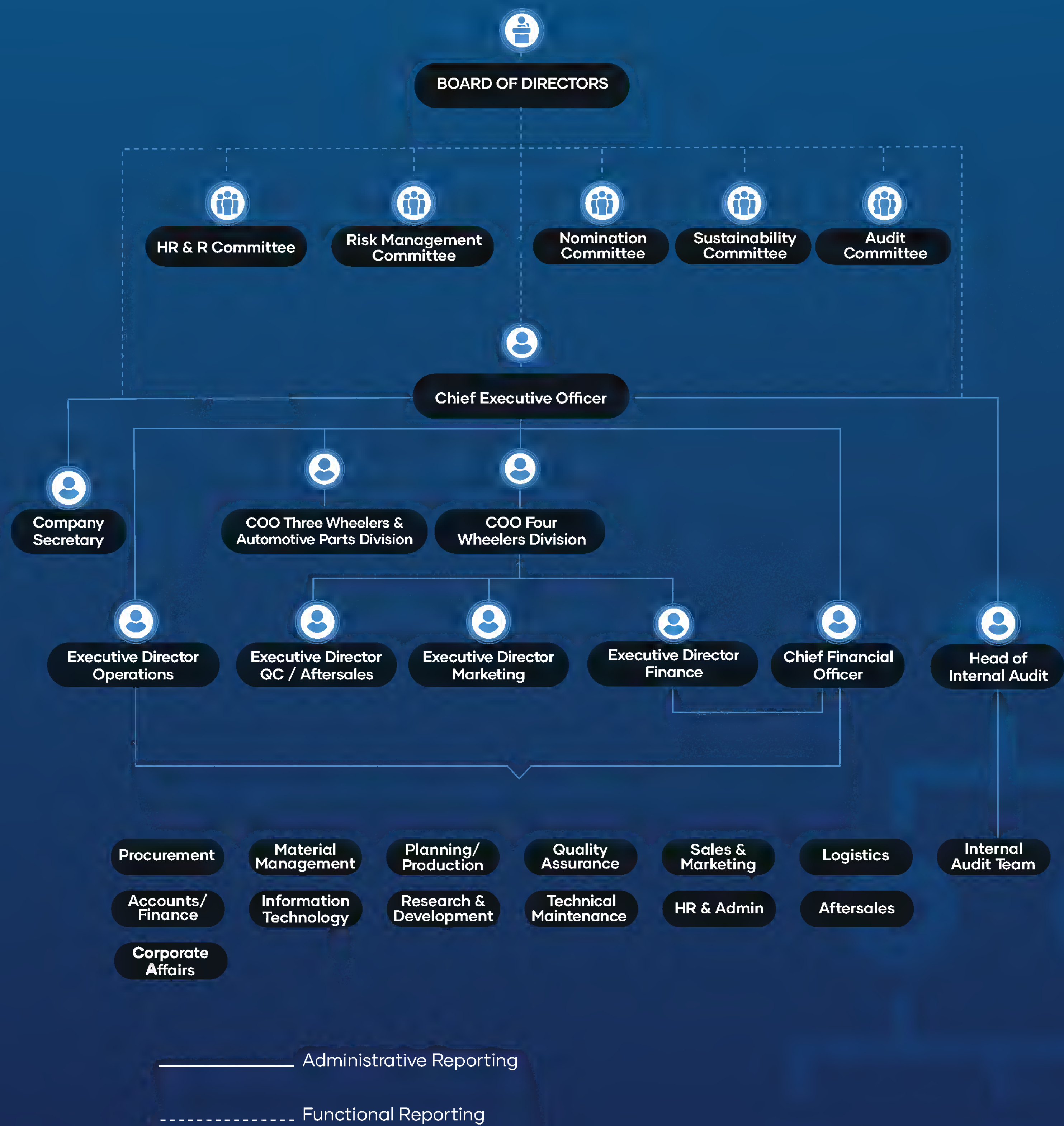
The Company is carrying Three Wheelers business under the brand "SAZGAR". Under this segment, the Company offers different models of petrol as well as pure Electric Vehicles (EV). These Three Wheelers include passengers and cargo loaders and are designed in accordance with the needs of customers. The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

RIM

AUTOMOTIVE & OTHER PARTS

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

ORGANIZATION CHART



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.

MRS. SANA SULEMAN

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. 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.

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)

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 Franciso – 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

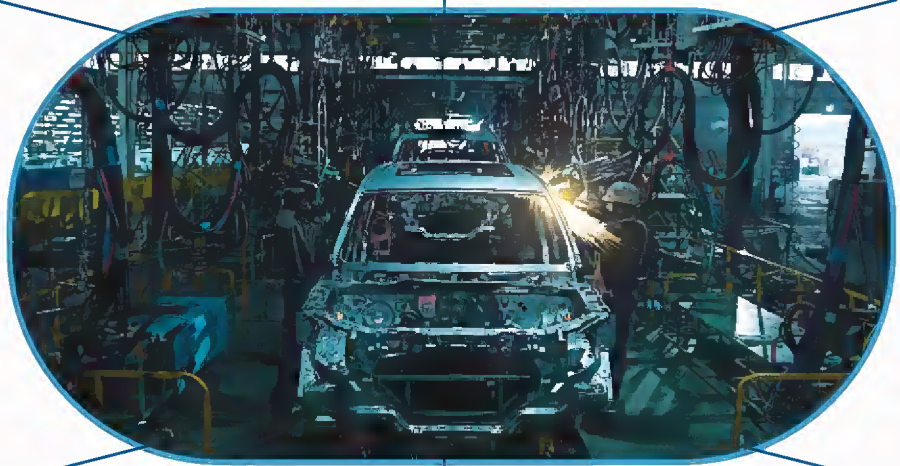
SAZGAR's business model integrates diverse resources and strategic activities to drive sustainable growth and value creation. During the year, no significant changes has been made to the Company's business model.

CAPITAL INPUTS

FINANCIAL CAPITAL
- Equity & Reserves: **Rs. 43.01 billion**
- Long term Debt: **Rs. 5.23 billion**

MANUFACTURED CAPITAL
- 02 advanced manufacturing facilities with state-of-the-art machinery.
- Diversified product portfolio.

HUMAN CAPITAL
- Experienced leadership.
- Workforce of **2,558** talented and motivated employees (FYE 2025-26).
- Health & safety policies.
- Diversity & inclusion.



INTELLECTUAL CAPITAL
- Brand and corporate reputation.
- Highly skilled and experienced professionals.
- Advanced in-house ERP.
- Membership with major associations and ISO certifications.

NATURAL CAPITAL
- 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 & RELATIONSHIP CAPITAL
- Partnership with international suppliers.
- Strong customer base.
- Strong dealers' network across Pakistan.
- Relationship of trust with stakeholders.
- CSR initiatives.

BUSINESS ACTIVITIES

R&D

Research & Development

Manufacturing & Assembly

Supply Chain Management

Sales, Marketing & After Sales Support

Governance Page no. 137 / **Risks And Opportunities** Page no. 44 / **Strategy And Resource Allocation** Page no. 30 / **Future Outlook** Page no. 59 / **Performance & Impact** Page no. 180

OUTPUTS

Production
19,391 units
Sales
19,179 units
FOUR-WHEELER VEHICLES

Production
26,574 units
Sales
26,845 units
THREE-WHEELER VEHICLES

Production
42,139 units
Sales
42,980 units
WHEEL RIMS

OUTCOMES

COMMUNITY

- CSR contribution of Rs. **101.7 million.**
- Trust based relationships with all stakeholders.
- Satisfied customers through reliable mobility solutions, fuel eciency, and enhanced driving experience.
- Improved brand reputation.

EMPLOYEES

- Salaries and other benefits of **Rs. 3.46 billion.**

WEALTH GENERATION AND ECONOMIC GROWTH

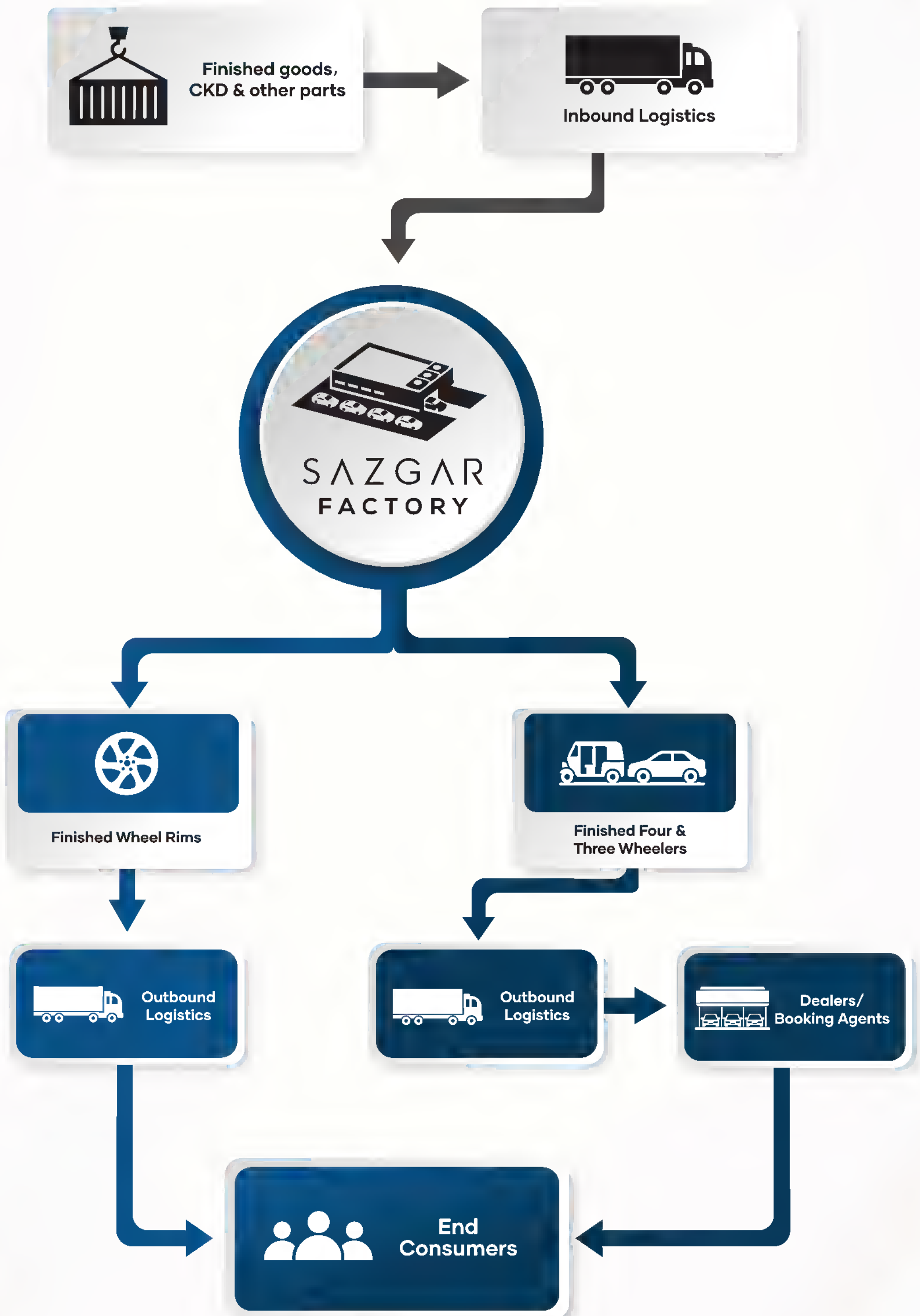
- Growth in revenue by **76.4%** and net-profit by **44.5%** as compared to the year 2025.
- Share price increased by **81%** at **June 30, 2026**, compared with **June 30, 2025**.
- Contribution of **Rs. 84.44 billion** to the national exchequer.
- Dividends of **Rs. 4.23 billion** to shareholders.
- Financial charges of **Rs. 454.2 million**
- Contribution to economic resilience in the form of fuel savings via our electric and hybrid electric vehicles.

ENVIRONMENT

- Energy generation from renewable source.
- Increased Energy consumption.
- Increased GHG emissions.

For more details refer to **Sustainability Report 2026**.

VALUE CHAIN **POSITIONING**



HISTORY OF **MAJOR EVENTS**

1997-98
Ventured into manufacturing of Tractor Wheel Rims.

2004-05
Started manufacturing and assembly of Three-Wheeler Vehicles

2005-06
Introduction of a new home appliances brand "WHIRLPOOL"

2007-08
Export of three-wheeler vehicles to Sri Lanka

2021-22
- Started production of four-wheel vehicles under brand name "BAIC"
- Technical & Cooperation agreement with Great Wall Motor . Co. Ltd (GWM).

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.

2024-25
- Upgrading of features of 'Haval Jolion and H6'.
- 10,000 four-wheeler CKD units completed.
- Acquisition of new land for four-wheeler project expansion.
- Re-validation of ISO Certifications.
- Re-validation and upgradation of credit rating.
- 1st Sustainability Report (2023-24) published.

1991-92
Incorporation of the Company

1992-93
Partnership with MAYTAG Int. Inc. USA, for the assembly of washing machines under the brand name "HOOVER".

1994-95
Converted into a Public Limited Company

1996-97
Company listed on Stock Exchange of Pakistan

2010-11
Export of three-wheeler vehicles to Japan.

2015-16
Manufactures Pakistan's first ever fully electric rickshaw

2016-17
Technical & Cooperation agreement with Beijing Automotive Group Co. Ltd. (BAIC).

MAJOR EVENTS DURING **THE YEAR 2025-26**

1st QUARTER

- BOD meeting for Annual Accounts 2025.
- 34th Annual General Meeting.
- 1st Corporate briefing session.
- 4th Annual Dealership Conference 2025.
- Launch of Company's first Plug in Hybrid Electric Vehicle (PHEV) "Haval H6 AWD".
- Completed the Solar Power project of 5.7 mega-watt at four-wheeler manufacturing site.
- 2nd Sustainability Report (2024-25) published.

2nd QUARTER

- BOD meeting for the first quarter ended September 30, 2025.
- Credit of final cash dividend for the year ending June 30, 2025.
- Credit of 1st interim cash dividend for the year ending June 30, 2026.
- Annual After Sales Conference 2025.
- Secured a 5th position in the prestigious Top 25 Companies Award for 2024, announced by the Pakistan Stock Exchange (PSX).
- Company was honored with a Certificate of Merit for its 'Annual Report 2024' and 'Sustainability Report 2024', presented jointly by the ICAP and ICMAP.

3rd QUARTER

- BOD meeting for the second quarter and half year ended December 31, 2025.
- Election of Directors.
- Launch of CKD model of Tank 500 HEV and PHEV.
- Credit of 2nd interim cash dividend for the year ending June 30, 2026.
- Completion of existing expansion plan of four wheelers manufacturing facilities.
- Re-validation of ISO Certifications.
- Re-validation and upgradation of credit rating.

4th QUARTER

- BOD meeting for the third quarter ended March 31, 2026.
- Credit of 3rd interim cash dividend for the year ending June 30, 2026.

GEOGRAPHICAL
PRESENCE

LOCAL MARKET

INTERNATIONAL MARKET

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.
Display Center & 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.
Company Owned Dealership:	Abbottabad-Mansehra Junction, Near NHA Toll Plaza, Mansehra.

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	**Confidentiality and Proprietary Information** Safeguard proprietary and 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 hybrid / plugin hybrid electric, pure 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, developing diverse product portfolio, 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, energy 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.

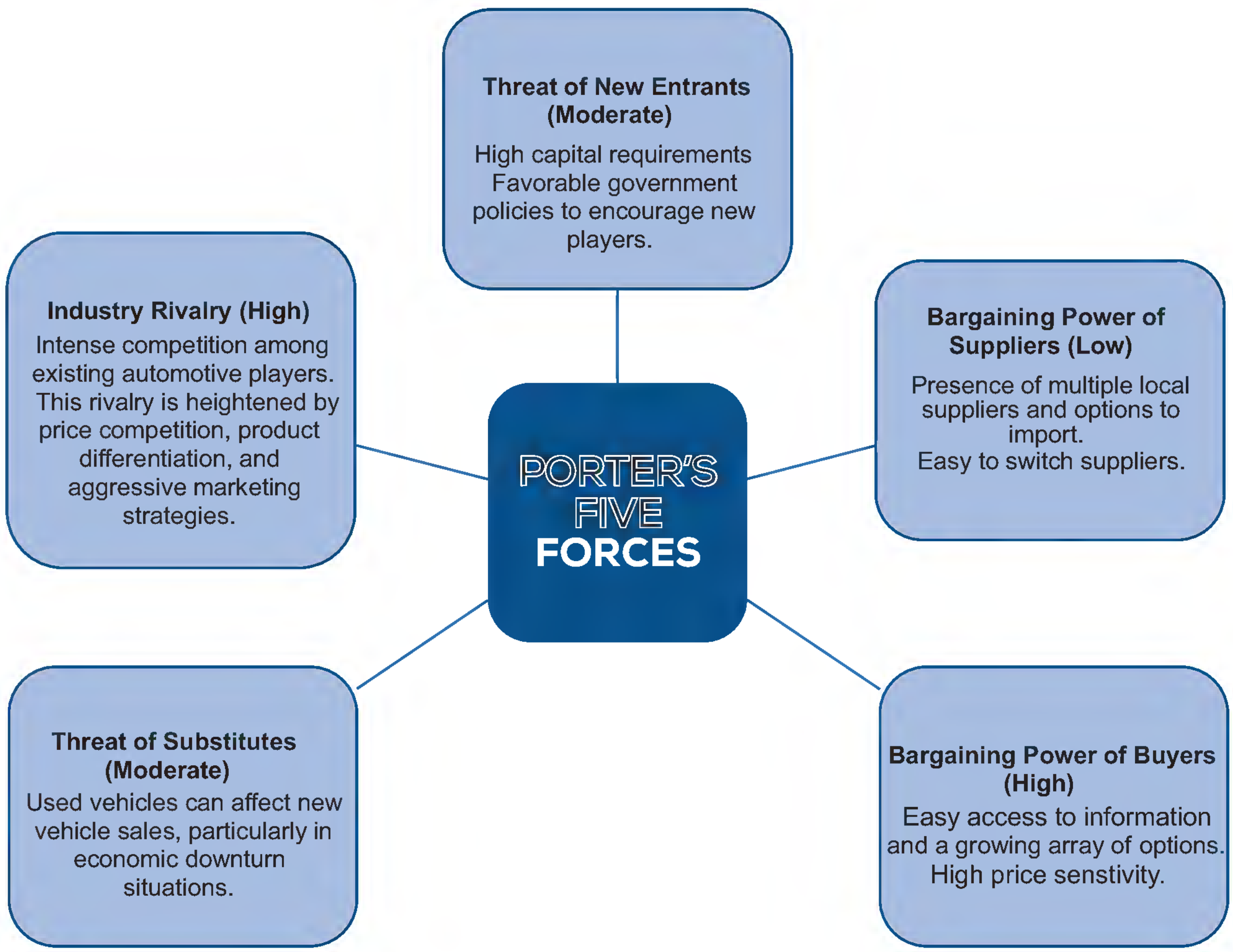
Effect of Seasonality on the Automotive Business

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 STAKEHOLDER

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.	Policies for automotive industry, 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 hybrid / 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 training, 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.
Media	Timely, accurate and transparent information on business performance, products and industry developments.	Growing media focus on NEVs, localization, affordability, safety, and corporate sustainability in Pakistan's automotive sector.	Maintain transparent media engagement and provide timely, consistent information on business performance, new products and industry developments.
Analysts	Reliable financial, operational and market information to assess business performance, outlook and investment prospects.	Increasing focus on market growth, demand trends, NEV adoption, localization, regulatory developments and ESG performance.	Provide transparent and consistent disclosures on financial and operational performance, business outlook, NEV initiatives and material ESG matters.

SWOT
ANALYSIS

STRENGTH

- Strong brand name in automotive industry.
- Strong reputation for high quality of products.
- High-capacity modern production facility.
- Experienced and professional workforce

WEAKNESS

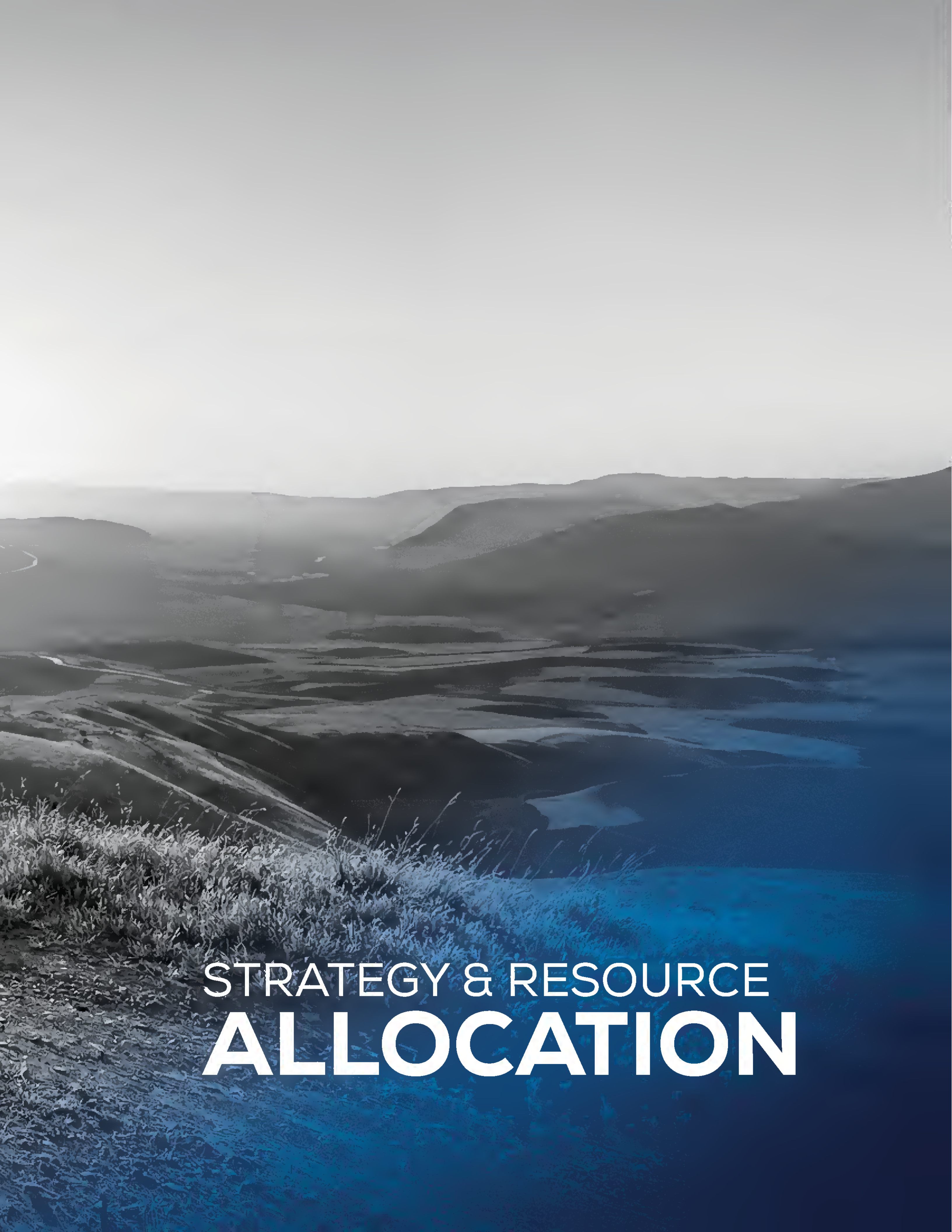
- Not fully utilizing marketing opportunities

OPPORTUNITIES

- 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

THREATS

- 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


S A Z G A R
SAZGAR

Objectives and **Strategies**

The strategic objectives are an integral part of a business that plays a pivotal role in the organization's are mentioned below

Objective	Strategy	Resources Allocated	KPIs
HIGHER RETURNS TO THE STAKEHOLDERS Company aims for high returns through maximization of local sales, exploring export opportunities, and boosting brand awareness. **TIME HORIZON:** Short Term to Long Term **PRIORITY:** ★★★ High	▪ Launch targeted marketing campaigns. ▪ Enhance dealer engagement. ▪ Explore and enter new regional markets. ▪ Introduction of new vehicles and new variants.	▪ Financial Capital ▪ Manufactured Capital ▪ Social and Relationship Capital	▪ Sales and profitability growth. ▪ Market share. *KPIs stated will continue to be relevant in the future.*
MARKET LEADERSHIP Company aims to achieve market leadership in the automotive industry through quality / eco-friendly products, innovation, exceptional customer service, and strategic market expansion. **TIME HORIZON:** Medium Term to Long Term **PRIORITY:** ★★★ High	▪ 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.	▪ Financial Capital ▪ Manufactured Capital ▪ Social and Relationship Capital	▪ Profitability ratios. ▪ Market share. *KPIs stated will continue to be relevant in the future.*
COMPLIANCE WITH LAWS & REGULATIONS Company aims to ensure full compliance with laws and regulations while upholding the highest ethical and professional standards. **TIME HORIZON:** Short Term to Long Term **PRIORITY:** ★★★ High	▪ 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.	▪ Human Capital ▪ Intellectual Capital ▪ Social and Relationship Capital	▪ Non-compliances and ethical concerns highlighted. ▪ Findings from internal and external audits related to compliance and ethics. *KPIs stated will continue to be relevant in the future.*

Objective	Strategy	Resources Allocated	KPIs
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. **TIME HORIZON:** Short Term to Long Term **PRIORITY:** ★★★ High	▪ 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.	▪ Financial Capital ▪ Human Capital	▪ Workforce related ratios. ▪ Number of workplace accidents. *KPIs stated will continue to be relevant in the future.*
SUSTAINABILITY / CSR Company aims to contribute toward the sustainability of the society as a socially responsible company. **TIME HORIZON:** Short Term to Long Term **PRIORITY:** ★★★ High	▪ 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.	▪ Financial Capital ▪ Social and Relationship Capital ▪ Natural Capital	▪ 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 *KPIs stated will continue to be relevant in the future.*

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.
- 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.
- Offering customized vehicles tailored for international markets to better serve our overseas clientele.
- 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 expenditure.

During the year, the Board 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 was 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 were 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.

During the year 2025-26, the Company also approved a new expansion plan for the setting up/ installation of brand-new fully automatic complete paint shop facilities, construction & civil work and installation of ancillary equipment during the year. An estimated budget of PKR 22.00 billion (without cost of land) for this expansion was also approved which shall be financed through the internal cash generation of the company as well as through bank borrowing. After completion of this expansion, total installed production/assembly capacity of the Four-Wheelers Plant shall increase to 54,000 units per annum on single shift basis.

Liquidity Position

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

	June 30, 2026	June 30, 2025
	Rupees	Rupees
Equity	43,015,563,450	23,707,697,460
Long term Debt	5,228,955,753	151,892,963

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.

The increase in long-term finance is mainly on account of new loan facility obtained during the year, to fund the new paint shop, for details refer to note 8.3 to the annual audited financial statements for the year ended June 30, 2026. During the year, the company has repaid the loan amounting to Rs. 102.1 million.

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 2025-26 is 1.84. 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.

IT. GOVERNANCE, CYBERSECURITY &

ERP SOFTWARE


BAIC
BJ40
PLUS

I.T GOVERNANCE **CYBERSECURITY** AND ERP

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 REPORT


CANNON ALPHA
PHEV

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 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

Risk:

The production of the Company's products depends on availability of imported CKD kits, raw materials and critical components. Disruptions in supply chains, shipment delays, freight, insurance, exchange rates and supplier concentration may affect production continuity and margins.

Form of Capital: Financial Capital

Effect on Strategic Objectives:

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.

Mitigation Strategy:

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.

Opportunity:

- 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

Risk:

Any material devaluation of Pak Rupee against foreign currencies may increase imported input costs and adversely affect margins and selling prices.

Form of Capital: Financial Capital

Effect on Strategic Objectives:

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.

Mitigation Strategy:

The Company continuously monitors foreign currency exposure and avail forward cover or other hedging tools where feasible.

Opportunity:

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.

Economic, Political and Law & Order conditions.

Category: Strategic Risk

Risk Source: External

Risk:

Stable economic, political and law & order conditions have a significant influence on consumer confidence, dealership activity and production planning. Uncertainty in these areas may affect revenue, profitability and working capital requirements.

Form of Capital: Social and Relationship Capital / Financial Capital

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.

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 customs, sales tax, income tax, regulatory duties, auto policy, safety and environmental requirements. Any sudden adverse change in Government policy may affect cost structures, demand, product mix and profitability.

Form of Capital: Social and Relationship Capital / Financial Capital

Effect on Strategic Objectives:

This may lead to increased costs, hinder strategic planning, and impede growth objectives.

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.

Form of Capital: Social and Relationship Capital / Financial Capital

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.

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:

- 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.

Form of Capital: Manufactured Capital / Financial Capital

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.

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:

- 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 36 to the Annual Audited Financial Statements for the year ended June 2026.

Sustainability Risks and Opportunities

Sustainability (including climate) related risks and opportunities have been disclosed in Sustainability Report 2026.

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 2026 on page # 162-168 along with the short / medium / long term strategies and potential financial implications.

OVERSIGHT AND COMPLIANCE


SAZGAR
SAZGAR

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 during the financial year ended June 30, 2026.

Corporate Governance

The Board remained committed to the effective corporate governance, recognizing that sound governance is fundamental to sustainable business success and long-term value creation. Throughout the year, the Board discharged its responsibilities with integrity, independence, due care, skill and diligence while ensuring that the affairs of the Company were conducted in compliance with the Companies Act, 2017, the Listed Companies (Code of Corporate Governance) Regulations, 2019, governance policies & practices and all other applicable laws and regulations.

The Board is comprising of executive, non-executive and independent directors possessing an appropriate balance of skills, competencies, knowledge, experience and gender diversity relevant to the Company's business. During the year, the Board held five (5) meetings, and the directors were provided with timely, accurate and comprehensive information to enable informed deliberations and the effective discharge of their duties and responsibilities.

Strategic Oversight

During the year, the Board devoted significant attention to overseeing the Company's long-term strategy and sustainable growth. Particular focus was placed on reviewing strategic priorities, annual operating and capital budgets, major capital investments, financing arrangements, business performance, principal risks and significant corporate matters requiring Board approval. The Board also closely monitored the execution of strategic initiatives, including the continued expansion of the four-wheeler business, enhancement of manufacturing capabilities, localization initiatives, investment in renewable energy infrastructure and other projects designed to strengthen the Company's long-term competitive position. Through regular engagement with management, the Board remained satisfied that the approved strategy was being implemented effectively while maintaining an appropriate balance between growth, financial discipline and prudent risk management.

The Board exercised all its powers in deciding the significant matters including approval of a budget of Rupees 4.00 billion for the acquisition of approximately 900Kanals of land, purchase of two commercial plots, 5kanals each, of aggregate value of Rupees 2.512 billion located at prime locations of Lahore and further expansion of four wheelers manufacturing facilities with an estimated cost of Rupees 22.00 billion by the installation of brand new paint shop facilities along with construction & civil work and ancillary equipment which will increase the assembly/production capacity of car plant to 54,000 units per annum on a single shift basis.

Sustainability

The Board recognizes that sustainability-related matters, including evolving regulatory requirements, climate-related risks and changing stakeholder expectations, have an increasing influence on the Company's long-term performance. Accordingly, the Board continued to oversee the integration of sustainability considerations into the Company's strategy, risk management and decision-making processes. The Company's approach to sustainability, including its environmental, social and corporate governance initiatives and corporate social responsibility activities, remains focused on responsible business practices, reducing environmental impacts, creating long-term value for stakeholders and supporting sustainable business growth.

Diversity, Equity and Inclusion and protection against harassment

The Board continued to oversee the implementation of the Company's policies on diversity, equity and inclusion and protection against workplace harassment to promote a work environment in which all individuals are valued, respected and supported, and protected from harassment, discrimination and bias. These policies are expected to support the employee engagement and retention and contribute to the Company's long-term success.

Economic conditions and Company's Financial Performance

Pakistan's economy showed a recovery trend in FY2025-26. GDP growth has improved from 2.68% to 3.70%, manufacturing from 2.00% to 6.61%, agriculture from 1.53% to 2.89%, and services from 2.91% to 4.09% compared with the FY 2024-25. At the same time, CPI inflation rose to 7.05% from 4.49%, exports contracted, imports expanded and the trade deficit has widened. The

State Bank of Pakistan's latest reported policy rate was 11.50% effective 28th April 2026.

The current financial year showed a strong recovery in Pakistan's auto sector. Demand improved across passenger cars, SUVs/LCVs, trucks, buses and two/three-wheelers except tractors, mainly because of improvement in economic conditions of the country that boosted the new entrants' confidence for making investment in the new production facilities and new models of New Energy Vehicles. However, the auto sector also faced different challenges on account of inflationary pressure, high fuel prices, increasing KIBOR, restricted facility of bank financing, pressure on consumer purchasing power and uncertainty in regional and global markets.

The auto sector grew by 30.23% from 1,701,436 units to 2,215,737 units during the financial year 2025-26. The sales data reflects that passenger cars reached 155,631 units, up from 112,203 in the last year; jeeps and pickups reached 50,814 units vs 36,057; trucks and buses together reached 8,424 units vs 5,232; tractors were softer at 28,791 units vs 29,192; three-wheelers reached 41,802 units vs 40,381 and motorcycles reached 1.930 million units vs 1.478 million. (Source: Pakistan Automotive Manufacturers Association)

During the year, the Company remains focused on hybrid, plug-in hybrid and electric vehicle opportunities and rolled out CKD models of TANK-500 which marks an important strategic development and is expected to further strengthen the Company's product portfolio and support future growth in revenue and profitability.

Considering the Government's policy emphasis on New Energy Vehicles, the Company is continuing to align model introduction and investment plans with market demand, regulatory requirements and supply-chain availability.

The Board remained closely engaged in overseeing the Company's financial performance and capital allocation to ensure that financial resources continued to support the Company's strategic objectives and long-term growth plans.

During the financial year ended June 30, 2026, the Company delivered a strong revenue and profitability growth. The Company reported revenue of Rs. 191.72 billion (2025: Rs. 108.69 billion), profit after tax of Rs. 23.60 billion (2025: Rs. 16.34 billion) and earnings per share of Rs. 390.51 (2025: Rs. 270.26).

The Board of Directors of the Company, at their meeting held on August 27, 2026 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). This is in addition to the interim cash dividend of 500% making total cash dividend of 700% for the year ending June 30, 2026 (June 30, 2025: 520%).

The Board remained satisfied that these financial results reflected the resilience of the Company's business model, disciplined execution of the approved strategy, prudent financial management and effective utilization of capital, while positioning the Company for sustainable long-term growth.

Financial Reporting, Risk Management and Internal Controls

Oversight of financial reporting, internal financial controls, enterprise risk management and regulatory compliance remained a key priority of the Board throughout the year. Quarterly and annual financial statements were reviewed comprehensively before approval, supported by reports and recommendations from management, the Audit Committee, the internal auditors and the external auditors. The Board regularly reviewed principal business risks and the effectiveness of mitigation measures implemented by management to safeguard the Company's assets, operations and reputation.

Based on the reports and assurances received during the year, the Board is satisfied that the Company's internal control and risk management framework remained appropriate and effective in all material respects and provided reasonable assurance regarding the reliability of financial reporting, safeguarding of assets and compliance with applicable legal and regulatory requirements.

Board Committees

The Board constituted the required number of Committees i.e. Audit Committee, Human Resource & Remuneration Committee, Risk Management Committee, Nomination Committee and Sustainability Committee in compliance with the listed companies (Code of Corporate Governance) Regulations, 2019 to discharge its functions effectively. The Board is satisfied that all the Committees fulfilled their respective mandates and provided valuable recommendations that enhanced the quality of Board deliberations and decision-making.

Board Evaluation

The Board has established a formal and effective mechanism for the annual performance evaluation of the Board, its committees and individual directors in accordance with the requirements of the Listed Companies

(Code of Corporate Governance) Regulations, 2019. During the year, the Human Resource and Remuneration Committee conducted the annual performance evaluation based on the approved evaluation framework and criteria.

The Human Resource and Remuneration Committee reviewed the evaluation results and submitted to the Board. The Board considered the findings and noted that the overall performance of the Board, its committees and individual directors was satisfactory and effective in discharging their respective responsibilities.

Looking Ahead

The Board remains committed to continuously strengthening the Company's governance framework while supporting sustainable growth and long-term value creation. Looking ahead, the Board will continue to focus on disciplined execution of the Company's long-term strategy, prudent capital allocation, effective risk oversight, succession planning, sustainability initiatives, technological advancement and the continuous enhancement of governance practices to ensure that the Company remains well positioned to deliver sustainable returns to shareholders and create enduring value for all stakeholders.

Acknowledgements

On behalf of the Board of Directors, I express my sincere appreciation to the shareholders for their continued trust and confidence, to the customers, business partners, financial institutions for their valued support and cooperation, and all employees whose dedication, professionalism and commitment continue to contribute to the success and future growth of the Company.

Lahore
August 27, 2026

Saira Hameed

Mrs. Saira Asad Hameed
Chairperson

DIRECTORS' REPORT

The Directors of your Company are pleased to present 35th Annual Report on the state of affairs of the Company, containing a fair review of the Company's business together with the Audited Annual Financial Statements of the Company for the year ended June 30, 2026:

PRINCIPAL ACTIVITIES:

The Company is principally engaged in the manufacturing and sale of automobiles and automotive parts.

DISCONTINUATION OF HOME APPLIANCES BUSINESS:

During the year, the Board 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 was 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 were 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.

THE PRODUCT PORTFOLIO:

FOUR WHEELERS:

The Company assembles, imports and markets vehicles under Chinese automotive brands: BAIC, GWM (HAVAL, TANK, ORA).

HAVAL-H6 VEHICLES (SUVs') CKD MODELS

- Hybrid Electric Vehicles (HEV) 1.5L
- Plug in Hybrid Electric Vehicles (PHEV) 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 VEHICLES CKD MODELS

- Hybrid Electric Vehicles (HEV) 7-seaters
- Plug-in Hybrid Electric Vehicle (PHEV) 5-Seaters

ORA EV VEHICLES- CBU MODELS

- Electric Vehicle (EV) ORA-3 with range of NEDC 400KM
- Electric Vehicle (EV) ORA-7 (AWD/FWD) with range of NEDC 550KM/640KM

Three Wheelers:

The Company assembles and markets its Three Wheelers under the brand SAZGAR. This segment offers petrol and Electric Vehicle variants for passengers and cargo use. The Company also continues to pursue export opportunities for three-wheelers in selected international markets including Japan.

Automotive Parts:

In this segment, the Company manufactures tractor wheel rims and supplies directly to tractor assemblers. Demand in this segment remains linked with tractor industry conditions and agriculture-sector performance. This segment also includes the import and sale of spare parts of four wheelers and three wheelers.

SIGNIFICANT DEVELOPMENTS DURING THE YEAR:

Expansion in Four Wheelers Manufacturing Facilities:

Existing Expansion Plan Completion:

During the financial year, the Company continued the execution of its Four Wheelers expansion plan of PKR 11.50 billion and completed the construction, installation of new assembly line, installation of solar system of 5.7 megawatts and construction of new warehousing facilities except paint shop at a cost of PKR 6.50 billion. The paint shop cost of PKR 5.00 billion was made part of the cost of setting up/ installation of brand new fully automatic complete paint shop facilities, mentioned below.

The Company rolled out first CKD models of "TANK-500 Hi4-T 4X4 2.0L Turbo AT PHEV and HEV" from March 31, 2026 with trial operation.

New Expansion Plan:

The Company also approved a new expansion plan for the setting up/ installation of brand-new fully automatic complete paint shop facilities, construction & civil work and installation of ancillary equipment during the year. An estimated budget of PKR 22.00 billion (without cost of land) for this expansion was also approved which shall be financed through the internal cash generation of the company as well as through the bank borrowing. After completion of this expansion, total installed production/assembly capacity of the Four-Wheelers Plant shall increase to 54,000 units per annum on single shift basis.

Purchase of Land:

A budget of PKR 4.00 billion was approved for the purchase of land measuring approx. 900 Kanals near the Car plant to meet the future expansion requirements of the Company from time to time. In addition to this land, the Company also purchased two commercial plots of 5Kanals each at Pine Avenue, Lahore and Central Business District (CBD), Lahore at a total price of PKR 2.521 billion for the construction of Company's owned showrooms, aftersales service facilities and commercial offices.

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: Upgraded from "A" to "A+"
- Short term: Revalidated at "A1"

THE ECONOMY:

Pakistan's economy showed a recovery trend in Financial Year 2025-26. Detail of some of economic indicators is given below:

Description	FY 2026	FY 2025	Impact
GDP rate	3.70%	2.68%	Positive
Agriculture	2.89%	1.53%	Positive
Manufacturing	6.61%	2.00%	Positive
Services	4.09%	2.91%	Positive
CPI Inflation	7.05%	4.49%	Negative
Per Capita Income (US $)	1,901	1,751	Positive
Exports US$ billion	30.84	32.34	Negative
Imports US$ billion	64.47	59.15	Negative
Workers' Remittances US$ billion	41.59	38.30	Positive
Current Account balance US$ million	-139	+1,838	Negative
Trade deficit US$	-33.62	-26.80	Negative
FBR Tax Collection PKR billion-Net	13,003	11,744	Positive
PSX-100 Index – points as on June 30	180,302	125,627	Positive

Source: Pakistan Economic Survey 2025-26, PBS, NACPI, SBP, PSX, FBR

GDP growth has improved from 2.68% to 3.70%, manufacturing from 2.00% to 6.61%, agriculture from 1.53% to 2.89%, and services from 2.91% to 4.09% compared with the FY 2024-25. At the same time, CPI inflation rose to 7.05% from 4.49%, exports contracted, imports expanded and the trade deficit has widened. The State Bank of Pakistan's latest reported policy rate was 11.50% effective 28th April 2026.

AUTO SECTOR OVERVIEW:

The current financial year showed a strong recovery in Pakistan's auto sector. Demand improved across passenger cars, SUVs/LCVs, trucks, buses and two/three-wheelers except tractors, mainly because of improvement in economic conditions of the country that boosted the new entrants' confidence for making investment in the new production facilities and new models of New Energy Vehicles. However, the auto sector also faced different challenges on account of inflationary pressure, high fuel prices, increasing KIBOR, restricted facility of bank financing, pressure on consumer purchasing power and uncertainty in regional and global markets.

The auto sector grew by 30.23% from 1,701,436 units to 2,215,737 units during the financial year 2025-26. The sales data reflects that passenger cars reached **155,631 units**, up from **112,203** in the last year; jeeps and pickups reached **50,814 units** vs **36,057**; trucks and buses together reached **8,424 units** vs **5,232**; tractors were softer at **28,791 units** vs **29,192**; three-wheelers reached **41,802 units** vs **40,381** and motorcycles reached **1.930 million units** vs **1.478 million**. *(Source: Pakistan Automotive Manufacturers Association)*

During the year, the Company remains focused on hybrid, plug-in hybrid and electric vehicle opportunities and rolled out CKD models of TANK-500 which marks an important strategic development and is expected to further strengthen the Company's product portfolio and support future growth in revenue and profitability.

Considering the Government's policy emphasis on New Energy Vehicles, the Company is continuing to align model introduction and investment plans with market demand, regulatory requirements and supply-chain availability.

FINANCIAL PERFORMANCE OF THE COMPANY:

The Company delivered a strong revenue and profitability growth during the financial year ended June 30, 2026. Net sales increased by 76.38% to Rs. 191,715.35 million, while profit after tax increased by 44.49% to Rs. 23,604.64 million.

SAZGAR remains focused on operational efficiency, prudent financial management, capacity enhancement and strengthening of customer confidence.

FINANCIAL RESULTS:

Description	June 30, 2026 (In Rupees)	June 30, 2025 (In Rupees)	Change
Net Sales	191,715,353,728	108,692,595,641	76.38%
Gross Profit	46,475,641,966	31,641,983,942	46.88%
Operating Profit	36,448,451,976	25,614,559,357	42.30%

Description	June 30, 2026 (In Rupees)	June 30, 2025 (In Rupees)	Change
Profit before Taxation	38,645,552,176	26,737,849,341	44.54%
Taxation	(15,040,909,326)	(10,401,669,213)	44.60%
Profit after Tax	23,604,642,851	16,336,201,342	44.49%
Earnings per Share	390.51	270.26	44.49%

Appropriations:

The Board of Directors of the Company, at their meeting held on August 27, 2026 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). This is in addition to the interim cash dividend of 500% making total cash dividend of 700% for the year ending June 30, 2026 (June 30, 2025: 520%).

Sales Revenue:

The net sales of the Company showed a growth by 76.38% from Rupees 108.69 billion to Rupees 191.72 billion, the highest ever sales of the Company in its history. This achievement was made possible by the increased sales volume of GWM-HAVAL and GWM-Tank-500 branded vehicles.

Segment wise: The net sale of the Company can primarily be divided into the following segments:

Description	June 30, 2026	June 30, 2025	% of Increase / (Decrease)
Four wheelers	**180,669,345,977**	98,166,998,402	84.04%
Three wheelers*	**10,282,121,194**	9,824,848,097	4.65%
Tractor Wheel Rims & Others**	**763,886,557**	700,749,142	9.01%

*This includes an export sale of three wheelers of Rupees 59.09. million (2025: 69.05 million) showing a decrease of 14.42% as compared to the last financial year. During the year, Company exported Three Wheelers to Japan, Mexico, Dubai,Netherland, UAE and Philippine.

**This includes an export sale of Misc. sheet metal items of Rs. 19.24 million (2025: Nil) to USA.

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

Product	June 30, 2026	June 30, 2025	% of Increase / (Decrease)
Four wheelers*	19,188	10,889	76.21%
Three wheelers	26,845	25,786	4.11%
Tractor Wheel Rims	42,980	42,622	0.84%

*Four wheeler sales also includes the sale of 9 unit of imported CBU (June 30, 2025: 10 unit).

Gross Profit:

Gross profit increased from Rs. 31,641.98 million to Rs. 46,475.64 million, showing growth of 46.88%. Gross margin ratio reduced from 29.11% to 24.24%, reflecting cost and product mix effect. The Company is continuing to focus on localization, supplier negotiations, production efficiency and inventory planning to protect margins.

Finance Cost:

Finance cost increased from Rs. 230.30 million to Rs. 454.21 million, an increase of 97.23%, mainly on account of charging of profit on long-term borrowing and interest on WPPF.

Profit Before Taxation:

Profit before taxation increased from Rs. 26,737.85 million to Rs. 38,645.55 million, showing growth of 44.54%. This was primarily driven by revenue growth and other income, partly offset by higher distribution, administrative, operating and finance costs.

Earnings Per Share:

Earnings per share increased from Rs. 270.26 to Rs. 390.51 for the financial year ended June 30, 2026 showing growth of 44.49% and reflecting continued shareholder value creation.

Net Worth of the Company:

Shareholders' equity strengthened from Rs. 23,707.70 million as at 30th June 2025 to Rs. 43,015.56 million as at June 30, 2026, showing growth of 81.44% after dividend distributions recognized during the period. Total assets increased by 95.64% to Rs. 81,654.30 million.

Liquidity and Working Capital Strengthening:

The balance sheet expanded significantly during the financial year ended June 30, 2026. Cash and bank balances showing Rs. 13,984.68 million after investment in fixed assets and payment of cash dividend during the year, while stock-in-trade increased to Rs. 42,067.52 million, reflecting an increase in operating scale, inventory management and business growth.

Production:

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

Product	June 30, 2026	June 30, 2025	% of Increase / (Decrease)
Four wheelers	19,391	11,039	75.66%
Three wheelers	26,574	24,700	7.59%
Tractor Wheel Rims	42,139	41,717	1.01%

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.

The Company understands, 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 the Company's products depends on availability of imported CKD kits, raw materials and critical components. Disruptions in supply chains, shipment delays, freight, insurance, exchange rates and supplier concentration may affect production continuity and margins. 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:

Any material devaluation of Pak Rupee against foreign currencies may increase imported input costs and adversely affect margins and selling prices. The Company continuously monitors foreign currency exposure and avail forward cover or other hedging tools where feasible.

Economic, Political and Law & Order Conditions:

Stable economic, political and law & order conditions have a significant influence on consumer confidence, dealership activity and production planning. Uncertainty in these areas may affect revenue, profitability and working capital requirements.

General Market Conditions:

Aggressive competition, changes in pricing, new model launches, warranty policies and after-sales service commitments may affect revenue, profitability and market share. The Company monitors competitors' activities and customer preferences to respond appropriately.

Regulatory and Taxation Policy:

The automotive industry is subject to customs, sales tax, income tax, regulatory duties, auto policy, safety and environmental requirements. Any sudden adverse change in Government policy may affect cost structures, demand, product mix and profitability.

Sudden Breakdown of Plant and 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 36 to the audited annual financial statements for the year ended June 30, 2026.

Uncertainties:

The Company continues to face uncertainties including following that could affect its future performance:

- 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.

EXTERNAL AUDITORS' REPORT ON THE FINANCIAL STATEMENTS:

The external auditors have issued an unmodified report on the financial statements for the year ended June 30, 2026. Accordingly, no explanation concerning a modification in the auditors' report has been made as required under section 227(2)(e) of the Companies Act, 2017.

PATTERN OF SHAREHOLDING:

The pattern of shareholding of the shares in prescribed forms is annexed as per annexure- "B".

NO DEFAULT IN PAYMENT OF DEBTS:

During the year, the Company did not default in making payment of principal, markup or any other amount due in respect of its borrowings, financing arrangements or other debt obligations.

FREE-FLOAT SHARES:

In accordance with Pakistan Stock Exchange Limited, the free-float shares of the Company as on June 30, 2026 was 21,156,087 ordinary shares representing 35.00% of paid-up share capital.

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 this Report except as disclosed in the Directors' Report and Audited Annual Financial Statements for the year ended June 30, 2026.

FUTURE OUTLOOK:

The economy is expected to continue its gradual recovery during the financial year 2026–27, supported by sustained macroeconomic stabilization, fiscal reforms, improving investor confidence and strengthening economic activities. Growth in the industrial and services sectors, easing inflation and relative exchange rate stability are expected to provide a favorable environment for business and investment. However, the outlook remains subject to risks arising from regional geopolitical tensions, fluctuations in international oil and commodity prices, evolving fiscal and taxation measures, increasing financing costs and global economic uncertainties, which may affect inflation, consumer purchasing power, business confidence and overall economic growth. The consistency in policies and structural reforms is expected to strengthen economic resilience and support sustainable long-term growth.

The auto sector regained its growing momentum and performed impressively during the current financial year. It is expected that this sector will continue to grow alongside the improved economic conditions of the country. However, the sector is expected to remain highly competitive with the entry of new manufacturers, expansion of existing assemblers, the growing shift towards New Energy Vehicles (NEVs). While these developments are expected to expand consumer choice and accelerate technological advancement, they are also intensifying competition across all market segments.

In light of the prevailing economic environment, the Company will continue to pursue sustainable and profitable growth. Key priorities will include expanding the four-wheeler segment specifically the New Energy Vehicles portfolio, enhancing localization, improving production efficiency, maintain disciplined cost management and customer satisfaction. The Company will also remain focused on further strengthening its nationwide dealership and after-sales network, expand market penetration and managing working capital prudently in order to protect liquidity and operational resilience.

The Company also continues to invest in strengthening its manufacturing capabilities to support future growth. The installation of a state-of-the-art paint shop is expected to enhance production capacity, reduce process bottlenecks, increase manufacturing flexibility, support the introduction of future vehicle models and improve overall operating efficiency.

The expiry of the fiscal incentives available to the Company under the Automotive Development Policy 2016–21 has increased the tax incidence on its certain products; the Company has decided to absorb a significant portion of the increased taxation rather than fully passing it on to customers. The Company believes, this approach reinforces customer confidence, protects market share and supports long-term shareholder value.

The Automotive Development Policy 2026–31 has not yet been finalized and notified by the Government as at the date of this Report. The delay in finalization of the policy has created uncertainty in the automotive market and is adversely affecting the Company's sales volumes and profitability of subsequent periods.

The three-wheeler segment remains an integral part of the Company's business, catering to affordable passengers and commercial mobility needs. The Company will continue to focus on product reliability, cost competitiveness, dealer support, spare parts availability and after-sales service, while also evaluating export potential in markets where demand exists for economical and durable transport solutions.

The tractor wheels business is expected to benefit from stability in the agriculture sector, tractor demand and rural economic activity. The Company will remain focused on quality, timely delivery, customer relationships and operational efficiency in this segment, with a view to improving capacity utilization and sustaining business growth.

The Company believes that the combination of a recovering domestic economy, sustained demand for vehicles, strategic investments in manufacturing capacity, continued product diversification and the Company's disciplined financial and operational management provides a strong platform for future growth. While remaining vigilant to economic, regulatory and geopolitical risks, the Company is confident that it is well positioned to successfully navigate the evolving competitive landscape, strengthen its leadership across its core business segments and deliver sustainable long-term value to its shareholders.

COMPANY'S BUSINESS IMPACT ON ENVIRONMENT:

The Company's manufacturing operations have an environmental footprint primarily through energy consumption, fuel usage, air emissions, water consumption, industrial waste generation and the use of raw materials.

The Company remains committed to minimize these impacts by complying with all applicable environmental laws and regulations, improving resource efficiency, optimizing manufacturing processes and reducing waste generation.

During the year, the Company undertook the installation of a **5.7 MW solar system**, which is expected to significantly reduce reliance on conventional grid electricity, lower greenhouse gas emissions, improve energy efficiency and contribute to a cleaner and more sustainable manufacturing process.

The Company is continuously expanding its portfolio of **New Energy Vehicles (NEVs)** as part of its long-term sustainability strategy. NEVs have the potential to substantially reduce tailpipe emissions, improve air quality, lower greenhouse gas emissions and support Pakistan's transition towards cleaner and more sustainable transportation.

The Company believes that continued investment in cleaner vehicle technologies, together with renewable energy initiatives and responsible manufacturing practices, will contribute to environmental protection while creating sustainable long-term value for all stakeholders.

CORPORATE SOCIAL RESPONSIBILITY:

Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce, their families, local communities and society at large. The Company continues to support employee welfare, training, health and safety, environmental initiatives, community support and responsible business practices.

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 had undertaken the following major CSR activities:

- The Company made donations to various institutions engaged in healthcare, social welfare, and education, amounting to Rs. 42,980,100/-, Rs. 3,200,000/-, and Rs. 5,198,800/-, respectively.
- The Company spent a sum of Rs. 23,071,495/- 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 of Rs. 14,630,438/- to 78 university graduates / diploma holders providing them with valuable practical exposure and hands-on experience in the automotive industry.
- The Company partnered with a local NGO to organize a free medical camp during the year, at a cost of Rs. 813,500.
- The Company sponsored 5 employees to perform Hajj and 10 employees for Umrah this year, covering all associated expenses amounting to Rs. 11,189,080/-.
- The Company provided special financial assistance to the families of former employees who passed away, for food and educational purposes. During the year, an amount of Rs. 479,900/- was paid for special support.
- The Company paid Rs. 111,864/- for educational support and external trainings of its employees.
- The Company creates employment opportunities for persons with disabilities along with the provision of additional facilities and appropriate training. Currently, 32 individuals, who are differently abled, are in the employment of the Company.

The complete details of CSR activities have been disclosed in Company's Sustainability Report 2026.

STATEMENT ON ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

The Board of Directors acknowledges its responsibility for establishing and maintaining an adequate and effective system of internal financial controls. The Company has implemented policies, procedures, authorization limits and control mechanisms designed to safeguard its assets, ensure the accuracy and reliability of accounting records and financial reporting, prevent and detect fraud and error, and promote compliance with applicable laws, regulations and approved corporate policies.

During the year, the design and operating effectiveness of the internal financial controls were reviewed by management, the Internal Audit function and the Board Audit Committee. Any control observations identified through these reviews were reported to the appropriate level of management, and corrective measures were initiated or implemented, where required.

Based on the reviews performed, the Board is satisfied that the Company's internal financial controls were adequate and operating effectively, in all material respects, as at June 30, 2026. The Company will continue to strengthen its control environment in line with the expansion of its operations, changes in business risks and applicable regulatory requirements.

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

Contribution to National Exchequer:

The Company made a contribution of Rs. 84.44 billion to National Exchequer during the current financial year in form of income tax, sales tax, custom duties, new energy vehicle adoption levy, Capital value tax and excise as compared to Rs. 39.86 billion of last financial year reflecting an increase of 111.85% (June 30, 2025: 88.62%).

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, 2026.

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 the Corporate and Financial Reporting Framework of the listed Companies (Code of Corporate Governance) Regulations, 2019 as are applicable for the financial year ending June 30, 2026 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 therefrom (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, 2026.

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 27, 2026 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 500% making total of 700% for the financial year ending June 30, 2026 (June 30, 2025:520%).

Outstanding Statutory Dues

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

Significant Plans and Decisions

The Company intends to continue exploring business opportunities in the profitable ventures including automobile sector by introducing more environment friendly vehicles.

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.

APPROVAL OF RELATED PARTY TRANSACTIONS:

The Company has put in place an approved policy framework to regulate the transactions between the company and related parties. All related party transactions are placed before the Board Audit Committee (BAC) for its review and consideration. Upon the recommendation of BAC, these transactions are placed before the Board of Directors for their review, approval and /or noting as the case may be.

The provisions of the applicable laws, regulations and other directives are followed during the approval process of the related party transactions. Interested directors do not participate in the relevant deliberations or decisions.

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:

Environmental factors: These includes financially material risks and opportunities such as climate change, use of water, land and air.

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.

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 2026 stating the sustainability (including climate) related risks & opportunities, Company's environmental impact, social initiatives and corporate governance practices.

DIVERSITY, EQUITY AND INCLUSION (DE&I) AND PROTECTION AGAINST HARRASSMENT IN THE WORK PLACE:

The Company is committed to create and promote a culture of diversity, equity and inclusion at a workplace where everyone 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.

BOARD OF DIRECTORS:

Presently, the Board of Directors of the Company consists of the following nine (9) directors who shall hold office up to March 19, 2029:

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 (Independent Director)
8. Mr. Taha Mahmood (Independent Director)
9. Mr. Muhammad Omer Saeed (Independent Director)

ELECTION OF DIRECTORS:

The election of directors of the Company was held as on March 17, 2026 in the Extra ordinary General Meeting of the Company and new Board was constituted for a period of three years commencing from March 20, 2026. The names of nine (9) newly elected directors are given below:

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

Appointment of Chairperson, Chief Executive and Chief Operating Officers (Executive Directors):

During the year the Chairperson, the Chief Executive and Chief Operating Officers retired after completion of their tenure of three years.

Consequent to the completion of election process of directors, the Board appointed Mrs. Saira Asad Hameed as Chairperson, Mr. Mian Asad Hameed as Chief Executive, Mr. Saeed Iqbal Khan as Executive Director under the designation of "Chief Operating Officer (COO)-Three Wheeler & Automotive Parts Division " and Mr. Mian Muhammad Ali Hameed as Executive Director under the designation of "Chief Operating Officer (COO)- Car Division" of the Company as on March 28, 2026 for a period of three years commencing from March 28, 2026 at the existing managerial remunerations.

DIRECTORS' REMUNERATION POLICY:

The Board has put in place a formal Policy and a transparent procedure for fixing the remuneration packages of Executive Directors including the Chief Executive and remuneration of Non-Executive Directors for attending meetings of the Board and its Committees. The level of remuneration is determined considering the role and level of responsibilities, qualification, experience and expertise of the Executive and Non-Executive Directors to attract and retain them for the successful running of the affairs of the company without compromising their independence.

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 and provisions of applicable laws. However, no meeting attending fee is paid to Executive Directors.

The monthly managerial remuneration (net of tax) of the Executive Board members is given below:

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

These executive board members are also entitled for the free use of Company maintained vehicles for official and private purposes, reimbursement 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.

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.

During the year, the Board approved the revision in scale of meetings fee for the Chairperson of Board, Chairmen of Committees and other Non-Executive Directors.

The revised scale of meetings fee is given below:

Meeting fee for Board's Chairperson	Rs 175,000/-
Board Meeting fee for other Non-Executive Directors	Rs 100,000/-
Meeting fee for Committee's Chairman	Rs 100,000/-
Committee Meeting fee for other Non-Executive directors	Rs 60,000/-

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 or his/her relative as defined under the law 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	69,600,000	104,771,147	-	174,371,147
Executive Director (Chief Operating Officer - Three Wheelers & Automotive Parts Division)	36,000,000	53,462,935	-	89,462,935
Executive Director (Chief Operating Officer - Car Division)	19,200,000	29,047,182	-	48,247,182
Non-Executive Directors	-	-	3,630,000	3,630,000

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	2	1	1	1
Mr. Mian Asad Hameed	5	-	2	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

Name of Directors	Board	Board Audit Committee	HR & R Committee	Nomination Committee	Risk Management Committee	Sustainability Committee
Mr. Humza Amjad Wazir	5	-	2	1	-	-
Mr. Umair Ejaz	5	4	2	-	1	1
Mr. Taha Mahmood	5	4	2	-	1	-
Mr. Muhammad Omer Saeed	5	-	-	-	-	1

Directors' Orientation Program:

During the year, the new Board was constituted for next term of three years commencing from March 20, 2026. The Chairperson, at the beginning of the new term of directors, issued letters to all directors setting out their role, obligations, powers and responsibilities, their remuneration and entitlement in accordance with the applicable laws, rules, regulations and the company's Articles of Association enabling them to govern the affairs of the company successfully.

Directors' Training Programs During the Year:

The Company is in compliance of certification of Directors Training Program as per Listed Companies (Code of Corporate Governance) Regulations 2019. Out of nine, seven directors acquired the Directors' Training Program (DTP) from SECP approved Institutions up to June 30, 2026 whereas two directors fall under the exemption criteria of Listed Companies (Code of Corporate Governance) Regulations 2019 and also obtained exemption from SECP.

Trading in Company's Shares by Directors, Executives and Their Spouses and Minor Children During the Year:

No trading in the shares of the Company was carried out by the Directors, Executives and their spouses and minor children during the year.

COMPOSITION OF BOARD:

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

Male : (7) seven

Female : (2) two

The composition of board is as follows:

Independent Directors:

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

Non-Executive Directors:

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

Executive Directors including Chief Executive:

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

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 established a formal and effective mechanism for the annual performance evaluation of the Board, its committees and individual directors in accordance with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019. During the year, the Human Resource and Remuneration Committee conducted the annual performance evaluation based on the approved evaluation framework and criteria.

The Human Resource and Remuneration Committee reviewed the evaluation results and submitted to the Board. The Board considered the findings and noted that the overall performance of the Board, its committees and individual directors was satisfactory and effective in discharging their respective responsibilities.

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)
Annual Audit	2,700,000
Half yearly review	750,000
Report on Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019	50,000
Certificate under CDC Regulation	50,000
Report on Free-float of shares	50,000

EMPLOYEES RELATIONS:

The management and employees' relationship remained cordial. The Board appreciates the dedication, teamwork and commitment of the employees and expects that management and employees will continue to work with the same spirit to achieve the desired goals of the Company.

ACKNOWLEDGEMENT:

The Board appreciates for the efforts, teamwork and dedication shown by the Company's employees during the period under review. The Board also expresses gratitude to shareholders, customers, dealers, suppliers, bankers, regulators and business partners for their continued support to the Company.

Lahore:
Dated: August 27, 2026

For and on behalf of the Board

Mian Asad Hameed
(Chief Executive)

Saeed Iqbal Khan
(Director)

ڈائریکٹران کی رپورٹ

آپ کی کمپنی کے ڈائریکٹرز کمپنی کے کاروباری حالات پر 35 ویں سالانہ رپورٹ پیش کرتے ہیں، جس میں 30 جون 2026 کو مکمل ہونے والے سال پر کمپنی کے کاروبار کا منصفانہ جائزہ اور کمپنی کے آڈٹ شدہ سالانہ مالیاتی گوشوارے شامل ہیں:

بنیادی سرگرمیاں:

کمپنی بنیادی طور پر آٹو موبائلز اور آٹو موٹیو پارٹس کی تیاری اور فروخت کا کام کرتی ہے۔

ہوم اپلائنسز کے کاروبار کی بندش:

سال کے دوران، بورڈ نے ہوم اپلائنسز کے کاروبار کی مالی کارکردگی، مارکیٹ کی صورت حال اور طویل مدتی اسٹریٹجک اہداف کا جامع جائزہ لینے کے بعد 1 ستمبر 2025 سے مؤثر طریقے سے بند کرنے کا فیصلہ کیا۔ یہ فیصلہ شیئر ہولڈرز کے بہترین مفاد میں کیا گیا تا کہ کمپنی کے وسائل کو اس کے بنیادی کاروبار اور زیادہ منافع بخش شعبوں پر مرکوز کیا جا سکے۔ بند کرنے سے متعلق تمام ضروری ریگولیٹری تقاضے اور معاہداتی ذمہ داریاں بغیر کسی خلل کے پورے کی گئیں۔ مزید برآں، کمپنی کے پاس ہوم اپلائنسز کے کاروبار کے شعبے سے متعلق کوئی مادی اثاثہ یا ذمہ داری نہیں ہے۔

پیداواری پورٹ فولیو:

فور ویلرز :

کمپنی چینی آٹو موٹیو برانڈز BAIC، GWM (HAVAL,TANK, ORA) کے تحت گاڑیوں کی اسمبلی، درآمد اور مارکیٹ کرتی ہے۔

HAVAL-H6 VEHICLES (SUVs') CKD MODELS

- ہائبرڈ الیکٹرک گاڑیاں (HEV) 1.5L
- پلگ ان ہائبرڈ الیکٹرک گاڑیاں (PHEV) 1.5L
- پیٹرول 2.0L ٹربو
- پیٹرول 1.5L ٹربو

HAVAL- JOLION VEHICLES (SUVs) CKD MODELS

- ہائبرڈ الیکٹرک گاڑیاں (HEV) 1.5L
- پیٹرول 1.5L ٹربو

BAIC JEEP BJ-40L CKD MODEL

- پٹرول 2.0L ٹربو

GWM TANK-500 VEHICLES - CKD MODELS

- 7 نشستوں والی ہائبرڈ الیکٹرک گاڑیاں (HEV)
- 5 نشستوں والی پلگ ان ہائبرڈ الیکٹرک گاڑیاں (PHEV)

ORA EV VEHICLES - CBU MODELS

- ORA-3 (EV) الیکٹرک گاڑی جس کی NEDC رینج 400 کلومیٹر ہے
- ORA-7 (EV) الیکٹرک گاڑی (FWD/AWD) جس کی NEDC رینج 550 کلومیٹر/640 کلومیٹر ہے

تھری ویلرز:

کمپنی اپنے تھری ویلرز کو SAZGAR برانڈ کے تحت اسمبل اور مارکیٹ کرتی ہے۔ یہ سیگمنٹ مسافروں اور کارگو کے لیے پیٹرول اور الیکٹرک گاڑیوں کی قسم پیش کرتا ہے۔ کمپنی جاپان سمیت منتخب بین الاقوامی منڈیوں میں تھری ویلرز گاڑیوں کے برآمدی مواقع بھی تلاش کرتی رہتی ہے۔

آٹو موٹیو پارٹس:

اس شعبے میں، کمپنی ٹریکٹر ویل رمز تیار کرتی ہے اور براہ راست ٹریکٹر اسمبلرز کو سپلائی کرتی ہے۔ اس شعبے میں ڈیمانڈ ٹریکٹر کی صنعت کی صورتحال اور زرعی شعبے کی کارکردگی سے جڑی ہوئی ہے۔ اس شعبے میں فور ویلرز اور تھری ویلرز کے پرزوں کی درآمد اور فروخت بھی شامل ہے۔

سال کے دوران اہم پیش رفت:

فور ویلرز گاڑیوں کی مینوفیکچرنگ سہولیات میں توسیع:

موجودہ توسیعی منصوبے کی تکمیل:

مالی سال کے دوران کمپنی نے اپنے فور ویلرز توسیعی منصوبہ جس کا بجٹ 11.50 ارب روپے تھا جاری رکھا اور تعمیر، نئی اسمبلی لائن کی تنصیب، 5.7 میگاواٹ سولر سسٹم کی تنصیب اور سوائے پینٹ شاپ کے نئے گودام کی سہولیات کی تعمیر مکمل کی جس کی لاگت 6.50 ارب روپے تھی۔ 5.00 ارب روپے لاگت کی پینٹ شاپ کو نئی مکمل خودکار پینٹ شاپ سہولیات کے قیام اور تنصیب کی لاگت کا حصہ بنا دیا گیا جس کا ذکر ذیل میں بیان کیا گیا ہے۔

کمپنی نے "TANK-500 Hi4-T 4X4 2.0L Turbo AT" "PHEV" اور "HEV" کیٹیگری کے پہلے CKD ماڈلز 31 مارچ 2026 سے تجرباتی آپریشن کے ساتھ متعارف کروائے۔

نیا توسیعی منصوبہ:

کمپنی نے سال کے دوران ایک نئی مکمل خودکار پینٹ شاپ کی سہولیات، تعمیراتی اور سول کام اور اضافی آلات کی تنصیب کے لیے ایک نئے توسیعی منصوبے کی بھی منظوری دی۔ اس توسیع کے لیے تخمینی بجٹ 22.00 ارب روپے (زمین کی لاگت کے بغیر) بھی منظور کیا گیا ہے۔ جسے کمپنی کی اندرونی نقد آمدنی اور بینک کے قرضوں کے ذریعے پورا کیا جائے گا۔ اس توسیع کی تکمیل کے بعد، فور ویلرز پلانٹ کی کل نصب شدہ پیداوار/ اسمبلی صلاحیت ایک شفٹ کی بنیاد پر سالانہ 54,000 یونٹس تک بڑھ جائے گی۔

زمین کی خریداری:

کار پلانٹ کے قریب تقریباً 900 کنال زمین خریدنے کے لیے 4.00 ارب روپے کا بجٹ منظور کیا گیا تاکہ کمپنی کی مستقبل کی توسیعی ضروریات کو وقتاً فوقتاً پورا کیا جا سکے۔ اس زمین کے علاوہ، کمپنی نے پائن ایونیو، لاہور اور سینٹرل بزنس ڈسٹرکٹ (سی بی ڈی)، لاہور میں اپنے شورومز، آفٹر سیلز سروس سہولیات اور کمرشل دفاتر کی تعمیر کے لیے 5 کنال کے دو تجارتی پلاٹ بھی خریدے، جن کی کل قیمت 2.521 ارب روپے ہے۔

ISO سرٹیفیکیشن:

کمپنی نے اپنے فور ویلرز پروجیکٹ (کار پلانٹ) کے لئے مندرجہ ذیل آئی ایس او سرٹیفکیشن 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" سے "A+" میں اپ گریڈ
- مختصر مدت کی کریڈٹ ریٹنگ A1 پر تصدیق شدہ

معیشت:

پاکستان کی معیشت نے مالی سال 2025-26 میں بحالی کا رجحان دکھایا۔ کچھ معاشی اشاریوں کی تفصیل ذیل میں دی گئی ہے:

تفصیل	FY2026	FY2025	اثرانداز
GDP rate	3.70 فی صد	2.68 فی صد	مثبت
Agriculture	2.89 فی صد	1.53 فی صد	مثبت
Manufactring	6.61 فی صد	2.00 فی صد	مثبت
Services	4.09 فی صد	2.91 فی صد	مثبت
CPI Inflation	7.05 فی صد	4.49 فی صد	منفی
Per Capita Income (US$)	1,901	1,751	مثبت
Exports US$ billion	30.84	32.34	منفی
Imports US$ billion	64.47	59.15	منفی
Workers' Remittances US$ billion	41.59	38.30	مثبت
Current Account balance US$ million	-139	+1,838	منفی
Trade Deficit US$	-33.62	-26.80	منفی
FBR Tax Collection PKR billion-Net	13,003	11,744	مثبت
PSX-100 Index - points as on June 30	180,302	125,627	مثبت

ذرائع: پاکستان اکنامک سروے 2025-26، FBR, PSX, NACPI, PBS

مالی سال 2024-25 کے مقابلہ میں جی ڈی پی کی شرح نمو 2.68 فی صد سے بڑھ کر 3.70 فی صد ہو گئی ہے، مینوفیکچرنگ 2.00 فی صد سے 6.61 فی صد ہو گئی ہے، زراعت 1.53 فی صد سے بڑھ کر 2.89 فی صد ہو گئی ہے، اور سروسز میں 2.91 فی صد سے 4.09 فی صد ہو گئی ہے۔ اسی دوران، سی پی آئی مہنگائی 4.49 فی صد سے بڑھ کر 7.05 فی صد ہو گئی، برآمدات میں کمی آئی، درآمدات میں اضافہ ہوا اور تجارتی خسارہ بڑھ گیا۔ اسٹیٹ بینک آف پاکستان کی تازہ ترین رپورٹ شدہ پالیسی شرح 11.50 فی صد تھی، جو 28 اپریل 2026 سے مؤثر ہے۔

آٹو سیکٹر کا جائزہ:

موجودہ مالی سال میں پاکستان کے آٹو سیکٹر میں مضبوط بحالی دیکھی گئی۔ ملک کی معاشی حالت میں بہتری کی وجہ سے مسافر گاڑیوں، ایس یو ویز/ ایل سی وی، ٹرکوں، بسوں اور دو/ تین ویلرز گاڑیوں کی طلب میں اضافہ ہوا، ماسوائے ٹریکٹرز کے۔ معاشی حالت میں بہتری کی وجہ سے نئے اسمبلرز اور مینوفیکچرز کے اعتماد میں اضافہ ہوا کہ وہ پیداواری سہولیات اور نئے ماڈلز میں سرمایہ کاری کریں۔ تاہم، آٹو سیکٹر نے مہنگائی کے دباؤ، ایندھن کی بلند قیمتیں، KIBOR میں اضافہ، بینک فنانسنگ کی محدود سہولت، صارفین کی خریداری کی طاقت پر دباؤ اور علاقائی و عالمی منڈیوں میں غیر یقینی

صورتحال کی وجہ سے مختلف چیلنجز کا بھی سامنا کیا۔

مالی سال 26-2025 کے دوران آٹو سیکٹر نے 30.23 فی صد اضافہ کے ساتھ ترقی کی جس سے فروخت 1,701,436 یونٹس سے بڑھ کر 2,215,737 یونٹس ہوگئی۔ فروخت کے اعداد و شمار کے مطابق پچھلے سال کے مقابلہ میں مسافر گاڑیاں 112,203 یونٹس سے بڑھ کر 155,631 یونٹس فروخت ہوئیں؛ جیپ اور پک اپس 36,057 یونٹس سے بڑھ کر 50,814 یونٹس فروخت ہوئیں؛ مجموعی طور پر ٹرک اور بسیں 5,232 یونٹس سے بڑھ کر 8,424 یونٹس فروخت ہوئیں؛ ٹریکٹرز 29,192 یونٹس کے مقابلہ میں 28,791 یونٹس رہے۔ تھری ویلرز گاڑیاں پچھلے سال کے مقابلہ میں 40,381 یونٹس سے بڑھ کر 41,802 یونٹس فروخت ہوئیں اور موٹر سائیکل پچھلے سال کے مقابلہ میں 1.478 ملین یونٹس سے بڑھ کر 1.930 ملین یونٹس فروخت ہوئے۔ (ذرائع؛ پاکستان آٹو موٹیو مینوفیکچرز ایسوسی ایشن)

سال کے دوران، کمپنی کی توجہ ہائبرڈ، پلگ ان ہائبرڈ اور الیکٹرک گاڑیوں کے مواقع پر مرکوز رہی اور کمپنی نے TANK-500 کے CKD ماڈلز متعارف کرائے جو ایک اہم اسٹریٹجک پیش رفت ہے اور توقع ہے کہ کمپنی کے پروڈکٹ پورٹ فولیو کو مزید مضبوط کریں گے اور مستقبل میں آمدنی اور منافع میں اضافہ کرنے میں مدد کریں گے۔

حکومت کی نئی توانائی گاڑیوں پر پالیسی کی اہمیت کو مدنظر رکھتے ہوئے، کمپنی ماڈل متعارف کروانے اور سرمایہ کاری کے منصوبوں کو مارکیٹ کی مانگ، ریگولیٹری تقاضوں اور سپلائی چین کی دستیابی کے ساتھ ہم آہنگ رہی ہے۔

کمپنی کی مالیاتی کارکردگی:

کمپنی نے 30 جون 2026 کو ختم ہونے والے مالی سال کے دوران آمدنی اور منافع میں بہترین اضافہ کیا۔ مجموعی آمدنی 76.38 فی صد اضافہ کے ساتھ بڑھ کر 191,715.35 ملین روپے ہو گئی، جبکہ منافع بعد از ٹیکس 44.49 فی صد اضافہ کے ساتھ بڑھ کر 23,604.64 ملین روپے ہوگیا۔

SAZGAR آپریشنل کارکردگی، محتاط مالی انتظام، صلاحیت میں اضافہ اور صارفین کے اعتماد کو مضبوط بنانے پر توجہ مرکوز رکھے ہوئے ہے۔

مالیاتی نتائج:

تفصیل	30 جون 2026 (روپے)	30 جون 2025 (روپے)	تبدیلی
آمدنی	191,715,353,728	108,692,595,641	76.38 فی صد
مجموعی منافع	46,475,641,966	31,641,983,942	46.88 فی صد

تفصیل	30 جون 2026 (روپے)	30 جون 2025 (روپے)	تبدیلی
آپریٹنگ منافع	36,448,451,976	25,614,559,357	42.30 فی صد
منافع قبل از ٹیکس	38,645,552,176	26,737,849,341	44.54 فی صد
ٹیکسیشن	(15,040,909,326)	(10,401,669,213)	44.60 فی صد
منافع بعد از ٹیکس	23,604,642,851	16,336,201,342	44.49 فی صد
فی حصص آمدنی	390.51	270.26	44.49 فی صد

تخصیصات:

کمپنی کے بورڈ آف ڈائریکٹران نے 27 اگست 2026 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 500 فی صد کے عبوری نقد منافع کے علاوہ ہے جس سے 30 جون 2026 کو ختم ہونے والے سال کے لئے مجموعی طور پر 700 فی صد نقد منافع بنے گا۔ (30 جون 2025 : 520 فی صد)

سیلز آمدنی:

کمپنی کی مجموعی سیلز آمدنی 76.38 فیصد اضافے کے ساتھ 108.69 ارب روپے سے بڑھ کر 191.72 ارب روپے ہوگئی جو کمپنی کی تاریخ میں اب تک کی سب سے زیادہ سیلز آمدنی ہے۔ یہ کامیابی GWM-HAVAL اور GWM -TANK - 500 برانڈ گاڑیوں کی فروخت میں اضافہ کی وجہ سے ممکن ہوئی۔

حصہ وار سیلز آمدنی:

کمپنی کی مجموعی سیلز آمدنی بنیادی طور پر درج ذیل حصوں میں تقسیم کی جاسکتی ہے:

تفصیل	30 جون 2026	30 جون 2025	فی صد اضافہ (کمی)
فور ویلرز	180,669,345,977	98,166,998,402	84.04 فی صد
تھری ویلرز*	10,282,121,194	9,824,848,097	4.65 فی صد
ٹریکٹر وہیل رمز اور دوسری چیزیں**	763,886,557	700,749,142	9.01 فی صد

*اس میں تھری ویلرز کی برآمدی فروخت 59.09 ملین روپے (2025: 69.05 ملین) شامل ہے، جو پچھلے مالی سال کے مقابلے میں 14.42 فی صد کمی ظاہر کرتی ہے۔ سال کے دوران، کمپنی نے تھری ویلرز جاپان، میکسیکو، دبئی، نیدرلینڈ، متحدہ عرب امارات اور فلپائن کو برآمد کیے۔

**اس میں امریکہ کو 19.24 ملین روپے (2025: 0 فی صد) کی مختلف شیٹ میٹل اشیاء کی برآمدی فروخت شامل ہے۔

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

مصنوعات	30 جون 2026	30 جون 2025	فی صد اضافہ (کمی)
فوروہیلرز *	19,188	10,889	76.21 فی صد
تھری ویلرز	26,845	25,786	4.11 فی صد
ٹریکٹر وہیل رمز	42,980	42,622	0.84 فی صد

* فوروہیلر کی فروخت میں درآمد شدہ CBU کے 9 یونٹس کی فروخت بھی شامل ہے۔ (10 یونٹس :30 جون 2025)

مجموعی منافع:

مجموعی منافع 46.88 فی صد اضافی کے ساتھ 31,641.98 ملین روپے سے بڑھ کر 46,475.64 ملین روپے ہو گیا۔ مجموعی منافع کا تناسب 29.11 فی صد سے کم ہو کر 24.24 فی صد ہو گیا، جو لاگت اور مصنوعات کے امتزاج کے اثرات کی عکاسی کرتا ہے۔ کمپنی درآمدی پرزہ جات کی مقامی تیاری، پرزوں کے فراہم کنندہ کے ساتھ مذاکرات، پیداواری کارکردگی اور خام مال کی منصوبہ بندی پر توجہ مرکوز رکھے ہوئے ہے۔ تاکہ منافع کو محفوظ رکھا جا سکے۔

قرضوں کی لاگت:

قرضوں کی لاگت پچھلے سال کے مقابلہ میں 97.23 فی صد اضافہ کے ساتھ 230.30 ملین روپے سے بڑھ کر 454.21 ملین روپے ہو گئی ہے۔ اضافہ بنیادی طور پر طویل مدتی قرضوں اور WPPF پر سود کی وجہ سے ہے۔

قبل از ٹیکس منافع:

قبل از ٹیکس منافع 26,737.85 ملین روپے سے بڑھ کر 38,645.55 ملین روپے ہو گیا، جو 44.54 فی صد اضافہ ظاہر کرتا ہے۔ یہ بنیادی طور پر آمدنی میں اضافے اور دیگر آمدنی کی وجہ سے تھا، جو جزوی طور پر بڑھتی ہوئی تقسیمی، انتظامی، آپریٹنگ اور مالیاتی لاگت سے متاثر ہوا۔

آمدنی فی حصص:

30 جون 2026 کو ختم ہونے والے مالی سال کے لیے فی شیئر آمدنی 270.26 روپے سے بڑھ کر 390.51 روپے ہو گئی، جو 44.49 فی صد اضافہ کو ظاہر کرتی ہے اور شیئر ہولڈر کی قدر میں اضافہ کی عکاسی کرتی ہے۔

کمپنی کی مجموعی مالیت:

شیئر ہولڈرز کی ایکویٹی 30 جون 2025 کے مقابلہ میں 23,707.70 ملین روپے سے بڑھ کر 30 جون 2026 کو 43,015.56 ملین روپے ہو گئی، جو اس مدت کے دوران جاری شدہ ڈیویڈنڈ کی تقسیم کے بعد 81.44 فی صد بڑھوتری کو ظاہر کرتی ہے۔ کل اثاثے 95.64 فی صد بڑھ کر 81,654.30 ملین روپے ہو گئے۔

لیکویڈیٹی اور ورکنگ کیپٹل کی مضبوطی:

30 جون 2026 کو ختم ہونے والے مالی سال کے دوران بیلنس شیٹ میں نمایاں اضافہ ہوا۔ کیش اور بینک بیلنس 13,984.68 ملین روپے ہو گئے ہیں، جو فکسڈ اثاثوں میں سرمایہ کاری اور نقد ڈیویڈنڈ کی ادائیگی کے بعد ہیں، جبکہ اسٹاک ان ٹریڈ 42,067.52 ملین روپے تک بڑھ گیا، جو آپریٹنگ اسکیل، انوینٹری مینجمنٹ اور کاروباری ترقی میں اضافے کی عکاسی کرتا ہے۔

پیداوار:

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

مصنوعات	30 جون 2026	30 جون 2025	فی صد اضافہ (کمی)
فوروہیلرز	19,391	11,039	75.66 فی صد
تھری ویلرز	26,574	24,700	7.59 فی صد
ٹریکٹر وہیل رمز	42,139	41,717	1.01 فی صد

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۔

کمپنی سمجھتی ہے کہ تمام خطرات کو مکمل طور پر ختم نہیں کیا جا سکتا ہے، انہیں مؤثر طریقے سے منظم، کم اور تیسرے فریق کو منتقل کیا جا سکتا ہے۔

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

خطرات کی گورننس اور کمپنی کی سطح پر خطرات کو برداشت کرنے کی حد کا تعین کرنے کے لئے بورڈ نے خطرات کی انتظامی پالیسیوں کا قیام کر دیا ہے۔ 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 انٹرنل کنٹرول کا مضبوط نظام بنا رکھا ہے۔ نظام کو مزید بہتر بنانے کے لئے اس کی مسلسل نگرانی کی جارہی ہے۔

رسک منیجمنٹ اینڈ انٹرنل کنٹرول فریم ورک کی مکمل تفصیلات پر مبنی پالیسیاں کمپنی کی ویب سائٹ پر موجود ہیں۔

کمپنی کو درپیش چند بنیادی خطرات درج ذیل ہیں۔

خام مال کی قیمت، دستیابی اور CKDs:

کمپنی کی مصنوعات کی پیداوار درآمد شدہ CKD کٹس، خام مال اور اہم اجزاء کی دستیابی پر منحصر ہے۔ سپلائی چینز میں خلل، شپمنٹ میں تاخیر، مال برداری، انشورنس، ایکسچینج ریٹس اور سپلائرز کی توجہ پیداوار کے تسلسل اور منافع کو متاثر کر سکتی ہیں۔ ایسی صورتحال سے بچنے کے لیے، کمپنی ان پرزہ جات کا زیادہ ذخیرہ رکھتی ہے اور سپلائی چین کی مسلسل نگرانی کرتی ہے اور سپلائر سے قریبی رابطہ رکھتی ہے تاکہ کسی بھی مسئلے کو ابتدائی مرحلے پر حل کیا جاسکے۔

روپے کی قدر میں کمی:

پاکستانی روپے کی غیر ملکی کرنسیوں کے مقابلے میں کوئی بھی نمایاں کمی درآمد شدہ ان پٹ لاگت میں اضافہ کر سکتی ہے اور مارجن اور فروخت کی قیمتوں پر منفی اثر ڈال سکتی ہے۔ کمپنی مسلسل غیر ملکی کرنسی کے اتار چڑھاؤ کی نگرانی کرتی ہے اور جہاں ممکن ہو کرنسی کے اتار چڑھاؤ کے تحفظ کے لئے سہولیات حاصل کرتی ہے۔

اقتصادی، سیاسی اور امن وامان کی صورت حال:

مستحکم معاشی، سیاسی اور قانونی و نظم وضبط کی صورتحال صارفین کے اعتماد، ڈیلرشپ کی سرگرمی اور پیداوار کی منصوبہ بندی پر نمایاں اثر ڈالتی ہے۔ ان شعبوں میں غیر یقینی صورتحال آمدنی، منافع اور ورکنگ کیپیٹل کی ضروریات کو متاثر کر سکتی ہے۔

عام مارکیٹ کے حالات:

جارحانہ مقابلہ، قیمتوں میں تبدیلیاں، نئے ماڈل لانچ، وارنٹی پالیسیاں اور بعد از فروخت سروس کی ذمہ داریاں آمدنی، منافع اور مارکیٹ شیئر کو متاثر کر سکتی ہیں۔ کمپنی مقابلہ کرنے والوں کی سرگرمیوں اور صارفین کی ترجیحات کی نگرانی کرتی ہے تاکہ مناسب ردعمل دے سکے۔

ریگولیٹری اور ٹیکس پالیسی:

آٹوموٹو انڈسٹری کسٹمز، سیلز ٹیکس، انکم ٹیکس، ریگولیٹری ڈیوٹیز، آٹو پالیسی، حفاظت اور ماحولیاتی تقاضوں کے تابع ہے۔ حکومتی پالیسی میں کوئی بھی اچانک منفی تبدیلی لاگت کے ڈھانچے، طلب، مصنوعات کے امتزاج اور منافع کو متاثر 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 تحقیق شدہ مالیاتی گوشواروں کے نوٹ 36 میں بیان کر دیئے گئے ہیں۔

غیر یقینی صورت حال:

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

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

مالیاتی گوشواروں پر ایکسٹرنل آڈیٹرز کی رپورٹ:

ایکسٹرنل آڈیٹرز نے 30 جون 2026 کو ختم ہونے والے سال کے مالی گوشواروں پر ایک غیر ترمیم شدہ رپورٹ جاری کی ہے۔ جو کہ کمپنیز ایکٹ 2017 کی دفعہ 227(2)(e) کے تحت مطلوب ہے اس لئے آڈیٹرز کی رپورٹ میں ترمیم کے بارے میں کوئی وضاحت نہیں کی گئی۔

:Pattern of Shareholding

Pattern of Shareholding of the shares مقرر شدہ فارمیٹ میں بطور Annexure B لف ہے۔

قرضوں کی ادائیگی میں ڈیفالٹ:

سال کے دوران، کمپنی نے اپنے قرضوں، مالیاتی انتظامات یا دیگر قرض کی ذمہ داریوں کے حوالے سے پرنسپل رقم، مارک اپ یا دیگر واجب الادا رقم کی ادائیگی میں کوئی ڈیفالٹ نہیں کیا۔

فری فلوٹ شیئرز:

پاکستان اسٹاک ایکسچینج لمیٹڈ کے مطابق کمپنی کے فری فلوٹ شیئرز 30 جون 2026 پر 21,156,087 عام حصص تھے جو ادا شدہ شیئر کیپیٹل کا 35.00 فی صد بنتے ہیں۔

نمایاں تبدیلیاں:

سوائے ان تبدیلیوں کے جو کہ ڈائریکٹران کی رپورٹ اور 30 جون 2026 کے اختتام پر آڈٹ شدہ سالانہ مالیاتی 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 اس رپورٹ کی تاریخ کے دوران نہیں ہوا ہے۔

مستقبل پر نقطہ نظر:

مسلسل میکرو اکنامک استحکام، مالیاتی اصلاحات، سرمایہ کاروں کے اعتماد میں بہتری اور اقتصادی سرگرمیوں کی مضبوطی کی مدد سے توقع ہے کہ معیشت مالی سال 27–2026 کے دوران بتدریج بحالی جاری رکھے گی۔ صنعتی اور سروسز کے شعبوں میں ترقی، مہنگائی میں کمی اور شرح مبادلہ کے استحکام سے کاروبار اور سرمایہ کاری کے لیے سازگار ماحول فراہم ہونے کی توقع ہے۔ تاہم، یہ منظر نامہ علاقائی جغرافیائی سیاسی کشیدگیوں، بین الاقوامی تیل اور اجناس کی قیمتوں میں اتار چڑھاؤ، بدلتے ہوئے مالی اور ٹیکس اقدامات، بڑھتی ہوئی مالیاتی لاگت اور عالمی اقتصادی غیر یقینی صورتحال سے پیدا ہونے والے خطرات کا شکار ہے، جو مہنگائی، صارفین کی خریداری کی طاقت، کاروباری اعتماد اور مجموعی اقتصادی ترقی کو متاثر کر سکتے ہیں۔ پالیسیوں اور ساختی اصلاحات میں مستقل مزاجی معاشی استقامت کو مضبوط کرے گی اور پائیدار طویل مدتی ترقی میں مدد کرے گی۔

آٹو سیکٹر نے اپنی بڑھتی ہوئی رفتار دوبارہ حاصل کی اور موجودہ مالی سال کے دوران متاثر کن کارکردگی دکھائی۔ توقع کی جاتی ہے کہ یہ شعبہ ملک کے بہتر معاشی حالات کے ساتھ ساتھ ترقی کرے گا۔ اس سے اس سیکٹر میں نئے آنے والے مینوفیکچررز، موجودہ اسمبلرز کی توسیع، اور نیو انرجی وہیکلز (NEVs) کی طرف بڑھتے ہوئے رجحان کی وجہ سے سخت مقابلہ ہونے کی توقع ہوتی ہے اور صارفین کی پسند کے انتخاب میں اضافہ اور تکنیکی ترقی کو تیز کرنے اور یہ مارکیٹ کے تمام شعبوں میں مقابلہ بھی بڑھاتی ہے۔

موجودہ معاشی ماحول کے پیش نظر، کمپنی پائیدار اور منافع بخش ترقی کی کوشش جاری رکھے گی۔ اہم ترجیحات میں فور ویلرز سیکٹر خاص طور پر نیو انرجی وہیکلز پورٹ فولیو کو وسعت دینا، مقامی طور پر پرزہ جات کی تیاری بڑھانا، پیداواری کارکردگی کو بہتر بنانا، لاگت کا منظّم انتظام اور صارفین کے اطمینان کو برقرار رکھنا شامل ہوگا۔ کمپنی اپنی ملک گیر ڈیلر شپ اور بعد از فروخت نیٹ ورک کو مزید مضبوط کرنے، مارکیٹ میں رسائی بڑھانے اور ورکنگ کیپیٹل کو دانشمندی سے منظّم کرنے پر بھی توجہ مرکوز رکھے گی تا کہ لیکویڈیٹی اور آپریشنل استقامت کو محفوظ رکھا جا سکے۔

کمپنی مستقبل کی ترقی کی مدد کے لیے اپنی مینوفیکچرنگ صلاحیتوں کو مضبوط بنانے میں بھی سرمایہ کاری جاری رکھے ہوئے ہے۔ جدید ترین پینٹ شاپ کی تنصیب سے پیداواری صلاحیت میں اضافہ، عملی رکاوٹوں میں کمی، مینوفیکچرنگ میں لچک بڑھانے، مستقبل میں گاڑیوں کے ماڈلز کے تعارف کی مدد اور مجموعی آپریٹنگ افادیت میں بہتری کی توقع ہے۔

آٹوموٹیو ڈیولپمنٹ پالیسی 21–2016 کے تحت کمپنی کو دستیاب مالی مراعات کی میعاد ختم ہونے سے اس کی مخصوص مصنوعات پر ٹیکس کی شرح میں اضافہ ہوا ہے؛ کمپنی نے فیصلہ کیا ہے کہ وہ اضافی ٹیکس کا ایک بڑا حصہ برداشت کرے گی بجائے اس کے کہ اسے مکمل طور پر صارفین کو منتقل کرے۔ کمپنی کا ماننا ہے کہ یہ طریقہ صارفین کے اعتماد کو بڑھاتا ہے، مارکیٹ شیئر کی حفاظت کرتا ہے اور طویل مدتی شیئر ہولڈر ویلیو کی مدد کرتا ہے۔

عرصہ برائے 31–2026 کے لئے حکومت کی جانب سے اس رپورٹ کی تاریخ تک آٹوموٹیو ڈیولپمنٹ پالیسی کو نہ ہی کوئی حتمی شکل دی گئی ہے اور نہ ہی اس کا اعلان ہوا ہے۔ پالیسی کی حتمی تکمیل میں تاخیر نے آٹوموٹو مارکیٹ میں غیر یقینی صورتحال پیدا کی ہے اور بعد کے ادوار میں کمپنی کی فروخت کے حجم اور منافع پر منفی اثر پڑ رہا ہے۔

تھری ویلرز شعبہ کمپنی کے کاروبار کا لازمی حصہ ہے، جو مسافروں کے لئے سستی اور تجارتی نقل و حمل کی ضروریات کو پورا کرتا ہے۔ کمپنی مصنوعات کا اعتماد، لاگت کی مسابقت، ڈیلر کی مدد، اسپیئر پارٹس کی دستیابی اور بعد از فروخت خدمات پر توجہ مرکوز رکھے گی، جبکہ اُن مارکیٹوں میں برآمدی صلاحیت کا جائزہ لے گی جہاں اقتصادی اور پائیدار ٹرانسپورٹ حل کی طلب موجود ہے۔

ٹریکٹر ویلز کے کاروبار کو زرعی شعبے میں استحکام، ٹریکٹر کی طلب اور دیہی معاشی سرگرمیوں سے فائدہ ہونے کی توقع ہے۔ کمپنی اس شعبے میں معیار، بروقت فراہمی، کسٹمر ریلیشن شپ اور آپریشنل افادیت پر توجہ مرکوز رکھے گی، تا کہ صلاحیت کے استعمال کو بہتر بنایا جا سکے اور کاروباری ترقی کو برقرار رکھا جا سکے۔

کمپنی کا ماننا ہے کہ بحال ہوتی ہوئی ملکی معیشت، گاڑیوں کی مسلسل مانگ، مینوفیکچرنگ صلاحیت میں اسٹریٹیجک سرمایہ کاری، مصنوعات کی مسلسل تنوع اور کمپنی کی منظم مالی و آپریشنل مینجمنٹ مستقبل کی ترقی کے لیے مضبوط پلیٹ فارم فراہم کرتی ہے۔ معاشی، ضابطہ جاتی اور جغرافیائی سیاسی خطرات کے لیے چوکس رہتے ہوئے، کمپنی کو یقین ہے کہ وہ بدلتے ہوئے مسابقتی منظر نامے میں کامیابی سے راستہ تلاش کرنے، اپنے بنیادی کاروباری شعبوں میں قیادت کو مضبوط کرنے اور اپنے شیئر ہولڈرز کو پائیدار طویل مدتی قدر فراہم کرنے کے لیے بہترین پوزیشن میں ہے۔

ماحول پر کمپنی کے کاروباری اثرات:

بنیادی طور پر کمپنی کے مینوفیکچرنگ آپریشنز کا ماحولیاتی اثر توانائی کی کھپت، ایندھن کے استعمال، ہوا کے اخراج، پانی کی کھپت، صنعتی فضلہ پیدا کرنے اور خام مال کے استعمال کے ذریعے ہوتا ہے۔

کمپنی ان اثرات کو کم کرنے کے لیے تمام متعلقہ ماحولیاتی قوانین اور ضوابط کی پابندی کر کے، وسائل کے استعمال میں بہتری کر کے، مینوفیکچرنگ کے عمل کو بہتر بنانے اور فضلہ پیدا کرنے میں کمی کے لیے پرعزم ہے۔

سال کے دوران، کمپنی نے 5.7 میگاواٹ سولر سسٹم کی تنصیب کی، جس سے روایتی گرڈ بجلی پر انحصار کو نمایاں طور پر کم کرنے، گرین ہاؤس گیسوں کے اخراج میں کمی، توانائی کی کارکردگی بہتر بنانے اور صاف اور زیادہ پائیدار مینوفیکچرنگ عمل میں مدد ملنے کی توقع ہے۔

کمپنی اپنی طویل مدتی پائیداری کی حکمت عملی کے حصے کے طور پر اپنی نئی توانائی گاڑیوں (NEVs) کے پورٹ فولیو کو مسلسل بڑھا رہی ہے۔ NEVs میں ٹیل پائپ کے اخراجات کو نمایاں طور پر کم کرنے، ہوا کے معیار کو بہتر بنانے، گرین ہاؤس گیسوں کے اخراج کو کم کرنے اور پاکستان کی صاف ستھری اور زیادہ پائیدار نقل وحمل کی طرف منتقلی کی مدد کرنے کی صلاحیت موجود ہے۔

کمپنی کا ماننا ہے کہ صاف گاڑیوں کی ٹیکنالوجیز میں مسلسل سرمایہ کاری، قابل تجدید توانائی کے لئے اقدامات اور ذمہ دارانہ مینوفیکچرنگ کے طریقے، ماحولیاتی تحفظ میں مدد دیں گے اور تمام اسٹیک ہولڈرز کے لیے پائیدار طویل مدتی قدر پیدا کریں گے۔

ادارے کی سماجی ذمہ داری:

کارپوریٹ سوشل ریسپانسبلٹی کاروبار کی جانب سے اخلاقی رویہ اپنانے اور معاشی ترقی میں حصہ ڈالنے کا مسلسل عزم ہے جس کے ساتھ ورک فورس، ان کے خاندانوں، مقامی کمیونٹیز اور معاشرے کے معیار زندگی کو بہتر بناتا ہے۔ کمپنی ملازمین کی فلاح و بہبود، تربیت، صحت وحفاظت، ماحولیاتی اقدامات، کمیونٹی سپورٹ اور ذمہ دارانہ کاروباری طریقوں کی حمایت جاری رکھے ہوئے ہے۔

کمپنی کی 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 CSR سرگرمیاں انجام دی تھیں:

- کمپنی نے صحت، سماجی فلاح و بہبود اور تعلیم سے وابستہ مختلف اداروں کو بالترتیب 42,980,100/- روپے، 3,200,000/- اور 5,198,800/- روپے کے عطیات دیے۔
- غریب لوگوں اور کمپنی کے ملازمین کو ان کی فلاح و بہبود کے لئے کھانے پینے کی اشیاء فراہم کرنے میں کمپنی نے 23,071,495/- روپے کی رقم خرچ کی۔
- کمپنی نے یونیورسٹی کے 78 گریجویٹس/ڈپلومہ ہولڈرز کے لئے سال کے دوران 14,630,438/- روپے معاوضے کے ساتھ انٹرن شپ کے مواقع پیش کیے، جس سے انہیں آٹوموٹو انڈسٹری میں عملی تجربہ فراہم ہوا۔
- کمپنی نے سال کے دوران ایک مقامی این جی او کے ساتھ مل کر 813,500/- روپے کی لاگت سے مفت میڈیکل کیمپ منعقد کیا۔
- کمپنی نے رواں سال حج کی ادائیگی کے لیے 5 ملازمین اور عمرہ کے لئے 10 ملازمین کو اسپانسر کیا اور اس سے متعلقہ 11,189,080/- روپے کے تمام اخراجات ادا کئے۔
- 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 479,900/- روپے کی رقم ادا کی گئی۔
- کمپنی نے اپنے ملازمین کی تعلیمی معاونت اور بیرونی تربیت کے لئے 111,864/- روپے ادا کیے۔
- کمپنی اضافی سہولیات اور مناسب تربیت کی فراہمی کے ساتھ ساتھ معذور افراد کے لئے روزگار کے مواقع پیدا کرتی ہے۔ فی الحال، 32 افراد، جو مختلف طور پر معذور ہیں، کمپنی کی ملازمت میں ہیں.

سی ایس آر سرگرمیوں کی مکمل تفصیلات کمپنی کی سسٹین ایبلیٹی رپورٹ 2026 میں ظاہر کی گئی ہیں۔

انٹرنل فنانشل کنٹرول کی مناسبیت پر بیان:

بورڈ آف ڈائریکٹرز اپنی ذمہ داری تسلیم کرتے ہیں کہ وہ ایک مناسب اور مؤثر داخلی مالی کنٹرول کا نظام قائم کریں اور برقرار رکھیں۔ کمپنی نے پالیسیاں، طریقہ کار، اجازت کی حدود اور کنٹرول میکانزم نافذ کیے ہیں جو اس کے اثاثوں کی حفاظت، اکاؤنٹنگ ریکارڈز اور مالیاتی رپورٹنگ کی درستگی اور

اعتبار کو یقینی بنانے، دھوکہ دہی اور غلطی کی شناخت اور روک تھام، اور قابل اطلاق قوانین، ضوابط اور منظور شدہ کارپوریٹ پالیسیوں کی تعمیل کو فروغ دینے کے لیے بنائے گئے ہیں۔

سال کے دوران، اندرونی مالیاتی کنٹرولز کے ڈیزائن اور آپریٹنگ مؤثریت کا انتظامیہ، انٹرنل آڈٹ فنکشن اور بورڈ آڈٹ کمیٹی نے جائزہ لیا۔ ان جائزوں کے ذریعے شناخت شدہ کسی بھی کنٹرول مشاہدے کو مناسب انتظامیہ کی سطح کو رپورٹ کیا گیا، اور جہاں ضرورت ہوئی اصلاحی اقدامات نافذ کیے گئے۔

بورڈ ان کے کیے گئے جائزوں کی بنیاد پر مطمئن ہے کہ کمپنی کے اندرونی مالی کنٹرول 30 جون 2026 تک کافی اور مؤثر طریقے سے کام کر رہے تھے۔ کمپنی اپنے آپریشنز کی توسیع، کاروباری خطرات میں تبدیلیوں اور متعلقہ ریگولیٹری تقاضوں کے مطابق اپنے کنٹرول ماحول کو مضبوط کرتی رہے گی۔

کمپنی کے اندرونی کنٹرول فریم ورک کی جامع تفصیل انٹرنل کنٹرول پالیسی میں بیان کی گئی ہے جو کمپنی کی ویب سائٹ پر آویزاں ہے۔

قومی خزانے میں شراکت:

کمپنی نے انکم ٹیکس، سیلز ٹیکس، کسٹم ڈیوٹی، نیو انرجی وہیکل اڈاپشن لیوی، کیپٹل ویلیو ٹیکس اور ایکسائز کی مد میں پچھلے سال 39.86 بلین روپے کے مقابلہ میں اس سال 84.44 بلین روپے (30 جون 2025 : 88.62 فی صد) جمع کرائے ہیں۔ جو کہ 111.85 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 وبائی مرض کے اکاؤنٹنگ مضمرات کا اندازہ کیا ہے اور تعین کیا ہے کہ COVID-19 کا کمپنی کے 30 جون 2026 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 دی لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 ء 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 فلوز 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 مختتمہ 30 جون 2026 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 27 اگست 2026 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۔ جو 500 فی صد کے عبوری نقد منافع کے علاوہ ہوگا جس سے 30 جون 2026 کو ختم ہونے والے مالی سال کے لئے مجموعی طور پر 700 فی صد نقد منافع بنے گا۔ (30 جون 2025: 520 فی صد)

واجب الادا قانونی واجبات:

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

اہم فیصلے اور منصوبے:

کمپنی منافع بخش منصوبوں بشمول آٹو موبائل سیکٹر میں کاروباری مواقع تلاش کرنے اور مزید ماحول دوست گاڑیاں متعارف کروانے 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 پھیلایا جائے۔ اس کو کمپنی کی ویب سائٹ پر بھی آویزاں کیا گیا ہے۔

Related Party Transactions کی منظوری:

کمپنی نے کمپنی اور Related Party کے درمیان لین دین کو منظم کرنے کے لیے ایک منظور شدہ پالیسی فریم ورک وضع کیا ہے۔ تمام Related Party Transactions بورڈ آڈٹ کمیٹی (BAC) کے سامنے جائزے اور غور کے لیے پیش کی جاتی ہیں۔ بی اے سی کی سفارش پر، یہ لین دین بورڈ آف ڈائریکٹرز کے سامنے ان کے جائزے، منظوری اور/ یا نوٹس کے لیے پیش کیے جاتے ہیں۔

Related Party Transactions کی منظوری کے عمل کے دوران متعلقہ قوانین، ضوابط اور دیگر ہدایات کی دفعات پر عمل کیا جاتا ہے۔ ذاتی مفاد رکھنے والے ڈائریکٹرز متعلقہ غور و فکر یا فیصلوں میں حصہ نہیں لیتے۔

پائیداری، خطرات اور ان کا انتظام/ تخفیف:

پائیداری ایسے حالات کی تخلیق اور برقرار رکھنا ہے جن میں انسان اور فطرت پیداواری ہم آہنگی کے ساتھ ساتھ رہ سکیں، تاکہ موجودہ اور آنے والی نسلوں کی ماحولیاتی، سماجی، معاشی اور دیگر ضروریات پوری ہوں۔

کارپوریٹ پائیداری سے مراد ایک کاروباری نقطہ نظر ہے جو ماحولیاتی، سماجی، اور حکمرانی کے پہلوؤں کو کمپنی کی حکمت عملی میں شامل کرتا ہے اور کاروبار اور معاشرے دونوں کے لیے طویل مدتی قدر پیدا کرتا ہے، ماحول پر منفی اثرات کو کم سے کم کرتا ہے اور کمیونٹیز میں مثبت کردار ادا کرتا ہے۔

کارپوریٹ پائیداری کے اہم اجزاء:

1. **ماحولیاتی عوامل**: ان میں مالی طور پر مادی خطرات اور مواقع جیسے موسمیاتی تبدیلی، پانی، زمین اور ہوا کا استعمال شامل ہیں۔
2. **سماجی عوامل**: یہ معاشرے، افراد کے حقوق اور ان کمیونٹیز کی فلاح و بہبود سے متعلق ہیں جن میں کمپنی کام کرتی ہے، جیسے ہیومن کیپیٹل مینجمنٹ، تنوع، صحت اور حفاظت۔
3. **گورننس کے عوامل**: ان میں بورڈ کا معیار، خود مختاری اور احتساب، ایگزیکٹیو بورڈ کی کارکردگی اور معاوضے پر بورڈ کی نگرانی اور کمپنی کی حکمت عملی، رسک مینجمنٹ، کارکردگی اور انکشافات بشمول ماحولیاتی اور سماجی عوامل کے انکشافات پر بورڈ کی نگرانی شامل ہیں۔

پائیداری سے متعلق خطرات کا جائزہ ماحولیاتی، سماجی اور گورننس (ای ایس جی) کے تناظر میں لیا جاتا ہے۔

کمپنی نے سال 2026 کے لیے ایک علیحدہ پائیداری رپورٹ تیار کی ہے جس میں پائیداری (بشمول موسمیاتی تبدیلی) سے متعلق خطرات اور مواقع، کمپنی کے ماحولیاتی اثرات، سماجی اقدامات اور کارپوریٹ گورننس کے طریقے بیان کیے گئے ہیں۔

تنوع، مساوات اور شمولیت (DE&I) اور کام کی جگہ پر ہراسانی سے تحفظ:

کمپنی کام کرنے کی جگہ پر تنوع، مساوات اور شمولیت کا کلچر بنانے اور اسے فروغ دینے کے لئے پر عزم ہے جہاں پر ہر کوئی اپنے آپ کو قابل قدر، قابل احترام اور حمایت یافتہ ہونے کے ساتھ ساتھ ہراسانی، 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 چیئرپرسن 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 لئے کمپنی کی سرکاری ویب سائٹ پر دستیاب ہیں۔

بورڈ آف ڈائریکٹرز:

اس وقت، کمپنی کے بورڈ آف ڈائریکٹرز میں درج ذیل نو (9) ڈائریکٹرز شامل ہیں جو 19 مارچ 2029 تک اس عہدے 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 ثنا سلیمان 6. جناب حمزہ امجد وزیر 7. جناب عمیر اعجاز (آزاد ڈائریکٹر)
8. جناب طحہ محمود(آزاد ڈائریکٹر) 9. جناب محمد عمر سعید(آزاد ڈائریکٹر)

ڈائریکٹرز کا انتخاب:

کمپنی کے ڈائریکٹرز کا انتخاب ء17 مارچ، 2026ء کو منعقد ہونے والے غیر معمولی اجلاس عام میں کیا گیا اور نیا بورڈ 20 مارچ 2026ء سے شروع ہونے والی تین سال کی مدت کے لئے تشکیل دیا گیا۔ نئے منتخب ہونے والے نو(9) ڈائریکٹرز کے نام ذیل میں دیے گئے ہیں:

1. جناب میاں اسد حمید 2. مسز سائرہ اسد حمید 3. جناب سعید اقبال خان 4. جناب میاں محمد علی حمید 5. مسز ثنا سلیمان 6. جناب حمزہ امجد وزیر 7. جناب عمیر اعجاز (آزاد ڈائریکٹر)
8. جناب طحہ محمود(آزاد ڈائریکٹر) 9. جناب محمد عمر سعید (آزاد ڈائریکٹر)

چیئرپرسن، چیف ایگزیکٹو اور چیف آپریٹنگ آفیسرز (ایگزیکٹو ڈائریکٹرز) کی تقرری:

سال کے دوران چیئرپرسن، چیف ایگزیکٹو اور چیف آپریٹنگ آفیسرز تین سالہ مدت مکمل کرنے کے بعد ریٹائر ہو گئے۔

ڈائریکٹرز کے انتخابی عمل کی تکمیل کے نتیجے میں بورڈ نے 28 مارچ 2026ء سے شروع ہونے والی تین سال کی مدت کے لئے مسز سائرہ اسد حمید کو چیئرپرسن، جناب میاں اسد حمید کو چیف ایگزیکٹو، جناب سعید اقبال خان کو ایگزیکٹو ڈائریکٹر بطور "چیف آپریٹنگ آفیسر (COO) - تھری ویلرز اور آٹو موٹیو پارٹس ڈویژن" اور جناب میاں محمد علی حمید کو کمپنی کا ایگزیکٹو ڈائریکٹر بطور "چیف آپریٹنگ آفیسر (COO) - کارڈویژن" کو موجودہ مشاہرہ پر مقرر کیا۔

ڈائریکٹران کے مشاہرہ کی پالیسی:

بورڈ نے ایگزیکٹو ڈائریکٹرز بشمول چیف ایگزیکٹو کے معاوضے کے پیکجز اور بورڈ اور اس کی کمیٹیوں میں شرکت کے لیے نان ایگزیکٹو ڈائریکٹرز کے معاوضہ کو مقرر کرنے کے لیے ایک باقاعدہ پالیسی اور شفاف طریقہ کار وضع کیا ہے۔ مشاہرہ وضع کرنے کا طریقہ ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کی ذمہ داریوں، قابلیت، تجربے اور مہارت کے کردار اور سطح کو مدنظر رکھتے ہوئے طے کیا جاتا ہے تاکہ انہیں کمپنی کے امور بغیر ان کی خودمختاری پر سمجھوتہ کئے ہوئے کامیابی سے چلانے کے لیے راغب اور برقرار رکھا جا سکے۔

ایگزیکٹو ڈائریکٹران:

بورڈ آف ڈائریکٹران چیف ایگزیکٹو سمیت ایگزیکٹو ڈائریکٹران کے لئے مشاہرہ اور فوائد کا تعین منظور شدہ پالیسی اور متعلقہ قوانین 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۔

ایگزیکٹو بورڈ کے ارکان کا ماہانہ انتظامی مشاہرہ (بعد از ٹیکس) درج ذیل ہے:

چیف ایگزیکٹو	5.80 ملین روپے
ایگزیکٹیو ڈائریکٹر (COO - تھری ویلرز اور آٹوموٹیو پارٹس ڈویژن)	3.00 ملین روپے
ایگزیکٹیو ڈائریکٹر (COO - کارڈویژن)	1.60 ملین روپے

یہ ایگزیکٹو بورڈ ممبران کمپنی کے زیر انتظام گاڑیوں کے سرکاری اور نجی مقاصد کے لیے مفت استعمال، اپنے اور شریک حیات کے لیے اصل طبی اخراجات کی واپسی، اور بورڈ آف ڈائریکٹرز کی منظوری کے مطابق نقد بونس کی ادائیگی اور کمپنی کی لاگو پالیسیوں اور قواعد وضوابط کے تحت ان عہدوں سے وابستہ دیگر مراعات حاصل کرنے کے بھی حقدار ہیں۔

نان ایگزیکٹو ڈائریکٹران:

کمپنی بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں شرکت کے لئے آزاد ڈائریکٹروں سمیت نان ایگزیکٹو ڈائریکٹرز کو میٹنگ 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 نان ایگزیکٹو ڈائریکٹرز بشمول آزاد ڈائریکٹر کو بھی بورڈ اور کمیٹیوں کے اجلاسوں میں شرکت کے لیے بورڈنگ اور رہائش کے لئے اخراجات کی ادائیگی کی جاتی ہے۔

سال کے دوران، بورڈ نے بورڈ کی چیئرپرسن، کمیٹیوں کے چیئرمینز اور دیگر نان ایگزیکٹو ڈائریکٹرز کے لیے اجلاسوں کی فیس کے اسکیل میں ترمیم کی بھی منظوری دی۔

میٹنگ فیس کا نظر ثانی شدہ اسکیل درج ذیل ہے:

بورڈ کی چیئرپرسن کے لئے میٹنگ فیس	175,000/- روپے
دوسرے نان ایگزیکٹیو ڈائریکٹرز کے لئے بورڈ میٹنگ فیس	100,000/- روپے
کمیٹی کے چیئرمین کے لئے میٹنگ فیس	100,000/- روپے
دوسرے نان ایگزیکٹیو ڈائریکٹرز کے لئے کمیٹی میٹنگ فیس	60,000/- روپے

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

کسی بھی ڈائریکٹر یا قانون کے مطابق اس کے رشتہ دار نے اپنے مشاہرہ کے تعین کے لئے اجلاس میں حصہ نہیں لیا تھا۔

سال کے دوران ڈائریکٹران کو ادا شدہ مشاہرہ:

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

روپے

تفصیلات	انتظامی مشاہرہ	بونس اور دیگر فوائد	میٹنگ فیس، بورڈنگ اور رہائشی اخراجات	ٹوٹل
چیف ایگزیکٹو	69,600,000	104,771,147	-	174 ,371 ,147
ایگزیکٹیو ڈائریکٹر (چیف آپریٹنگ آفیسر- تھری ویلرز & آٹوموبیو پارٹس ڈویژن)	36,000,000	53,462,935	-	89,462,935
ایگزیکٹیو ڈائریکٹر (چیف آپریٹنگ آفیسر - کارڈویژن)	19,200,000	29,047,182	-	48,247,182
نان-ایگزیکٹیو ڈائریکٹران	-	-	3,630,000	3,630,000

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 ریمونیریشن کمیٹی	نومینیشن کمیٹی	رسک منیجمنٹ کمیٹی	سسٹین ایبلٹی کمیٹی
کل منعقدہ اجلاس	5	4	2	1	1	1
جناب میاں اسد حمید	5	-	2	1	-	-
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	-	2	1	-	-
جناب عمیر اعجاز	5	4	2	-	1	1
جناب طٰہٰ محمود	5	4	2	-	1	-
جناب محمد عمر سعید	5	-	-	-	-	1

ڈائریکٹرز اورینٹیشن پروگرام:

سال کے دوران، نیا بورڈ 20 مارچ 2026 سے شروع ہونے والی اگلی تین سالہ مدت کے لیے تشکیل دیا گیا۔ چیئرپرسن نے ڈائریکٹرز کی نئی مدت کے آغاز پر تمام ڈائریکٹرز کو خطوط جاری کیے جن میں ان کے فرائض، ذمہ داریوں، اختیارات اور کردار، ان کے مشاہرہ اور حقوق سے متعلقہ قوانین وضوابط اور کمپنی کے آرٹیکلز آف ایسوسی ایشن میں بیان کیے گئے اصول بتائے تا کہ وہ کمپنی کے امور کو کامیابی سے چلا سکیں۔

سال کے دوران ڈائریکٹرز ٹریننگ پروگرام:

کمپنی سرٹیفکیشن آف ڈائریکٹرز ٹریننگ پروگرام لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے تحت پیروی میں ہے۔ (9) نو میں سے سات (7) ڈائریکٹران نے 30 جون 2026 تک ایس ای سی پی کے منظور شدہ اداروں سے ڈائریکٹر ٹریننگ پروگرام حاصل کیا جبکہ دو (2) ڈائریکٹران کو لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے تحت استثناء حاصل ہوا اور ایس ای سی پی سے بھی استثناء حاصل کیا گیا۔

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

سال کے دوران ڈائریکٹرز، ایگزیکٹوز اور ان کے شریک حیات اور نابالغ بچوں نے کمپنی کے حصص کی کوئی تجارت نہیں کی۔

بورڈ کی ساخت:

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

الف۔ مرد (7) سات ب۔ عورت (2) دو

بورڈ کی ساخت مندرجہ ذیل ہے۔

اے۔ **آزاد ڈائریکٹران:**

جناب عمیر اعجاز جناب طہٰ محمود

جناب محمد عمر سعید

بی۔ **نان ایگزیکٹیو ڈائریکٹران:**

مسز سائرہ اسد حمید مسز ثناء سلیمان

جناب حمزہ امجد وزیر

سی۔ **چیف ایگزیکٹیو سمیت ایگزیکٹیو ڈائریکٹران:**

جناب میاں اسد حمید جناب سعید اقبال خان

جناب میاں محمد علی حمید

ڈی۔ **عورت ڈائریکٹران:**

مسز سائرہ اسد حمید مسز ثناء سلیمان

بورڈ کمیٹیاں:

ممبران کے نام	بورڈ آڈٹ کمیٹی	ہیومن ریسورس اینڈ ریمیونیریشن کمیٹی	نومینیشن کمیٹی	رسک منیجمنٹ کمیٹی	سسٹین ایبلٹی کمیٹی
جناب عمیر اعجاز	**	*		**	*
جناب طہٰ محمود	*	**		*	
مسز ثناء سلیمان	*				*
جناب حمزہ امجد وزیر		*	*		
جناب میاں اسد حمید		*	**		
جناب سعید اقبال خان			*		
جناب میاں محمد علی حمید				*	
جناب محمد عمر سعید					**

** ڈائریکٹر متعلقہ کمیٹی کا چیئرمین ہے۔

* ڈائریکٹر متعلقہ کمیٹی کا ممبر ہے۔

بورڈ، کمیٹیوں اور انفرادی ڈائریکٹران کی کارکردگی کی جانچ پڑتال:

بورڈ نے لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے تقاضوں کے مطابق بورڈ، اس کی کمیٹیوں اور انفرادی ڈائریکٹرز کے سالانہ کارکردگی کی جانچ کے لیے ایک باقاعدہ اور مؤثر طریقہ کار قائم کیا ہے۔ سال کے دوران، ہیومن ریسورس اینڈ ریمونریشن کمیٹی نے منظور شدہ جائزہ فریم ورک اور معیار کی بنیاد پر سالانہ کارکردگی کی جانچ کا عمل مکمل کیا۔

ہیومن ریسورس اور ریمیونیریشن کمیٹی نے جانچ کے نتائج کا جائزہ لیا اور انہیں بورڈ کے سامنے پیش کیا۔ بورڈ نے نتائج پر غور کیا اور نوٹ کیا کہ بورڈ، اس کی کمیٹیوں اور انفرادی ڈائریکٹرز کی مجموعی کارکردگی ان کی ذمہ داریوں کو نبھانے میں تسلی بخش اور مؤثر تھی۔

آڈیٹرز:

موجودہ آڈیٹرز M/s Crowe Hussain Chaudhury & Co. Chartered Accountants ریٹائر ہوتے 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 معاوضوں پر ان کی دوبارہ تقرری کے لئے تجویز کیا ہے۔

		روپے
اے۔	سالانہ آڈٹ فیس	2,700,000
بی۔	ششماہی جائزہ	750,000
سی۔	سٹیٹمنٹ آف کمپلائنس ود لسٹیڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 پر رپورٹ	50,000
ڈی۔	سی ڈی سی ریگولیشن کے تحت سرٹیفکیٹ	50,000
ای۔	فری فلوٹ حصص پر رپورٹ	50,000

ملازمین سے تعلقات:

انتظامیہ اور ملازمین کے درمیان تعلقات خوشگوار رہے۔ بورڈ ملازمین کی لگن، ٹیم ورک اور عزم کی قدر کرتا ہے اور توقع کرتا ہے کہ انتظامیہ اور ملازمین کمپنی کے مطلوبہ اہداف حاصل کرنے کے لیے اسی جذبے کے ساتھ کام جاری رکھیں گے۔

اظہار تشکر:

بورڈ کمپنی کے ملازمین کی زیر جائزہ مدت کے دوران دکھائی گئی کوششوں، ٹیم ورک اور لگن کی قدر کرتا ہے۔ بورڈ شیئر ہولڈرز، صارفین، ڈیلرز، سپلائرز، بینکرز، ریگولیٹرز اور کاروباری شراکت داروں کی جانب سے کمپنی کی مسلسل حمایت پر شکریہ ادا کرتا ہے۔

لاہور:

27 اگست 2026

منجانب بورڈ آف ڈائریکٹرز

میاں اسد حمید
چیف ایگزیکٹو

سعید اقبال خان
ڈائریکٹر

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, 2026.

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# 05 & 12-14 of the Annual Report 2026.

The Audit Committee has concluded its annual review of the Company's conduct and operations for the financial year ended June 30, 2026, 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, 2026 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, 2026, 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, 2026 and review of the "Statement of Compliance with the Code of Corporate Governance" for the year ended June 30, 2026.

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, 2027.

Other Reportable Matters

During the financial year 2025-26, 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 34th Annual General Meeting of the Company for the year 2024-25 held on September 25, 2025 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 27, 2026

Crowe Hussain Chaudhury & Co.
7th Floor,Gul Mohar Trade Centre,
8-F, Main Market, Gulberg II,
Lahore-54660, Pakistan
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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, 2026 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, 2026.

CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants

Lahore
Dated: August 27, 2026
UDIN: CR202610051WkVLJhjMg

STATEMENT OF COMPLIANCE

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

NAME OF COMPANY: SAZGAR ENGINEERING WORKS LIMITED
YEAR ENDED: JUNE 30, 2026

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 has 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 executive has also acquired DTP during the current year:

S. No.	Name	Designation
1.	Mr. Muhammad Atif Rao	Chief Financial Officer (CFO)

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

August 27, 2026

Saira Hameed

Mrs. Saira Asad Hameed
(Chairperson)

GENDER PAY GAP STATEMENT
UNDER SECP'S CIRCULAR 10 OF 2024

Following is gender pay gap calculated for the year ended **June 30, 2026**

(i)	Mean Gender Pay Gap:	-5%
(ii)	Median Gender Pay Gap:	1%

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

On behalf of the Board of Directors of the Company

Mian Asad Hameed
Chief Executive

August 27, 2026

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 2026. 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

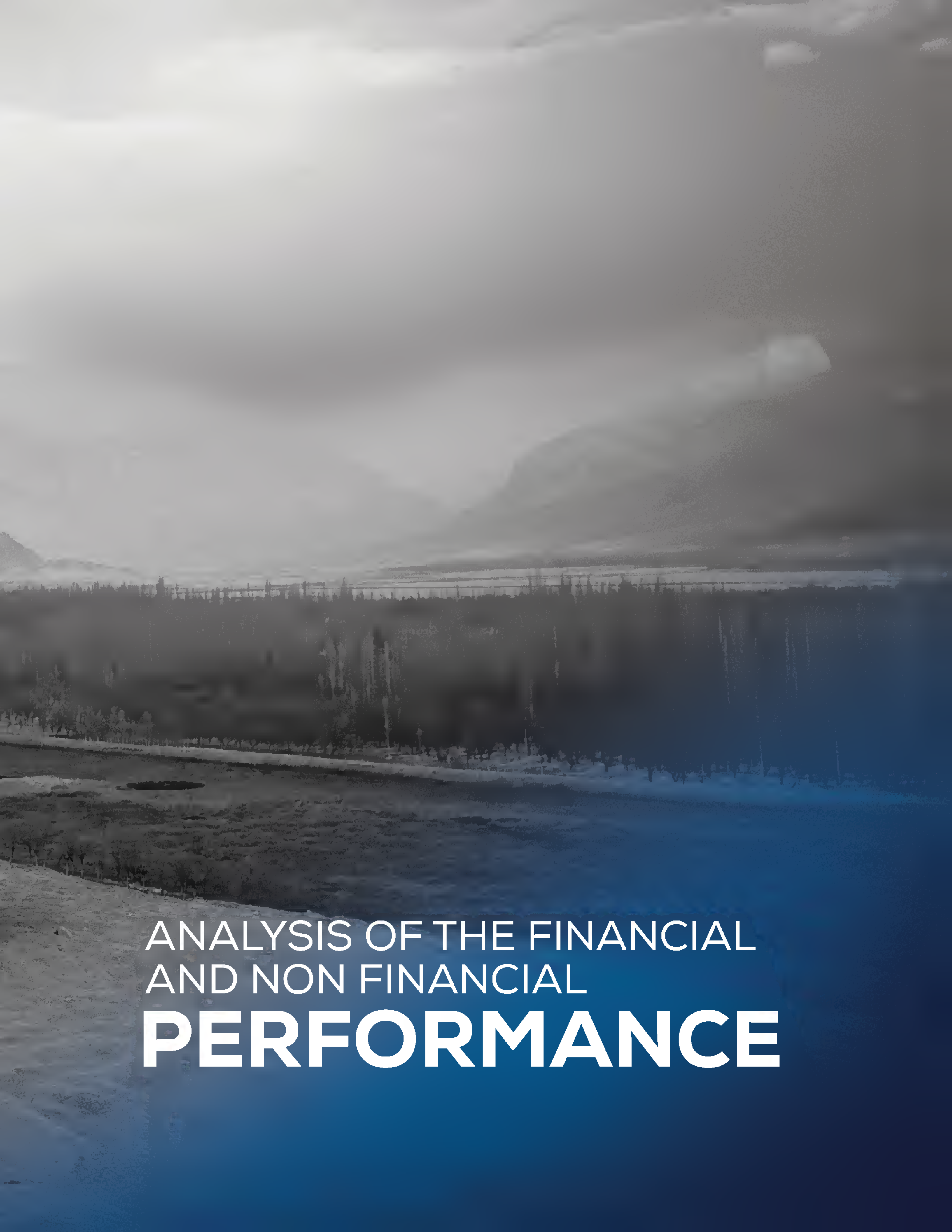
Sustainability report is integrated with the Annual Report 2026 of the Company which is prepared on the basis of:

- **IFRS Sustainability Disclosure Standards** as issued by the International Sustainability Standards Board (ISSB).
- **Global Reporting Initiative (GRI)** standards 2021. 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 273-278

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

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

The Annual Report 2026 has been designed considering the **Best Corporate Report (BCR) Award Evaluation Criteria (2025)** , 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 265-272.



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	2026	2025
Three-Wheeler - Annual Production Capacity	No.	20,000	20,000
Four-Wheeler - Annual Production Capacity	No.	24,000	24,000
Wheel Rims produced	No.	42,139	41,717
Three-Wheeler vehicles produced	No.	26,574	24,700
Four-Wheeler vehicles produced	No.	19,391	11,039

** For more details on performance and impact refer to page no.180*

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	2026	2025
Number of Employees	No.	2,558	1,552
Total Training Hours	Hrs.	1,584	830
Production per Employee	No.	45	52
Revenue per Employee	PKR	98,669,765	73,391,354

** For more details on performance and impact refer to page no.180*

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	2026	2025
ISO Certifications	No.	3	3
Credit Rating	Rating	Medium to long term: "A+" Short term: "A1"	Medium to long term: "A" Short term: "A1"

** For more details on performance and impact refer to page no.180*

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	2026	2025
Four-wheeler dealerships	No.	28	20
CSR spending	PKR'M	101.7	31.5

* *For more details on performance and impact refer to page no.180*

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	2026	2025
GHG Emissions (scope1 & 2)	MT C02e	8,619	6,682
Energy consumption	GJ	55,452	49,699
Renewable energy generation	Kwh	2,273,399	-

* *For more details on performance and impact refer to page no.180*

ANALYSIS OF THE FINANCIAL
PERFORMANCE - FINANCIAL CAPITAL

Financial Performance in comparison with Prior year

During the FY 2025-26, the Company achieved a record-breaking **net revenue** of Rs. 191.7 billion, marking the highest level since the inception of its operations. This represents a significant 76.4% increase from the Rs. 108.7 billion recorded in the FY 2024-25, driven primarily by higher sales volumes of four wheelers. The Company reported a **net profit** of Rs. 23.6 billion for the year, compared to Rs. 16.3 billion in the previous financial year.

Shareholders' **equity** strengthened from Rs. 23.7 billion as at 30th June 2025 to Rs. 43.0 billion as at June 30, 2026, showing growth of 81.4% after dividend distributions recognized during the period. Total **assets** increased by 95.6% to Rs. 81.7 billion.

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 2025-26 is in line with the budgeted expectations. Net revenue reached Rs. 191.7 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		2026	2025	% change
Revenue	Rs.	191,715,353,728	108,692,595,641	76.4%
Gross Profit	Rs.	46,475,641,966	31,641,983,942	46.9%
Operating Profit	Rs.	36,448,451,975	25,614,559,357	42.3%
Profit Before Tax	Rs.	38,645,552,176	26,737,849,341	44.5%
Profit After Tax	Rs.	23,604,642,851	16,336,180,128	44.5%
Net Profit Margin	%	12.3%	15.0%	-18.1%
EBITDA	Rs.	39,654,583,454	27,305,585,221	45.2%
Earnings Per Share	Rs.	390.51	270.26	44.5%
Market value per share (year-end)	Rs.	2,063.49	1,139.82	81.0%

Methods and Assumptions Used in Compiling the Indicators

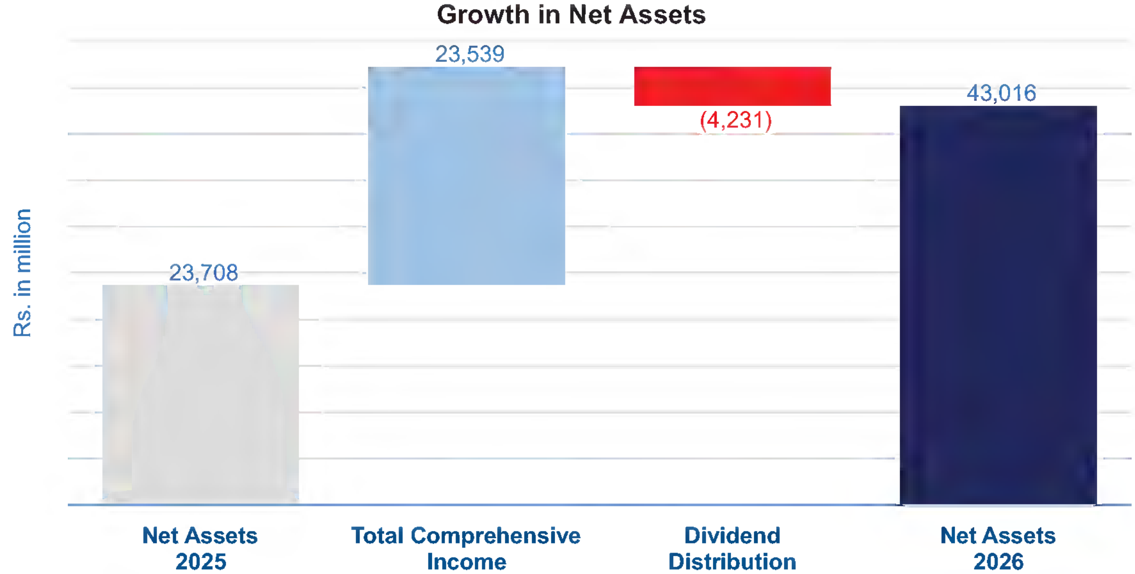
The Company evaluates its performance through key performance indicators (KPIs) that capture both financial outcomes and market dynamics. In developing these indicators, the Company considers its market positioning, competitive landscape, and broader economic conditions. Core indicators regularly monitored 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	2026	2025	2024	2023	2022	2021
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	1,000,000,000
Issued, subscribed and paid-up share capital	604,459,640	604,459,640	604,459,640	604,459,640	604,459,640	464,968,950
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 - un-appropriated profit	41,853,697,619	22,545,831,628	8,942,220,855	1,753,182,230	792,093,365	817,476,633
Total equity	**43,015,563,451**	**23,707,697,460**	**10,104,086,687**	**2,915,048,062**	**1,953,959,197**	**1,839,851,775**
Non-Current Liabilities						
Long term financing	5,188,505,487	49,825,282	151,892,953	344,773,069	510,383,878	295,398,663
Deferred tax liabilities	736,558,971	203,778,448	207,775,728	-	-	-
Post employment benefits	913,302,489	689,751,270	495,893,469	392,826,050	295,513,621	244,891,848
Deferred grant	-	-	-	-	558,743	5,699,176
Deferred revenue	-	-	19,763,562	6,915,405	3,111,783	-
Total Non-Current Liabilities	**6,838,366,947**	**943,355,000**	**875,325,712**	**744,514,524**	**809,568,025**	**545,989,687**
Current Liabilities						
Trade and other payables	30,722,037,965	16,380,112,157	16,160,140,423	3,809,918,412	2,498,331,108	2,008,188,102
Unclaimed dividend	43,504,570	22,228,966	6,269,891	1,407,358	1,407,358	1,407,358
Short term borrowings	-	-	-	-	162,875,560	119,679,608
Profit accrued on loans and other payables	497,765,753	134,718,125	17,220,879	23,362,697	34,835,623	8,998,064
Current portion of long-term liabilities	78,207,049	114,469,094	208,427,075	190,881,934	195,141,340	134,125,605
Taxation-Net	458,852,602	434,275,876	1,854,552,237	-	-	-
Total current liabilities	**31,800,367,939**	**17,085,804,218**	**18,246,610,505**	**4,025,570,401**	**2,892,590,989**	**2,272,398,737**
Total equity and liabilities	**81,654,298,337**	**41,736,856,678**	**29,226,022,904**	**7,685,132,987**	**5,656,118,211**	**4,658,240,199**
Assets						
Non-Current Assets						
Property, plant & equipment	23,021,948,291	7,939,921,844	4,560,374,008	2,861,287,076	2,640,250,123	1,844,421,043
Intangible asset	-	62,564	130,814	199,064	284,624	382,691
Long term loans and advances	107,247,859	74,167,676	39,444,745	13,593,831	21,752,978	28,959,063
Long term deposits	13,190,470	8,990,470	8,930,470	6,038,355	5,871,855	4,045,855
Deferred Taxation	-	-	-	39,208,370	178,768,131	54,931,308
Total non-current assets	**23,142,386,620**	**8,023,142,554**	**4,608,880,037**	**2,920,326,696**	**2,846,927,711**	**1,932,739,960**
Current Assets						
Stores, spares and loose tools	165,064,962	63,066,066	5,809,570	3,649,621	7,520,318	3,278,289
Stock in trade	42,067,517,484	14,227,879,268	14,318,096,914	2,711,102,908	1,741,815,484	817,897,347
Trade debts	89,663,623	111,137,653	133,017,887	270,284,774	179,841,812	116,923,695
Loans, advances, deposits, prepayments and other receivables	2,204,983,510	2,715,138,956	2,398,535,831	750,963,903	706,970,407	1,772,423,816
Cash and bank balances	13,984,682,138	16,596,492,181	7,761,682,665	1,028,805,085	173,042,479	14,977,092
Total current assets	**58,511,911,717**	**33,713,714,124**	**24,617,142,867**	**4,764,806,291**	**2,809,190,500**	**2,725,500,239**
Total Assets	**81,654,298,337**	**41,736,856,678**	**29,226,022,904**	**7,685,132,987**	**5,656,118,211**	**4,658,240,199**

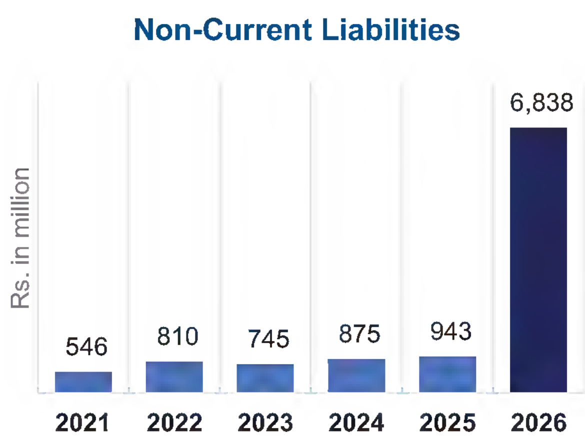
FINANCIAL POSITION
ANALYSIS



Equity and Reserves

(2026: 43.01 billion | 2025: 23.71 billion)

At the close of the year, the Company's net assets stood at Rs. 43.02 billion. The increase is mainly attributable to addition of profitability for 2026, net of dividend distributions during the year. As a result, the Company closed the year with a strong equity base, with the break-up value per share recorded at Rs. 711.64.



Long term Financing (Diminishing Musharakah)

(2026: 5.23 billion | 2025: 0.15 billion)

Long term financing (including current portion) increased to Rs. 5.23 billion at the close of the year, compared to Rs. 0.15 billion last year, mainly on account of new loan facility obtained during the year to meet the funding requirements of the new expansion project. Repayments amounting to Rs. 0.10 billion were made during the year.

Trade and Other Payables

(2026: 30.72 billion | 2025: 16.38 billion)

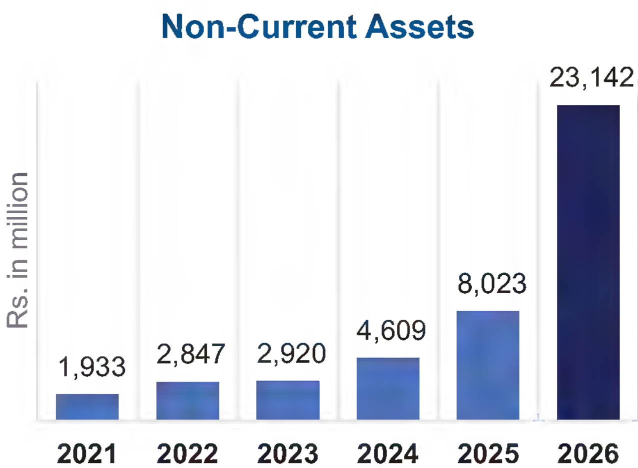
Trade and other payables stood at Rs. 30.72 billion at the close of the year, compared to Rs. 16.38 billion last year, reflecting an increase of 87.6%. The increase was largely driven by higher advances from trade customers.

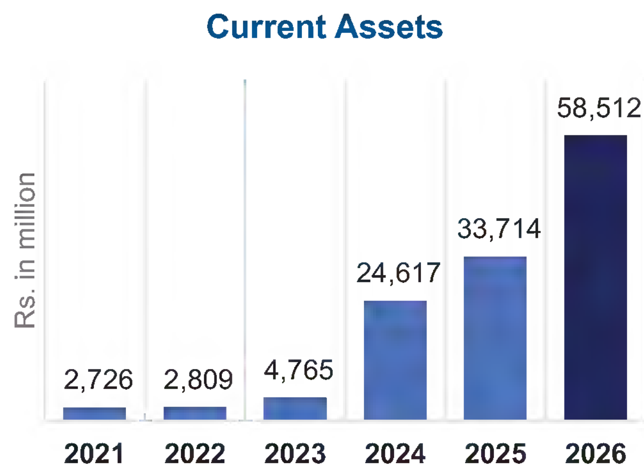
FINANCIAL POSITION **ANALYSIS**

Total Assets

(2026: 81.65 billion | 2025: 41.74 billion)

Total asset base of the Company increased by 95.6% to Rs. 81.65 billion at year end from Rs. 41.74 billion last year. This increase is mainly driven by higher property, plant and equipment and increased stock in trade.





Property, Plant and Equipment

(2026: 23.02 billion | 2025: 7.94 billion)

Property, plant and equipment stood at Rs. 23.02 billion at year end as compared to Rs. 7.94 billion in 2025. The increase is mainly attributable to expansion of four-wheeler facilities and other required CAPEX.

Stock in Trade

(2026: 42.07 billion | 2025: 14.23 billion)

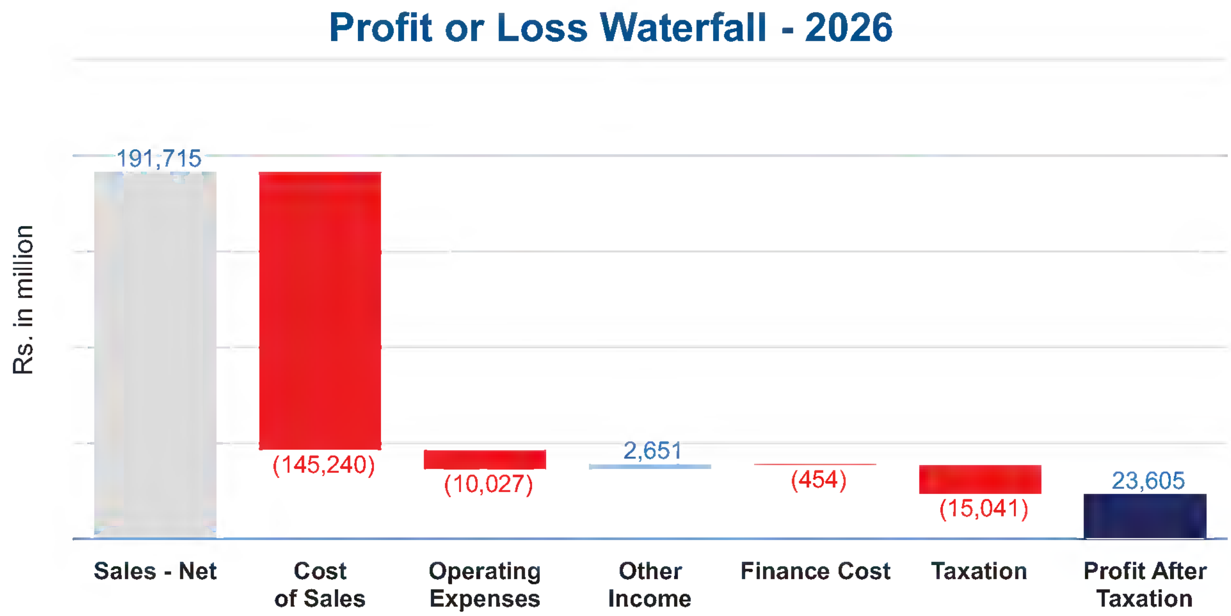
The company's stock-in-trade totaled Rs. 42.07 billion at the close of 2026 compared to Rs. 14.23 billion last year. The increase largely represents higher closing stock related to four-wheeler business segment.

PROFIT OR LOSS ANALYSIS
SIX YEARS SUMMARY

(Annexure-A)

Particulars	2026	2025	2024	2023	2022	2021
Sales - net	191,715,353,728	108,692,595,641	57,642,468,564	18,174,296,868	10,274,217,196	4,033,601,008
Cost of sales	(145,239,711,762)	(77,050,611,699)	(41,996,098,564)	(15,624,820,657)	(9,381,272,016)	(3,666,877,339)
Gross Profit	**46,475,641,966**	**31,641,983,942**	**15,646,370,000**	**2,549,476,211**	**892,945,180**	**366,723,669**
Distribution and marketing cost	(6,192,999,880)	(3,474,370,935)	(1,810,895,576)	(588,484,168)	(428,677,498)	(126,876,804)
Administrative expenses	(976,841,545)	(560,327,372)	(383,302,629)	(239,758,490)	(148,116,313)	(122,369,793)
Other operating expenses	(2,857,348,566)	(1,992,726,278)	(999,809,051)	(102,401,168)	(17,173,228)	(9,423,655)
Total Operating Expenses	**(10,027,189,991)**	**(6,027,424,585)**	**(3,194,007,256)**	**(930,643,826)**	**(593,967,039)**	**(258,670,252)**
Operating Profit	**36,448,451,975**	**25,614,559,357**	**12,452,362,744**	**1,618,832,385**	**298,978,141**	**108,053,417**
Other Income	2,651,305,849	1,355,017,678	832,388,254	30,963,925	18,352,460	17,612,193
Operating profit before finance cost	**39,099,757,824**	**26,969,577,035**	**13,284,750,998**	**1,649,796,310**	**317,330,601**	**125,665,610**
Finance cost	(454,205,648)	(230,296,277)	(168,911,343)	(168,360,565)	(53,878,028)	(21,185,607)
Profit Before Taxation	**38,645,552,176**	**26,739,280,758**	**13,115,839,655**	**1,481,435,745**	**263,452,573**	**104,480,003**
Taxation / levies	(15,040,909,325)	(10,403,100,630)	(5,180,163,079)	(486,359,121)	(145,613,045)	(28,684,681)
Profit After Taxation	**23,604,642,851**	**16,336,180,128**	**7,935,676,576**	**995,076,624**	**117,839,528**	**75,795,322**

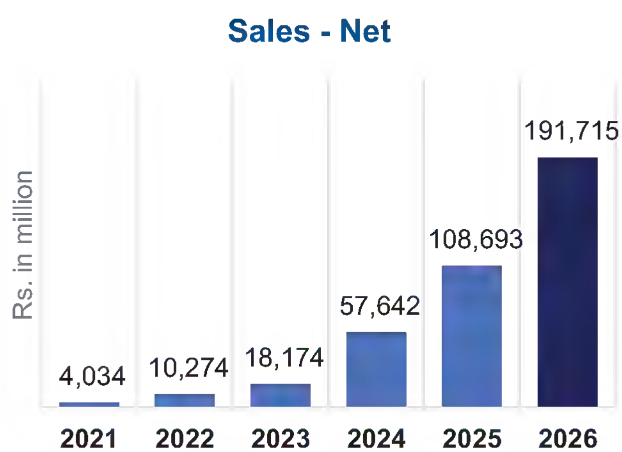
PROFIT OR LOSS
ANALYSIS

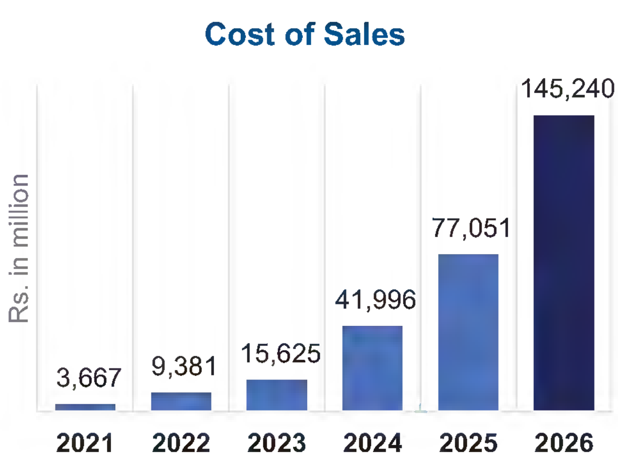


Sales – Net

(2026: 191.72 billion | 2025: 108.69 billion)

The net sales of the Company showed growth of 76.38% from Rs. 108.69 billion Rs. 191.72 billion, the highest ever sales of the Company in its history. This increase is mainly attributable to the increased sales volume of GWM-HAVAL and GWM-Tank-500 branded vehicles.



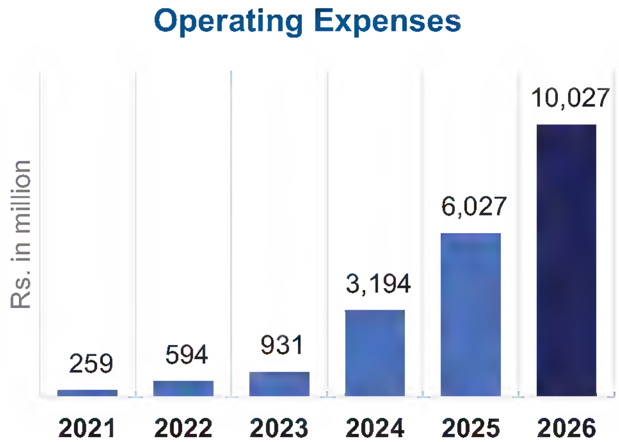


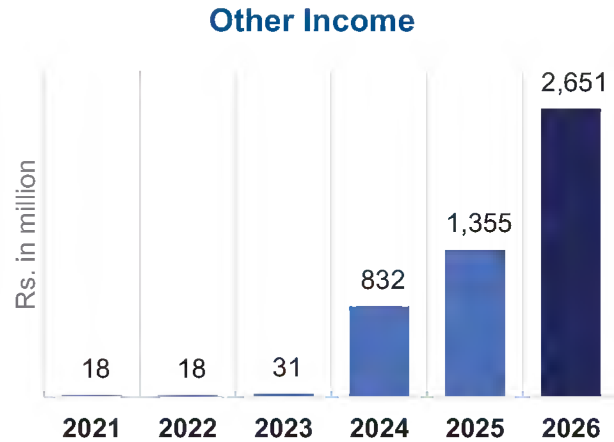
Cost of Sales

(2026: 145.24 billion | 2025: 77.05 billion)

Cost of sales for the year increased to Rs. 145.24 billion from Rs. 77.05 billion last year. This increase is lined with the increase in sales.

PROFIT OR LOSS
ANALYSIS





Operating Expenses

(2026: 10.03 billion | 2025: 6.03 billion)

Operating expenses for the year stood at Rs. 10.03 billion compared to Rs. 6.03 billion last year. This increase is mainly due to the increase of 78.25% in distribution and marketing costs, particularly on account of increase in commission on sales.

Other Income

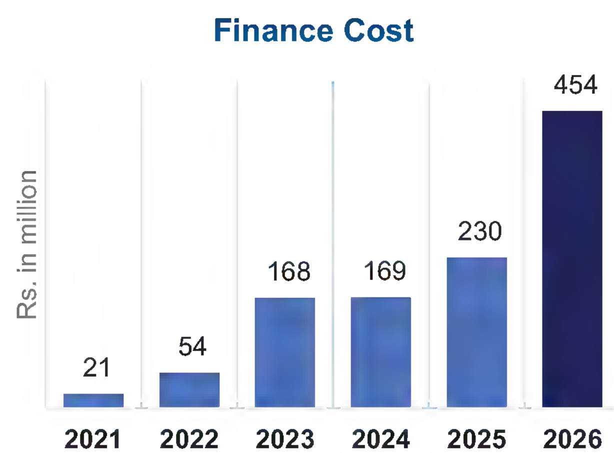
(2026: 2.65 billion | 2025: 1.36 billion)

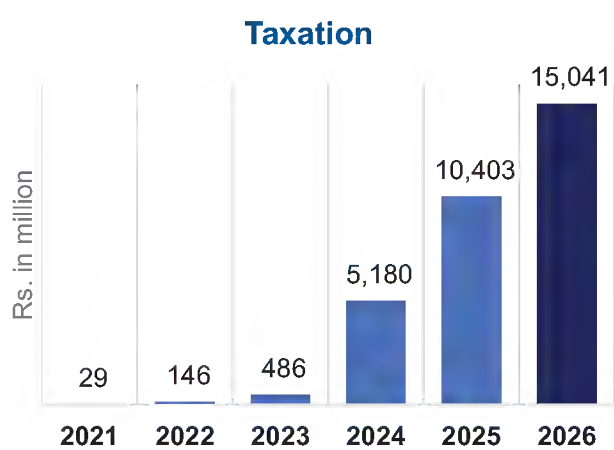
Other income for the year stood at Rs. 2.65 billion compared to Rs. 1.36 billion last year. This increase is mainly on account of increase in profits from Islamic banking deposits.

Finance Cost

(2026: 0.45 billion | 2025: 0.23 billion)

Finance cost for the year aggregated to Rs. 0.45 billion compared to Rs. 0.23 billion last year. This increase is mainly due to the increase in profit on long-term finances and interest on WPPF.



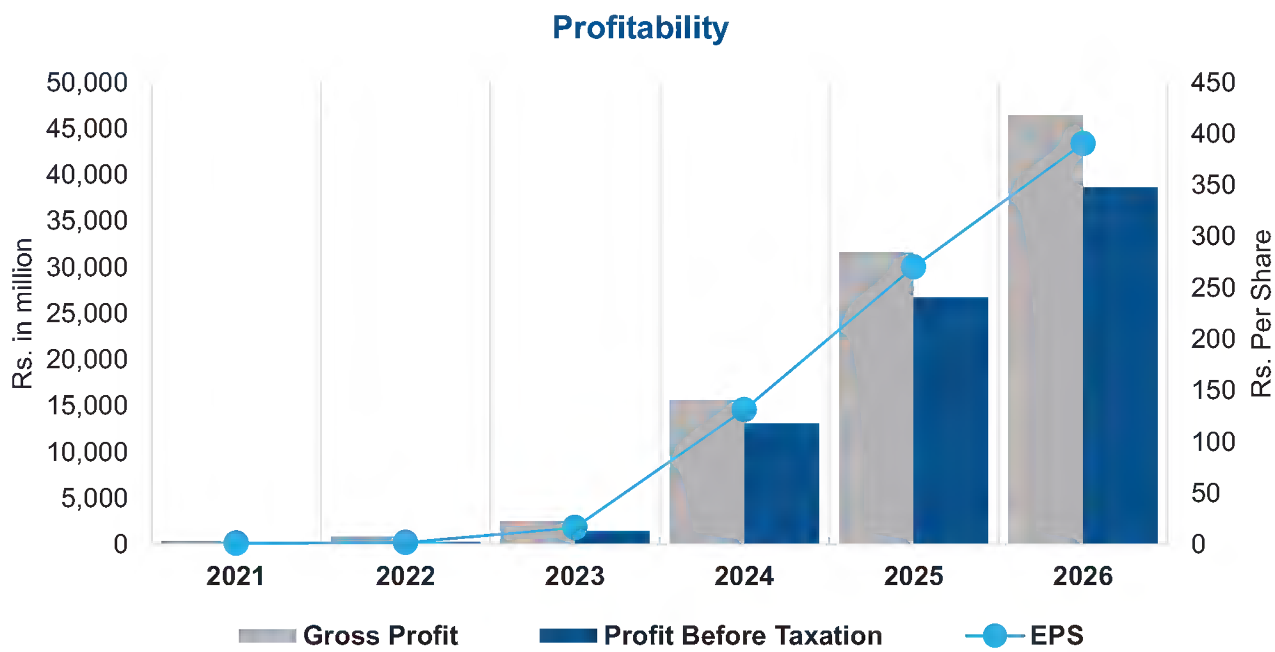


Taxation

(2026: 15.04 billion | 2025: 10.40 billion)

Taxation increased to Rs. 15.04 billion from Rs. 10.40 billion last year, owing to higher profitability.

PROFIT OR LOSS
ANALYSIS



Profit for the year

Gross profit increased from Rs. 31,641.98 million to Rs. 46,475.64 million, showing growth of 46.88%. Gross margin ratio reduced from 29.11% to 24.24%, reflecting cost and product mix effect. The Company is continuing to focus on localization, supplier negotiations, production efficiency and inventory planning to protect margins.

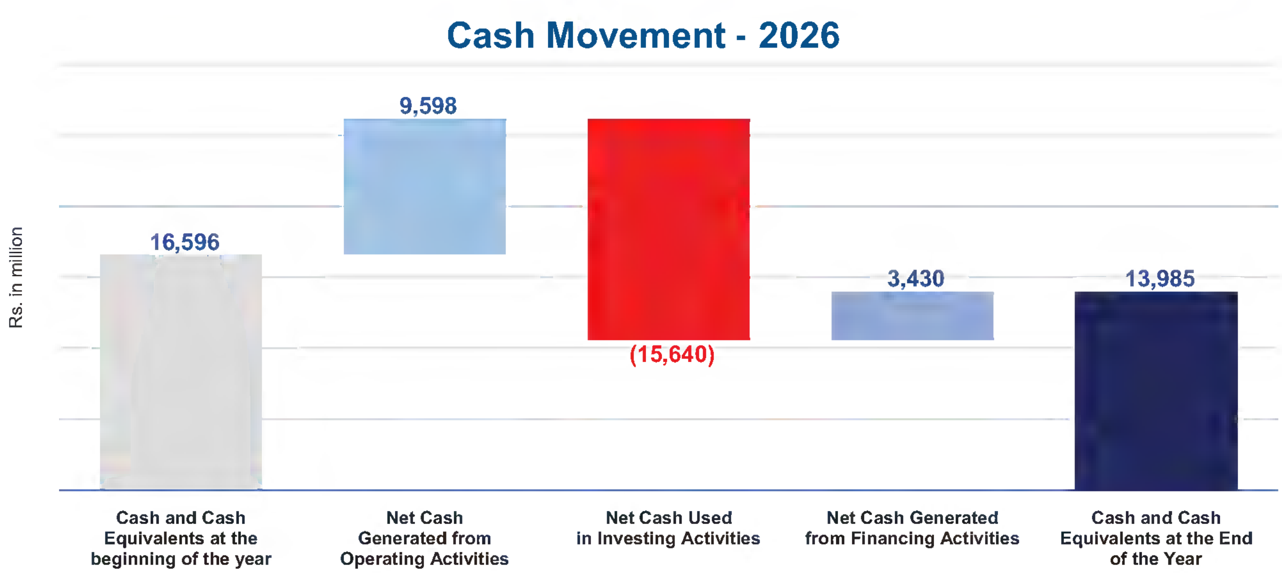
Profit before taxation increased from Rs. 26,739.28 million to Rs. 38,645.55 million, showing growth of 44.53%. This was primarily driven by revenue growth and other income, partly offset by higher distribution, administrative, operating and finance costs.

Earnings per share increased from Rs. 270.26 to Rs. 390.51 for the financial year ended June 30, 2026 showing growth of 44.49% and reflecting continued shareholder value creation.

CASH FLOW ANALYSIS
SIX YEARS SUMMARY

(Annexure-A)

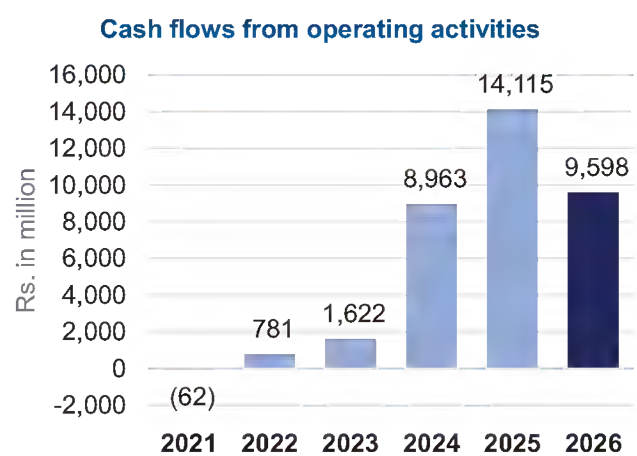
Particulars	2026	2025	2024	2023	2022	2021
Cash flows from operating activities	9,598,486,460	14,114,888,384	8,962,518,900	1,621,781,900	781,162,778	(61,903,001)
Cash flows from investing activities	(15,639,850,127)	(3,714,461,120)	(1,974,972,332)	(453,195,856)	(941,471,728)	(547,841,015)
Cash flows from financing activities	3,429,553,624	(1,565,617,748)	(254,668,988)	(312,823,438)	318,374,337	175,902,052
Net increase / (decrease) in cash & cash equivalent	**(2,611,810,043)**	**8,834,809,516**	**6,732,877,580**	**855,762,606**	**158,065,387**	**(433,841,963)**

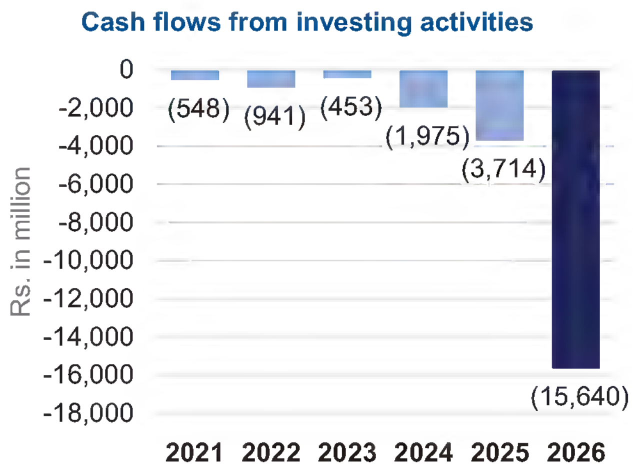


Cash flows from operating activities

(2026: 9.59 billion | 2025: 14.11 billion)

Cash generated from operations were recorded at Rs. 24.94 billion, compared to Rs. 26.09 billion last year. This decline is mainly attributable to change in working capital, particularly on account of significant increase in inventory during the year. Net cash generated from operating activities was further impacted by higher income tax payments consequently the net cash stood at Rs. 9.59 billion, compared to Rs. 14.11 billion last year.





Cash flows from investing activities

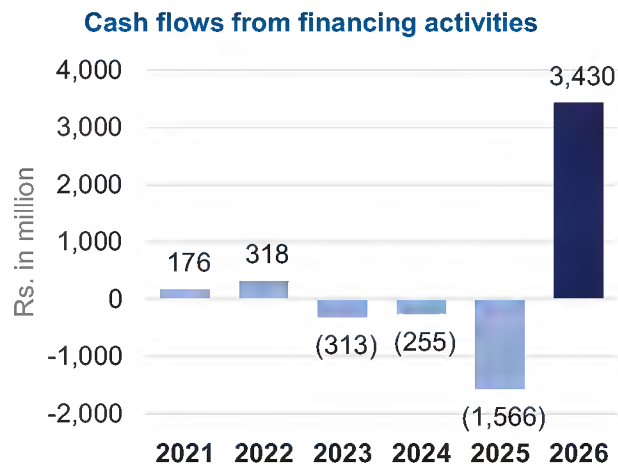
(2026: (15.64) billion | 2025: (3.71) billion)

Net cash used in investing activities increased to Rs. 15.64 billion from Rs. 3.71 billion last year. This increase is mainly on account of company's investment in property, plant and equipment.

Cash flows from financing activities

(2026: 3.42 billion | 2025: (1.56) billion)

During the year Company raised long-term financing amounting to Rs. 5.18 billion, to fund the CAPEX project, while the loan repaid during the year was Rs. 0.102 billion. Company paid dividends of Rs. 4.23 billion during the year, consequently the net cash generated from financing activities was recorded at Rs. 3.42 billion, compared to net cash used in financing activities Rs. (1.56) billion last year.



Free Cash Flows

Particulars	2026	2025	2024	2023	2022	2021
Profit Before Taxation	38,645,552,176	26,739,280,758	13,115,344,825	1,480,987,728	263,452,573	104,480,003
Adjustment of non-cash items	1,493,988,821	1,643,437,657	935,893,684	596,496,337	252,123,116	73,440,082
Changes in working capital	(15,139,226,998)	(2,248,120,644)	(2,072,220,676)	304,286,591	580,888,732	(133,411,200)
Total	**25,000,313,998**	**26,134,597,771**	**11,979,017,833**	**2,381,770,656**	**1,096,464,421**	**44,508,885**
Less: Capital expenditure	15,636,890,127	3,732,521,120	1,989,256,217	454,614,356	945,680,728	549,608,015
Free Cashflows	**9,363,423,871**	**22,402,076,651**	**9,989,761,616**	**1,927,156,300**	**150,783,693**	**(505,099,130)**

FINANCIAL RATIOS
SIX YEARS ANALYSIS

Particulars		2026	2025	2024	2023	2022	2021
Profitability Ratios							
Gross Profit	%	24.24	29.11	27.14	14.03	8.69	9.09
Profit Before tax to Sales	%	20.16	24.60	22.75	8.15	2.56	2.59
Net Profit to Sales	%	12.31	15.03	13.77	5.48	1.15	1.88
Operating Profit to Sales	%	19.01	23.57	21.60	8.91	2.91	2.68
EBITDA Margin to Sales	%	20.68	25.12	23.54	10.36	4.54	3.66
Operating leverage	Times	0.55	1.19	3.08	5.74	1.14	0.51
Shareholders' Funds (In Million)	PKR	43,015.56	23,707.70	10,104.09	2,915.05	1,953.96	1,839.85
Return on Equity After Tax	%	70.75	96.63	121.91	40.87	6.21	4.20
Return on Capital employed - (PBIT)	%	78.43	109.41	121.00	45.08	11.48	5.27
Return on Capital employed - After Tax	%	47.35	66.27	72.28	27.19	4.26	3.18
Return on Investment	%	38.26	46.04	43.00	14.92	2.28	2.03
Total Shareholders Return	%	212.35	118.18	84.25	4.49	5.21	15.82
Sustainable Growth Rate	%	58.07	78.04	103.34	30.94	6.21	4.20
Investment / Market Ratios							
Basic Earnings per Share (EPS)	PKR	390.51	270.26	131.29	16.46	1.95	1.25
Price Earnings ratio	Times	5.28	4.22	6.34	3.09	31.86	134.15
Price to Book ratio	Times	2.90	2.91	4.98	1.05	1.92	4.25
Dividend Yield ratio	%	3.39	4.56	2.40	7.87	-	-
Dividend Payout ratio	%	17.93	19.24	15.23	24.30	-	-
Dividend Cover Ratio	Times	5.58	5.20	6.56	4.12	-	-
Cash Dividend per share	PKR	70	52	20	4	-	-
Market value per share at the year end	PKR	2,063.49	1,139.82	832.46	50.85	62.12	168.21
Market value per share - Highest Value during the year	PKR	2,455.81	1,370.41	852.72	68.59	180.15	204.54
Market value per share - Lowest Value during the year	PKR	1,130.70	830.76	53.91	44.74	60.88	123.98

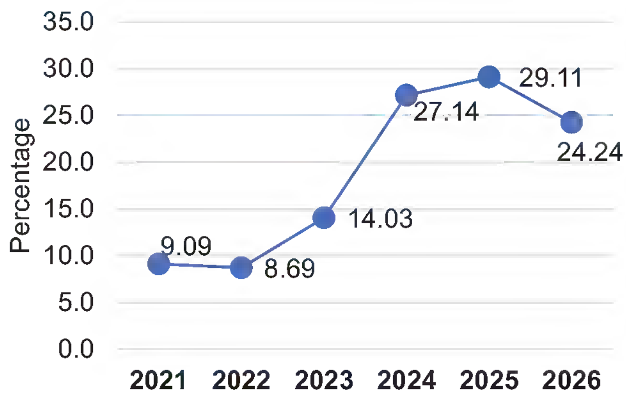
Particulars		2026	2025	2024	2023	2022	2021
Breakup value per share	PKR	711.64	392.21	167.16	48.23	32.33	39.57
Free Float Shares	No.	21,156,087	21,156,087	19,162,076	18,986,922	19,345,905	15,101,094
Free Float Shares as % of total shares outstanding	%	35.00	35.00	31.70	31.41	32.01	32.48
Free Cash Flow	PKR	9,363,423,871	22,402,076,651	9,989,761,616	1,927,156,300	150,783,693	(505,099,130)
Activity / Turnover Ratios							
Inventory Turnover	Times	5.16	5.40	4.93	7.02	7.33	4.96
No. of Days in Inventory	Days	70.74	67.61	74.00	52.01	49.80	73.56
Debtor Turnover	Times	1,909.50	890.36	285.85	80.75	69.24	33.68
No. of Days in Receivable	Days	0.19	0.41	1.28	4.52	5.27	10.84
Creditor Turnover	Times	72.84	58.89	43.42	24.69	16.69	9.39
No. of Days in Payable	Days	5.01	6.20	8.41	14.78	21.87	38.86
Operating Cycle	Days	70.93	68.02	75.28	56.53	55.07	84.40
Total Assets Turnover	Times	3.11	3.06	3.12	2.72	1.99	1.08
Fixed Assets Turnover	Times	12.30	17.21	15.31	6.30	4.30	2.44
Equity Multiplier	Times	1.85	2.10	2.84	2.74	2.72	2.07
Liquidity / Capital Structure - Ratios							
Current ratio	Times	1.84	1.97	1.35	1.18	0.97	1.20
Quick ratio	Times	0.51	1.14	0.56	0.51	0.37	0.84
Cash to Current Liabilities	Times	0.44	0.97	0.43	0.26	0.06	0.01
Cash flow from operations to Sales	Times	0.05	0.13	0.16	0.09	0.08	(0.02)
Cash flow to capital expenditures	Times	(0.17)	2.37	3.38	1.88	0.17	(0.79)
Cash flow coverage ratio	Times	1.82	85.91	24.87	3.03	1.11	(0.14)
Financial leverage ratio	Times	0.13	0.01	0.04	0.19	0.28	0.24
Weighted average cost of debt	%	3.09	31.34	18.20	11.87	2.84	1.40
Debt to Equity ratio (as per book value)	Ratio	13:87	1:99	4:96	19:81	28:72	24:76
Debt to Equity ratio (as per market value)	Ratio	3.4:96.6	0.3:99.7	0.6:99.4	10.3:89.7	10.8:89.2	4.8:95.2
Net assets per share	PKR	711.64	392.21	167.16	48.23	32.33	39.57
Interest Coverage ratio	Times	86.08	117.11	78.65	9.80	5.89	5.93

Particulars		2026	2025	2024	2023	2022	2021
Non-Financial Ratios							
% of Plant Availability	%	92	91	92	85	91	89
Production per Employee	No.	45	52	68	42	84	122
Revenue per Employee	PKR	98,669,765	73,391,354	44,892,888	15,375,886	9,888,563	4,374,838
Staff turnover ratio	%	8.54	7.16	6.46	10.83	9.49	8.46
Spares Inventory as % of Assets Cost	%	0.20	0.15	0.02	0.05	0.13	0.07
Maintenance Cost as % of Operating Expenses	%	0.22	0.31	0.74	0.80	1.78	1.93
Customer Retention Ratio	%	100.00	100.00	100.00	100.00	100.00	100.00

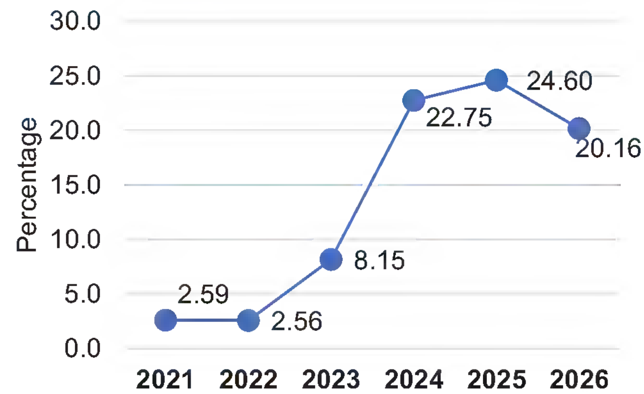
GRAPHICAL PRESENTATION
FINANCIAL RATIOS

Profitability Ratios

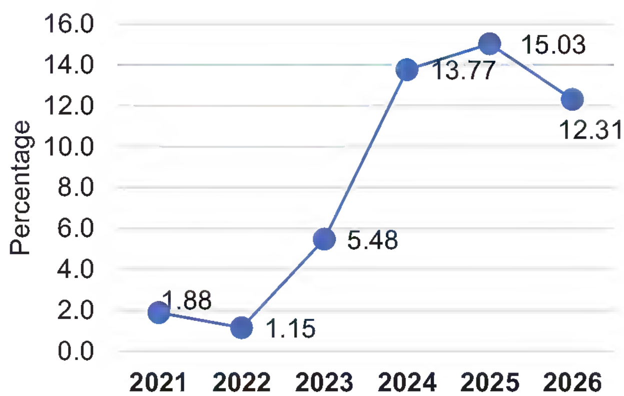
Gross Profit to Sales



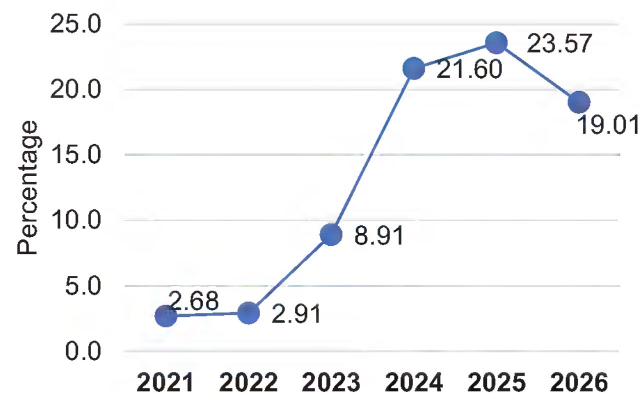
Profit Before Tax to Sales



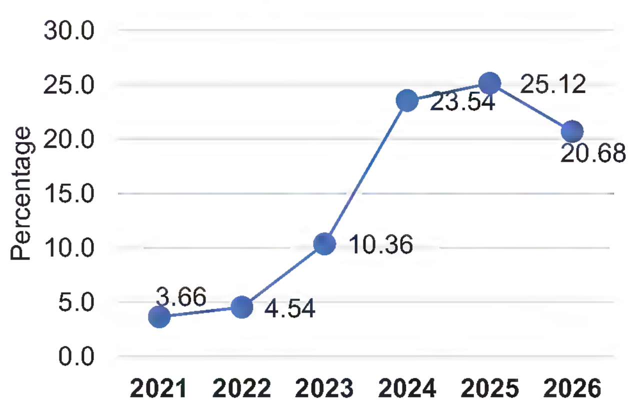
Net Profit to Sales



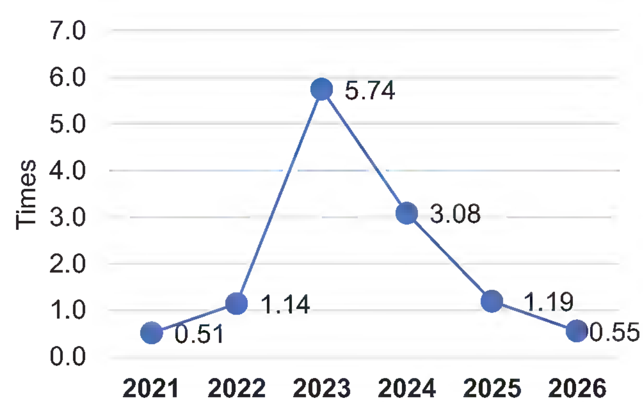
Operating Profit to Sales



EBITDA Margin to Sales

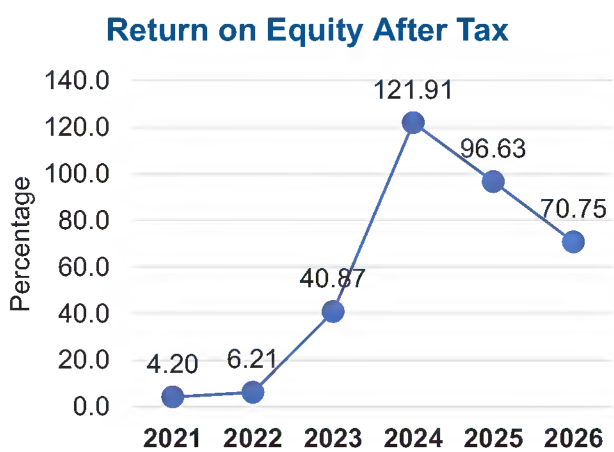


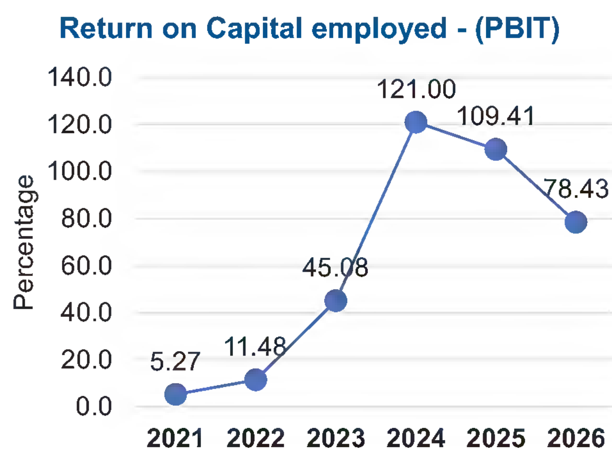
Operating leverage

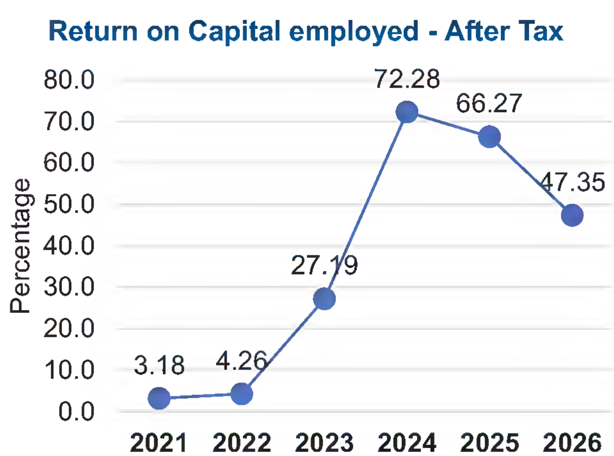


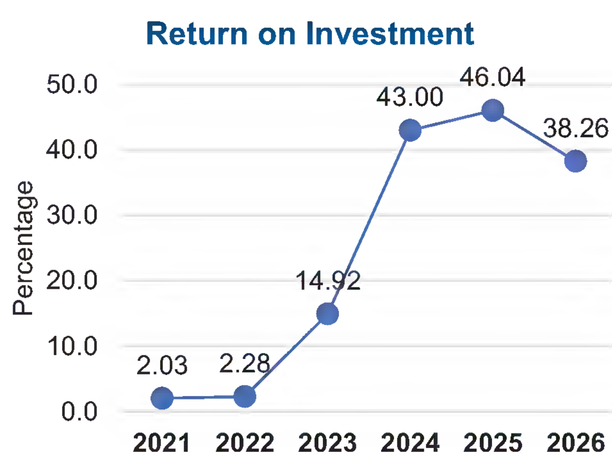
GRAPHICAL PRESENTATION
FINANCIAL RATIOS

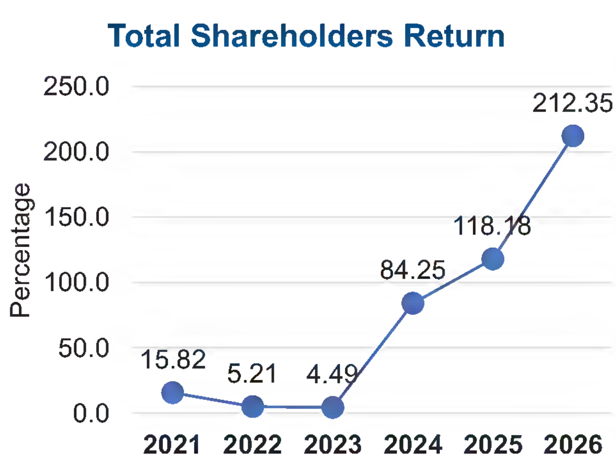
Profitability Ratios







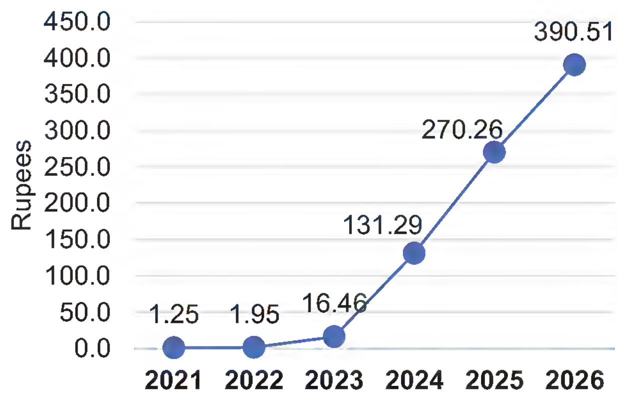




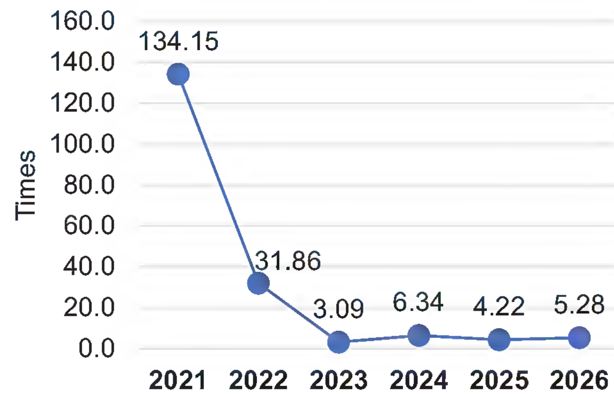
GRAPHICAL PRESENTATION
FINANCIAL RATIOS

Investment / Market Ratios

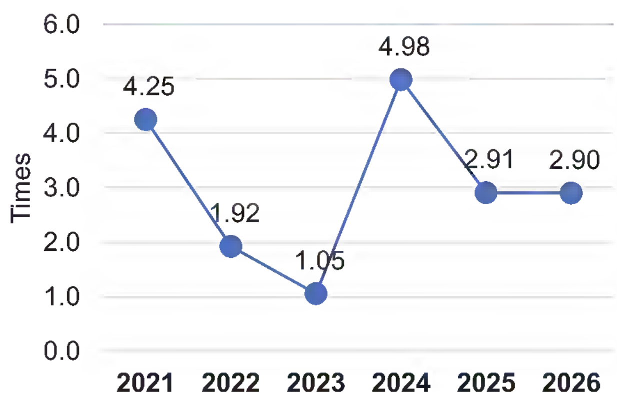
Basic Earnings per Share (EPS)



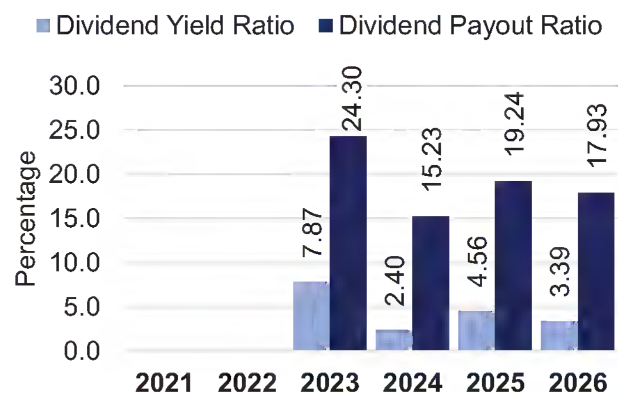
Price Earnings Ratio



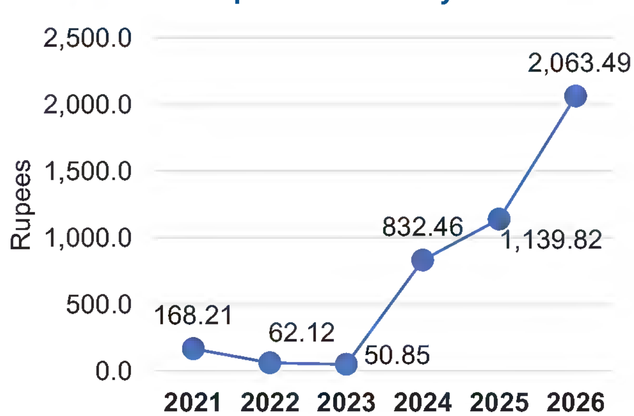
Price to Book Ratio



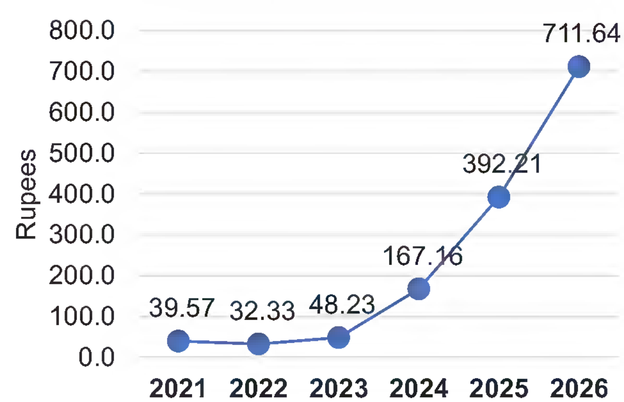
Dividend Ratio



Market value per share at the year end

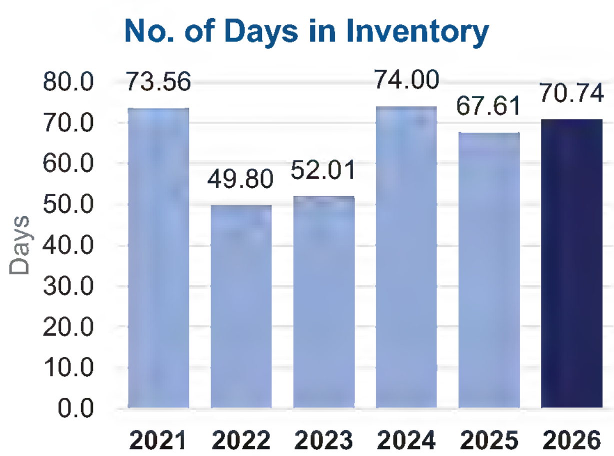


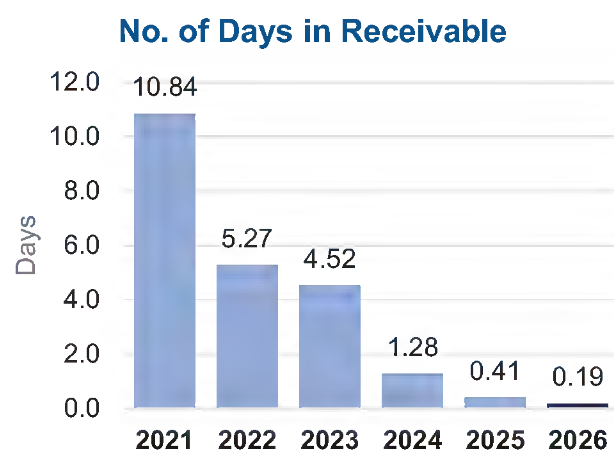
Breakup value per share

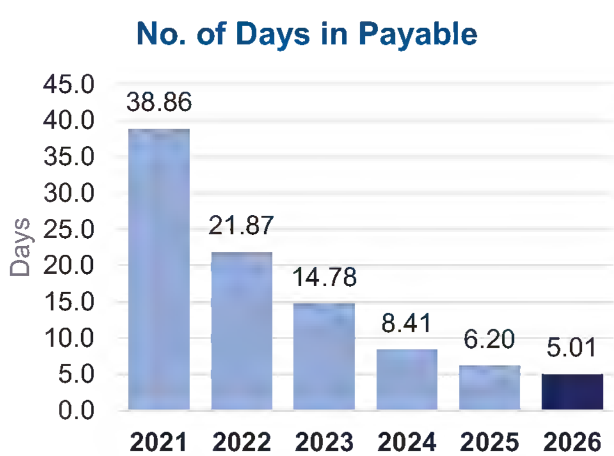


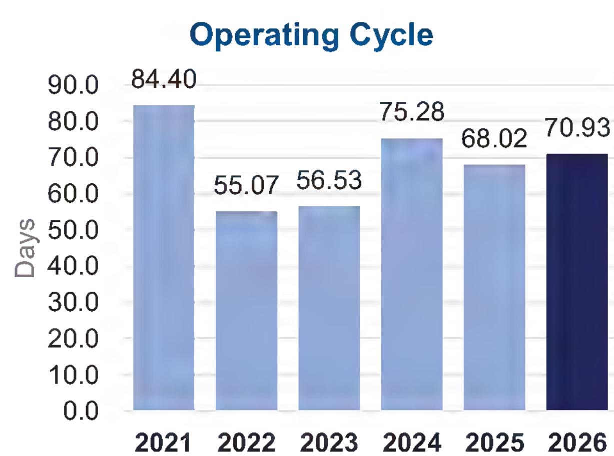
GRAPHICAL PRESENTATION
FINANCIAL RATIOS

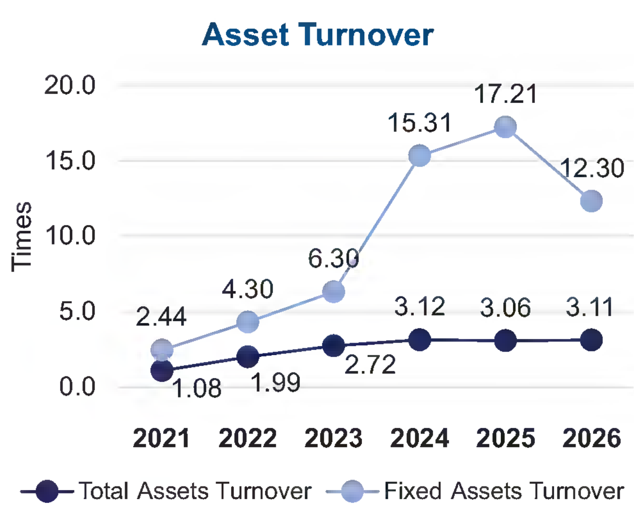
Activity / Turnover Ratios

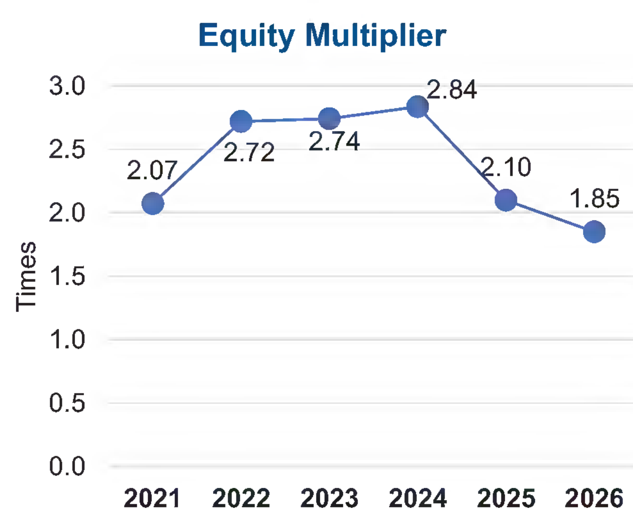








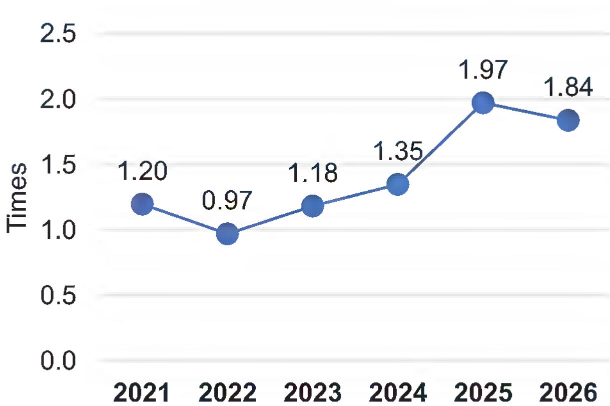




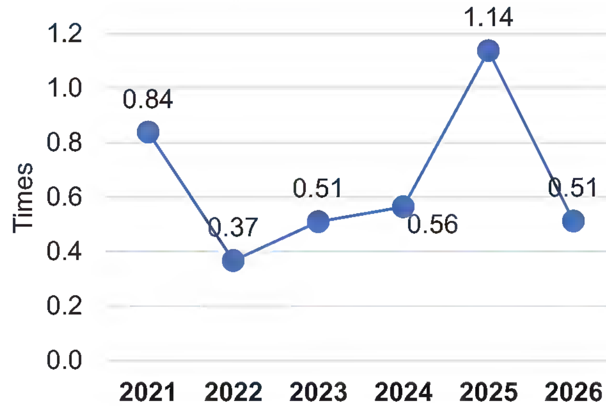
GRAPHICAL PRESENTATION
FINANCIAL RATIOS

Liquidity / Capital Structure Ratios

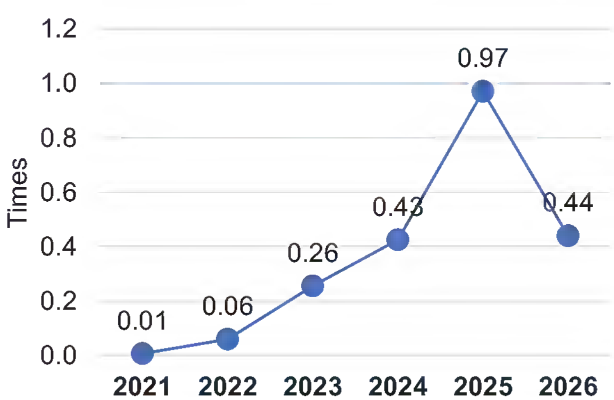
Current Ratio



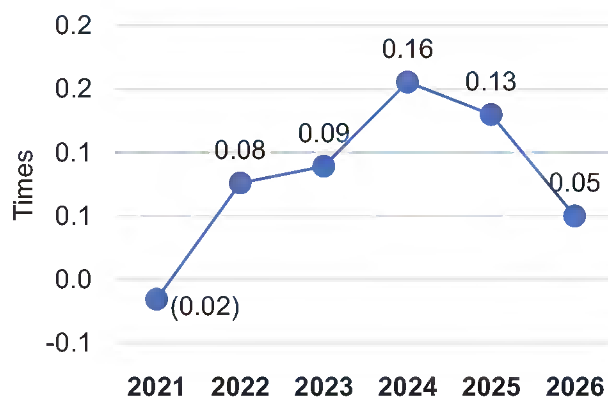
Quick Ratio



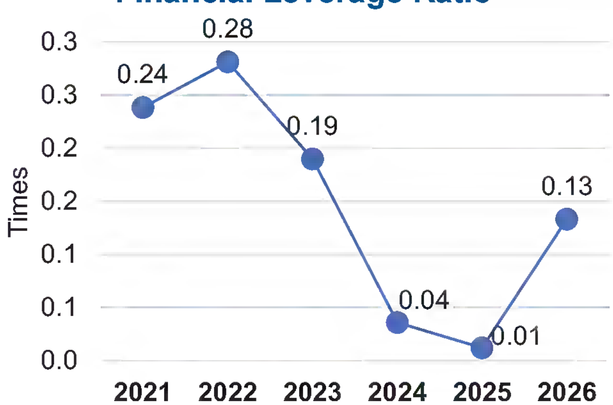
Cash to Current Liabilities



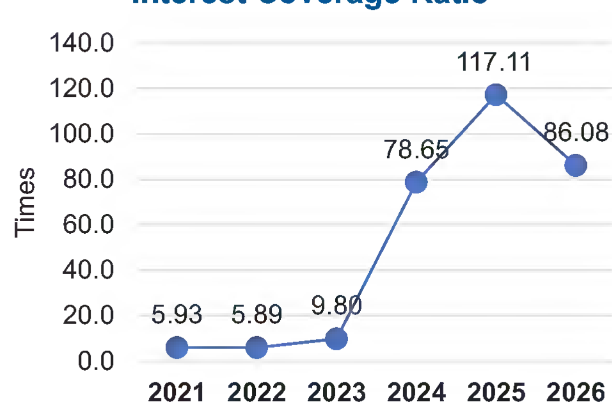
Cash flow from operations to Sales



Financial Leverage Ratio

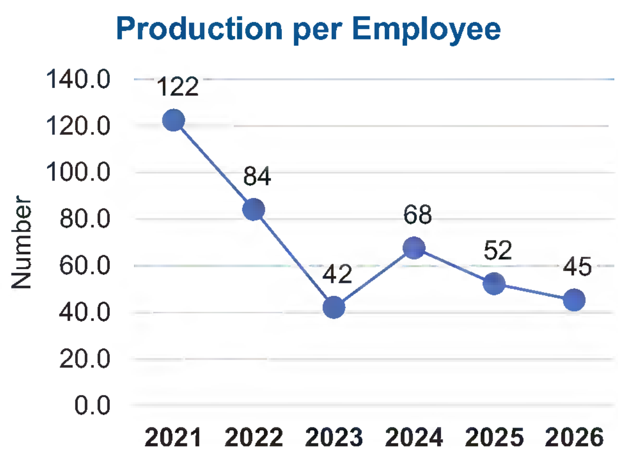


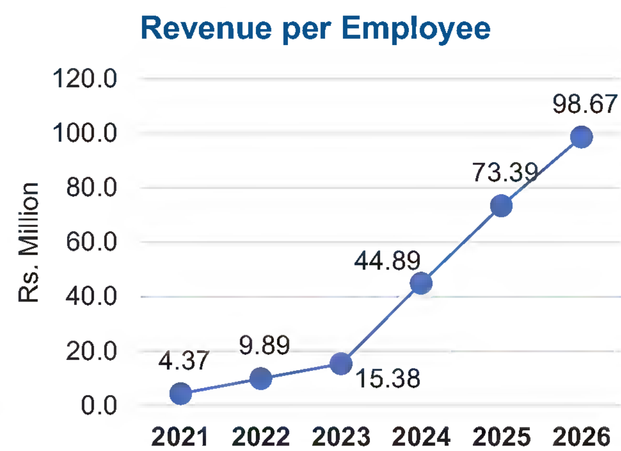
Interest Coverage Ratio

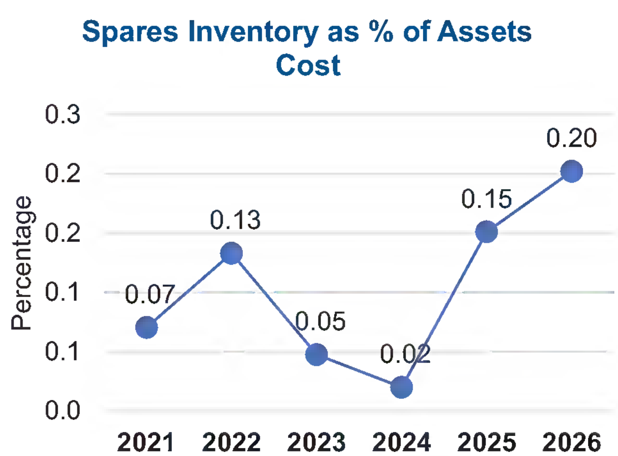


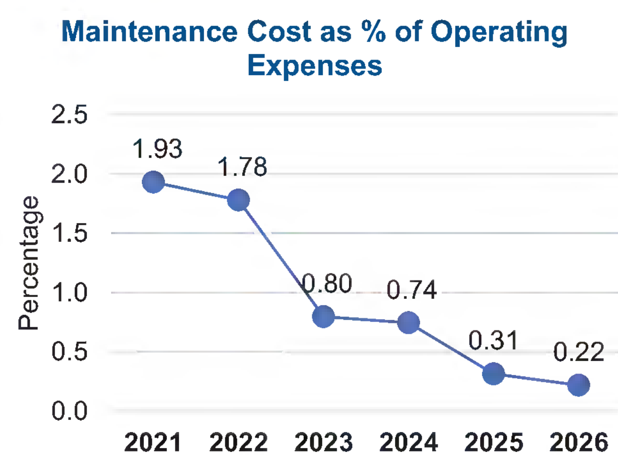
GRAPHICAL PRESENTATION
FINANCIAL RATIOS

Non-Financial Ratios









DUPONT ANALYSIS

Ratio	2026	2025
Tax Burden	61.08%	61.09%
Interest Burden	98.84%	99.15%
EBIT Margin	20.39%	24.81%
Asset Turnover	3.11	3.06
Equity Multiplier	1.85	2.10
Return on Equity	**70.75%**	**96.63%**

Return on Equity **70.75%**	=	**Return on Assets** **38.26%**	/	**Ownership Ratio** **54.07%**

Return on Assets **38.26%**	=	Net Profit Margin **12.31%**	x	Assets Turnover **3.11**
Net Profit Margin **12.31%**	=	Net profit **23,604,642,852**	/	Sales **191,715,353,728**
Assets Turnover **3.11**	=	Sales **191,715,353,728**	/	Avg. Total Assets **61,695,577,508**

Ownership Ratio **54.07%**	=	Avg. Total Equity **33,361,630,456**	/	Avg. Total Assets **61,695,577,508**
Avg. Total Equity **33,361,630,456**	=	Avg. Total Assets **61,695,577,508**	-	Avg. Total Liabilities **28,333,947,052**
Avg. Total Liabilities **28,333,947,052**	=	Avg. Total Non-Current Liabilities **3,890,860,974**	+	Avg. Total Current Liabilities **24,443,086,079**

The Return on Equity (ROE) declined from 96.63% in 2025 to 70.75% in 2026, primarily due to a reduction in EBIT margin from 24.81% to 20.39%. This was partly offset by an improvement in asset turnover from 3.06 to 3.11, reflecting more efficient utilization of assets. The equity multiplier decreased from 2.10 to 1.85, indicating lower financial leverage, while the tax burden remained broadly stable and the interest burden showed marginal improvement.

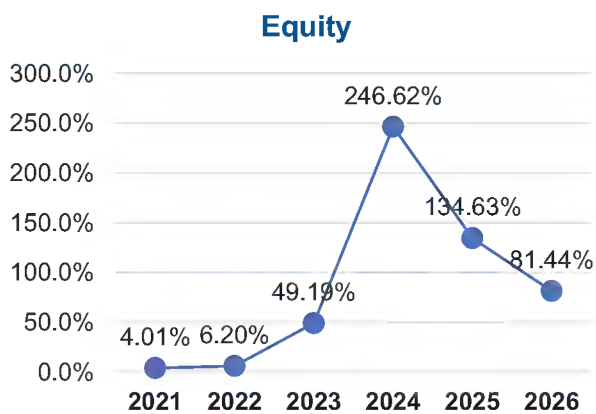
Overall, the decline in ROE was mainly attributable to lower operating margins and reduced leverage, despite slightly improved asset efficiency.

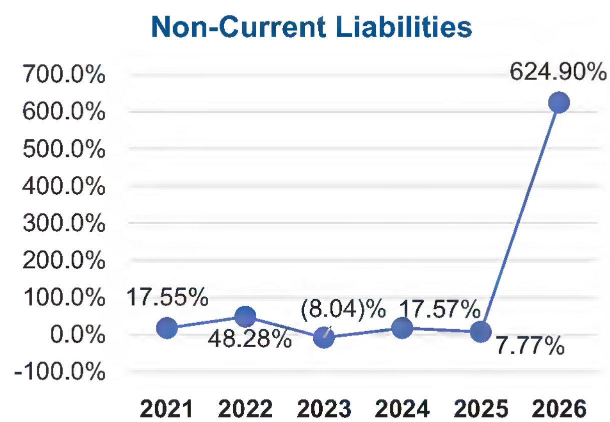
HORIZONTAL ANALYSIS
STATEMENT OF FINANCIAL POSITION

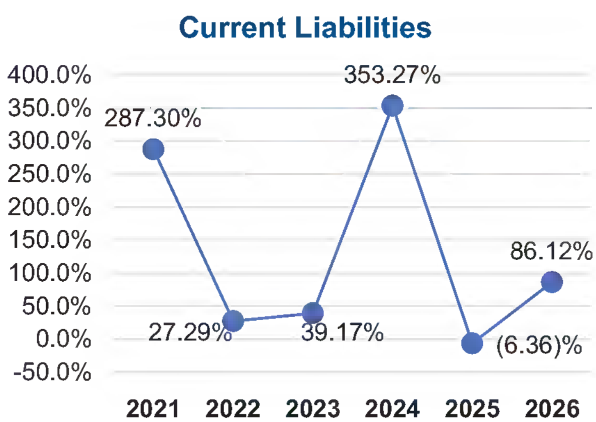
	2026 vs 2025	2025 vs 2024	2024 vs 2023	2023 vs 2022	2022 vs 2021	2021 vs 2020
Equity and Liabilities						
Issued, subscribed and paid-up share capital	0.00 %	0.00 %	0.00 %	0.00 %	30.00 %	30.00 %
Capital Reserve - share premium account	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Revenue Reserve - un-appropriated profit	85.64 %	152.13 %	410.06 %	121.34 %	(3.11)%	(4.26)%
Total equity	**81.44%**	**134.63%**	**246.62%**	**49.19%**	**6.20%**	**4.01%**
Non Current Liabilities						
Long term financing	10,313.40 %	(67.20)%	(55.94)%	(32.45)%	72.78 %	14.85 %
Deferred tax liabilities	261.45 %	(1.92)%	100.00 %	0.00 %	0.00 %	(100.00)%
Post-employment benefits	32.41 %	39.09 %	26.24 %	32.93 %	20.67 %	100.00 %
Deferred grant	0.00 %	0.00 %	0.00 %	(100.00)%	(90.20)%	10.22 %
Deferred revenue	0.00 %	(100.00)%	185.79 %	122.23 %	100.00 %	0.00 %
Total Non-Current Liabilities	**624.90%**	**7.77%**	**17.57%**	**(8.04)%**	**48.28%**	**17.55%**
Current Liabilities						
Trade and other payables	87.56 %	1.36 %	324.16 %	52.50 %	24.41 %	385.57 %
Unclaimed dividend	95.71 %	254.54 %	345.51 %	0.00 %	0.00 %	(2.52)%
Short term borrowings	0.00 %	0.00 %	0.00 %	(100.00)%	36.09 %	100.00 %
Profit accrued on loans and other payables	269.49 %	682.30 %	(26.29)%	(32.93)%	287.15 %	(77.55)%
Current portion of long-term liabilities	(31.68)%	(45.08)%	9.19 %	(2.18)%	45.49 %	1.89 %
Taxation-Net	5.66 %	(76.58)%	100.00 %	0.00 %	0.00 %	0.00 %
Total current liabilities	**86.12%**	**(6.36)%**	**353.27%**	**39.17%**	**27.29%**	**287.30%**
Total equity and liabilities	**95.64%**	**42.81%**	**280.29%**	**35.87%**	**21.42%**	**65.18%**
Assets						
Non-Current Assets						
Property, plant & equipment	189.95 %	74.11 %	59.38 %	8.37 %	43.15 %	39.91 %
Intangible asset	(100.00)%	(52.17)%	(34.29)%	(30.06)%	(25.63)%	397.36 %
Long term loans and advances	44.60 %	88.03 %	190.17 %	(37.51)%	(24.88)%	5.34 %
Long term deposits	46.72 %	0.67 %	47.90 %	2.84 %	45.13 %	15.17 %
Deferred Taxation	0.00 %	0.00 %	(100.00)%	(78.07)%	225.44 %	153.49 %
Total non-current assets	**188.45%**	**74.08%**	**57.82%**	**2.58%**	**47.30%**	**40.96%**
Current Assets						
Stores, spares and loose tools	161.73 %	985.55 %	59.18 %	(51.47)%	129.40 %	(37.93)%
Stock in trade	195.67 %	(0.63)%	428.13 %	55.65 %	112.96 %	23.90 %
Trade debts	(19.32)%	(16.45)%	(50.79)%	50.29 %	53.81 %	(4.63)%
Loans, advances, deposits, prepayments and other receivables	(18.79)%	13.20 %	219.39 %	6.22 %	(60.11)%	734.95 %
Cash and bank balances	(15.74)%	113.83 %	654.44 %	494.54 %	1,055.38 %	(96.66)%
Total current assets	**73.56%**	**36.95%**	**416.65%**	**69.61%**	**3.07%**	**88.08%**
Total Assets	**95.64%**	**42.81%**	**280.29%**	**35.87%**	**21.42%**	**65.18%**

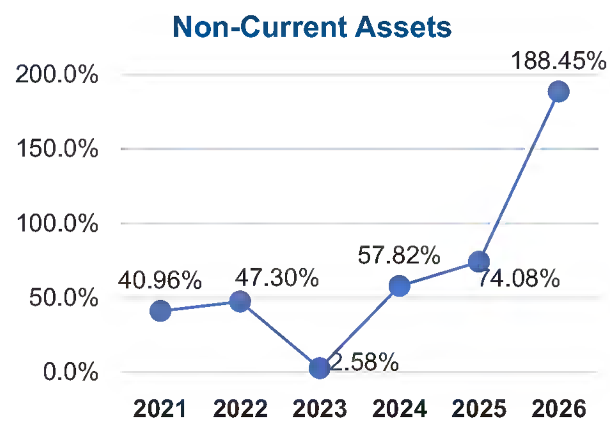
GRAPHICAL PRESENTATION
HORIZONTAL ANALYSIS

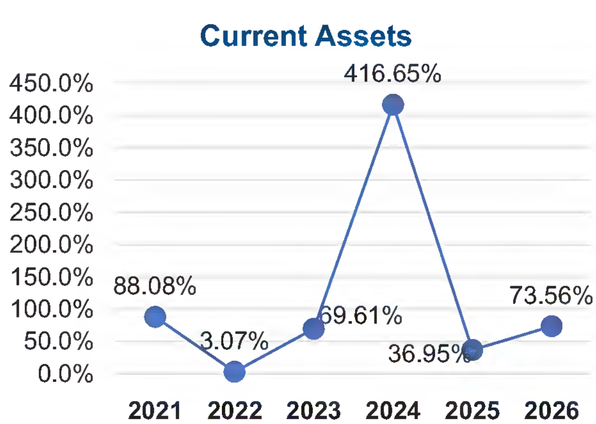
STATEMENT OF FINANCIAL POSITION







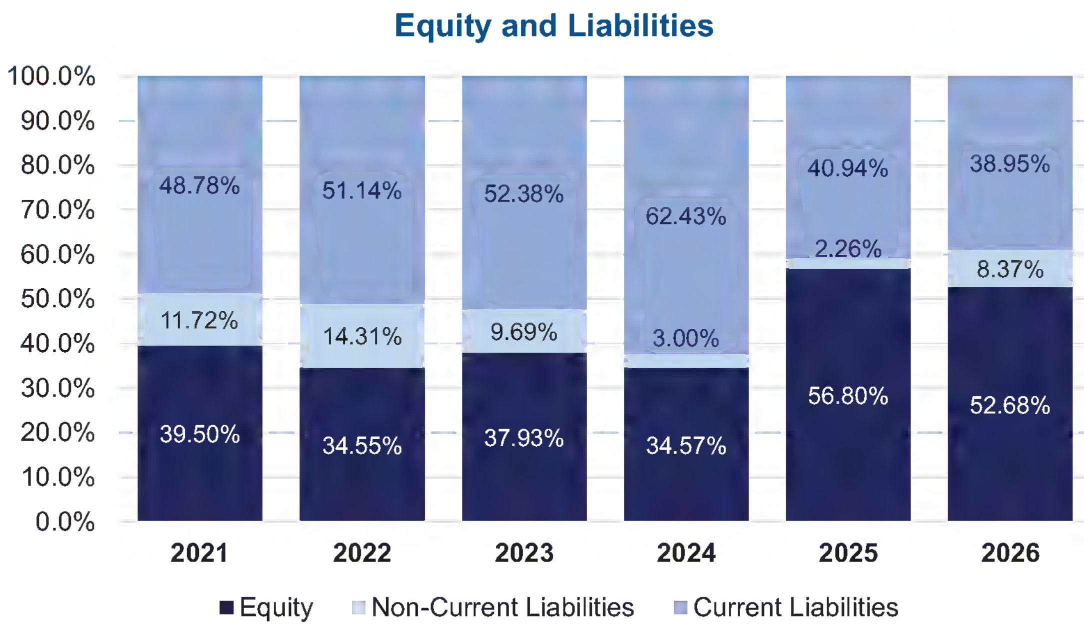


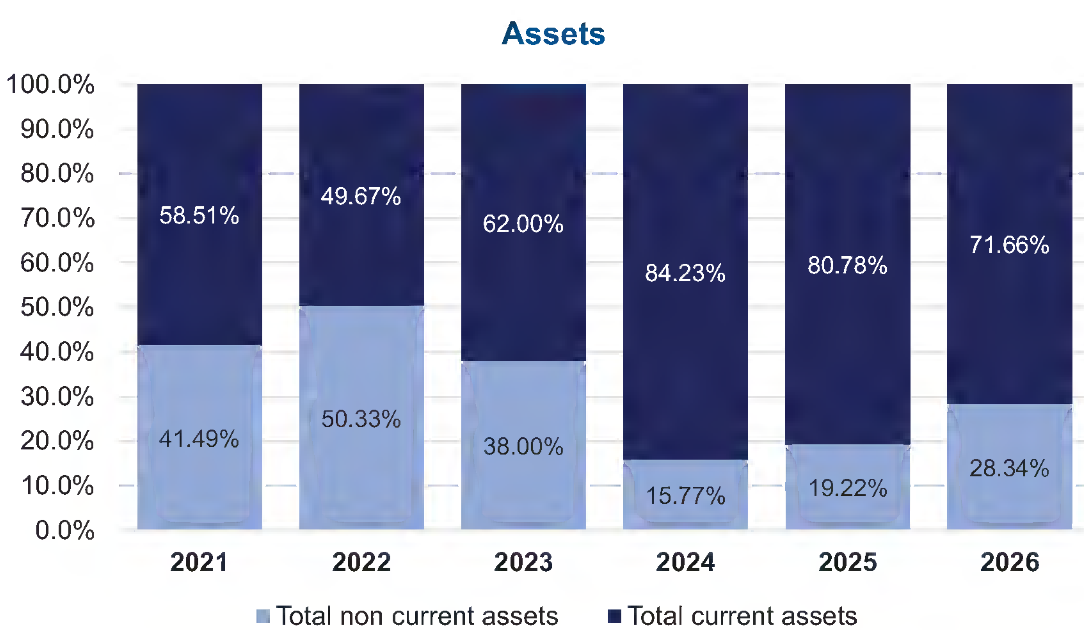


VERTICAL ANALYSIS
STATEMENT OF FINANCIAL POSITION

Particulars	2026	2025	2024	2023	2022	2021
Equity and Liabilities						
Issued, subscribed and paid up share capital	0.74%	1.45%	2.07%	7.87%	10.69%	9.98%
Capital Reserve - share premium account	0.68%	1.34%	1.91%	7.25%	9.85%	11.97%
Revenue Reserve - un-appropriated profit	51.26%	54.02%	30.60%	22.81%	14.00%	17.55%
Total equity	**52.68%**	**56.80%**	**34.57%**	**37.93%**	**34.55%**	**39.50%**
Non-Current Liabilities						
Long term financing	6.35%	0.12%	0.52%	4.49%	9.02%	6.34%
Deferred tax liabilities	0.90%	0.49%	0.71%	0.00%	0.00%	0.00%
Post-employment benefits	1.12%	1.65%	1.70%	5.11%	5.22%	5.26%
Deferred grant	0.00%	0.00%	0.00%	0.00%	0.01%	0.12%
Deferred revenue	0.00%	0.00%	0.07%	0.09%	0.06%	0.00%
Total Non-Current Liabilities	**8.37%**	**2.26%**	**3.00%**	**9.69%**	**14.31%**	**11.72%**
Current Liabilities						
Trade and other payables	37.62%	39.25%	55.29%	49.58%	44.17%	43.11%
Unclaimed dividend	0.05%	0.05%	0.02%	0.02%	0.02%	0.03%
Short term borrowings	0.00%	0.00%	0.00%	0.00%	2.88%	2.57%
Profit accrued on loans and other payables	0.61%	0.32%	0.06%	0.30%	0.62%	0.19%
Current portion of long-term liabilities	0.10%	0.27%	0.71%	2.48%	3.45%	2.88%
Taxation-Net	0.56%	1.04%	6.35%	0.00%	0.00%	0.00%
Total current liabilities	**38.95%**	**40.94%**	**62.43%**	**52.38%**	**51.14%**	**48.78%**
Total equity and liabilities	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**
Assets						
Non-Current Assets						
Property, plant & equipment	28.19%	19.02%	15.60%	37.23%	46.68%	39.59%
Intangible asset	0.00%	0.00%	0.00%	0.00%	0.01%	0.01%
Long term loans and advances	0.13%	0.18%	0.13%	0.18%	0.38%	0.62%
Long term deposits	0.02%	0.02%	0.03%	0.08%	0.10%	0.09%
Deferred Taxation	0.00%	0.00%	0.00%	0.51%	3.16%	1.18%
Total non-current assets	**28.34%**	**19.22%**	**15.77%**	**38.00%**	**50.33%**	**41.49%**
Current Assets						
Stores, spares and loose tools	0.20%	0.15%	0.02%	0.05%	0.13%	0.07%
Stock in trade	51.52%	34.09%	48.99%	35.28%	30.80%	17.56%
Trade debts	0.11%	0.27%	0.46%	3.52%	3.18%	2.51%
Loans, advances, deposits, prepayments and other receivables	2.70%	6.51%	8.21%	9.77%	12.50%	38.05%
Cash and bank balances	17.13%	39.76%	26.56%	13.39%	3.06%	0.32%
Total current assets	**71.66%**	**80.78%**	**84.23%**	**62.00%**	**49.67%**	**58.51%**
Total Assets	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

GRAPHICAL PRESENTATION
VERTICAL ANALYSIS
STATEMENT OF FINANCIAL POSITION

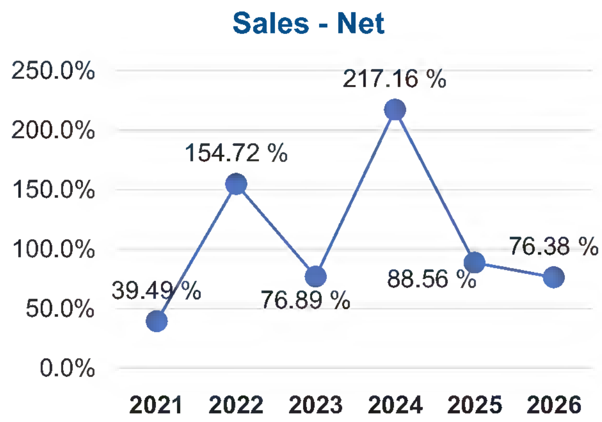


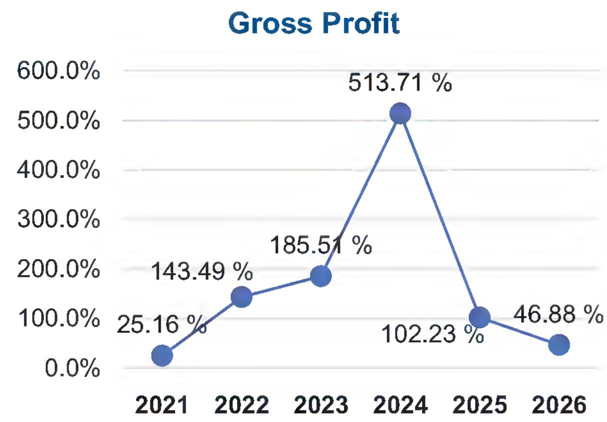


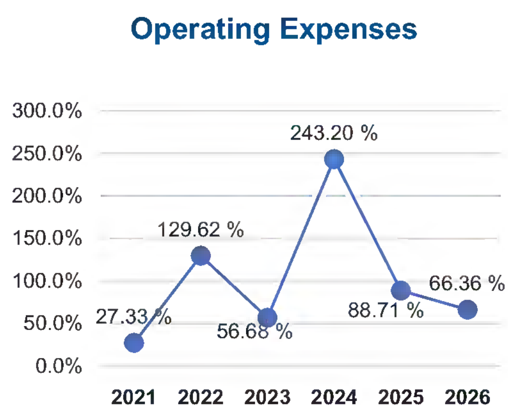
HORIZONTAL ANALYSIS
STATEMENT OF PROFIT OR LOSS

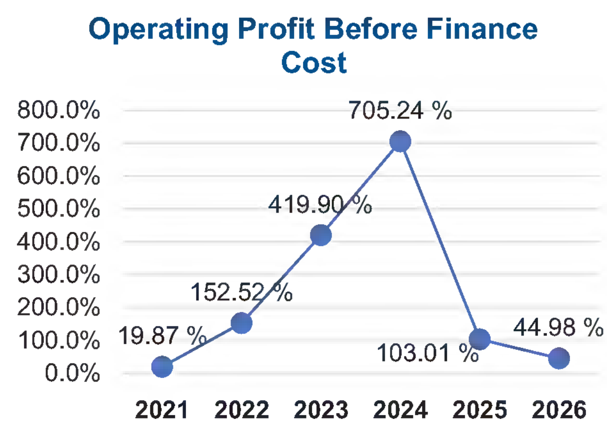
Particulars	2026 vs 2025	2025 vs 2024	2024 vs 2023	2023 vs 2022	2022 vs 2021	2021 vs 2020
Sales - net	76.38 %	88.56 %	217.16 %	76.89 %	154.72 %	39.49 %
Cost of sales	88.50 %	83.47 %	168.78 %	66.55 %	155.84 %	41.10 %
Gross profit	**46.88 %**	**102.23 %**	**513.71 %**	**185.51 %**	**143.49 %**	**25.16 %**
Distribution and marketing cost	78.25 %	91.86 %	207.72 %	37.28 %	237.87 %	31.64 %
Administrative expenses	74.33 %	46.18 %	59.87 %	61.87 %	21.04 %	21.84 %
Other operating expenses	43.39 %	99.31 %	876.36 %	496.28 %	82.24 %	48.71 %
Total Operating expenses	66.36 %	88.71 %	243.20 %	56.68 %	129.62 %	27.33 %
Operating Profit	42.30 %	105.70 %	669.22 %	441.46 %	176.69 %	20.24 %
Other Income	95.67 %	62.79 %	2,588.25 %	68.72 %	4.20 %	17.66 %
Operating Profit Before Finance Cost	**44.98 %**	**103.01 %**	**705.24 %**	**419.90 %**	**152.52 %**	**19.87 %**
Finance Cost	97.23 %	36.34 %	0.33 %	212.48 %	154.31 %	(66.93)%
Profit Before Taxation	**44.53 %**	**103.87 %**	**785.35 %**	**462.32 %**	**152.16 %**	**156.24 %**
Taxation / levies	44.58 %	100.83 %	965.09 %	234.01 %	407.63 %	118.30 %
Profit After Taxation	**44.49 %**	**105.86 %**	**697.49 %**	**744.43 %**	**55.47 %**	**174.29 %**

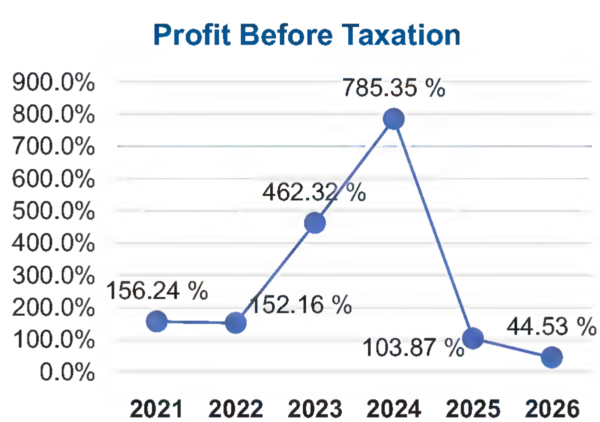
GRAPHICAL PRESENTATION
HORIZONTAL ANALYSIS
STATEMENT OF PROFIT OR LOSS

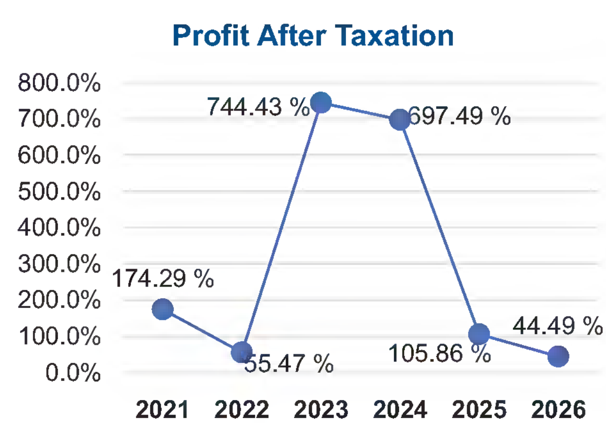










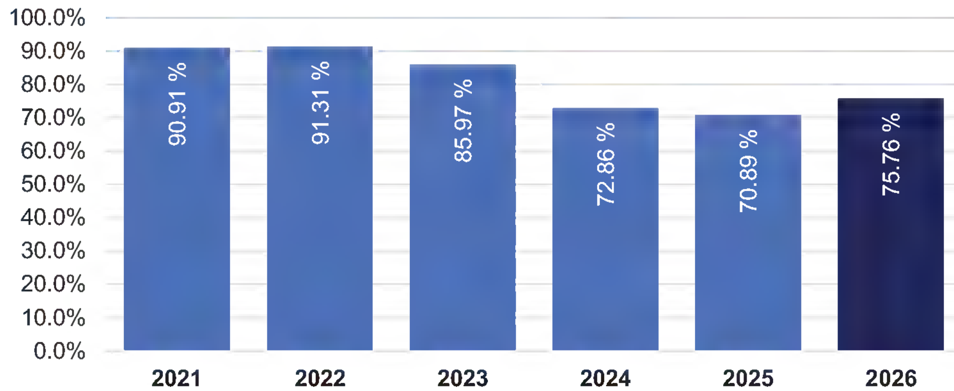


VERTICAL ANALYSIS
STATEMENT OF PROFIT OR LOSS

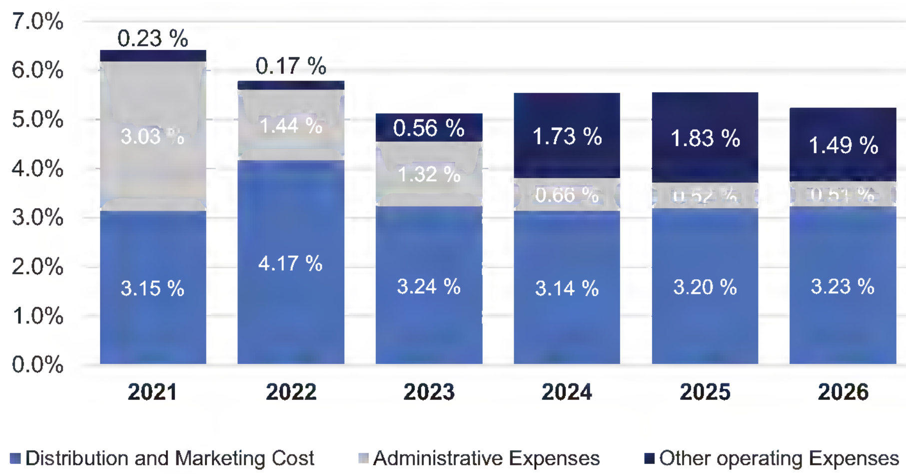
Particulars	2026	2025	2024	2023	2022	2021
Sales - net	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Cost of sales	75.76 %	70.89 %	72.86 %	85.97 %	91.31 %	90.91 %
Gross profit	24.24 %	29.11 %	27.14 %	14.03 %	8.69 %	9.09 %
Distribution and marketing cost	3.23 %	3.20 %	3.14 %	3.24 %	4.17 %	3.15 %
Administrative expenses	0.51 %	0.52 %	0.66 %	1.32 %	1.44 %	3.03 %
Other operating expenses	1.49 %	1.83 %	1.73 %	0.56 %	0.17 %	0.23 %
Total Operating expenses	5.23 %	5.55 %	5.54 %	5.12 %	5.78 %	6.41 %
Operating Profit	19.01 %	23.57 %	21.60 %	8.91 %	2.91 %	2.68 %
Other Income	1.38 %	1.25 %	1.44 %	0.17 %	0.18 %	0.44 %
Operating Profit Before Finance Cost	20.39 %	24.81 %	23.05 %	9.08 %	3.09 %	3.12 %
Finance Cost	0.24 %	0.21 %	0.29 %	0.93 %	0.52 %	0.53 %
Profit Before Taxation	20.16 %	24.60 %	22.75 %	8.15 %	2.56 %	2.59 %
Taxation / levies	7.85 %	9.57 %	8.99 %	2.68 %	1.42 %	0.71 %
Profit After Taxation	12.31 %	15.03 %	13.77 %	5.48 %	1.15 %	1.88 %

GRAPHICAL PRESENTATION
VERTICAL ANALYSIS
STATEMENT OF PROFIT OR LOSS

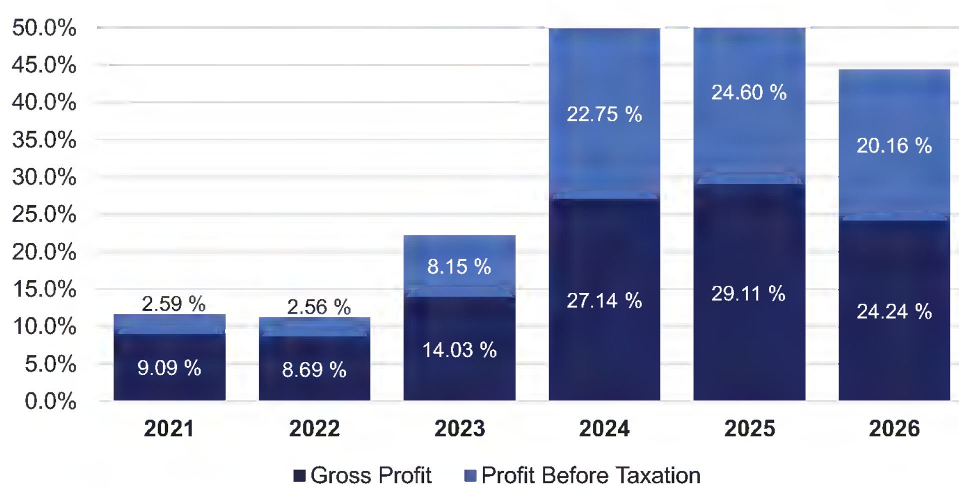
Cost of Sales



Operating Expenses



Profits



HORIZONTAL ANALYSIS
STATEMENT STATEMENT OF CASH FLOWS

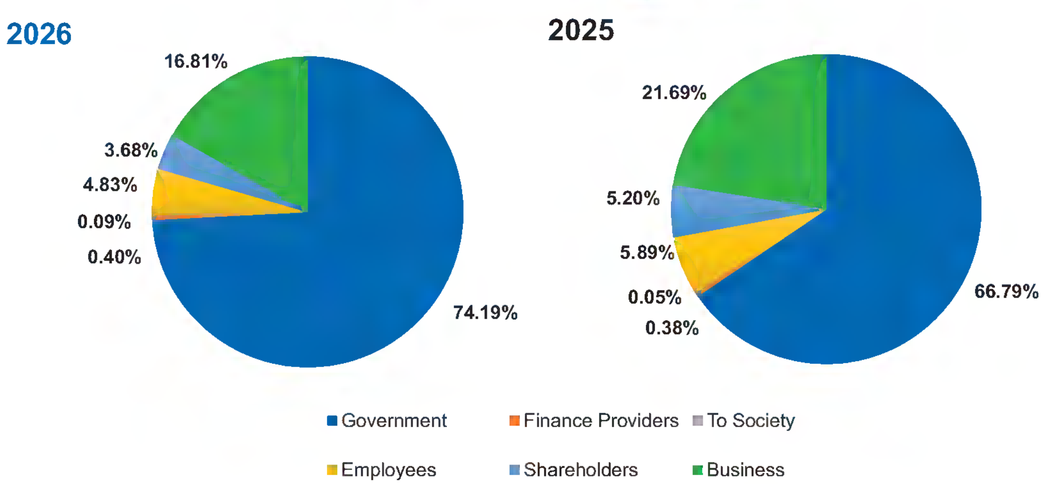
Particulars	2026 vs 2025	2025 vs 2024	2024 vs 2023	2023 vs 2022	2022 vs 2021	2021 vs 2020
Cash flows from operating activities	(32.00)%	57.49 %	452.63 %	107.61 %	(1,361.91)%	(37.97)%
Cash flows from investing activities	321.05 %	88.08 %	335.79 %	(51.86)%	71.85 %	63.17 %
Cash flows from financing activities	(319.05)%	514.77 %	(18.59)%	(198.26)%	81.00 %	(79.97)%
Net increase / (decrease) in cash & cash equivalent	(129.56)%	31.22 %	686.77 %	441.40 %	(136.43)%	(197.97)%

VERTICAL ANALYSIS
STATEMENT STATEMENT OF CASH FLOWS

Particulars	2026	2025	2024	2023	2022	2021
Cash flows from operating activities	(367.50)%	159.76 %	133.12 %	189.51 %	494.20 %	14.27 %
Cash flows from investing activities	598.81 %	(42.04)%	(29.33)%	(52.96)%	(595.62)%	126.28 %
Cash flows from financing activities	(131.31)%	(17.72)%	(3.78)%	(36.55)%	201.42 %	(40.55)%
Net increase / (decrease) in cash & cash equivalent	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %

STATEMENT OF
VALUE ADDITION AND ITS DISTRIBUTION

	June 30, 2026	%	June 30, 2025	%
	Rupees		Rupees	
VALUE ADDITION				
Gross Sales	239,543,760,050		131,088,700,463	
Other Operation Income	2,651,305,849		1,355,017,678	
Total Income	**242,195,065,899**		**132,443,718,141**	
Addition of material and services and other expenses	**127,347,004,335**		**71,950,925,808**	
TOTAL VALUE ADDITION	**114,848,061,564**		**60,492,792,333**	
VALUE DISTRIBUTION				
To Government				
Workers' welfare fund	759,577,507		546,305,117	
Sales tax	32,903,684,765		15,350,127,739	
Income tax, custom duties, CVT, NEVA & F.E.D	51,538,324,541		24,509,277,124	
	85,201,586,813	**74.19%**	**40,405,709,980**	**66.79%**
To Employees				
Workers' profits participation fund	2,089,327,459		1,442,645,018	
Salaries, wages and benefits	3,462,182,996		2,119,369,223	
	5,551,510,455	**4.83%**	**3,562,014,241**	**5.89%**
To Society				
CSR activities	101,675,177		31,538,646	
	101,675,177	**0.09%**	**31,538,646**	**0.05%**
To Finance Providers				
Financial charges	**454,205,648**	**0.40%**	**230,296,277**	**0.38%**
To Shareholders				
Dividend to shareholders	**4,231,217,480**	**3.68%**	**3,143,190,128**	**5.20%**
Retained in / (Distributed) from Business				
Un-appropriated profit	**19,307,865,991**	**16.81%**	**13,120,043,061**	**21.69%**
TOTAL VALUE DISTRIBUTION	**114,848,061,564**	**100%**	**60,492,792,333**	**100%**



STATEMENT OF
ECONOMIC VALUE ADDED (EVA)

	2026 Rupees	2025 Rupees
Net Operating Profit After Tax	**24,058,848,500**	16,566,476,405
Cost of Capital	**(9,038,442,065)**	(4,702,782,392)
Economic Value Added	**15,020,406,435**	**11,863,694,013**
Cost of Capital:		
Total Assets	**81,654,298,337**	41,736,856,678
Less: Current Liabilities	**33,372,022,350**	17,864,864,842
Invested Capital	**48,282,275,987**	**23,871,991,836**
WACC	**18.72%**	**19.70%**
Cost of Capital	9,038,442,065	4,702,782,392
Current Liabilities:		
Current Liabilities as per balance sheet	**31,800,367,939**	**17,085,804,218**
Less: Current portion of long term liabilities	78,207,049	114,469,094
Add:		
Deferred tax liability	736,558,971	203,778,448
Post employment benefits	913,302,489	689,751,270
	1,649,861,460	**893,529,718**
Current Liabilities	**33,372,022,350**	**17,864,864,842**

SHARE PRICE SENSITIVITY **ANALYSIS**

The Market Capitalization of the Company at the end of the year 2025-26 was Rs. 124.7 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 in the form of finance cost and 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.

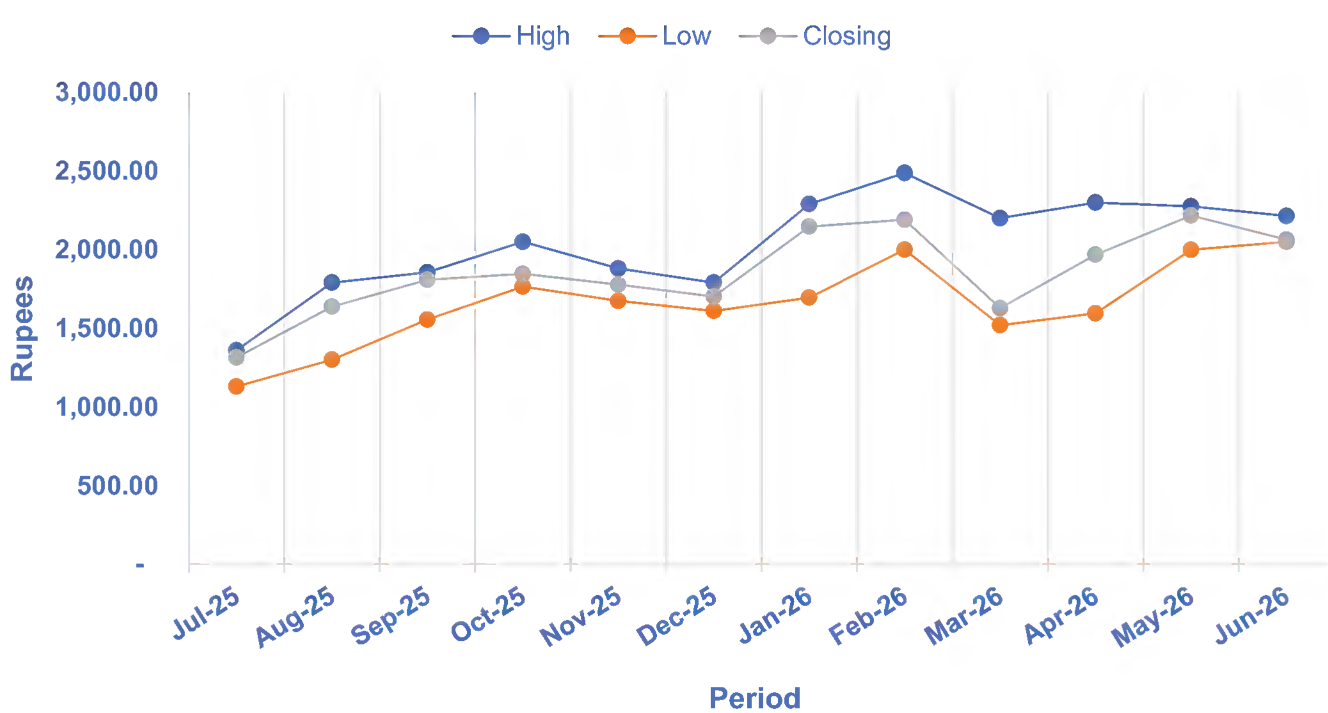
Exchange Fluctuations

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, 2026**:

Months	Highest (Rs.)	Lowest (Rs.)	Closing (Rs.)	No. of Shares Traded	Market Capitalization in Value* (Rs.)
Jul-25	1,360.00	1,130.01	1,314.58	6,699,873	79,461,055,355.12
Aug-25	1,789.97	1,300.20	1,637.64	5,707,692	98,988,728,484.96
Sep-25	1,855.00	1,555.66	1,808.43	4,530,028	109,312,294,676.52
Oct-25	2,050.00	1,765.22	1,846.24	3,758,646	111,597,756,575.36
Nov-25	1,879.89	1,674.01	1,776.95	1,386,497	107,409,455,729.80
Dec-25	1,790.00	1,610.10	1,701.90	2,128,862	102,872,986,131.60
Jan-26	2,290.00	1,695.01	2,146.48	11,892,336	129,746,052,806.72
Feb-26	2,487.00	2,000.01	2,189.94	7,768,776	132,373,034,402.16
Mar-26	2,200.00	1,520.00	1,627.60	5,807,361	98,381,851,006.40
Apr-26	2,299.00	1,595.00	1,967.91	11,670,739	118,952,217,015.24
May-26	2,274.99	1,999.00	2,216.55	5,656,204	133,981,501,504.20
Jun-26	2,214.00	2,050.00	2,063.49	2,795,806	124,729,642,254.36

**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 & Other Parts
- Automobiles - Four-Wheelers

Description	Automobiles-Three-wheeler	Automotive & Other parts	Automobiles-Four-wheeler	Total
		------------- Rupees -------------		
Segment revenue - Net	10,282,121,194	763,886,557	180,669,345,977	**191,715,353,728**
Segment operating results	276,088,321	6,528,329	39,014,740,292	**39,297,356,942**
Segment assets	2,072,095,805	522,075,557	64,904,276,184	67,498,447,546
Unallocated assets	-	-	-	14,155,850,791
Total assets	2,072,095,805	522,075,557	64,904,276,184	**81,654,298,337**
Segment liabilities	1,019,211,067	212,525,557	30,936,488,055	32,168,224,679
Unallocated liabilities	-	-	-	6,470,510,208
Total liabilities	1,019,211,067	212,525,557	30,936,488,055	**38,638,734,887**
Capital expenditure	-	-	15,606,890,128	**15,606,890,128**
Depreciation and amortization	12,966,109	7,469,395	534,390,125	**554,825,629**
Non-cash charges other than depreciation and amortization	50,636,711	17,118,888	136,871,109	**204,626,708**

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.

PATTERN OF SHAREHOLDING
AS ON JUNE 30,2026

ANNEXURE-B

FORM-20
Pursuant to Section 227(2)(f) of the Companies Act, 2017 read with Regulations 30 of the Companies Regulations, 2024.
SAZGAR ENGINEERING WORKS LIMITED
Registration Number: 0025184

NUMBER OF SHAREHOLDERS	SHAREHOLDING FROM		SHAREHOLDING TO	TOTAL SHARES HELD	PERCENTAGE %
21,202	1	-	100	526,128	0.87%
4,752	101	-	500	1,133,431	1.88%
869	501	-	1,000	652,168	1.08%
876	1,001	-	5,000	1,938,904	3.21%
129	5,001	-	10,000	967,542	1.60%
32	10,001	-	15,000	389,016	0.64%
26	15,001	-	20,000	474,485	0.78%
14	20,001	-	25,000	309,092	0.51%
3	25,001	-	30,000	82,365	0.14%
8	30,001	-	35,000	263,968	0.44%
5	35,001	-	40,000	195,327	0.32%
6	40,001	-	45,000	258,648	0.43%
4	45,001	-	50,000	195,800	0.32%
1	50,001	-	55,000	50,700	0.08%
4	55,001	-	60,000	229,464	0.38%
2	65,001	-	70,000	137,751	0.23%
2	70,001	-	75,000	144,993	0.24%
3	75,001	-	80,000	234,854	0.39%
2	90,001	-	95,000	186,644	0.31%
4	95,001	-	100,000	394,603	0.65%
3	100,001	-	105,000	311,377	0.52%
3	110,001	-	115,000	335,928	0.56%
1	120,001	-	125,000	123,391	0.20%
4	130,001	-	135,000	528,417	0.87%
2	150,001	-	155,000	304,147	0.50%
1	165,001	-	170,000	168,640	0.28%
1	170,001	-	175,000	175,000	0.29%
1	180,001	-	185,000	184,369	0.31%
1	205,001	-	210,000	209,567	0.35%
1	230,001	-	235,000	231,235	0.38%
1	255,001	-	260,000	258,622	0.43%
1	265,001	-	270,000	269,900	0.45%
1	290,001	-	295,000	292,652	0.48%
1	335,001	-	340,000	338,000	0.56%
1	430,001	-	435,000	430,061	0.71%
1	745,001	-	750,000	750,000	1.24%
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	1,110,001	-	1,115,000	1,111,900	1.84%
1	1,200,001	-	1,205,000	1,200,688	1.99%
1	1,395,001	-	1,400,000	1,398,047	2.31%
1	2,705,001	-	2,710,000	2,706,358	4.48%
1	3,175,001	-	3,180,000	3,176,975	5.26%
1	3,870,001	-	3,875,000	3,874,935	6.41%
1	7,015,001	-	7,020,000	7,018,473	11.61%
1	22,625,001	-	22,630,000	22,625,509	37.43%
27,980				**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 Instituitions**	318,119	0.53%
V	**Insurance / Takaful Companies**		
I	CENTURY INSURANCE COMPANY LTD.	8,885	0.01%
II	DAWOOD FAMILY TAKAFUL LIMITED	43,733	0.07%
III	DAWOOD FAMILY TAKAFUL LIMITED	28,639	0.05%
IV	DAWOOD FAMILY TAKAFUL LIMITED	1,910	0.00%
V	IGI GENERAL INSURANCE LIMITED	2,836	0.00%
VI	ASKARI LIFE ASSURANCE COMPANY LIMITED	1,300	0.00%
VII	IGI GENERAL INSURANCE LIMITED	205	0.00%
VIII	ASKARI LIFE ASSURANCE COMPANY LIMITED	2,839	0.00%
IX	ALFALAH INSURANCE COMPANY LIMITED	7,718	0.01%
X	DAWOOD FAMILY TAKAFUL LIMITED	1,000	0.00%
XI	E. F. U. GENERAL INSURANCE LIMITED	1,087	0.00%
VI	**Modarabas and Mutual Funds**		
I	CDC - TRUSTEE ATLAS STOCK MARKET FUND	168,640	0.28%
II	CDC - TRUSTEE MEEZAN BALANCED FUND	6,000	0.01%
III	CDC - TRUSTEE ALFALAH STOCK FUND-II	22,648	0.04%
IV	CDC - TRUSTEE ALFALAH GHP VALUE FUND	4,565	0.01%
V	CDC - TRUSTEE AKD INDEX TRACKER FUND	8,649	0.01%
VI	CDC - TRUSTEE AL MEEZAN MUTUAL FUND	97,201	0.16%
VII	CDC - TRUSTEE MEEZAN ISLAMIC FUND	184,369	0.31%
VIII	CDC - TRUSTEE ALFALAH ASSET ALLOCATION FUND	21,700	0.04%
IX	CDC - TRUSTEE UBL STOCK ADVANTAGE FUND	231,235	0.38%
X	CDC - TRUSTEE ATLAS ISLAMIC STOCK FUND	114,588	0.19%
XI	CDC - TRUSTEE AL-AMEEN SHARIAH STOCK FUND	258,622	0.43%
XII	CDC - TRUSTEE NBP STOCK FUND	152,463	0.25%
XIII	CDC - TRUSTEE MEEZAN TAHAFFUZ PENSION FUND - EQUITY SUB FUND	58,400	0.10%
XIV	CDC - TRUSTEE APF-EQUITY SUB FUND	9,112	0.02%
XV	CDC - TRUSTEE ALFALAH GHP ISLAMIC STOCK FUND	103,019	0.17%
XVI	CDC - TRUSTEE APIF - EQUITY SUB FUND	17,650	0.03%
XVII	CDC - TRUSTEE ALFALAH GHP STOCK FUND	110,597	0.18%
XVIII	CDC - TRUSTEE ALFALAH GHP ALPHA FUND	91,644	0.15%
XIX	CDC - TRUSTEE ABL STOCK FUND	55,987	0.09%
XX	CDC - TRUSTEE AL HABIB STOCK FUND	78,185	0.13%
XXI	CDC - TRUSTEE LAKSON EQUITY FUND	97,402	0.16%
XXII	CDC - TRUSTEE NBP MAHANA AMDANI FUND - MT	48	0.00%
XXIII	CDC - TRUSTEE KSE MEEZAN INDEX FUND	67,751	0.11%

CATEGORIES OF SHAREHOLDERS		NUMBER OF SHARES HELD	% OF SHAREHOLDING
XXIV	CDC - TRUSTEE AL HABIB ISLAMIC STOCK FUND	20,000	0.03%
XXV	MCBFSL - TRUSTEE ABL ISLAMIC STOCK FUND	21,219	0.04%
XXVI	CDC - TRUSTEE UBL ASSET ALLOCATION FUND	28,500	0.05%
XXVII	CDC - TRUSTEE FIRST CAPITAL MUTUAL FUND	5,000	0.01%
XXVIII	CDC - TRUSTEE AL-AMEEN ISLAMIC ASSET ALLOCATION FUND	20,198	0.03%
XXIX	CDC - TRUSTEE AWT ISLAMIC STOCK FUND	44,050	0.07%
XXX	CDC-TRUSTEE AL-AMEEN ISLAMIC RET. SAV. FUND-EQUITY SUB FUND	39,396	0.07%
XXXI	CDC - TRUSTEE UBL RETIREMENT SAVINGS FUND - EQUITY SUB FUND	36,550	0.06%
XXXII	CDC - TRUSTEE ABL PENSION FUND - EQUITY SUB FUND	2,000	0.00%
XXXIII	CDC - TRUSTEE NBP ISLAMIC STOCK FUND	55,577	0.09%
XXXIV	CDC - TRUSTEE AWT ISLAMIC ASSET ALLOCATION FUND	1,350	0.00%
XXXV	CDC - TRUSTEE NIT ISLAMIC EQUITY FUND	20,000	0.03%
XXXVI	CDC - TRUSTEE NBP SAVINGS FUND - MT	6	0.00%
XXXVII	CDC - TRUSTEE ALFALAH MTS FUND - MT	204	0.00%
XXXVIII	CDC - TRUSTEE MEEZAN ASSET ALLOCATION FUND	3,500	0.01%
XXXIX	CDC - TRUSTEE LAKSON TACTICAL FUND	12,375	0.02%
XL	CDC - TRUSTEE LAKSON ISLAMIC TACTICAL FUND	6,121	0.01%
XLI	MCBFSL TRUSTEE ABL ISLAMIC DEDICATED STOCK FUND	1,100	0.00%
XLII	CDC - TRUSTEE ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND	1,544	0.00%
XLIII	CDC TRUSTEE - MEEZAN DEDICATED EQUITY FUND	2,000	0.00%
XLIV	CDC - TRUSTEE AL HABIB ASSET ALLOCATION FUND	5,800	0.01%
XLV	CDC - TRUSTEE ATLAS ISLAMIC DEDICATED STOCK FUND	8,300	0.01%
XLVI	CDC - TRUSTEE FAYSAL ISLAMIC DEDICATED EQUITY FUND	400	0.00%
XLVII	CDC - TRUSTEE FAYSAL ISLAMIC STOCK FUND	11,768	0.02%
XLVIII	CDC - TRUSTEE ALFALAH CONSUMER INDEX EXCHANGE TRADED FUND	2,796	0.00%
XLIX	CDC - TRUSTEE JS MOMENTUM FACTOR EXCHANGE TRADED FUND	79,596	0.13%
L	CDC - TRUSTEE ALFALAH GHP DEDICATED EQUITY FUND	13,400	0.02%
LI	CDC - TRUSTEE MAHAANA ISLAMIC INDEX EXCHANGE TRADED FUND	11,519	0.02%
LII	CDC-TRUSTEE FAYSAL ISLAMIC ASSET ALLOCATION FUND - II	123,391	0.20%
LIII	CDC - TRUSTEE FAYSAL ISLAMIC STOCK FUND-II	7,154	0.01%
LIV	CDC - TRUSTEE LUCKY ISLAMIC STOCK FUND	110,743	0.18%
LV	CDC - TRUSTEE NIPPFI-NBP ISLAMIC PRINCIPAL PROTECTION PLAN-I	1,253	0.00%
LVI	CDC - TRUSTEE FIAAF-III-FAYSAL SHARIAH FLEX PLAN-I	800	0.00%
LVII	CDC - TRUSTEE FIAAF-III-FAYSAL SHARIAH FLEX PLAN-II	800	0.00%
LVIII	CDC-TRUSTEE NIPPFI-NBP ISLAMIC PRINCIPAL PROTECTION PLAN-II	1,360	0.00%
LIX	CDC-TRUSTEE NIPPFI-NBP ISLAMIC PRINCIPAL PROTECTION PLAN-III	2,460	0.00%
LX	CDC-TRUSTEE NIPPFI-NBP ISLAMIC PRINCIPAL PROTECTION PLAN-IV	540	0.00%
LXI	CDC - TRUSTEE MEEZAN CAPITAL PROTECTED FUND III-MCSP-I	400	0.00%
LXII	CDC-TRUSTEE NIPPFI-NBP ISLAMIC PRINCIPAL PROTECTION PLAN-V	260	0.00%
VII	**Shareholders Holding 10%**		
i.	Mr. Mian Asad Hameed	22,625,509	37.43%
ii.	Mr. Mian Muhammad Ali Hameed	7,018,473	11.61%
VIII	**General Public**		
a.	Local	9,087,962	15.03%
b.	Foreign	41,151	0.07%
IX	**Others (to be specified)**		
i	Joint Stock Companies	4,161,713	6.89%
ii	Government Holding	292,652	0.48%
iii.	Foreign Companies	4,338,347	7.18%
iv.	Others	432,682	0.72%

MIAN ASAD HAMEED
CHIEF EXECUTIVE

SAEED IQBAL KHAN
DIRECTOR

SUSTAINABILITY AND CSR REPORT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ABOUT THE REPORT

We are pleased to present the 3rd 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 provides information about Company's activities, impacts and sustainability-related risks and opportunities that could reasonably be expected to affect the Company's enterprise value. This information covers the period commencing July 01, 2025 and ending June 30, 2026. which aligns with the Company's annual financial reporting period (July - June 2026).

This Report is published in September 2026.

Reporting Entity and Boundary

The sustainability-related information and disclosures are prepared for the same reporting entity as the Company's annual audited financial statements. Sazgar Engineering Works Limited does not operate through any subsidiaries or group structure.

Adoption of IFRS Sustainability Disclosure Standards and Transition Reliefs

This Report has been prepared in accordance with IFRS Sustainability Disclosure Standards as issued by the International Sustainability Standards Board (ISSB). The Company confirms that the disclosures presented in this report comply with all applicable requirements of the sustainability disclosure standards.

The Securities and Exchange Commission of Pakistan (SECP), through its adoption order dated 31 December 2024, has mandated the application of the IFRS Sustainability Disclosure Standards for annual reporting periods beginning on or after July 01, 2025. Accordingly, the Company is subject to mandatory sustainability-related disclosures for the financial year commencing from July 01, 2025 and ending on June 30, 2026.

This is the first reporting period that the Company has officially adopted the IFRS SDS, and the Company has applied the following transition reliefs:

- Relief from the requirement to disclose comparative information in the first annual reporting period;
- Relief from disclosing Scope 3 greenhouse gas emissions.

Other Standards and Guidelines

Following standards and guidelines have also been implemented in the preparation of the report:

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

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).

Restatement and errors

There have been no material 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.

Judgements and uncertainties

The preparation of this sustainability-related financial disclosure involves the application of significant judgment. Key areas which involve judgement and are subject to measurement uncertainty include materiality assessment, calculation of GHG emissions and scenario analysis for climate-related risk & opportunities.

Connectivity with Financial Statements

This Report forms part of the Company's general purpose financial report for the year ended June 30, 2026, and should be read in conjunction with the annual audited financial statements, as sustainability-related risks and opportunities may affect the Company's financial position, financial performance, and cash flows over the short, medium, and long term.

Sustainability related financial information is presented in Pak Rupees, consistent with the presentation currency of the annual audited financial statements.

Events after the reporting period

No transactions, events, or conditions that require further disclosure have occurred after the reporting period and up to the date of presenting this report.

Assurance

The report is not externally assured. The company has planned to get external assurance on sustainability reporting next year. However, this report has been reviewed by the Sustainability Committee and approved by the Board of Directors on August 27, 2026. Approval of this report is in line with the manner laid down in section 232 of the Companies Act, 2017.

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 and automotive parts. The automobile 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, 2026, the Company has registered a net sale of Rs. 191.7 billion, which represents the sale of 19,179 Four-wheelers, 26,845 three-wheelers, 42,980 tractor wheel rims.

The Company has earned a net profit after tax of Rs. 23.6 billion. The total assets and equity of the Company as at June 30, 2026 were amounting to Rs. 81.6 billion and Rs. 43.0 billion respectively. The workforce of the Company is comprised of 2,558 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 Rs. 149.1 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 "GWM" (HAVAL, TANK, ORA) and "BAIC" and three-wheelers under the brand "SAZGAR". 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. 08 of the Annual Report 2026. 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.

MESSAGE FROM THE CHIEF EXECUTIVE

Dear Stakeholders,

This is the 3rd Sustainability Report of the Company for the financial year 2025–26. 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, the Company is aligning its strategic direction with the existing global trends and the evolving needs of the automotive industry in Pakistan. The transition towards a low-carbon economy and increasing demand for cleaner mobility solutions present both challenges and opportunities for the Company. In response, the Company is advancing its efforts through investments in renewable energy and the expansion of its product portfolio to include Hybrid Electric Vehicles (HEVs), Plug-in Hybrid Electric Vehicles (PHEVs), and Electric Vehicles (EVs). These initiatives support emissions reduction, enhance the Company's long-term competitiveness, and contribute to Pakistan's transition towards a more sustainable and low-carbon industry sector. 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.

Sincerely,

Chief Executive Officer

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 (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 (HSE).
- Policy on Diversity, Equity & Inclusion (DE&I) issued.
- Policy on Protection Against Harassment at Work Place issued.
- 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.

2025-26

- 2nd Sustainability Report (2024-25) published.
- Completed the Solar Power project of 5.7 mega-watt at four-wheeler manufacturing site.
- Commenced local assembly of 'Tank-500 HEV / PHEV'
- Honored with Certificate of Merit in recognition of the Company's Sustainability Report 2024 at the 'Best Sustainability Report Awards 2024' jointly presented by ICAP and ICMAP.

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 commit to aligning 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 the Companies Act 2017, the 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 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 is committed to upholding high standards of ethical conduct, integrity, transparency, and regulatory compliance across the Company's operations. The Company maintains a zero-tolerance approach to bribery, corruption, fraud, and other unethical practices and expects all employees and stakeholders to comply with applicable laws, policies, and ethical standards.

Through appropriate governance mechanisms, internal controls, and reporting channels, the Company promotes accountability, prevents and addresses instances of misconduct, and supports a culture of responsible and transparent business conduct.

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 existing board members were elected in accordance with the provisions of the Companies Act, 2017 and shall hold office for a period of three years commencing from March 20, 2026.

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 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 2026.

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

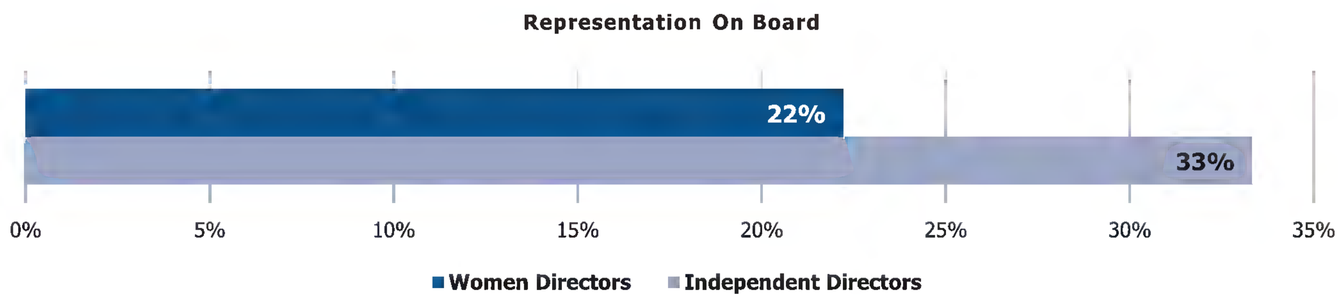
The **office of the Chairperson and the Chief Executive Officer (CEO)** are separate, and the Chairperson is a non-executive director. The two posts are separate to ensure a clear distinction between the Chairperson's responsibility to manage the Board and the Chief Executive Officer's responsibility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



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. 12 of the Annual Report 2026 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 2025-26 were in compliance with the Companies Act 2017 and related regulations. The Chief Financial Officer and the Company Secretary also attended all the meetings. The minutes of all the meetings were recorded and promptly circulated among all the directors. 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 2026.

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 the 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, sustainability, ESG and DE&I oversight, appointment of key management positions, approval of annual budgets including capital expenditures, borrowings, 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.

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 the 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 2026.

ROLES AND RESPONSIBILITIES OF THE CHAIRPERSON

The Chairperson is responsible for providing effective leadership to the Board, ensuring it operates within its powers and fulfills its responsibilities as a cohesive decision-making body while promoting a culture of integrity, accountability, and independent judgment. This role includes overseeing robust corporate governance practices, ethical standards, and the implementation of key policies such as codes of conduct, whistleblowing, grievance redressal, and anti-harassment mechanisms. The Chairperson ensures that the Board regularly reviews the Company's strategy, performance, and key business objectives, while also maintaining oversight of risk management, internal controls, legal and regulatory compliance.

Additionally, the Chairperson supports an appropriate Board composition with a balanced mix of skills and independence, facilitates succession planning and performance evaluations, and ensures effective functioning of Board committees. The role extends to overseeing sustainability, ESG, and diversity initiatives, managing Board meetings and agendas to enable informed decision-making, and ensuring proper documentation and timely circulation of minutes. The Chairperson also facilitates director induction, presides over general meetings, promotes shareholder engagement, and provides a formal review of the Board's performance and effectiveness in achieving the Company's objectives in accordance with applicable legal requirements.

ROLES AND RESPONSIBILITIES OF THE CEO

The Chief Executive Officer (CEO) is responsible for developing and executing the Company's strategic direction, including submission of business plans, budgets and capital expenditure proposals for Board approval, and ensuring effective implementation and performance monitoring. The CEO oversees all operational aspects of the business, including manufacturing, supply chain, quality assurance, sales and after-sales services, ensuring efficiency, product quality and continuity of operations. The role encompasses prudent financial management, maintenance of accurate financial records, and coordination with the finance function to ensure strong internal financial controls and compliance with applicable accounting standards. The CEO is also responsible for implementing the corporate governance framework, supporting the Board and its committees through timely and accurate reporting, and ensuring that all material matters are appropriately escalated.

In addition, the CEO establishes and maintains robust risk management and internal control systems, ensures compliance with all applicable legal and regulatory requirements, and oversees disclosures of material and share price-sensitive information in line with statutory and stock exchange regulations. The CEO provides leadership in human resource management, fostering a culture of performance, integrity, diversity and compliance with workplace laws. The role further includes ensuring effective health, safety and environmental practices, supporting sustainability and ESG objectives, and maintaining constructive relationships with key stakeholders, while referring significant or policy matters to the Board as required.

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 including IT 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 to sustainability. Company's Risk Management Committee reviews the key risks and develops 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 has 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 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

Embedding Policy Commitments

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 cooperating 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.

HUMAN RESOURCE MANAGEMENT

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.

DIVERSITY, EQUITY AND INCLUSION POLICY

The Company is committed to fostering a diverse, equitable and inclusive workplace where all employees are treated with respect and dignity, and where differences in backgrounds, perspectives and experiences are valued.

The policy applies to all employees and aims to ensure fair treatment, equal access to opportunities, and an environment where individuals can express themselves without fear of discrimination or prejudice. The Company promotes merit-based recruitment and employment practices, equal opportunity across all levels, and an inclusive workplace culture free from harassment and retaliation. It supports employee well-being through flexible practices, awareness and training initiatives, and mechanisms for raising concerns without fear of reprisal.

The Company also encourages community engagement initiatives that promote diversity and inclusion, while management provides leadership and oversight to embed these principles across operations, and employees are expected to uphold mutual respect and contribute to an inclusive work environment.

PROTECTION AGAINST HARASSMENT AT WORKPLACE POLICY

The Company maintains a zero-tolerance approach towards harassment and is committed to providing a safe, respectful and professional workplace for all employees. This policy applies across the organization and is designed to prevent inappropriate conduct, ensure compliance with applicable laws, and promote a culture of dignity and mutual respect.

The Company has established clear procedures for reporting concerns, conducting impartial and confidential inquiries, and taking appropriate action where required. Oversight is maintained through a designated authority and an inquiry mechanism empowered to review complaints, assess evidence and recommend actions. The policy also safeguards individuals from retaliation and ensures fair treatment of all parties involved, while reinforcing management's responsibility to uphold these standards and maintain a secure and inclusive working environment.

HEALTH, SAFETY AND ENVIRONMENT POLICY

The Company's Health, Safety and Environment (HSE) Policy reflects its commitment to safeguarding employee well-being, ensuring safe working conditions, and minimizing environmental impact across all operations.

The policy emphasizes proactive hazard identification, risk management, and compliance with applicable laws and international standards, including ISO 45001 and ISO 14001. It promotes continuous improvement through regular monitoring, audits, and employee training, while encouraging active workforce participation in maintaining a safe and environmentally responsible workplace. Key focus areas include occupational health services, workplace safety measures, emergency preparedness, and responsible environmental management through waste reduction, resource efficiency, emissions control, and sustainability initiatives.

The Company remains committed to fostering a culture of safety, environmental stewardship, and regulatory compliance in all aspects of its operations.

DIVIDEND DISTRIBUTION POLICY

Company's Dividend Policy ensures a fair, transparent, and consistent approach in the distribution of profits and to provide a sustainable and consistent return to our shareholders and retaining sufficient earnings to fund the company's future growth and expansion plans. It emphasizes maintaining an optimal balance between dividend payouts and the retention of earnings, thereby safeguarding the Company's long-term financial stability and supporting sustainable business expansion.

The Board of Directors may declare dividends quarterly, bi-annually, annually or at any time when it deems appropriate, considering the financial performance, liquidity position, financial health and stability, future expansion and investment plans, general economic conditions of the country and industry specific factors, market perception and shareholders expectations, legal and regulatory requirements.

The Company ensures compliance with all the principles and procedures for the declaration, distribution, payment & withholding of dividends as outlined in the Companies Act, 2017, the Companies (Distribution of Dividends) Regulations, 2017 and other applicable laws, rules, regulations and directions issued by the Regulators for this purpose from time to time.

In line with regulatory guidelines, 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.

All related party transactions are placed before the Audit Committee of the Company for its review, 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 are 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 discloses the fact and abstain from voting on the approval of the said Related Party Transaction. If 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 all the related party relationships and transactions are given in Note 38 of the annual audited financial statements for the year ended June 30, 2026.

WHISTLEBLOWING 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 or the Chairperson of the Audit Committee, ensuring independent oversight and fair handling of complaints.

During the year 2025-26 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 2025-26, 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 require 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 2025-26 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 2025-26.

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.

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, ESG practices and compliance are their key interests.

We meet their expectations by focusing on business sustainability, financial stability and by providing transparent financial / non-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 launch of new products, 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 34th Annual General Meeting of the Company, held on September 25, 2025, was attended by shareholders of the Company including minority shareholders. The meeting was also attended by the Chairperson 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 considers 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, corporate briefing session was held on 25-Sept-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.
- Key business risks.
- 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 2025-26, refer to the Directors' Report 2026.

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:

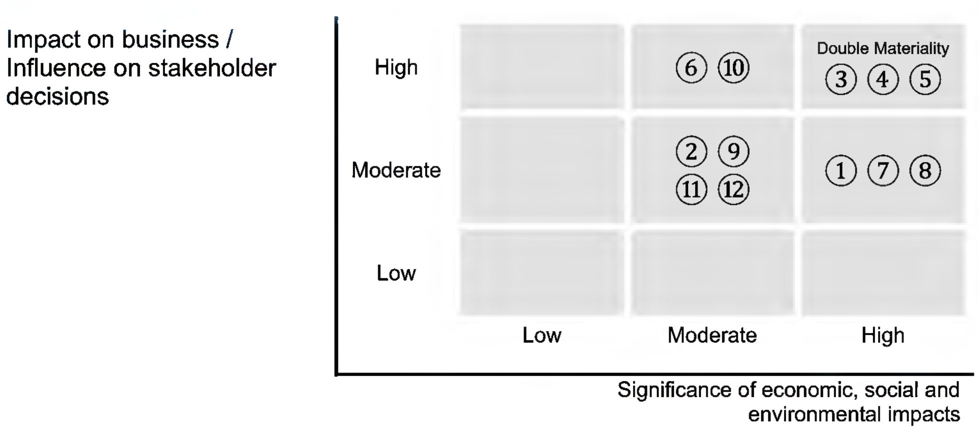
- Sustainability (including climate) related matters were identified considering the Company's objectives, strategies, policies, vision, mission & core values, Company's existing risk assessments, value chain, impacts of the Company's activities, possible topics as per GRI standards, potential sustainability matters specific to automotive industry, and stakeholders' perspectives.
- In addition, the identification process was further informed by sustainability (including climate) related matters identified by the entities that operate in the same industry, scenario analysis (to identify climate/nature related matters) disclosure topics in SASB Standards and industry-based guidance of IFRS-S2.
- Following the identification, each identified matter was assessed using a structured magnitude-likelihood assessment matrix defined within the Company's Risk Management Framework. Likelihood reflects the probability of occurrence based on historical trends, scenario analysis and forward-looking indicators, while magnitude considers potential financial, operational, regulatory, and reputational consequences across various time horizons. This assessment results in overall rating and enables the prioritization of matters to understand its importance to the Company and guide our mitigation strategies.
- Assessment of the identified matters guides effective management. Cost effective mitigation strategies / controls were identified and implemented based on the resources available using a hierarchy of control types that includes transfer, avoid, mitigate and accept.
- Finalized list of material matters was presented to the senior management for approval and integrated into strategic planning and capital allocation decisions.
- No external experts were engaged during the process of determining material sustainability matters.

(1) Identify issues that have the potential to impact → (2) Assessment and prioritization of the issues → (3) Approval by senior management → (4) Continual assessment of emerging issues

Priority sustainability-related matters:

	Sustainability Matter	Impact on economy, environment & people	Impact on business (risks & opportunities)
1	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.
2	Indirect Economic Impact	Positive impacts through growth of service sectors and job creation within the supply chain.	Investors' confidence, impact on reputation.
3	Procurement Practices / Supply Chain Impact	Business opportunities for suppliers, economic development and other impacts on environment and society.	Regulatory changes including taxation policies, supply chain (local / import) stability.
4	Energy	Negative environmental effects of using non-renewable energy sources.	Climate change risk, energy supply, transitioning to low-carbon energy sources.
5	Emissions & Climate Change	Negative environmental impact due to emissions (including product emissions).	Climate change risk (physical & transitional), regulatory changes.
6	Materials	Negative impacts through the use of depleting finite resources.	Availability of raw materials
7	Waste	Negative environmental effects from waste generation and disposal.	Regulatory penalties, weaken relations with local communities.
8	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.
9	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.
10	Occupational Health and Safety	Impacts on health of workforce affecting productivity.	Strategic objectives and target meeting.
11	Training & Education	Improves employees' ability to contribute effectively, supporting the company's success and value creation.	Strategic objectives and target meeting.
12	Local Communities	Positive impacts on communities through socio-economic development, healthcare, education, and food support. Negative impact of business activities on business.	Build reputation as a socially responsible citizen.

Materiality Matrix:



SUSTAINABILITY INCLUDING CLIMATE RELATED

FINANCIAL DISCLOSURES

(IFRS S1 & S2)

SUSTAINABILITY OVERSIGHT

01

Company recognizes 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.

To effectively discharge the sustainability related duties, the board has established a dedicated Sustainability Committee, which operates under formally approved Terms of Reference.

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.

Recognizing the increasing importance of sustainability, the Company intends to further strengthen ESG-related competencies (including climate-related expertise) among its existing Board members through targeted training and ongoing awareness programs. Moreover, greater emphasis will be placed on ESG competencies in the evaluation and selection of candidates for Board positions. This approach aims to ensure that the Board is appropriately equipped to effectively oversee sustainability-related risks and opportunities, thereby strengthening the Company's commitment to responsible and forward-looking governance.

Oversight by Board Committees

The Sustainability Committee supports the Board by monitoring and reviewing sustainability (including climate) related impacts, risks and opportunities, devising sustainability strategies, setting and monitoring relevant targets, overseeing compliance of laws pertaining to relevant sustainability-related considerations and reporting, at-least once a year, to the Board on sustainability matters.

The Sustainability Committee receives recommendations from the management team on sustainability (including climate) related targets which are subject to approval of the board. Progress against targets is monitored periodically by management team and further reviewed by the Sustainability Committee and the Board on annual basis.

The Risk Management Committee also supports the Board in its oversight of the effective integration of sustainability-related exposures into the Enterprise Risk Management (ERM) framework and the Company's risk taxonomy.

The detailed 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 Senior Management / 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.

A cross-functional team, comprising representatives from key departments, has also been established to drive sustainability initiatives across the organization and to support the development of comprehensive sustainability reporting.

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 Company's sustainability performance.

Sustainability Governance Structure

RISK MANAGEMENT

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. There have been no changes to the overall ERM process compared to the prior reporting period.

Identification, Assessment & Prioritization of Sustainability (including climate) Related Risks and Opportunities

The Company's process for identification, assessment & prioritization of 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 details of the process of identifying, assessing & prioritizing are set out in the 'Materiality Assessment' section of this report.

Monitoring and Reporting of Sustainability (including climate) Related Risks and Opportunities

The Board of the Company, supported by sustainability committee and risk management committee, 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 in the form of an annual report prepared by the management team (led by CEO), ensuring that these risks and opportunities 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: 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.

STRATEGY

The Company acknowledges that sustainability-related risks and opportunities may materially influence its enterprise value, financial outcomes, operational stability, and long-term competitiveness. In this context, the Company has considered the potential implications on its business model, strategic priorities, and allocation of resources over the short, medium, and long term.

Company's operations are underpinned by dependable access to financial capital, assembly and production infrastructure, competent workforce, evolving automotive technologies, and resilient value chain partnerships. Sustainability-related developments—both global and local—may directly or indirectly affect these critical enablers, thereby shaping the Company's ability to sustain operations, strengthen its market position, and create long-term stakeholder value within the Pakistani automotive landscape.

Consistent with its strategic objectives, the Company embeds sustainability considerations into its strategic planning processes, operational decision-making, and capital deployment. This integrated approach enhances the resilience of the Company's business model and strategy in the face of sustainability-related risks and opportunities that may impact enterprise value. Through materiality assessment process (defined earlier in this report), the Company has identified key sustainability-related risks and opportunities that are pertinent to its operations and the broader automotive sector in Pakistan.

Time Horizon considered for risks and opportunities:

The Company defines the following time horizons for assessing sustainability including climate-related risks and opportunities:

Period	Strategic and Financial Relevance
Short Term (0-2 years)	The Company defines the short term as a period of up to two years, aligned with its annual capital expenditure and operating expense budgets, periodical statutory reporting, and focused on immediate operational and financial planning.
Medium Term (2-5 years)	The medium-term horizon, spanning two-to-five-years, reflects the Company's focus on executing its strategic priorities including expanding product offerings, advancing localization initiatives, improving revenue generation and customer base through market expansion, product innovation and enhanced after-sales service capabilities.
Long Term (Greater than 5 years)	The long-term horizon extends beyond five years. This horizon reflects the Company's strategic approach to resource allocation and financing, with focus on plant expansion, capacity enhancement, and infrastructure development. These initiatives are aimed at effectively addressing identified risks and opportunities while supporting sustainable growth and long-term value creation.

Use of scenario analysis in climate-related risks and opportunities

Climate-related scenario analysis was performed covering both the business units 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 2026.

Two scenarios were selected reflecting a plausible climate future and aligned with the IPCC Shared Socio-Economic Pathway Scenarios, which includes **Low-warming** (SSP1-1.9, 1.4°C by 2100) and **High-warming** (SSP5-8.5, 4.4°C by 2100).

Each scenario incorporates both transition risks and physical risks, with the primary focus shifting from high transition risks in the low-warming scenario to high physical risks in the high-warming scenario. 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.

The Company recognizes that climate projections are not forecasts but plausible pathways, and actual outcomes may differ.

The following table summarizes the key assumptions under each scenario:

Low Warming scenario SSP1-1.9	High Warming scenario SSP5-8.5
This scenario represents rapid global transition towards low-carbon & climate-resilient economy by year 2050. This scenario aligns with the Paris Agreement's 1.5°C warming limit, with temperatures peaking at 1.5°C before declining to 1.4°C by century's end. In this context, the Company expects: - 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. - Improved air quality and pollution control measures.	This scenario represents delayed global mitigation, where warming is expected to soar by 4.4°C by the end of the century. The Company assume that irreversible environmental changes will occur, leading to: - More intense storms, rainfall patterns, flooding and heatwaves. - Widespread / extremely severe supply chain disruption due to disastrous weather events. - Slower reductions in air pollutants and delayed regulatory intervention.

Sustainability Risks and Opportunities

The key sustainability risks and opportunities that could reasonably be expected to affect the Company's prospects are outlined below, segregated into three sections, namely *Climate-Related Risks; Climate-Related Opportunities;* and *Other Sustainability Related Risks and opportunities.*

01: Climate-Related Risks

The Company operates in an environment increasingly shaped by climate-related developments, which present both challenges and areas for strategic response. Key exposures include the potential disruption caused by extreme weather patterns to operations, logistics networks, human resources, and physical assets, alongside a rapidly evolving policy landscape and changing market expectations. Heightened expectations from regulators, investors, and customers around climate action are likely to influence cost structures, demand dynamics, and overall business performance.

Responding to these climate related uncertainties will require focused planning, allocation of resources, and ongoing adaptation, which may have notable financial and operational implications over the short to long term.

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:

Key Transition Levers			
Energy & Emissions Management	Operations & Infrastructure	Products & Value Chain	Governance & Financial Strategy

Actions		
Renewable Power Source	Operational Energy Efficiency	Low Emission Products (EV / HEV)
Green Supply Chain Engagement	Regulatory Compliance	Facility Upgrades
Purchase of Carbon Credits	Sustainable Financial Planning	

Expected Outcomes		
Reduced GHG emissions & exposure to energy price volatility	Reduced energy / carbon intensity	Enhanced market share
Supply chain resilience and reputation	Reduced regulatory risk	Reduced exposure to climate related risks
Off-Setting GHG emissions	Enhanced Investor and Stakeholder Confidence	Improved sustainability reporting

Risk – 01: Heavy storms / rainfall

Type	Risk Description	Value Chain Location	Time Horizon
Climate-related Physical Risk (Acute)	Heavy storms / rainfall may adversely affect the supply chain operations and damage facility infrastructure, leading to production disruptions.	Upstream, Own Operations, Downstream	Long term

Potential impact on business model and value chain

Increased intensity, frequency and duration of storms / rainfall may disrupt electricity transmission, logistics operations (i.e. procurement of materials from our suppliers and the timely delivery of our products to customers), leading to production delays. In addition, excessive rainfall may result in rising sea levels and coastal flooding which may threaten the viability of ports. The Company purchases a wide variety of materials / parts, transportation services from numerous suppliers to support the manufacturing of our products. Company also purchases materials / parts from a single source, which may increase risk of supply disruptions.

Assessment under climate scenarios reflecting different global warming trajectories.

Climate Scenario	Exposure Level	Scenario Context
High-warming scenario (SSP5-8.5)	Long term: **High** Short / Medium term: **Moderate**	Intense rainfall patterns lead to increased supply chain, production and infrastructure exposure.
Low-warming scenario (SSP1-1.9)	Long term: **Low** Short / Medium term: **Low**	Weather events may continue to evolve and disruption to supply chain is expected to be more manageable and less severe.

Projected precipitation trends in Pakistan indicate increasing variability under both climate scenarios over the 21st century. Under the low-warming pathway (SSP1-1.9), rainfall patterns remain relatively stable, resulting in low risk over short, medium and long term. In contrast, the high-warming pathway (SSP5-8.5) indicates a pronounced increase in precipitation and variability, particularly beyond mid-century, leading to moderate risk in the medium term and high risk in the long term *(Source: Climate Change Knowledge Portal – World Bank Group)*. These trends elevate the likelihood of extreme rainfall events, posing potential risks to operations, supply chain, and infrastructure.

Strategy to address the risk

To strengthen resilience against the potential impacts of extreme rainfall events, the Company's strategic priorities over short, medium & long term include:

- Close collaboration with logistics partners to ensure flexibility in our transportation networks, enabling us to respond swiftly to disruptions.
- Improvements in emergency response plans.
- Diversification of supplier base to minimize the impact of supply disruptions.
- 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 severe weather conditions.

Financial Effects

Current: During FY 2025–26, the Company did not experience any material operational or financial impacts arising from rainfall events.

Anticipated: Over the period, it may have financial implications in the form of potential asset impairments due to recurring disruptions *(Note 18*)* and elevated working capital requirements to maintain buffer inventory *(Note 27*)*.

**Notes to the annual audited financial statements for the year ended June 30, 2026.*

Risk – 02: Rising temperature

Type	Risk Description	Value Chain Location	Time Horizon
Climate-related Physical Risk (Chronic)	Temperature extremes / heatwaves may lead to health risk for employees, equipment failures and increase the likelihood of power outages.	Upstream, Own Operations, Downstream	Medium term

Potential impact on business model and value chain

Temperature extremes and heatwaves may adversely affect workforce health and productivity, leading to increased absenteeism and reduced operational efficiency. Prolonged exposure to high temperatures can also accelerate wear and failure of machinery, resulting in unplanned downtime and higher maintenance costs. Additionally, increased strain on energy systems may elevate the risk of power disruptions, affecting production continuity and overall cost structures.

Assessment under climate scenarios reflecting different global warming trajectories.

Climate Scenario	Exposure Level	Scenario Context
High-warming scenario (SSP5-8.5)	Long term: **High** Short / Medium term: **Moderate**	Severe heat conditions lead to enhanced operational and workforce exposure.
Low-warming scenario (SSP1-1.9)	Long term: **Moderate** Short / Medium term: **Low**	Stabilized temperature trends; risks remain manageable with planned adaptation measures.

Under a low-emission scenario (SSP1-1.9), temperature increases will be relatively contained; however, the Company may still face moderate heat-stress impacts with manageable increase in cooling and maintenance costs. Risks to equipment and power stability remains limited but require incremental adaptation measures. In contrast under a high-emission scenario (SSP5-8.5), the frequency and intensity of heatwaves are expected to increase significantly, leading to heightened health and safety risks for employees, more frequent equipment failures, and elevated probability of power outages. This could result in significant disruptions to production, increased operating and capital costs (cooling systems, asset upgrades), and reduced asset efficiency, thereby affecting overall operational resilience and financial performance.

Strategy to address the risk

To address the increasing risks posed by temperature extremes and heatwaves, the Company is focusing on the following measures to enhance operational resilience and safeguard workforce well-being. These actions are aimed at minimizing disruptions, improving asset reliability, and ensuring continuity under evolving climate conditions:

- Upgrading ventilation and cooling systems to maintain safe indoor temperatures.
- Monitoring and regulating indoor temperatures to maintain safe and comfortable working conditions for employees.
- Strengthen preventive maintenance to minimize heat-related equipment failures.
- Enhancing employee health and safety measures.
- Deploy backup power systems and load management to address outages.
- Investment in climate-resilient infrastructure and energy-efficient technologies.

Financial Effects

Current:

During FY 2025–26, the Company did not experience any material operational or financial impacts arising from rising temperature. However, to address the exposure to heating conditions, the Company has incurred the following expenditure reflected in the annual audited financial statements for the year ended June 30, 2026:

Description	Financial Statement	Financial Statement Line Item	Amount Rs.
Cooling & ventilation system (HVAC) at four-wheeler assembly unit	Statement of Financial Position	Property, Plant & Equipment (Note 18)	203,837,838
Solar power project to avoid disruption in power supply resulting from rising temperature.	Statement of Financial Position	Property, Plant & Equipment (Note 18)	323,722,342
Installation of new generators serving as power back-up solution.	Statement of Financial Position	Property, Plant & Equipment (Note 18)	88,130,686
Repair & Maintenance of generators.	Statement of Profit or Loss	Cost of Sales (Note 27)	1,524,800

Anticipated:

Anticipated financial implications may include increased operating costs driven by higher energy consumption for cooling and elevated repair and maintenance expenses *(Note 27*)*. Additional capital expenditure for asset upgrades and climate-resilient infrastructure, alongside potential asset impairment arising from equipment failures *(Note 18*)*.

**Notes to the annual audited financial statements for the year ended June 30, 2026.*

Risk – 03: Carbon Tax / Levy

Type	Risk Description	Value Chain Location	Time Horizon
Climate-related Transition Risk (Policy and Legal)	Introduction of carbon tax / levy on energy-consuming industries, resulting in increased cost of carbon-intensive operations and energy use across the value chain.	Upstream, Own Operations	Long term

Potential impact on business model and value chain

Higher operating and supply chain costs may require pricing adjustments, improved energy efficiency, and a shift towards low-carbon technologies and sourcing strategies across procurement, manufacturing, and logistics.

Assessment under climate scenarios reflecting different global warming trajectories.

Climate Scenario	Exposure Level	Scenario Context
High-warming scenario (SSP5-8.5)	Long term: **Low** Short / Medium term: **Low**	Delayed or less stringent climate policies reduce the immediate likelihood of carbon taxation.
Low-warming scenario (SSP1-1.9)	Medium / Long term: **High** Short term: **Moderate**	Aggressive policy and regulatory environment aimed at rapid decarbonization.

Strategy to address the risk

To mitigate exposure to carbon tax or levy risks, the Company is focusing on improving energy efficiency across operations and transitioning towards renewable energy sources to reduce carbon intensity. This can be supported by investing in cleaner production technologies. Additionally, strengthening emissions monitoring systems, and leveraging carbon offset mechanisms can help manage and reduce the overall impact of potential carbon-related regulations.

Financial Effects

Current:

During FY 2025–26, the Company did not experience any material operational or financial impacts arising from carbon taxation or levies, as no formal nationwide carbon tax framework has been implemented in Pakistan for the automotive industry. However, in anticipation of potential future regulatory developments, the Company has proactively initiated renewable energy generation.

The associated financial effect is reflected in the annual audited financial statements for the year ended June 30, 2026, as detailed below:

Description	Financial Statement	Financial Statement Line Item	Amount Rs.
Solar power project	Statement of Financial Position	Property, Plant & Equipment (Note 18)	323,722,342

Anticipated:

Over the long term, the potential introduction of carbon tax by Government of Pakistan may have financial implications in the form of increased cost exposure through energy pricing *(Note 27*)*, compliance requirements, and value chain impacts.

**Notes to the annual audited financial statements for the year ended June 30, 2026.*

Risk – 04: Regulations on vehicle emissions

Type	Risk Description	Value Chain Location	Time Horizon
Climate-related Transition Risk (Policy and Legal)	Increasing pressure to meet stringent regulations on emission generating vehicles and related fuel economy resulting in forced product modifications.	Own Operations	Long term

Potential impact on business model and value chain

Stringent regulations on vehicle emissions and fuel economy may lead to higher compliance and development costs, increased investment in cleaner technologies, adjustments in sourcing and manufacturing processes, and shift in the product mix towards more fuel-efficient and low-emission vehicles, potentially impacting margins and competitiveness.

Assessment under climate scenarios reflecting different global warming trajectories.

Climate Scenario	Exposure Level	Scenario Context
High-warming scenario (SSP5-8.5)	Long term: **Low** Short / Medium term: **Low**	Limited regulatory pressure on vehicle emissions due to delayed policy action.
Low-warming scenario (SSP1-1.9)	Medium / Long term: **High** Short term: **Moderate**	Stringent and accelerated regulatory measures to curb emissions which may require rapid transition towards low-emission technologies.

Strategy to address the risk

To mitigate risks from increasingly stringent regulations, company's strategic priorities include investment to achieve better fuel-efficiency of vehicles, introduction of product portfolio of low emission vehicles (New Energy Vehicles), and close monitoring of policy developments which will enable the Company to adapt efficiently while managing costs and maintaining competitiveness.

Financial Effects

Current:

During FY 2025–26, Government of Pakistan introduces New Energy Vehicles Adoption (NEVA) Levy. This levy was imposed on all Internal Combustion Engine (ICE) vehicles, whether imported or locally assembled. The levy structure is based on engine capacity, with rates of approximately 2% and 3% (ad valorem) of the invoice price (inclusive of duties and taxes) applicable to 1500cc and 2000cc four-wheeler vehicles, respectively, and 1% for three-wheeler vehicles.

The associated effects in financial statements FYE June 30,2026 are as follows:

Description	Financial Statement	Financial Statement Line Item	Amount Rs.
NEVA Levy	Statement of Profit or Loss	Sales – Net (Note 26)	3,808,547,558

Anticipated:

The potential introduction of regulations may impact through increased expenditure to comply with evolving emission and fuel efficiency standards *(Note 29*)*. The Company may also incur higher production and procurement costs due to upgraded components and technologies, along with potential impacts on margins and pricing strategy *(Note 27*)*.

**Notes to the annual audited financial statements for the year ended June 30, 2026.*

Risk – 05: Customer Behavior

Type	Risk Description	Value Chain Location	Time Horizon
Climate-related Transition Risk (Market)	Change in consumer behavior resulting in drop in unit sales of internal-combustion engine (ICE) vehicles.	Own Operations	Medium term

Potential impact on business model and value chain

A shift in consumer preference away from ICE vehicles may lead to reduced sales volumes, impacting revenue streams and asset utilization. It may also require realignment of the product portfolio, and potential obsolescence risks for inventory.

Assessment under climate scenarios reflecting different global warming trajectories.

Climate Scenario	Exposure Level	Scenario Context
High-warming scenario (SSP5-8.5)	Long term: **Moderate** Short / Medium term: **Low**	In the short to medium term, the impact may remain low due to slower policy and consumer shifts; however, long-term exposure could increase as global trends gradually influence local markets.
Low-warming scenario (SSP1-1.9)	Medium / Long term: **High** Short term: **High**	Strong regulatory push and heightened environmental awareness may accelerate the decline in ICE vehicle demand across short, medium, and long term, resulting in higher transition risk and faster business model disruption.

Strategy to address the risk

To address this risk, the Company is progressively diversifying its product portfolio by increasing focus on hybrid and electric vehicles, while strengthening market intelligence to track evolving customer preferences. Additionally, customer awareness initiatives and flexible pricing strategies can help manage the transition while sustaining demand.

Financial Effects

Current: During FY 2025–26, the Company did not experience any significant shift in customer behavior. However, the Company has proactively developed low-emission (NEVs) product offerings, and the Company has completed the expansion of four wheelers manufacturing facility including new assembly line and construction of new warehousing facilities, to support the local assembly of NEVs.

The associated financial effects in financial statements FYE June 30, 2026 are as follows:

Description	Financial Statement	Financial Statement Line Item	Amount Rs.
Facility Expansion for NEVs assembly including HVAC system and solar project.	Statement of Financial Position	Property, Plant & Equipment (Note 18)	6,500,000,000
Marketing cost to promote NEVs	Statement of Profit or Loss	Distribution and marketing costs (Note 28)	605,435,051

Anticipated: Anticipated financial implications may include compromised revenues from ICE vehicles sales *(Note 26*)* and the Company may face increased capital expenditure requirements to transition towards low-emission vehicles *(Note 18*)*.

**Notes to the annual audited financial statements for the year ended June 30, 2026.*

02: Climate-related Opportunities

Opportunity – 01: Demand for low emission vehicles (NEVs)

Type	Description	Value Chain Location	Time Horizon
Climate-related Opportunity (Market)	Rising demand for low-emission vehicles creates an opportunity to accelerate portfolio transition and capture emerging market segments. It supports alignment with regulatory trends while enhancing long-term competitiveness.	Downstream	Medium term

Potential impact on business model and value chain

The Company may increasingly shift its imports (CKDs and other parts) toward hybrid and electric vehicles. This will require closer coordination with overseas principal, suppliers, alongside strengthening local sourcing, assembly capabilities, and after-sales support. Dealership networks, logistics, and inventory planning will need to adapt to manage a more diverse low-emission product mix.

Strategy to address the opportunity

To address the opportunity, the Company is progressively developing its low-emission vehicle lineup along with strengthening collaboration with suppliers, aggressive marketing campaigns, enhancing assembly capacity, dealer readiness and after-sales support.

Financial Effects

Current:

During FY 2025–26, the Company has received notable demand for low emission vehicles (NEVs) contributing a significantly to the overall sales revenue. During the year the Company has completed the expansion of four wheelers manufacturing facility, to support the local assembly of NEVs. The associated financial effects in financial statements FYE June 30, 2026 are as follows:

Description	Financial Statement	Financial Statement Line Item	Amount Rs.
Facility Expansion for NEVs assembly including HVAC system and solar project.	Statement of Financial Position	Property, Plant & Equipment (Note 18)	6,500,000,000
Marketing cost to promote NEVs	Statement of Profit or Loss	Distribution and marketing costs (Note 28)	605,435,051

Anticipated:

The anticipated financial effects are expected to remain consistent with those of current effects which include setting up / installation of fully automatic complete paint shop facilities with an estimated budget of Rs. 22 billion along with other necessary CAPEX *(Note 18*)* and marketing expenses *(Note 28*)* to promote low emission vehicles.

**Notes to the annual audited financial statements for the year ended June 30, 2026.*

Opportunity – 02: Transition to Renewable Energy

Type	Description	Value Chain Location	Time Horizon
Climate-related Opportunity (Technology)	The shift towards renewable energy sources presents an opportunity to enhance operational resilience and reduce exposure to energy price volatility and grid instability.	Own Operations	Short term

Potential impact on business model and value chain

Increased adoption of solar energy may change the Company's energy sourcing strategy by integrating on-site generation and reducing reliance on conventional grid electricity. This can also encourage value chain partners to align with low-carbon energy sources.

Strategy to address the opportunity

To address the opportunity, the Company is actively considering investing in on-site solar installations while improving energy efficiency across operations. Strengthening technical capabilities and engaging suppliers to adopt similar practices can support broader value chain alignment.

Financial Effects

Current: During FY 2025–26, the Company has deployed the 5.7 mega-watt solar power project at four-wheeler assembly unit, the associated financial effects in financial statements FYE June 30, 2026 are as follows:

Description	Financial Statement	Financial Statement Line Item	Amount Rs.
Installation of solar power project	Statement of Financial Position	Property, Plant & Equipment (Note 18)	323,722,342

Anticipated: The anticipated financial effects are expected to remain consistent with those of current effects which include capital investment for solar projects at other business sites *(Note 18*)*, along with gradual maintenance costs. Over time, it is expected to provide cost savings through reduced electricity expenses and lower exposure to potential carbon-related regulatory costs.

**Notes to the annual audited financial statements for the year ended June 30, 2026.*

03: Other Sustainability Related Risks and Opportunities

Risk – 01: Water and Waste Management

Type	Risk Description	Value Chain Location	Time Horizon	Opportunity
Operational Risk	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.

Potential impact on business model and value chain

Inefficient water management and waste handling may disrupt operations due to production grade freshwater shortages, regulatory non-compliance, or increased scrutiny from authorities and communities, while increasing dependency on external waste management and water sourcing solutions.

Strategy to address risk and opportunity

To mitigate potential exposure, the Company is focusing on adopting water recycling initiatives to reduce freshwater dependency; continuous monitoring and improvement in waste management system; and regular monitoring of governmental developments and taking proactive actions.

Current and Anticipated Financial Effects

During FY 2025–26, the Company did not experience any operational or financial impacts arising from any potential water shortage and waste management. However, in the long term, additional capital expenditure *(Note 18*)* may be required for treatment infrastructure and efficiency improvements leading to cost optimization and reduced regulatory and reputational exposure over time.

**Notes to the annual audited financial statements for the year ended June 30, 2026.*

Risk – 02: Energy Crisis

Type	Risk Description	Value Chain Location	Time Horizon	Opportunity
Operational Risk	Inadequate energy supply may disrupt production and limit the Company's ability to meet demand.	Direct operations	Medium term	Build reputation as an environmentally responsible manufacturer by reducing dependency on fossils fuels.

Potential impact on business model and value chain

Energy shortages may lead to reduced production efficiency, increased downtime, and reliance on alternative energy sources, affecting cost structures. It may also disrupt inventory planning and delivery timelines thus damaging reputation and customer relationships.

Strategy to address risk and opportunity

The Company is diversifying its energy sources by integrating backup power solutions and renewable energy options, while improving energy efficiency across operations.

Financial Effects

Current: During FY 2025–26, the Company did not experience any operational disruption arising from inadequate energy supply. However, in anticipation of future potential energy crisis and to ensure the uninterrupted power supply, the Company has deployed the solar power project and incurred other operational expenses, the associated financial effects in financial statements FYE June 30, 2026 are as follows:

Description	Financial Statement	Financial Statement Line Item	Amount Rs.
Solar power project	Statement of Financial Position	Property, Plant & Equipment (Note 18)	323,722,342
Installation of new generators serving as power back-up solution.	Statement of Financial Position	Property, Plant & Equipment (Note 18)	88,130,686
Repair & Maintenance of generators.	Statement of Profit or Loss	Cost of Sales (Note 27)	1,524,800

Anticipated: The anticipated financial effects are expected to remain consistent with those of current effects which include upfront capital investment *(Note 18*)*, along with gradual maintenance costs.

**Notes to the annual audited financial statements for the year ended June 30, 2026.*

Risk – 03: Supply of Material

Type	Risk Description	Value Chain Location	Time Horizon	Opportunity
Operational Risk	Reliance on single source supply of imported essential parts exposes the Company to supply chain concentration risk. In addition, any adverse change in the Governments' taxation and regulatory policy on imports may have considerable impact on business.	Upstream, Direct operations	Medium term	Enhance supply chain resilience by supplier base diversification including localization of imported parts. Strengthening relationships with current and new suppliers.

Potential impact on business model and value chain

Disruptions in the supply of critical components may lead to production delays, reduced output, and inefficiencies in assembly operations. It may also impact inventory planning and necessitate closer coordination with suppliers and alternative sourcing channels across the value chain.

Strategy to address risk and opportunity

To mitigate potential exposure, the Company focuses on its supplier base, maintaining buffer inventory of critical components, strengthening supplier relationships, and enhancing supply chain monitoring. Moreover, the Company proactively engages with regulators/policymakers and monitors regulatory developments impacting the automotive sector.

Current and Anticipated Financial Effects

During FY 2025–26, the Company did not experience any operational or financial impacts arising from potential supply disruptions of imported parts. Single source supply of imported essential parts increases the vulnerability to supply chain disruptions caused by geopolitical events, regulatory changes, logistical challenges, or any supplier specific issues which may lead to production delays resulting in potential adverse impacts on revenue and profit margins.

Climate Resilience Assessment

Company has considered the resilience of its strategies in relation to climate related changes, developments and uncertainties using scenario analysis. Details of selected scenarios and related assumptions are disclosed earlier in this report.

The Company's strategies collectively strengthen its resilience to sustainability, including climate-related risks and associated uncertainties, for both the low warming and high warming scenario. Overall, company's approach is to remain agile and continuously assess its capacity to adjust and adapt its strategy and business model to climate uncertainties. The Company's key strategic priorities for enhancing resilience, informed by climate scenario analysis, include targeted capital investment in facility upgrades, adoption of renewable energy sources, launch of low-emission products, adherence to regulatory requirements, effective environmental management, and strengthening supply chain resilience.

Company acknowledges that there remains significant uncertainty regarding the potential impacts of climate change under different scenarios, particularly in terms of shifts in temperature, the frequency and severity of extreme weather events, change in customer behaviors and climate related regulatory changes. These uncertainties make it challenging to accurately determine the timing, scale, and nature of climate-related risks and their potential impact on operations and assets.

Currently, the company has the capacity to adjust or adapt to climate related uncertainties, 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, company anticipates an increasing capacity to effectively manage uncertainty in the years ahead.

Disclosure Uncertainty

Quantitative information about the anticipated 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.

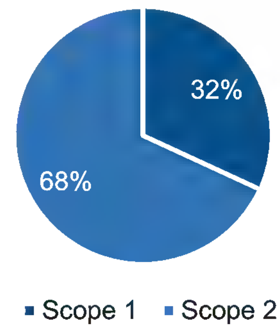
METRICS AND TARGETS

04

Climate Related Metrics:

Greenhouse Gas Emissions

Metric	FY 2025-26
Scope 1 emissions	2,748
Scope 2 emissions	5,871
Total Gross GHG Emissions (MT C02e)	**8,619**
GHG Emissions Intensity (MT C02e / million PKR revenue)	0.045



Significant judgement has been applied when selecting method/approach for measuring and reporting GHG emissions and when selecting appropriate emission factors from available sources, for calculating GHG emissions.

For measuring and reporting GHG emissions, the Control Approach under the Greenhouse Gas Protocol (Accounting and Reporting Standard) 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 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 cover all major greenhouse gases. 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 (CDM Database).

Exposure to climate-related physical risks

The assets held by the Company are not directly exposed to significant physical climate-related risks because the Company's business units are not in locations exposed to significant severe weather events that could result in their destruction or impairment.

Exposure to climate-related transition risks

The company is exposed to transition risk relating to carbon tax, vehicle emissions regulation and customer behavior over long-term horizon. These risks are primarily related to the operations of three-wheeler and four-wheeler segments. Assets associated with both the segments represent 82% of the company's total assets.

For details on segment reporting, refer to note 40 of the annual audited financial statements for the year ended June 30, 2026.

Alignment with climate-related opportunities

During FY 2025-26, the Company has deployed renewable energy project having cost of Rs. 323.7 million at four-wheeler assembly unit. In addition, company has proactively developed low emission product line of four wheelers to address the potential climate related opportunity.

The assets associated with the four-wheeler segment represent 79.5% of the company's total assets.

Climate related Capital deployment

The table below summarizes how the Company has deployed capital in relation to its climate-related risks and opportunities for the FY 2025-26:

Description	Type	Amount Rs.
Facility Expansion for New Energy Vehicles assembly including cooling & ventilation system and solar power project.	CAPEX	6,500,000,000
Installation of new generators serving as power back-up solution.	CAPEX	88,130,686
Repair & Maintenance of generators.	OPEX	1,524,800
Marketing cost to promote NEVs.	OPEX	605,435,051

Internal Carbon Pricing

The Company does not currently incorporate an internal carbon pricing mechanism into its operational or investment decisions, primarily due to the absence of a formal nationwide carbon tax or emissions trading framework in Pakistan. Nonetheless, the Company closely tracks emerging climate-related policies both domestically and internationally, including potential developments in carbon taxation, emissions trading schemes, and cross-border carbon regulations that may influence its future operations and investment strategy.

Executive Remuneration

Executive management remuneration is not currently linked to climate-related considerations. However, the Company is actively evaluating potential approaches to integrate relevant climate and sustainability metrics into its performance and incentive frameworks. This includes exploring measurable indicators aligned with its strategic priorities, regulatory expectations, and emerging best practices, with the aim of strengthening accountability and supporting long-term value creation.

Climate Related Targets:

As of the reporting period, no specific climate-related targets have been set. The Company is actively working towards developing measurable and time-bound targets to address climate risks and opportunities.

Other Sustainability Related Performance Metrics & Targets:

(Based on IFRS S2 industry-based guidance and ESG Disclosure Guidelines issued by the Securities and Exchange Commission of Pakistan)

Environment Metrics

Topic	Metric	Disclosure
GHG Emissions	Total amount of Green House Gas emissions in metric tons.	Disclosed in 'Environmental Performance' section of this report
	Total amount, in CO2 equivalents, for Scope 1, Scope 2 and Scope 3 (if applicable).	Disclosed in 'Environmental Performance' section of this report
Emissions Intensity	Total GHG emissions per output scaling factor.	Disclosed in 'Environmental Performance' section of this report
Energy Usage	Total amount of energy directly consumed.	Disclosed in 'Environmental Performance' section of this report
Energy Intensity	Total direct energy usage per output scaling factor.	Disclosed in 'Environmental Performance' section of this report
Energy Mix	Energy usage by generation type.	Disclosed in 'Environmental Performance' section of this report
	Energy consumption from renewable sources as a percentage of total energy consumption.	Disclosed in 'Environmental Performance' section of this report
Water Usage	Total amount of water consumed.	Not reported
	Total amount of water reclaimed.	Not reported
Environmental Operations	Company follows a formal Environmental Policy.	Yes
	Company follows specific waste, water, energy, and / or recycling polices.	Yes
	Quantity of waste recycled or re-used as a percentage of total waste for the current and comparative period.	Not reported
Environmental Oversight	Board/Management Team oversee and/or manage climate related risks.	Yes
	Board/Management Team oversee and/or manage other sustainability issues.	Yes
Climate Risk Mitigation and Adaptation	Climate related transition and physical risks, climate related opportunities, capital deployment, internal carbon prices.	Yes
Fuel Economy & Use-phase Emissions	Average fuel economy of vehicles (three & four wheelers) sold during the year, weighted by sales volume.	20.4
	Ratio of electrified (zero emission vehicles) three wheelers out of total three-wheeler sales.	0.18 % Target FY27: 1%
	Sale of hybrid vehicles and plugin hybrid vehicles during the year.	Yes

Social Metrics

Topic	Metric	Disclosure
Gender Pay Ratio	Ratio: Median male compensation to median female compensation (Gender Pay Gap)	Page No. 83
Employee Turnover	Percentage: Year-over-year change for full-time employees	Disclosed in 'Social Performance' section of this report
	Percentage: Year-over-year change for part-time employees	n/a
	Percentage: Year-over-year change for contractors and/or consultants	n/a
Gender Diversity	Percentage: Total enterprise headcount held by men and women	Disclosed in 'Social Performance' section of this report
	Percentage: Entry- and mid-level positions held by men and women	Not reported
	Percentage: Senior and executive-level positions held by men and women	Not reported
Temporary Worker Ratio	Percentage: Total enterprise headcount held by part-time employees	n/a
	Percentage: Total enterprise headcount held by contractors and/or consultants	n/a
Non-Discrimination	Company have a sexual harassment and/or non-discrimination, diversity, inclusion policy.	Yes
	Confidential grievance, resolution, reporting and non-retaliation mechanism and procedure to address and respond to incidence of harassment and violence is in place.	Yes
	Percentage: Differently abled Women and men in the workforce	Disclosed in 'Social Performance' section of this report
Health & Safety	Company follows an occupational health and/or global health & safety policy.	Yes
Child & Forced Labor	Company follows a child and/or forced labor policy.	Yes
Corporate Social Responsibility	List of CSR activities undertaken and amounts (PKR) allocated.	Disclosed in 'Social Performance' section of this report
Employee training	Training sessions held during the year along with the number of employees trained in skill upgradation, soft skills, health and safety measures.	Disclosed in 'Social Performance' section of this report
Human Rights	Company follows a human rights policy.	Yes
Working Conditions	Number of complaints made by employees regarding working conditions during the reporting period	zero
	Number of complaints regarding working conditions resolved	n/a
Injury Rate	Number of safety-related incidents during the reporting year and Number of lost production hours as a result	zero
	Percentage of employees / workers covered with health and safety insurance	100%
Product Safety	Percentage of four-wheel vehicle models rated by NCAP with an overall 5-star safety rating internationally	92%
	Number of Safety-related defect complaints received during the year	zero
	Number of vehicles recalled during the year	zero

Governance Metrics

Topic	Metric	Disclosure
Board Diversity	Percentage of total board seats occupied by men and women	Disclosed in 'Social Performance' section of this report
	Percentage of Committee chairs occupied by men and women	100% committee chairs occupied by men
Board Independence	Office of the board chair and the Chief Executive Officer (CEO) are separate	Yes
	Percentage of total Board seats occupied by independent directors	Disclosed in 'Corporate Governance' section of this report
Incentivized Pay	Executives are formally incentivized to perform on sustainability.	No
Ethics & Anti-Corruption	Company follows a formal Code of Conduct / Ethics and/or Anti-Corruption policy.	Yes
	Percentage of your workforce has formally certified its compliance with the policy.	100%
Data Privacy	Company follows a Data Privacy policy.	Yes
Sustainability Reporting & Disclosure Practices	Company publishes sustainability reports.	Yes
	Company provides sustainability data in line with sustainability reporting frameworks.	Yes
	Company focuses on UN Sustainable Development Goals (SDGs).	Yes
External Assurance	Sustainability disclosures are assured or validated by a third party.	No

CREATING IMPACT

Environment, People and Economy

ENVIRONMENTAL PERFORMANCE

Material Sustainability matters	• Climate Change • Energy	• Emissions • Water and Effluents	• Materials • Waste

Capital Inputs
- Natural Capital
- Intellectual Capital
- Manufactured Capital

Activities
- Measuring energy and greenhouse gas emissions
- Transitioning towards renewable energy sources
- Implementing energy saving measures
- Managing waste through responsible practices

Output
- Low emission products
- Renewable and low-carbon energy
- Compliance with environmental laws

Value Created
- Reduced environmental footprint
- Enhanced regulatory compliance
- Environmental resilience
- Strengthened brand reputation

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 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.

We are contributing to multiple UN Sustainable Development Goals (SDGs) through our actions outlined this section.

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.

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, self-generated electricity (solar power), natural gas, LPG and diesel. Currently, 14.8% of total energy comes from solar energy.

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 2025-26 includes:

Description	Consumption (GJ)	Percentage
Electricity (grid based)	38,563	69.5%
Electricity (solar power)	8,184	14.8%
Natural Gas & LPG	1,038	1.9%
Diesel	7,667	13.8%
Total	**55,452**	**100%**

Description	Unit-1	Unit-2	Total
Total Consumption (Unit: GJ*)	9,161	46,291	55,452
Energy Intensity (GJ*/ million PKR revenue)	0.289		

** 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 2025-26 is 55,452 GJ as compared to 49,699 GJ during the year 2024-25. Increase in energy consumption is primarily on account of increase in production during the year.

SAZGAR strives to optimize its plants' energy efficiency and intensity to reduce overall energy consumption and related greenhouse gas emissions.

Saving Energy

7 AFFORDABLE AND CLEAN 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. During the year 2025-26, Company has undertaken a major step towards clean energy by installation of solar power system of 5.7 megawatts at its four-wheeler assembly unit. This initiative will reduce our reliance on conventional energy sources, leading to both financial savings and environmental benefits.

Current year's impact of the solar power system is summarized in the table below:

Description	UOM	Value
Installed Capacity	MW	5.7
Power Generated	Kwh	2,273,399
Cost Saving	PKR	94,068,159
Carbon Footprint Avoided	**MT CO2e**	**1,246**

The GHG emissions avoided based on renewable energy generation is equivalent to planting 56,000 trees (approx. – per year basis)

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. In addition, opportunities are being explored to expedite the shift to the low carbon economy.

The total emissions **(scope 1 & 2)** during the year 2025-26 were 8,619 MT CO2e as compared to 6,682 MT CO2e during the year 2024-25. 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-2	Total
GHG Emissions CO2 equivalent, MT (**Scope I**)	923	1,826	**2,748**
GHG Emissions CO2 equivalent, MT (**Scope 2**)	706	5,165	**5,871**
Total GHG Emissions (MT CO2e)	**1,628**	**6,991**	**8,619**
GHG Emissions intensity (MT CO2e / million PKR revenue)		0.045	

Other greenhouse gases, such as CH4, N2O, are also included in the overall calculation of greenhouse gas emissions (CO_2e).

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).

Green Initiative

In line with the commitment to environmental stewardship and sustainable practices, the Company actively undertakes tree plantation initiatives on a regular basis. Plantation activities are carried out periodically at the factory premises and surrounding areas, aiming to mitigate greenhouse gas emissions, offset the Company's carbon footprint, and promote biodiversity and ecosystem resilience.

Contribution to a Cleaner Environment through EVs & HEVs / PHEVs

In our efforts to promote environmental sustainability, our Electric Vehicles (EVs), Hybrid Electric Vehicles (HEVs) and Plug-in Hybrid Electric Vehicles (PHEVs) play a crucial role in creating a cleaner environment. Unlike traditional vehicles powered by internal combustion engines, our EVs, HEVs & PHEVs 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 CO_2 emissions (in-direct)

** (Calculation based on the saving of fuel consumption by the sale of Four-Wheeler HEVs / PHEVs / EVs and Three-Wheeler EVs during the year 2025-26.)*

Additionally, the use of EVs, HEVs & PHEVs 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 shop and Quality 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.

Companies regularly obtain 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 on the weight of different materials used in 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 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.

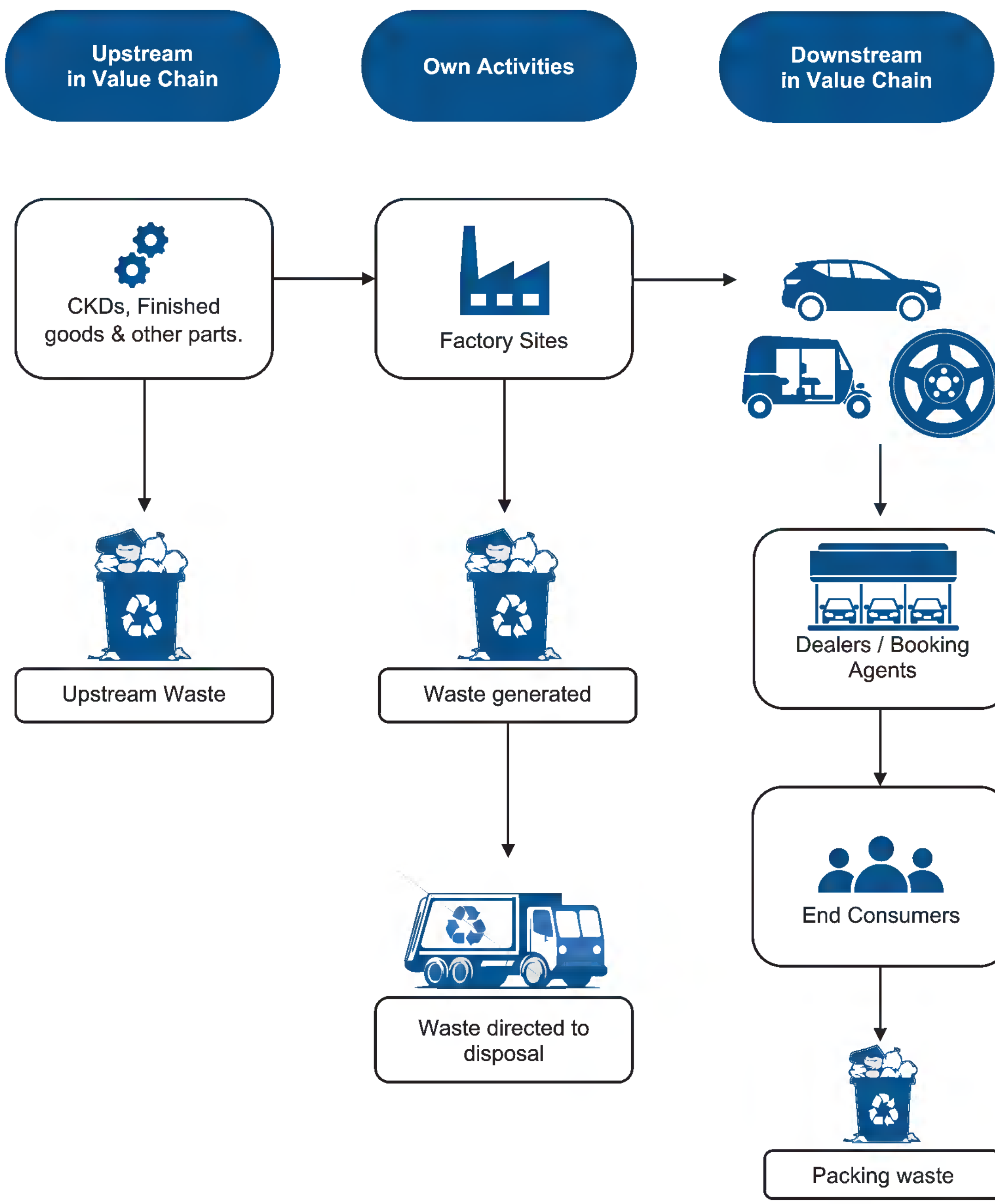
Our approach is to minimize waste generated from our operations and carefully manage our waste streams to reduce environmental impacts. We prioritize waste prevention over recovery or disposal and promote waste prevention throughout our value chain. However, unavoidable production waste is disposed of 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/waste 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.



Waste management 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 **2,137 tons** of solid waste (both hazardous & non-hazardous) were disposed of through scrap / waste dealers.

Waste by composition, in metric tons (t)

Type	2025-26		
	Waste generated	Waste diverted from disposal	Waste directed to disposal
Non-Hazardous	2,090		2,090
Hazardous	47	-	47
Total	**2,137**	-	**2,137**

Waste diverted to disposal-by-disposal operation, in metric tons (t)

Type	2025-26		
	Onsite	Offsite	Total
Non-Hazardous			
Incineration (with energy recovery)	-	-	-
Incineration (without energy recovery)	-	-	-
Landfill	-	-	-
Other disposal operations	-	2,090	2,090
Total			**2,090**
Hazardous			
Incineration (with energy recovery)	-	-	-
Incineration (without energy recovery)	-	-	-
Landfill	-	-	-
Other disposal operations	-	47	47
Total			**47**

SOCIAL PERFORMANCE

Material Sustainability matters			
	• Employment & Labour Relations • Occupation Health & safety	• Training & Education • Local Communities	• Product Responsibility

Capital Inputs
- Human Capital
- Intellectual Capital
- Social & Relationship Capital

Activities
- Fair equitable merit-based employment practices
- Safe healthy workplace environment promotion
- Competitive remuneration and employee benefits
- Training for continuous learning and development
- Diversity equity and inclusion initiatives
- CSR programs and community engagement
- Safe & reliable products

Output
- Improved workplace safety and reduced incidents
- Skilled capable and engaged workforce
- Strengthened fair labor and ethical practices
- Full regulatory and legal compliance achieved

Value Created
- Enhanced employee well-being and retention
- Stronger workforce capability and resilience
- Improved operational efficiency and productivity
- Positive social impact and community development
- Increased stakeholder trust and corporate reputation

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 provides full-time employment and does not offer employment on part-time 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 2025-26, the hiring rate was 60% while the turnover rate was 9%.

Total Workforce	2026	2025
Head count	2,558	1,552
YOY % Change	64.8%	11.5%
Male employees out of total workforce	99.8%	99.8%
Female employees out of total workforce	0.2%	0.2%

Workforce Employment – By Gender

Type	2026			2025		
	Male	Female	Total	Male	Female	Total
Permanent	1,884	6	1,890	1,549	3	1,552
Temporary /Contractual	668	-	668	-	-	-
Total	**2,552**	**6**	**2,558**	**1,549**	**3**	**1,552**

Workforce by Employment Type

Type	2026			2025		
	Male	Female	Total	Male	Female	Total
Full Time	2,552	6	2,558	1,549	3	1,552
Part Time	-	-	-	-	-	-
Total	**2,552**	**6**	**2,558**	**1,549**	**3**	**1,552**

Workforce By Age Group				
Type	2026		2025	
	No.	%	No.	%
<30	1236	48%	596	38%
30-50	1145	45%	786	51%
>50	177	7%	170	11%
Total	**2,558**	**100%**	**1,552**	**100%**

Workforce Employment – By Region						
Type	2026			2025		
	Permanent	Temporary /Contractual	Total	Permanent	Temporary /Contractual	Total
Lahore	1,862	668	2,530	1,525	-	1,525
Karachi	20	-	20	20	-	20
Islamabad	8	-	8	7	-	7
Total	**1,890**	**668**	**2,558**	**1,552**	**-**	**1,552**

Workforce by Employment Type – By Region						
Type	2026			2025		
	Full Time	Part Time	Total	Full Time	Part Time	Total
Lahore	2,530	-	2,530	1,525	-	1,525
Karachi	20	-	20	20	-	20
Islamabad	8	-	8	7	-	7
Total	**2,558**	**-**	**2,558**	**1,552**	**-**	**1,552**

Hiring and Attrition

Hiring By Age Group				
Type	2026		2025	
	No.	%	No.	%
<30	794	68%	170	64%
30-50	373	32%	92	35%
>50	5	0%	4	2%
Total	**1,172**	**100%**	**266**	**100%**

Hiring By Gender				
Type	2026		2025	
	No.	%	No.	%
Male	1,168	99.7%	264	99.2%
Female	4	0.3%	2	0.8%
Total	**1,172**	**100%**	**266**	**100%**

Hiring By Region				
Type	2026		2025	
	No.	%	No.	%
Lahore	1,171	99.9%	263	98.9%
Karachi	-	-	1	0.4%
Islamabad	1	0.1%	2	0.8%
Total	**1,172**	**100%**	**266**	**100%**

Attrition By Age Group				
Type	2026		2025	
	No.	%	No.	%
<30	86	52%	55	52%
30-50	67	40%	39	37%
>50	13	8%	12	11%
Total	**166**	**100%**	**106**	**100%**

Attrition By Gender				
Type	2026		2025	
	No.	%	No.	%
Male	165	99.4%	104	98%
Female	1	0.6%	2	2%
Total	**166**	**100%**	**106**	**100%**

Attrition By Region				
Type	2026		2025	
	No.	%	No.	%
Lahore	166	100%	105	99%
Karachi	-	-	-	-
Islamabad	-	-	1	1%
Total	**166**	**100%**	**106**	**100%**

Individuals In Governance Body - Board of Directors

BOD - By Gender				
Type	2026		2025	
	No.	%	No.	%
Male	7	78%	7	78%
Female	2	22%	2	22%
Total	**9**	**100%**	**9**	**100%**

BOD - By Minority Group				
Type	2026		2025	
	No.	%	No.	%
Muslim	9	100%	9	100%
Non-Muslim	-	-	-	-
Total	**9**	**100%**	**9**	**100%**

BOD - By Age Group				
Type	2026		2025	
	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, **04 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 one to one (this ratio is of relevant male versus female employees). Female employees are eligible for **parental leave** as per company policy. A total of 05 female employees were eligible out of which no employee availed parental leave in FY 2026.

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	2026			2025		
	Male	Female	Total	Male	Female	Total
Muslim	2,478	5	2,483	1,503	3	1,506
Non-Muslim	75	-	75	46	-	46
Total	**2,553**	**5**	**2,558**	**1,549**	**3**	**1,552**

Hiring disabled persons

We provide employment opportunities to people with disabilities along with the provision of additional facilities and appropriate training. Currently, 32 individuals (male: 100%, female: 0%), who are differently abled, are working for the Company, which represents 1.25% of the total workforce.

Remuneration and benefits

We offer fair and competitive salaries to attract and retain top talent and build a robust human capital. We ensure 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 2025-26, we paid Rs. 3.46 billion to our workforce as salaries and other benefits, surpassing the Rs. 2.12 billion disbursed in 2024-25.

3 GOOD HEALTH AND WELL-BEING

8 DECENT WORK AND ECONOMIC GROWTH

Benefits provided to full-time employees

- Gratuity
- Loans and advances
- Bonus
- Medical coverage
- Leave Encashment
- Casual, Sick and Annual leaves
- Company Maintained Vehicle
- Fuel benefit
- Daily meal
- Pick and drop facility
- Residential facility for non-resident employees
- Hajj & Umrah sponsorship

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 2026	
Training hours	1,584
Number of Employees	2,558
Training hours per Employee	0.62

Training Hours by Gender – FY 2026		
Description	**Male**	**Female**
Training hours per Employee	0.62	-

Training Hours by Category – FY 2026		
Description	**Staff**	**Workers**
Training hours per Employee	4.90	0.09

ESG Training Sessions

During the year, the Company enhanced its ESG capabilities by conducting a series of comprehensive training sessions covering key ESG, compliance, and sustainability-related topics. These sessions were aimed at building organizational awareness, strengthening data management and reporting practices, and reinforcing ethical conduct and responsible business operations.

The initiative focused on equipping employees across functions with a holistic understanding of ESG principles, enabling their effective integration into daily activities and strategic decision-making. This structured capacity-building approach reflects the Company's commitment to fostering a strong sustainability culture and driving long-term value through responsible practices.

Health and Safety

We prioritize the health and safety and well-being of our workforce as fundamental to our sustainable business practices. We have already 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 site premises 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

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.

Our Approach to CSR

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 0.6% of its after-tax profit for the preceding year (FY-2025) towards community investment.

CSR Spend 2026

Rs. 102 Million

Paid Internship Opportunity

As part of our commitment to fostering inclusive growth and supporting youth development, the Company continued to provide paid internship opportunities during the year. These internships offered young professionals valuable hands-on experience, skill development, and exposure to real-world business environments, thereby enhancing their employability and career readiness.

The Company disbursed a total stipend of Rs. 14,630,438, reinforcing its dedication to fair compensation and meaningful engagement. This initiative aligns with the objectives of SDGs by promoting productive employment, skill development, as well as practical learning opportunities that bridge the gap between education and industry.

Industrial / Educational Visits

The Company facilitates students and officials from various institutes and organizations to visit its production plants at Lahore. This year, officials and students from the following institutions visited our plants and observed the process of production of vehicles and auto-parts (wheel rims).

- Punjab Tianjin University of Technology, Lahore.
- Network of Organizations Working for Persons with Disabilities, Pakistan (NOWPDP).

Ramadan Ration Boxes

In observance of the holy month of Ramadan, the Company distributed ration boxes to employees and poor people having worth Rs. 18,571,495, 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 **2,000 families**, reinforcing our culture of empathy and mutual support.

Free Food Distribution

As part of our ongoing commitment to community welfare and social responsibility, Sazgar collaborated with local NGOs to support food distribution via their 'Free Dastarkhawan' initiative.

During the year, Company sponsored and facilitated the provision of over **20,000+** free cooked meals at a cost of Rs. 4,500,000 for individuals and families in need, ensuring access to nutritious food.

The initiative was designed to address immediate food insecurity challenges while promoting dignity and well-being within the community. By partnering with experienced NGOs, the Company ensured effective outreach and equitable distribution, maximizing the impact of its contribution. This effort reflects the Company's dedication to supporting inclusive growth and strengthening community resilience through targeted social interventions.

Hajj / Umrah Sponsorship

The company sponsored 05 employees to perform Hajj and 10 employees to perform Umrah this year, covering all associated expenses amounting to Rs. 11,189,080.

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.

Educational Assistance to employees

As part of our commitment to employee development, we provide financial support for education 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 2025-26, we paid Rs. 111,864 for educational support and trainings of our employees.

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 2025-26, we paid Rs. 479,900 for special support of our former employees.

Medical Camps

As part of our commitment to community well-being, during the year Company partnered with a local NGO to organize free medical camps and preventive healthcare sessions at two nearby villages, at a cost of Rs. 813,500.

This initiative benefited **600+** individuals through free consultations from expert doctors along with free medicines and various diagnostic tests, including HBV / HCV screening, cholesterol test, uric acid test, BSR and Blood pressure monitoring. The initiative reflects the Company's ongoing efforts to enhance access to healthcare and contribute positively to the surrounding communities.

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.

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.

During the year, the Company contributed Rs. 51,378,900 for both in-cash and in-kind donations. 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, hybrid and plug-in hybrid vehicles that contribute to a cleaner, greener future.

Hybrid / Plug-in 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 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.

ECONOMIC PERFORMANCE

Material Sustainability matters		
	• Economic Performance	• Supply Chain Impact
	• Indirect Economic Impacts	• Procurement Practices

Capital Inputs
- Manufactured Capital
- Social and Relationship Capital
- Financial Capital

Activities
- Manufacturing / assembly operations
- Supply chain activities
- Employment generation
- CSR initiatives

Output
- Finished products
- Employee wages & benefits
- Taxes & duties, dividend payment
- Supplier payments

Value Created
- Return to shareholders / investors
- Wealth generation and economic growth
- Job creation in value chain
- Industry growth
- Community welfare

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, and 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 2026 represents a significant growth in revenue by 76.4% and net-profit by 44.5% as compare to the year 2025.

For detailed information on financial review and performance for the year 2026, refer to the Director's Report on page no. 56 of the Annual Report 2026.

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 2026, the Company has made a contribution of Rs. 84.4 billion to the **national exchequer**.

See page # 118 of Annual Report 2026 for further details of taxes paid to the government and other value distribution.

Particulars	Value Rs.
Economic Value Generated	114,848,061,564
Economic Value Distributed	95,540,195,573
Economic Value Retained	19,307,865,991

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 10 to the annual audited financial Statements for the year ended June 30, 2026.

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.

During the year Company has completed the major infrastructure expansion of its four-wheeler assembly facilities to accommodate the local assembly of New Energy Vehicles (NEVs). This strategic expansion, with a cost of PKR 6.5 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 2025-26:

Fuel Consumption Saving*	Foreign Exchange Saving *
11.8 million Liters	**USD 13.5** Million

** Approximate figures, based on the sale units of HEVs / PHEVs / EVs during the year 2025-26.*

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 28 authorized dealerships for our four-wheel segment operating nationwide (for FY2025-26). 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. 149.1 billion from its supply chain partners.

In FY 2026, 7% of our goods and services were procured locally and the remaining 93% were procured from foreign suppliers.

Dated: August 27, 2026

MIAN ASAD HAMEED
CHIEF EXECUTIVE

SAEED IQBAL KHAN
DIRECTOR

MUHAMMAD ATIF RAO
CHIEF FINANCIAL OFFICER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FINANCIAL STATEMENTS

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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, 2026 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 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, 2026 and of the profit, the 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 3.11 and 26 to the annexed financial statements. The Company has earned net revenue of Rs. 191,715.35 million for the year ending June 30, 2026. The Company is primarily engaged	Our key audit procedures included: • 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
in manufacturing of automobiles and automotive parts. We considered revenue recognition as a key audit matter due to the significant increase as compared to last year and revenue being one of the key performance indicators of the Company. In addition, revenue was also considered as an area of significant audit risk.	• Assessed the design, implementation and operating effectiveness of the key 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 to ensure revenue has been recorded in the correct period; • Checked receipts from customers to whom sales were made on sample basis; • Tested journal entries relating to revenue recognized during the year based on identified risk criteria; and • Considered adequacy of related disclosures and assessed whether these are in accordance with the applicable accounting and reporting standards.
2. Stock in Trade	
Refer to note 3.10 & 22 to the financial statements. As at June 30, 2026, the Company holds certain items of raw materials, work in process, finished goods and stock in transit amounting to Rs. 42,067.52 million. Stock in trade is stated at lower of cost and estimated net realizable value. We considered this area as a key audit matter due to its size and the judgment involved in valuation.	Our key audit procedures included: • 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

Key Audit Matters	How the matter was addressed in our audit
	value in accordance with applicable accounting and reporting standards; and • Considered adequacy of the related disclosures and assessed whether these are in accordance with the applicable accounting and financial reporting standards.
3. Capitalization of Property, Plant and Equipment	
Refer to note 3.4, 3.5 & 18 to the financial statements. As at June 30, 2026, the Company reported property, plant and equipment of Rs. 23,021.95 million, including capital work-in-progress of Rs. 5,875.08 million. During the year, the Company continued to undertake significant capital expenditure for the setting up and expansion of its facilities. Capitalization of this expenditure requires careful assessment of the nature and eligibility of the costs incurred against the recognition criteria set out in the Company's accounting policy. Determining which costs qualify for capitalization, together with the depreciation rates, involves significant management judgement. We considered this a key audit matter because of the materiality of the balance and the significant audit effort required to assess whether costs met the capitalization criteria under the applicable accounting and reporting standards, to evaluate the timing of transfers from capital work-in-progress to operating fixed assets upon available for use, and to assess the commencement of the related depreciation.	Our key audit procedures included: • Obtained an understanding of, evaluated the design of, and tested the operating effectiveness of the Company's controls over the capitalization of expenditure on property, plant and equipment; • Assessed the Company's accounting policy for capitalization of property, plant and equipment for compliance with the applicable financial reporting standards; • Reviewed the board approval for capital expenditure; • Assessed on a sample basis, costs capitalized during the year by comparing the costs capitalized with the relevant underlying documentation; • Assessed the reasonableness of the depreciation rates applied to property, plant and equipment; • Tested on a sample basis, the date of transferring capital work-in-progress to operating fixed assets by examining the supporting document with relevant approvals; • Physically verified a sample of additions to confirm their existence, location and condition; and • Assessed the adequacy and completeness of the related disclosures in the financial statements, including the capital work-in-progress reconciliation and additions, against the requirements of the applicable financial reporting framework.

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.

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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.

Crowe Hussain Ch. & Co.

CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants

Lahore
Dated: August 27, 2026
UDIN: AR202610051yOLMu1JI2

STATEMENT OF
FINANCIAL POSITION
AS AT JUNE 30, 2026

	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized share capital			
100,000,000 (2025: 100,000,000) ordinary shares of Rs. 10 each	5	1,000,000,000	1,000,000,000
Issued, subscribed and paid up capital	6	604,459,640	604,459,640
Capital reserve - share premium	7	557,406,192	557,406,192
Revenue reserve - unappropriated profit		41,853,697,618	22,545,831,628
Shareholders' Equity		43,015,563,450	23,707,697,460
Non Current Liabilities			
Diminishing musharakah financing	8	5,188,505,487	49,825,282
Deferred tax liability	9	736,558,971	203,778,448
Post employment benefits	10	913,302,489	689,751,270
Deferred revenue	11	-	-
		6,838,366,947	943,355,000
Current Liabilities			
Trade and other payables	12	30,722,037,966	16,380,112,157
Unclaimed dividend		43,504,570	22,228,966
Short term borrowings	13	-	-
Profit payable	14	497,765,753	134,718,125
Current portion of non-current liabilities	15	78,207,049	114,469,094
Taxation - net	16	458,852,602	434,275,876
		31,800,367,940	17,085,804,218
Contingencies and Commitments	17	-	-
Total Equity and Liabilities		81,654,298,337	41,736,856,678
ASSETS			
Non Current Assets			
Property, plant and equipment	18	23,021,948,291	7,939,921,844
Intangible assets	19	-	62,564
Long term loans to employees	20	107,247,859	74,167,676
Long term deposits	21	13,190,470	8,990,470
		23,142,386,620	8,023,142,554
Current Assets			
Stores, spares and loose tools		165,064,962	63,066,066
Stock in trade	22	42,067,517,484	14,227,879,268
Trade debts	23	89,663,623	111,137,653
Loans, advances, deposits, prepayments and other receivables	24	2,204,983,510	2,715,138,956
Cash and bank balances	25	13,984,682,138	16,596,492,181
		58,511,911,717	33,713,714,124
Total Assets		81,654,298,337	41,736,856,678

The annexed notes from 1 to 47 form an integral part of these financial statements

MIAN ASAD HAMEED	SAEED IQBAL KHAN	MUHAMMAD ATIF RAO
CHIEF EXECUTIVE	DIRECTOR	CHIEF FINANCIAL OFFICER

STATEMENT OF
PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2026

	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
Sales - net	26	191,715,353,728	108,692,595,641
Cost of sales	27	(145,239,711,762)	(77,050,611,699)
Gross Profit		46,475,641,966	31,641,983,942
Distribution and marketing costs	28	(6,192,999,880)	(3,474,370,935)
Administrative expenses	29	(976,841,545)	(560,327,372)
Other operating expenses	30	(2,857,348,566)	(1,992,726,278)
		(10,027,189,991)	(6,027,424,585)
Operating Profit		36,448,451,975	25,614,559,357
Other income	31	2,651,305,849	1,355,017,678
Finance cost	32	(454,205,648)	(230,296,277)
		2,197,100,201	1,124,721,401
Profit before Levy and Taxation		38,645,552,176	26,739,280,758
Levy / final taxation	33	-	(1,431,417)
Profit before Taxation		38,645,552,176	26,737,849,341
Taxation	33	(15,040,909,325)	(10,401,669,213)
Net profit after taxation for the year from continuing operations		23,604,642,851	16,336,180,128
Net profit after taxation for the year from discontinued operations		-	21,214
Net profit for the year		23,604,642,851	16,336,201,342
Earnings / (Loss) per share - basic and diluted			
Continuing operations	34	390.51	270.26
Discontinued operations		-	0.00
Earnings per share - basic and diluted		390.51	270.26

The annexed notes from 1 to 47 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
COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2026

	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
Net Profit for the Year		23,604,642,851	16,336,201,342
Other comprehensive income			
Items that may be re-classified subsequently to profit or loss		-	-
Items that will not be re-classified subsequently to profit or loss			
Remeasurement of post employment benefits obligation	10.7	(65,559,381)	(72,968,153)
Other comprehensive loss for the year		(65,559,381)	(72,968,153)
Total Comprehensive Income for the Year		23,539,083,470	16,263,233,189

The annexed notes from 1 to 47 form an integral part of these financial statements

MIAN ASAD HAMEED
CHIEF EXECUTIVE

SAEED IQBAL KHAN
DIRECTOR

MUHAMMAD ATIF RAO
CHIEF FINANCIAL OFFICER

STATEMENT OF
CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2026

Particulars	Share Capital	Capital Reserve	Revenue Reserve	Total
		Share Premium	Unappropriated Profit	
	Rupees	Rupees	Rupees	Rupees
Balance as at June 30, 2024	604,459,640	557,406,192	8,942,220,855	10,104,086,687
Comprehensive income for the year				
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 owner, recognize directly in equity - distributions				
Final cash dividend @ Rs. 12 (120%) per ordinary share for the year ended June 30, 2024	-	-	(725,351,568)	(725,351,568)
First interim dividend @ Rs. 10 (100%) per ordinary share for the year ended June 30, 2025	-	-	(604,459,640)	(604,459,640)
Second interim dividend @ Rs. 10 (100%) per ordinary share for the year ended June 30, 2025	-	-	(604,459,640)	(604,459,640)
Third interim dividend @ Rs. 12 (120%) per ordinary share for the year ended June 30, 2025	-	-	(725,351,568)	(725,351,568)
Total transaction with owner, recognize directly in equity - distributions	-	-	(2,659,622,416)	(2,659,622,416)
Balance as at June 30, 2025	604,459,640	557,406,192	22,545,831,628	23,707,697,460
Comprehensive income for the year				
Net profit for the year	-	-	23,604,642,851	23,604,642,851
Other comprehensive loss for the year	-	-	(65,559,381)	(65,559,381)
Total comprehensive income for the year	-	-	23,539,083,470	23,539,083,470
Transaction with owner, recognize directly in equity - distributions				
Final cash dividend @ Rs. 20 (200%) per ordinary share for the year ended June 30, 2025	-	-	(1,208,919,280)	(1,208,919,280)
First interim cash dividend @ Rs. 15 (150%) per ordinary share for the year ended June 30, 2026	-	-	(906,689,460)	(906,689,460)
Second interim cash dividend @ Rs. 15 (150%) per ordinary share for the year ended June 30, 2026	-	-	(906,689,460)	(906,689,460)
Third interim cash dividend @ Rs. 20 (200%) per ordinary share for the year ended June 30, 2026	-	-	(1,208,919,280)	(1,208,919,280)
Total transaction with owner, recognize directly in equity - distributions		-	(4,231,217,480)	(4,231,217,480)
Balance as at June 30, 2026	604,459,640	557,406,192	41,853,697,618	43,015,563,450

The annexed notes from 1 to 47 form an integral part of these financial statements

MIAN ASAD HAMEED	SAEED IQBAL KHAN	MUHAMMAD ATIF RAO
CHIEF EXECUTIVE	DIRECTOR	CHIEF FINANCIAL OFFICER

STATEMENT OF
CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2026

	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Generated from Operations	35	24,943,039,320	26,096,078,566
Finance cost paid		(64,037,836)	(106,974,170)
Income tax paid / deducted at source		(14,483,552,076)	(11,827,374,271)
Deferred revenue	11	25,355,370	(22,909,102)
Employees retirement benefit - gratuity paid	10.2	(22,543,711)	(23,953,853)
Workers' Welfare Fund paid	12.4	(799,774,607)	-
		(15,344,552,860)	(11,981,211,396)
Net cash generated from operating activities - continued operations		9,598,486,460	14,114,867,170
Net cash generated from operating activities - discontinued operations		-	21,214
Net Cash Generated from Operating Activities		9,598,486,460	14,114,888,384
CASH FLOWS FROM INVESTING ACTIVITIES			
Property, plant and equipment purchased	18.1	(15,636,890,127)	(3,732,521,120)
Proceeds from sale of property, plant and equipment	18.1.2	1,240,000	18,120,000
Increase in long term security deposits		(4,200,000)	(60,000)
Net Cash Used in Investing Activities		(15,639,850,127)	(3,714,461,120)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of long term financing	8.1	(102,067,682)	(192,880,112)
Proceeds from long term financing	8.1	5,179,130,472	-
Profit on bank deposits received	31	2,562,432,710	1,270,925,705
Dividend paid		(4,209,941,876)	(2,643,663,341)
Net Cash Generated from / (Used in) Financing Activities		3,429,553,624	(1,565,617,748)
Net Increase in Cash and Cash Equivalents		(2,611,810,043)	8,834,809,516
Cash and Cash Equivalents at the beginning of the year	25	16,596,492,181	7,761,682,665
Cash and Cash Equivalents at the End of the Year		13,984,682,138	16,596,492,181

The annexed notes from 1 to 47 form an integral part of these financial statements

MIAN ASAD HAMEED	SAEED IQBAL KHAN	MUHAMMAD ATIF RAO
CHIEF EXECUTIVE	DIRECTOR	CHIEF FINANCIAL OFFICER

NOTES
TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

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 and automotive parts.

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 and wheel rim	18-Km Raiwind Road, Lahore.
Manufacturing facility - four wheeler	Maghrabi Tanki-1 Link Road, Near Ijtamah Chowk, Sunder-Raiwind Road, Lahore.
Company owned dealership	Abbottabad-Mansehra Junction, Near NHA Toll Plaza, Mansehra.
Display Center	78,W Roshan Center, Main Jinnah Avenue, Blue Area, Islamabad.
Warranty Center, Karachi	B-66, State Avenue S.I.T.E, Karachi.

1.1 The Board of directors, in their meeting held on August 29, 2025, 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.

Summary of non-current assets - Held for Sale

The Company has no non-current assets classified as held for sale in accordance with IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations."

	June 30, 2026	June 30, 2025
	Rupees	Rupees
Sales - net	-	1,904,051
Cost of sales	-	(1,837,290)
Gross profit	-	66,761
Distribution and marketing costs	-	(32,040)
Operating Profit	-	34,721
Taxation	-	(13,507)
Profit after taxation from discontinued operation - Home Appliances	-	21,214
Cash inflows from operating activities - Home Appliances	-	21,214

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. Accounting and reporting standards applicable in Pakistan comprise of:

- IFRS Accounting Standards 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, directives and notifications issued under the Companies Act, 2017.

Where provisions of, directives and notifications issued under the Companies Act, 2017 differ from the IFRS Accounting Standards, the provisions of, directives and notifications 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 year 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 3.4 & 18
- Liability in respect of post employment benefits Note 3.2 and 10
- Estimation of contingent liabilities - Note 3.20 and 17
- Provision for warranty - Note 3.19 and 12.2
- Interest free loans to employees - Note 3.18 and 20
- Current income tax expense, provision for current tax and recognition of deferred tax asset (for carried forward tax losses and credits) - Note 3.8, 9, 16 and 33

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, 2026. 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 21	The Effects of Changes in Foreign Exchange Rates (Amendments)	January 01, 2025
IFRS S1	General Requirements for Disclosure of Sustainability-related Financial Information	July 01, 2025
IFRS S2	Climate-related Disclosures	July 01, 2025

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
IFRS 1, 7, 9, 10 and IAS 7	Annual Improvements to IFRS Accounting Standards	January 01, 2026

IFRS 19	Subsidiaries without Public Accountability: Disclosures	January 01, 2027

The management anticipates that, the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the unconsolidated financial statements other than in presentation / disclosures.

Other than the aforesaid standards, interpretations and amendments, International Accounting Standards Board (IASB) has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the Securities and Exchange Commission of Pakistan (SECP) as at June 30, 2026;

IFRS 1	First Time Adoption of International Financial Reporting Standards
IFRS 20	Regulatory Assets and Regulatory Liabilities
IFRIC 12	Service Concession Arrangement

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.

Note 3
Material Accounting Policy Information

The material accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented except stated otherwise.

3.1 Diminishing musharakah financing

In diminishing musharakah financing, the Company enters into Musharakah based on Shirkat-ul-milk for purchasing an agreed share of fixed assets (plant and machinery) with the Musharakah Participants. The Company pays periodic profit as per the agreement for the utilization of the Participants' Musharakah share and also periodically purchase the Participants' share over the tenure of the transaction. Profit on diminishing musharakah is recognized on an accrual basis.

3.2 Employee benefits

3.2.1 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 year in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting year 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.

3.2.2 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.

3.3 Compensated absences

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

3.4 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 year 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 18.1 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 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.

3.5 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 year 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 profit or loss during the year in which these are incurred.

3.6 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.

3.7 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.

3.8 Taxation

Income tax expense for the year comprises current and deferred tax and is recognized in profit or loss except to the extent that relates to items recognized directly in comprehensive income or equity, in which case it is recognized in comprehensive income or equity.

3.8.1 *Current*

Current income tax assets and liabilities for the current and prior years 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 years, to the extent unpaid is recognized as a liability. If the amount already paid irrespective of current and prior year exceeds the amount due to those years 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 yearly 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 IFRIC 21 / IAS 37. Further, the Company shall also charge tax expense under levy when tax is calculated under final tax regime.

3.8.2 *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.

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 year 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 years in which temporary differences are expected to be reversed.

3.9 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.

3.10 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 include direct material, labour and appropriate portion of manufacturing expenses.

3.11 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

3.12 Segment reporting

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

3.13 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.

3.14 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.

3.15 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.

3.16 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 looses 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.

3.16.1 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;
c) Fair value through other comprehensive income.

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

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

Recognition and derecognition

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

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. In the case of a financial asset at fair value through statement of profit or loss (FVTPL), the Transaction costs of financial assets carried at FVTPL are expensed in the statement of profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

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

(i) Amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in 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 profit or loss.

(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 comprehensive income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in statement of comprehensive income is reclassified from equity to 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 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 profit or loss and presented in operating gains/(losses) in the year 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.

3.16.2 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 method (EIR). Gains and losses are recognized in the profit or loss, when the liabilities are derecognized as well as through effective interest rate amortization process.

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 profit or loss.

3.16.3 *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.

3.17 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.

3.18 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 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 profit and loss at the time of initial recognition.

3.19 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 profit or loss when the sale is recognised.

3.20 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.

3.21 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.

3.22 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 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 polices have been applied consistently for all years 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.

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 year 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 year 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 year 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 year 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

Authorized Share Capital

June 30, 2026	June 30, 2025		June 30, 2026	June 30, 2025
Number of Shares			Rupees	Rupees
100,000,000	100,000,000	Ordinary shares of Rs. 10 each	1,000,000,000	1,000,000,000

Note 6

Issued, Subscribed and Paid up Capital

June 30, 2026	June 30, 2025		June 30, 2026	June 30, 2025
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

6.1 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.

6.2 As at the reporting date, the shares of the Company as held by its related parties are as follows:

	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
	Percentage		Number of Shares	
Directors	61.47%	61.47%	37,158,502	37,158,502
Others	5.72%	5.75%	3,457,070	3,475,132

6.3 No shares were further issued or cancelled during the year.

Note 7

Capital Reserve - Share Premium

	June 30, 2026 Rupees	June 30, 2025 Rupees
Premium on issuance of right shares	557,406,192	557,406,192

7.1 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 8

Diminishing Musharakah Financing

	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
Diminishing musharakah - Islamic banking			
MCB Islamic Bank Limited	8.2	-	3,390,996
Meezan Bank Limited	8.3	5,182,080,753	47,460,305
Habib Metropolitan Bank Limited	8.4	46,875,000	84,375,002
Faysal Bank Limited	8.5	-	16,666,660
United Bank Limited	8.6	-	-
Bank Al Falah Limited	8.7	-	-
Askari Bank Limited	8.8	-	-
The Bank of Punjab	8.9	-	-
Bank Al Habib Limited	8.10	-	-
		5,228,955,753	151,892,963
Less: Current portion of diminishing musharakah financing	15	(40,450,266)	(102,067,681)
		5,188,505,487	49,825,282

8.1 Movement in diminishing musharakah financing

	June 30, 2026 Rupees	June 30, 2025 Rupees
Opening balance	151,892,963	344,773,075
Obtained during the year	5,179,130,472	-
Repaid during the year	(102,067,682)	(192,880,112)
Closing balance	5,228,955,753	151,892,963

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----									
8.2	MCB Islamic Bank Limited	2026	-	-	-	-	-	-	-	-	-	- Pari passu charge over fixed assets of Rs. 90 million - Personal guarantees of certain directors
		2025	44.60	3.39	41.21	For the acquisition of four wheeler plant and machinery	6 Month KIBOR + 1.35% and 1.75%	Quarterly	April 2020	November 2025	Six years including one year grace period	
8.3	Meezan Bank Limited	2026	3	2.95	0.05	For the acquisition of four wheeler Plant & machinery	SBP Rate + 4%	Quarterly	October 2021	July 2026	Five years and six months including 9 months grace period	- Pari passu charge over fixed assets of Rs. 663.33 million. - Personal guarantees of certain directors.
			10,000	5,179	4,821	For the acquisition of Plant & Machinery and Buidling related to Paint Shop at Four Wheeler Plant. (Sub limit of Sight LC -OTT Limit of 16,000M-Note 17.2.3)	3 Month KIBOR+0.50%	Quarterly	July 2027	April 2031	Five years including 01 year grace period	- Pari passu/Joint Pari passu charge amounting Rs. 13,334 million over plant & machinery. - Personal guarantees of certain directors.
		2025	48	32.71	0.54	For the acquisition of four wheeler Plant & Machinery.	6 Month KIBOR+1.75%	Quarterly	August 2021	Nov 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 plus 4%.	Quarterly	October 2021	July 2026	Five years and six months including 9 months grace period	
8.4	Habib Metropolitan Bank Limited	2026	66	46.88	19.12	For the acquisition of four wheeler plant and machinery	3 Month KIBOR + 1.50%	Quarterly	October 2022	July 2027	Five years including one year grace period	- 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.
		2025	94	84.37	9.63							
8.5	Faysal Bank Limited	2026	-	-	-	-	-	-	-	-	-	-
		2025	67	16.67	50.33	For the acquisition of four wheeler plant and machinery	3 Month KIBOR+ 1.75%	Quarterly	November 2022	August 2025	Four years including one year grace period	- Pari passu charge over fixed assets of Rs. 534 million - Pari passu charge over current assets of Rs. 200 million - Personal guarantees of certain directors
8.6	United Bank Limited	2026	2,000	-	2,000	For the acquisition of Plant & Machinery related to Paint Shop at Four Wheeler Plant.	3 Month KIBOR+0.50%	Quarterly	August 2027	May 2031	Five years including 01 year grace period	- Pari passu/Joint Pari passu charge amounting Rs. 2,667 million over Plant & Machinery. - Personal guarantees of certain directors.
		2025	-	-	-	-	-	-	-	-	-	-
8.7	Bank Al Falah Limited-(Sub limit of note. 17.2.14)	2026	2,500	-	2,500	For the acquisition of Plant & Machinery and Buidling related to Paint Shop at Four Wheeler Plant.	3 Month KIBOR+0.50%	Quarterly	May 2028	February 2032	Five years including 01 year grace period	- Pari passu/Joint Pari passu charge amounting Rs. 3,334 million over plant & machinery. - Personal guarantees of certain directors.
		2025	-	-	-	-	-	-	-	-	-	-
8.8	Askari Bank Limited	2026	2,500	-	2,500	For the acquisition of Plant & Machinery and Buidling related to Paint Shop at Four Wheeler Plant.	3 Month KIBOR+0.45%	Quarterly	February 2028	November 2031	Five years including 01 year grace period	- Joint Pari passu charge amounting Rs. 3,334 million over plant & machinery. - Personal guarantees of certain directors.
		2025	-	-	-	-	-	-	-	-	-	-
8.9	The Bank of Punjab	2026	5,000	-	5,000	For the acquisition of Plant & Machinery related to Paint Shop at Four Wheeler Plant.	3 Month KIBOR+0.50%	Quarterly	June 2028	March 2032	Five years including 01 year grace period	- Joint Pari passu charge amounting Rs. 6,667 million over plant & machinery. - Personal guarantees of certain directors.
		2025	-	-	-	-	-	-	-	-	-	-
8.10	Bank Al Habib Limited	2026	3,000	-	3,000	For the acquisition of Plant & Machinery related to Paint Shop at Four Wheeler Plant.	3 Month KIBOR+0.50%	Quarterly	October 2027	July 2032	Six years including 01 year grace period	- Pari Passu/Joint Pari passu charge amounting Rs. 4,000 million over plant & machinery. - Personal guarantees of certain directors.
		2025	-	-	-	-	-	-	-	-	-	-

Note 9

Deferred Tax Liability

	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
Taxable temporary differences			
Accelerated tax depreciation		900,563,686	366,729,894
Deductible temporary differences			
Provision against doubtful trade debts		(266,942)	(281,371)
Provision against warranty		(149,767,763)	(157,833,524)
Deferred revenue		(13,970,010)	(4,836,551)
		736,558,971	203,778,448

9.1 Reconciliation of deferred tax liabilities / (assets) - Net

	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
Opening balance		203,778,448	207,775,728
Less: Deferred tax income during the year		(9,133,459)	(83,882,917)
Less: Transfer from deferred tax asset/(liability) to taxation	33	541,913,982	79,885,637
Closing balance		736,558,971	203,778,448

9.2 Analysis of deferred tax

	Statement of Financial Position		Statement of Profit or Loss	
	2026 Rupees	2025 Rupees	2026 Rupees	2025 Rupees
Accelerated tax depreciation	900,563,686	366,729,894	533,833,792	70,512,532
Provision for doubtful trade debt	(266,942)	(281,371)	14,429	438,555
Provision for warranty	(149,767,763)	(157,833,524)	8,065,761	(83,882,917)
Deferred revenue	(13,970,010)	(4,836,551)	(9,133,459)	8,934,550
	736,558,971	203,778,448	532,780,523	(3,997,280)

9.3 Deferred tax liabilities / (assets) on temporary differences are measured at effective rate of 37% (2025: 39%) per annum.

Note 10

Post Employment Benefits

	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
Staff gratuity - unfunded	10.1	913,302,489	689,751,270

10.1 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, 2026. Actuarial valuation estimates are based on assumption on anticipation of future salary increase, mortality and inflation rates.

10.2 Movement in the present value of defined benefit obligations

	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
Opening balance		689,751,270	495,893,469
Current service cost		100,814,218	73,465,811
Interest cost on defined benefit obligation	10.4	79,721,331	71,377,690
Benefits paid		(22,543,711)	(23,953,853)
Actuarial losses from changes in financial assumptions		(11,522,321)	49,706,040
Experience adjustments	10.7	77,081,702	23,262,113
		913,302,489	689,751,270

10.3 Movement in the net liability recognized in the statement of financial position

	June 30, 2026 Rupees	June 30, 2025 Rupees
Net liability - opening balance	689,751,270	495,893,469
Expense recognized in the statement of profit or loss	180,535,549	144,843,501
Liability discharged during the year	(22,543,711)	(23,953,853)
Re-measurement recognized in other comprehensive income	65,559,381	72,968,153
Net liability - closing balance	913,302,489	689,751,270

10.4 Charge for the year

	June 30, 2026 Rupees	June 30, 2025 Rupees
Current service cost	100,814,218	73,465,811
Interest cost	79,721,331	71,377,690
	180,535,549	144,843,501

10.5 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.

	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
Cost of sales	27.2	125,551,435	102,978,860
Distribution and marketing costs	28.1	13,107,812	9,856,067
Administrative expenses	29.1	41,876,302	32,008,574
		180,535,549	144,843,501

10.6 Year end sensitivity analysis (± 100 bps) on defined benefit obligation

	June 30, 2026 Rupees	June 30, 2025 Rupees
Discount rate + 100 bps	844,351,745	637,318,315
Discount rate - 100 bps	994,944,268	751,829,134
Salary increase + 100 bps	995,674,762	752,285,770
Salary increase - 100 bps	842,429,644	635,939,373

10.7 Re-measurement recognized in other comprehensive income

	June 30, 2026 Rupees	June 30, 2025 Rupees
Actuarial losses from changes in financial assumptions	(11,522,321)	49,706,040
Experience adjustments	77,081,702	23,262,113
Total re-measurement recognized in other comprehensive income	65,559,381	72,968,153

10.8 Present Value of Defined Benefit Obligations

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:

	2026 Rupees	2025 Rupees	2024 Rupees	2023 Rupees	2022 Rupees
Present value of defined benefit obligations as at June 30,	913,302,489	689,751,270	495,893,469	392,826,050	295,513,621
Fair value of plan assets	-	-	-	-	-
Net liability	913,302,489	689,751,270	495,893,469	392,826,050	295,513,621

10.9 Estimated Charge for future period

	2027 Rupees
Service cost	167,121,052
Interest cost	93,235,525
	260,356,577

10.10 Principal 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:

	2026	2025
Discount rate for year end obligation	11.75%	11.75%
Discount rate for interest cost in profit or loss	11.75%	14.75%
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	10.00 % for 2027 and 11.75 % for onward p.a.	11.75% for 2026 and onwards

10.11 Expected benefit payments for next 10 years and beyond

	Rupees
Year 2027	239,617,316
Year 2028	82,417,587
Year 2029	87,079,180
Year 2030	102,850,504
Year 2031	100,729,466
Year 2032	131,084,048
Year 2033	134,473,294
Year 2034	117,606,807
Year 2035	142,536,257
Year 2036	219,796,691
Year 2037 and onwards	28,238,575,415

10.12 Risk Associated with the Scheme

(i) Final Salary Risk (linked to inflation risk)

The risk that the final salary at the time of cessation of service is greater than what we assumed. Since the benefit calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

(ii) Demographic Risks

(a) Mortality Risk

The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

(b) Withdrawal Risk

The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

Note 11

Deferred Revenue

	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
Deferred revenue	11.1	37,756,783	12,401,413
Less: Current portion of deferred revenue	15	(37,756,783)	(12,401,413)
		-	-

11.1 Movement in deferred revenue

	June 30, 2026 Rupees	June 30, 2025 Rupees
Opening balance	12,401,413	35,310,515
Additions during the year	150,052,000	76,314,000
Revenue recognized during the year	(124,696,630)	(99,223,102)
Closing balance	37,756,783	12,401,413

Note 12

Trade and Other Payables

	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
Advances from trade customers - contract liability	12.1	15,361,344,598	9,800,690,718
Creditors - unsecured		2,717,470,478	1,270,441,912
Accrued and other liabilities		1,213,715,810	422,470,568
Sales tax and excise duty payable		3,177,052,764	340,260,459
Income tax deducted at source		2,834,604,842	516,555,367
Provision for warranty claims	12.2	404,777,738	404,701,343
Workers' (Profit) Participation Fund	12.3	4,238,019,694	2,148,692,235
Workers' Welfare Fund	12.4	775,052,042	815,249,142
Islamic mode of financing - Murabaha / Musawammah:			
- Meezan Bank Limited	12.5	-	297,804,563
- Habib Bank Limited	12.6	-	-
- United Bank Limited	12.7	-	-
- Allied Bank Limited	12.8	-	-
- Habib Metro Bank Limited	12.9	-	-
- Faysal Bank Limited	12.10	-	363,245,850
- Askari Bank Limited	12.11	-	-
- Dubai Islamic Bank Pakistan Limited	12.12	-	-
- The Bank Of Punjab	12.13	-	-
- Bank Al-Habib Limited	12.14	-	-
- Bank Al Falah Limited	12.15	-	-
- Soneri Bank Limited	12.16		
		30,722,037,966	16,380,112,157

12.1 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.

12.2 Movement in provision for warranty claims

	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
Opening balance		404,701,343	189,616,937
Charged during the year		6,827,846	217,434,818
		411,529,189	407,051,755
Utilized during the year		(6,751,451)	(2,350,412)
Closing balance		404,777,738	404,701,343

12.3 Movement in Workers' (Profit) Participation Fund

	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
Opening balance		2,148,692,235	706,047,217
Expense recognised during the year	30	2,089,327,459	1,442,645,018
		4,238,019,694	2,148,692,235
Payments made during the year		-	-
Closing balance		4,238,019,694	2,148,692,235

12.4 Movement in Workers' Welfare Fund

	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
Opening balance		815,249,142	268,944,025
Expense recognised during the year	30	759,577,507	546,305,117
Prior year adjustment		-	-
		759,577,507	546,305,117
		1,574,826,649	815,249,142
Payments made during the year		(799,774,607)	-
Closing balance		775,052,042	815,249,142

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----					
12.5	Meezan Bank Limited - Muswammah arrangement (sublimit of Note no. 13.4)	2026	1,400	-	1,400	180 Days	Matching KIBOR + 1.00%	- Pari passu charge over fixed assets of Rs. 1,879.33 million. - Pari passu charge over current assets of Rs. 1,400 million. - Personal guarantees of certain directors.
		2025	400	297.80	102.20	180 Days	Matching KIBOR + 1.10%	- Pari passu charge over fixed assets of Rs. 797.33 million. - Pari passu charge over current assets of Rs. 400 million. - Personal guarantees of certain directors.
12.6	Habib Bank Limited Muswammah arrangement(sublimit of Note no. 13.1)	2026	160	-	160	120 Days	3 Month 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.
		2025	160	-	160	120 Days	3 Month KIBOR + 1.10%	
12.7	United Bank Limited - Murabaha arrangement (sublimit of Note no. 17.2.5)	2026	350	-	350	180 Days	Matching 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.
		2025	350	-	350	180 Days	Matching KIBOR + 1.10%	
12.8	Allied Bank Limited - Murabaha arrangement	2026	-	-	-	-	-	-
		2025	-	-	-	-	-	- 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.
12.9	Habib Metro Bank Limited - Murabaha arrangement (sublimit of Note no. 17.2.6)	2026	200	-	200	120 Days	Matching KIBOR + 1.00%	- 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.
		2025	200	-	200	120 Days	Matching KIBOR + 1.10%	
12.10	Faysal Bank Limited - Murabaha arrangement (sublimit of Note no. 17.2.7)	2026	600	-	600	120 Days	Matching KIBOR + 1.00%	- Pari passu charge over fixed assets of Rs. 800 million. - Pari passu charge over current assets of Rs. 600 million. - Personal guarantees of certain directors.
		2025	400	363.25	36.75	120 Days	Matching KIBOR + 1.10%	- 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.

Note	Financial Institutions Name / Facility Type	For the Year Ended June	Total Funded	Utilized Portion	Un-Utilized Portion	Maximum Period	Rate of Profit	Security Details
			----Rs. in million----					
12.11	Askari Bank Limited - Murabaha arrangement (sublimit of Note no. 17.2.8)	2026	300	-	300	120 Days	3 Month 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.
		2025	300	-	300	120 Days	3 Month KIBOR + 1.25%	
12.12	Dubai Islamic bank Pakistan Ltd - Murabaha arrangement (sublimit of Note no. 17.2.9)	2026	300	-	300	120 Days	6 Month 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.
		2025	300	-	300	120 Days	Matching KIBOR + 1.10%	
12.13	The Bank of Punjab - Muswammah arrangement (sublimit of Note no. 17.2.10)	2026	250	-	250	180 Days	Matching 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.
		2025	250	-	250	180 Days	Matching KIBOR + 1.10%	
12.14	Bank Al Habib Limited - Murabaha arrangement (sublimit of Note no. 17.2.11)	2026	250	-	250	120 Days	Matching 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.
		2025	250	-	250	120 Days	Matching KIBOR + 1.10%	
12.15	Bank Al Falah Limited - Musawamah arrangement (sublimit of Note no. 17.2.14)	2026	-	-	-	-	-	-
		2025	350	-	350	120 Days	Matching 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.
12.16	Soneri Bank Limited- Murabaha arrangement (sublimit of Note no. 17.2.15)	2026	500	-	500	180 Days	Matching KIBOR + 0.80%	- Pari passu charge over fixed assets of Rs. 667 million. - Pari passu charge over current assets of Rs. 500 million. - Personal guarantees of certain directors.
		2025	-	-	-	-	-	-

Note 13

Short Term Borrowings - secured

	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
Running Musharakah arrangements - Islamic Banking			
- Habib Bank Limited	13.1	-	-
- Askari Bank Limited	13.2	-	-
- United Bank Limited	13.3	-	-
- Meezan Bank Limited	13.4	-	-
- Allied Bank Limited	13.5	-	-
- Faysal Bank Limited	13.6	-	-
- The Bank of Khyber Limited	13.7	-	-
- Bank al falah limited	13.8	-	-
- Soneri Bank Limited	13.9	-	-
- Bank Islami Pakistan Limited	13.10	-	-
Istisna arrangements - Islamic Banking			
- Bank Alfalah Limited	13.11	-	-
- Bank Al Habib Limited	13.12	-	-
		-	-

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----					
13.1	Habib Bank Limited	2026	-	160	-	160	3 Month 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 some of the directors.
		2025		160	-	160	3 Month KIBOR + 1.10%	
13.2	Askari Bank Limited	2026	12.11	100	-	100	3 Month 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 some of the directors.
		2025		100	-	100	3 Month KIBOR + 1.25%	
13.3	United Bank Limited	2026	12.7	300	-	300	3 Month 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 some of the directors.
		2025		280	-	280	3 Month KIBOR + 1.10%	
13.4	Meezan Bank Limited	2026	-	1,400	-	1,400	3 Month KIBOR + 1.00%	- Pari passu charge over fixed assets of Rs. 1,879.33 million. - Pari passu charge over current assets of Rs. 1,400 million. - Personal guarantees of certain directors.
		2025		400	-	400	3 Month KIBOR + 1.10%	- Pari passu charge over fixed assets of Rs. 761.33 million. - Pari passu charge over current assets of Rs. 400 million. - Personal guarantees of some of the directors.
13.5	Allied Bank Limited	2026	12.8	Nil	-	Nil	-	Nil
		2025		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 some of the directors.
13.6	Faysal Bank Limited	2026	12.10	600	-	600	3 Month KIBOR + 1.00%	- Pari passu charge over fixed assets of Rs. 800 million. - Pari passu charge over current assets of Rs. 600 million. - Personal guarantees of certain directors.
		2025		100	-	100	Month KIBOR + 1.00%	- Pari passu charge over fixed assets of Rs. 534 million. - Pari passu charge over current assets of Rs. 400 million. - Personal guarantees of some of the directors.
13.7	The Bank of Khyber	2026	-	250	-	250	3 Month 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 some of the directors.
		2025		250	-	250	3 Month 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 some of the directors.
13.8	Bank Al Falah Limited	2026	17.2.14	500	-	500	1 Month KIBOR + 1.00%	- Pari passu charge over fixed assets of Rs. 667 million. - Pari passu charge over current assets of Rs. 500 million. - Personal guarantees of some of the directors.
		2025		-	-	-	-	- Pari passu charge over fixed assets of Rs. 467 million. - Pari passu charge over current assets of Rs. 350 million. - Personal guarantees of some of the directors.
13.9	Soneri Bank Limited	2026	17.2.15	500	-	500	3 Month KIBOR + 0.80%	- Pari passu charge over fixed assets of Rs. 667 million. - Pari passu charge over current assets of Rs. 500 million. - Personal guarantees of certain directors.
		2025	-	-	-	-	-	-
13.10	Bank Islami Pakistan Limited	2026	17.2.16	500	-	500	1 Month KIBOR + 1.00%	- Joint pari passu charge over fixed assets of Rs. 667 million. - Pari passu charge over current assets of Rs. 500 million. - Personal guarantees of certain directors.
		2025	-	-	-	-	-	-
13.11	Bank Al Falah Limited- Istisna Arrangement	2026	17.2.14	500	-	500	Matching KIBOR + 1.00%	- Pari passu charge over fixed assets of Rs. 667 million. - Pari passu charge over current assets of Rs. 500 million. - Personal guarantees of some of the directors.
		2025		350	-	350	Matching 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 some of the directors.
13.12	Bank Al Habib Limited- Istisna Arrangement	2026	12.14	100	-	100	Matching 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 some of the directors.
				1,488	-	1,488	-	- 110% Cash Margin
		2025		100	-	100	Matching 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 some of the directors.
				1,488	-	1,488	-	- 110% Cash Margin

Note 14

Profit Payable

	June 30, 2026	June 30, 2025
	Rupees	Rupees
Diminishing musharkah financing - secured	79,175,778	7,221,639
Short term borrowings - secured	1,852,997	2,032,033
Profit on Workers' (Profit) Participation Fund	416,736,978	124,644,932
Profit on muswammah payable	-	819,521
	497,765,753	134,718,125

Note 15

Current Portion of Non-Current Liabilities

	Note	June 30, 2026	June 30, 2025
		Rupees	Rupees
Diminishing musharakah financing - Islamic banking	8	40,450,266	102,067,681
Deferred revenue	11	37,756,783	12,401,413
		78,207,049	114,469,094

Note 16

Taxation - Net

	June 30, 2026	June 30, 2025
	Rupees	Rupees
Opening balance	434,275,876	1,854,552,237
Add: Provision for the year	14,515,526,173	10,441,322,209
Less: Prior year	(7,397,371)	(34,210,792)
Less: Payment / adjustment during the year	(14,483,552,076)	(11,827,387,778)
Closing balance	458,852,602	434,275,876

16.1 The provision for current year tax represents corporate tax at 29% (2025: 29%) and super tax at the rate of 10% (2025:10%) as per the Income Tax Ordinance, 2001.

16.2 Income tax assessments are deemed finalized by the management up to the Tax Year 2025 as tax returns were filed under the self assessment scheme.

Note 17

Contingencies and Commitments

17.1 Contingencies

17.1.1 Pursuant to the retrospective imposition of Sindh sales tax on services relating to the renting of immovable property under the Sindh Sales Tax on Services (Amendment) Act, 2018, the landlord of the Company's Karachi office raised a claim of Rs. 257,064 in respect of sales tax on rental services for the tax years 2016, 2017 and 2018. The Company challenged the relevant provisions of the law by filing a constitutional petition before the Honourable Sindh High Court, Karachi, and obtained a stay order as on December 31, 2018, which remained effective. In the opinion of the lawyer, the outcome of the case is expected in favour of the Company, hence no provision is made in these financial statements.

17.1.2 The Appellate Tribunal Inland Revenue ("ATIR"), through its order dated November 9, 2021, decided the matter against the Company in respect of tax year 2013, involving a tax demand of Rs. 2,479,693. Aggrieved by the decision, the Company filed a reference petition before the Honourable Lahore High Court, Lahore, on February 3, 2022, which remains pending adjudication. In the opinion of the lawyer, favorable outcome of the appeal is expected, hence no provision is made in these financial statements.

17.1.3 The Deputy Commissioner Inland Revenue ("DCIR"), through an order dated May 30, 2018 passed under section 11(2) of the Sales Tax Act, 1990, raised a sales tax demand of Rs. 192,568,536 for the tax period from July 2011 to June 2012. The Company filed an appeal against the order before the Commissioner Inland Revenue (Appeals) ["CIR(A)"]. The CIR(A) remanded the matter to the DCIR for reconsideration while upholding a demand of Rs. 2,223,033. Aggrieved by the decision, the Company filed an appeal before the Appellate Tribunal Inland Revenue ("ATIR") against both the amount upheld by the CIR(A) and the decision to remand the matter to the DCIR. The appeal remains pending adjudication before the ATIR. In the opinion of the tax consultant, favorable outcome of the appeal is expected, hence no provision is made in these financial statements.

17.1.4 The Deputy Commissioner Inland Revenue ("DCIR"), through an order dated September 28, 2017 passed under section 11(2) of the Sales Tax Act, 1990, raised a sales tax demand of Rs. 7,418,949/- for the tax period from July 2013 to June 2014. The Company filed an appeal before the Commissioner Inland Revenue (Appeals) ["CIR(A)"], who, through an order dated April 30, 2021, granted relief of Rs. 5,694,504/- and upheld the remaining demand of Rs. 1,724,445/-. The Company filed an appeal before the Appellate Tribunal Inland Revenue ("ATIR") on June 29, 2021 against the demand upheld by the CIR(A). The tax authorities also filed an appeal before the ATIR against the relief of Rs. 5,694,504/- granted to the Company. The ATIR subsequently decided the tax authorities' appeal in favour of the Company. However, the Company's appeal against the remaining demand of Rs. 1,724,445/- remains pending adjudication before the ATIR. In the opinion of the tax consultant, favourable outcome of the appeal is expected, hence, no provision is incorporated in these financial statements.

17.1.5 The Company filed a writ petition before the Honourable Lahore High Court, Lahore ("LHC") challenging its selection by the Commissioner Inland Revenue for audit of its sales tax affairs for tax year 2017 under section 25 of the Sales Tax Act, 1990. The writ petition was dismissed by the Honourable LHC. Aggrieved by the decision, the Company filed an Intra Court Appeal ("ICA") before the Honourable LHC. Through an order dated January 21, 2020, the Honourable LHC granted interim relief to the Company and restrained the Commissioner Inland Revenue from passing a final order until the disposal of the appeal. The matter remains pending adjudication before the Honourable LHC. 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.

17.1.6 A group of persons in rickshaw market Karachi deposited a sum of Rs. 10.93 million (2025: 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.

17.1.7 The Federal Board of Revenue ("FBR"), through SRO 845(I)/2021 dated June 30, 2021, imposed Additional Customs Duty ("ACD") on the import of four-wheeler Completely Knocked Down ("CKD") kits. The Company challenged the levy by filing writ petitions before the Honourable Lahore High Court, Lahore ("LHC") on March 30, 2021 and the Honourable Sindh High Court, Karachi ("SHC") on April 15, 2021, and obtained interim stay orders. The Company also challenged the subsequent SRO(s) issued by the FBR in respect of ACD on the import of four-wheeler CKD kits and obtained interim stay orders from the relevant Honourable Courts. The matters remain pending adjudication. In the opinion of legal counsel, favourable outcome of the cases is expected, hence, no provision is incorporated in these financial statements.

17.1.8 The Company challenged the legality and constitutionality of section 5A of the Income Tax Ordinance, 2001 by filing a constitutional petition before the Honourable Lahore High Court, Lahore ("LHC") on July 10, 2018. During the subsequent years, the Federal Board of Revenue ("FBR") introduced various amendments to the Income Tax Ordinance, 2001 relating to the applicability of section 5A, which could have a material bearing on the Company's case. Accordingly, after consultation with the Company's legal counsel and with the permission of the Honourable LHC, the earlier writ petition was withdrawn and a fresh writ petition on the same subject matter was filed before the Honourable LHC on December 19, 2022. The matter remains pending adjudication before the Honourable LHC. In the opinion of the legal counsel, favourable outcome of the petition is expected, hence, no provision is incorporated in these financial statements.

17.1.9 The Deputy Commissioner Inland Revenue ("DCIR"), through an order dated January 27, 2023 passed under section 11(2) of the Sales Tax Act, 1990, raised a sales tax demand of Rs. 226,283,805 for the tax period from July 2020 to June 2021. The Company filed an appeal against the said order before the Commissioner Inland Revenue (Appeals) ["CIR(A)"] on February 23, 2023. The CIR(A) subsequently remanded the matter to the assessing officer for reconsideration. Aggrieved by the order of the CIR(A), both the Company and the tax authorities filed appeals before the Appellate Tribunal Inland Revenue ("ATIR"). The appeals remain pending adjudication before the ATIR. In the opinion of tax consultant, favourable outcome of the appeal is expected, hence, no provision is incorporated in these financial statements.

17.1.10 Certain workers of Sazgar Engineering Works Limited (the "Company") have filed a writ petition before the Honourable Islamabad High Court against the Federation of Pakistan, the Federal Board of Revenue ("FBR") and the Company, challenging clause 4(d) and the prescribed formula set out in the Schedule to the Companies Profits (Workers' Participation) Act, 1968. The petitioners have sought, inter alia, directions restraining the Company from remitting the unutilised or remaining portion of the workers' share, as contemplated under clause 4(d) of the Schedule to the aforesaid Act, to the Workers Welfare Fund constituted under section 3 of the Workers Welfare Fund Ordinance, 1971. The Company has recognised the corresponding liabilities in respect of the Workers' Profit Participation Fund in its financial statements for the relevant financial years. The amounts attributable to the fund will be settled by the Company in accordance with the final judgment or directions of the Honourable Islamabad High Court in the aforesaid proceedings.

17.1.11 Proceedings under section 122(5A) of the Income Tax Ordinance, 2001 were initiated by the Deputy Commissioner Inland Revenue ("DCIR") for tax year 2009, resulting in a tax demand of Rs. 5,440,062 as at March 31, 2015. The Company filed an appeal before the Commissioner Inland Revenue (Appeals) ["CIR(A)"], who granted relief amounting to Rs. 5,318,163 and upheld the remaining demand of Rs. 121,899. The Company filed an appeal before the Appellate Tribunal Inland Revenue ("ATIR") against the remaining demand of Rs. 121,899. The tax authorities also filed an appeal before the ATIR against the relief of Rs. 5,318,163 granted by the CIR(A). The ATIR subsequently decided the matter in favour of the Company and annulled the tax demands raised by the DCIR. Aggrieved by the decision of the ATIR, the Commissioner Inland Revenue ("CIR") filed a reference application before the Honourable Lahore High Court, Lahore ("LHC") on October 25, 2023, challenging the ATIR's order. The matter remains pending adjudication before the Honourable LHC. in the opinion of legal counsel, favourable outcomes of the reference application are expected, hence, no provision is incorporated in these financial statements.

17.1.12 The Deputy Commissioner Inland Revenue ("DCIR") passed an order under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2003, creating an income tax demand of Rs. 545,930. The Company filed an appeal against the said order before the Commissioner Inland Revenue (Appeals) ["CIR(A)"], who upheld the order of the DCIR. Aggrieved by the decision of the CIR(A), the Company filed an appeal before the Appellate Tribunal Inland Revenue ("ATIR") on November 12, 2009. Subsequently, through its order dated April 14, 2021, the ATIR decided the matter in favour of the Company and deleted the tax demand of Rs. 545,930 upheld by the CIR(A).The Commissioner Inland Revenue ("CIR") thereafter filed a reference petition before the Honourable Lahore High Court, Lahore ("LHC") challenging the decision of the ATIR. The matter remains pending adjudication before the Honourable LHC. in the opinion of legal counsel, favourable outcomes of the reference application are expected, hence, no provision is incorporated in these financial statements.

17.1.13 Proceedings under section 122(5A) of the Income Tax Ordinance, 2001 were initiated by the Deputy Commissioner Inland Revenue ("DCIR") for tax year 2012, resulting in a tax demand of Rs. 387,050,666 through an order dated April 30, 2018. The Company filed an appeal against the said order before the Commissioner Inland Revenue (Appeals) ["CIR(A)"] on June 4, 2018. The CIR(A) subsequently annulled the order of the DCIR and directed the assessing officer to reassess the matter on the basis of the available records. Aggrieved by the direction for reassessment, the Company filed an appeal before the Appellate Tribunal Inland Revenue ("ATIR"). The matter remains pending adjudication before the ATIR and, as a consequence of the CIR(A)'s order, no tax demand is presently payable by the Company in respect of this matter. In the opinion of tax consultant, favourable outcome of the appeals is expected, hence, no provision is incorporated in these financial statements.

17.1.14 Proceedings under section 122(5A) of the Income Tax Ordinance, 2001 were initiated by the Deputy Commissioner Inland Revenue ("DCIR") for tax year 2015, resulting in a tax demand of Rs. 31,262,633 through an order dated July 9, 2021. The Company filed an appeal against the said order before the Commissioner Inland Revenue (Appeals) ["CIR(A)"] on July 19, 2021. The CIR(A) subsequently annulled the order of the DCIR and directed the assessing officer to initiate fresh proceedings on the basis of the available record and to pass a speaking order. Aggrieved by the decision of the CIR(A), the Company filed an appeal before the Appellate Tribunal Inland Revenue ("ATIR"), contending, inter alia, that the CIR(A) ought to have decided the matter through a speaking order rather than remanding it for fresh proceedings. The matter remains pending adjudication before the ATIR and, as a consequence of the CIR(A)'s order, no tax demand is presently payable by the Company in respect of this matter. In the opinion of tax consultant, favourable outcome of the appeals is expected, hence, no provision is incorporated in these financial statements.

17.1.15 The Deputy Commissioner Inland Revenue ("DCIR"), through an order dated January 27, 2023 issued under section 11(2) of the Sales Tax Act, 1990, raised a sales tax demand of Rs. 177.878 million for the tax periods from July 2019 to June 2021. The Company filed an appeal before the Commissioner Inland Revenue (Appeals) ["CIR(A)"] on March 8, 2023; however, the CIR(A), through an order dated June 6, 2023, upheld the DCIR's order.The Company subsequently filed an appeal before the Appellate Tribunal Inland Revenue ("ATIR"). The ATIR deleted the demand relating to the sale of auto rickshaws and remanded the matter relating to the sale of loaders to the Officer Inland Revenue ("OIR") for further verification. The Company has filed a reference application before the Honourable Lahore High Court challenging the ATIR's order, which remains pending adjudication. No amount is currently payable by the Company in respect of this matter. In the opinion of the Company's legal counsel, favourable outcome of the appeals is expected, hence, no provision is incorporated in these financial statements.

17.1.16 The Company filed an appeal before the Appellate Tribunal Inland Revenue ("ATIR") under Case No. 1443/LB/2011 for tax year 2004, challenging Order No. 28 dated July 28, 2011 passed by the Commissioner Inland Revenue (Appeals) ["CIR(A)"], involving a disputed tax amount of Rs. 751,405. The ATIR, through its order dated April 19, 2017, decided the matter in favour of the Company. Subsequently, the Commissioner Inland Revenue ("CIR") filed an appeal before the Honourable Lahore High Court, Lahore ("LHC"), which remanded the matter back to the ATIR with directions to pass a speaking order. The matter is presently 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.

17.1.17 The Additional Commissioner Inland Revenue ("ACIR"), through an order dated September 30, 2025 issued under section 122(5A) of the Income Tax Ordinance, 2001, raised an income tax demand of Rs. 188,902,192 in respect of tax year 2023. The Company has contested the aforesaid order by filing a rectification application before the ACIR under section 221 of the Income Tax Ordinance, 2001 and has also preferred an appeal before the Commissioner Inland Revenue (Appeals) ["CIR(A)"]. The rectification application and appeal are currently pending adjudication before the respective authorities. Based on the opinion of the Company's tax consultant and management's assessment of the merits of the case, a favourable outcome of the proceedings is expected and the possibility of an outflow of resources embodying economic benefits is considered remote. Accordingly, no provision has been recognised in these financial statements.

17.1.18 During the year, two customers have filed consumer court cases against the Company in respect of certain alleged claims. These cases are currently pending adjudication before the respective consumer courts. In the opinion of the Company's legal advisor, the likelihood of an outflow of economic resources embodying economic benefits is not probable. However, as the matters remain sub judice, the Company continues to monitor their progress closely. The aggregate amount of the claims cannot be determined with reasonable accuracy at this stage but is not expected to have any material impact on the financial position of the Company. Accordingly, no provision has been recognized in these condensed interim financial statements in respect of these matters.

17.2 Commitments

17.2.1 Commitments in respect of outstanding letters of credit for raw material amount to Rs. 17,516.70 million (June 30, 2025: Rs. 12,785.50 million).

17.2.2 Commitments in respect of capital expenditures amount to Rs. 12,169.32 million (June 30, 2025: Rs. 1,164.10 million) and bank guarantee of Rs. 728.61 million (June 30, 2025: Rs. 602.05 million).

Outstanding Letters of Credit

	Financial Institutions Name / Facility type	For the year ended June 30,	Total Unfunded Facility	Utilized Facility	Un-Utilized Facility	Security Details
			------Rs. in million------			
17.2.3	Meezan Bank Limited	2026	10,000	2,569	7,431	- Nil cash margin or as per SBP requirement, which ever is higher. - Lien on import Documents. - Personal guarantees of certain directors.
			600	-	600	- 100% cash margin or as per SBP requirement, which ever is higher. - Lien on import Documents. - Personal guarantees of certain directors.
			16,000	8,039	7,961	- Nil cash margin or as per SBP requirement, which ever is higher.(Sight LC -OTT Limit) - Lien on import Documents. - Personal guarantees of certain directors.
		2025	5,000	2,329.65	2,670.35	- Nil cash margin or as per SBP requirement, which ever is higher. - Lien on import Documents. - Personal guarantees of certain directors.
			600	-	600	- 100% cash margin or as per SBP requirement, which ever is higher. - Lien on import Documents. - Personal guarantees of certain directors.
17.2.4	Habib Bank Limited	2026	5,000	635.57	4,364.43	- Nil cash margin or as per SBP requirement, which ever is higher. - Lien on import Documents. - Personal guarantees of certain directors.
		2025	3,550	269.90	3,280.10	
17.2.5	United Bank Limited	2026	850	850	-	- Nil cash margin or as per SBP requirement, which ever is higher. - Lien on import documents. - Personal guarantees of certain directors.
			3,000	1,724.06	1,275.94	- 15% cash margin or as per SBP requirement, which ever is higher. - 15% Cash margin in form of lien over saving account . - Lien on import documents. - Personal guarantees of certain directors.
		2025	3,000	1,404.26	1,595.74	- 15% cash margin or as per SBP requirement, which ever 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, which ever is higher. - Lien on import Documents. - Personal guarantees of certain directors
			600	536.74	63.26	- Nil cash margin or as per SBP requirement, which ever is higher. - Lien on import documents. - Personal guarantees of certain directors
17.2.6	Habib Metro Bank Limited	2026	4,500	2,784.60	1,715.40	- Nil cash margin or as per SBP requirement, which ever is higher. - Lien on import Documents. - Personal guarantees of certain directors.
		2025	2,500	48.67	2,451.33	
17.2.7	Faysal Bank Limited	2026	7,000	5,271	1,729	- Nil cash margin or as per SBP requirement, which ever is higher. - Lien on import Documents. - Personal guarantees of certain directors.
			3,000	-	3,000	- 30% cash margin in form of lien over saving account . - Lien on import Documents. - Personal guarantees of certain directors.
		2025	2,933	2,933	-	- Nil cash margin or as per SBP requirement, which ever 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 .
17.2.8	Askari Bank Limited	2026	5,000	1,054.31	3,945.69	- Nil cash margin or as per SBP requirement, which ever 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. - Personal guarantees of certain directors.
		2025	1,500	1,201.88	298.12	- Nil cash margin or as per SBP requirement, which ever 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.
17.2.9	Dubai Islamic Bank Pakistan Limited	2026	750	-	750	- Nil cash margin or as per SBP requirement, which ever is higher. - Lien on import documents. - Personal guarantees of certain directors.
		2025	750	212.45	537.55	

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------			
17.2.10	The Bank of Punjab	2026	6,000	1,518.34	4,481.66	- Nil cash margin or as per SBP requirement, which ever is higher. - Lien on import documents. - Personal guarantees of certain directors.
		2025	3,000	1,525.32	1,474.68	
17.2.11	Bank Al Habib Limited	2026	7,500	528.02	6,971.98	- Nil margin or as per SBP requirement, which ever is higher. - Lien on import documents. - Personal guarantees of certain directors.
		2025	5,000	1,201.19	3,798.81	- 25% cash margin or as per SBP requirement, which ever is higher. - Lien on import documents. - Personal guarantees of certain directors.
17.2.12	National Bank of Pakistan	2026	3,000	-	3,000	- 100% cash margin in form of lien over saving account. - Lien on import Documents.
		2025	1,000	521.33	478.67	- 100% cash margin in form of lien over saving account. - Lien on import Documents.
17.2.13	The Bank of Khyber	2026	1,500	-	1,500	- Nil cash margin or as per SBP requirement, which ever is higher. - Lien on import documents. - Personal guarantees of certain directors.
		2025	700	-	700	- Nil cash margin or as per SBP requirement, which ever is higher. - Lien on import documents. - Personal guarantees of certain directors.
17.2.14	Bank Al Falah Limited	2026	4,000	815.94	3,184.06	- Nil cash margin or as per SBP requirement, which ever is higher. - Lien on import documents. - Personal guarantees of certain directors.
			2,500	-	2,500	- Nil cash margin or as per SBP requirement, which ever is higher.(Sight LC -OTT Limit) - Lien on import documents. - Personal guarantees of certain directors.
		2025	1,000	292.62	707.38	- Nil cash margin or as per SBP requirement, which ever is higher. - Lien on import documents. - Personal guarantees of certain directors.
17.2.15	Soneri Bank Limited	2026	1,500	-	1,500	- Nil cash margin or as per SBP requirement, which ever is higher. - Lien on import documents. - Personal guarantees of certain directors.
		2025	-	-	-	-
17.2.16	Bank Islami Pakistan Limited	2026	3,000	-	3,000	- Nil cash margin or as per SBP requirement, which ever is higher. - Lien on import documents. - Personal guarantees of certain directors.
		2025	-	-	-	-

17.3 Letter of Guarantee

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------			
17.3.1	Bank Al Falah Limited	2026	500	-	500	- Pari passu charge over current assets of Rs. 667 million. - Personal guarantees of certain directors.
		2025	-	-	-	-
17.3.2	The Bank of Punjab (sublimit of Note no.12.13)	2026	250	-	250	- 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. - Counter guarantee
		2025	-	-	-	-
17.3.3	Meezan Bank Limited	2026	1,000	395.01	604.99	- Pari passu charge over fixed assets of Rs.1,879.33 million. (Sub Limit Note. 13.4) - Pari passu charge over current assets of Rs. 1,400 million. - Personal guarantees of certain directors. - Counter guarantee
			300	-	300	-100% cash margin in form of lien over saving account. - Counter guarantee
		2025	150	37.73	112.27	- Pari passu charge over fixed assets of Rs. 797.33 million. - Pari passu charge over current assets of Rs. 400 million. - Personal guarantees of certain directors. - Counter guarantee
			300	300	-	- 100% cash margin in form of lien over saving account. - Counter guarantee
17.3.4	Habib Bank Limited (Sub limit of Note. no. 13.1)	2026	120	19.77	100.23	- 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. - Counter guarantee
		2025	40	19.77	20.23	
17.3.5	Askari Bank Limited	2026	500	-	500	- Pari passu charge over current assets of Rs. 667 million. - Personal guarantees of certain directors.
			500	170.24	329.76	- 100% cash margin in form of lien over saving account.
		2025	500	170.24	329.76	- 100% cash margin in form of lien over saving account.
17.3.6	United Bank Limited (sublimit of Note no.13.3)	2026	150	143.59	6.41	- 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. - Counter guarantee
		2025	65	63.27	1.73	- 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. - Counter guarantee
17.3.7	Allied Bank Limited (sublimit of Note no.13.5)	2026	-	-	-	-
		2025	12.5	11.04	1.46	- 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. - Counter guarantee

Note 18

Property, Plant and Equipment

	Note	June 30, 2026	June 30, 2025
		Rupees	Rupees
Operating fixed assets - owned	18.1	17,116,865,322	6,061,900,046
Capital work in progress	18.2	5,875,082,969	1,878,021,798
Advance for purchase of land		30,000,000	-
		23,021,948,291	7,939,921,844

18.1 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, 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
Additions	4,208,552,325	58,873,627	2,523,144,163	3,192,361,112	4,618,500	30,248,757	927,500	1,139,291,399	451,811,574	11,609,828,957
Disposals	-	-	-	-	-	-	-	-	(1,004,000)	(1,004,000)
Balance as at June 30, 2026	6,996,688,215	61,383,427	3,487,877,894	6,025,303,419	29,132,523	55,966,509	46,381,269	1,282,361,754	956,126,232	18,941,221,242
Accumulated depreciation										
Balance as at July 01, 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
Depreciation charged during the year	-	946,441	134,838,394	282,207,100	1,514,623	2,799,465	3,425,109	40,806,531	88,225,402	554,763,065
Disposals	-	-	-	-	-	-	-	-	(903,384)	(903,384)
Balance at June 30, 2026	-	2,540,613	386,611,440	1,094,107,758	11,553,056	8,283,926	15,148,707	65,856,872	240,253,548	1,824,355,920
Carrying amount as at June 30, 2026	6,996,688,215	58,842,814	3,101,266,454	4,931,195,661	17,579,467	47,682,583	31,232,562	1,216,504,882	715,872,684	17,116,865,322
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%	

18.1.1 Depreciation charge for the year has been allocated as follows:

	Note	2026	2025
		Rupees	Rupees
Cost of sales	27	469,557,950	284,065,980
Distribution and marketing costs	28	39,281,950	21,609,687
Administrative expenses	29	45,923,165	30,264,269
		554,763,065	335,939,936

18.1.2 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, 2026						
	Cost	Carrying Amount	Sale Price	Gain	Particulars of the Buyer	Mode of Disposal	Relationship with the Purchaser
	------------------------Rupees------------------------						
Suzuki Wagon R	1,004,000	100,615	1,240,000	1,139,385	Mr. Noraiz Asif	Company policy	Company Employee

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			

18.1.3 Particulars of immovable property (i.e. land and building) of the Company are as follow:

Location	Usage of immovable property	Nature	Total area
			(Acres)
18 K.M Raiwind Road, Lahore.	Three Wheeler Plant & Automotive Parts	Owned	5.46
Maghrabi Tanki-1 Link Road, Near Ijtamah Chowk, Sunder-Raiwind Road, Lahore.	Four Wheeler Manufacturing Facility	Owned	73.08
Mouza Bachoki, Majha, Tahseel raiwind, Lahore.	Land for future expansion	Owned	57.51
Centeral Business District, Business Bay-II, route 47, CBD Quaide, District, Lahore.	CDB Plot	Owned	0.63
Main Pine Avenue, Mouza Halloki, tahseel Nishter Town, Lahore.	Pine Avenue Plot	Owned	0.63
B-66, State Avenue S.I.T.E, Karachi.	Warranty Center, Karachi	Leased	0.36
Abbottabad-Mansehra Junction, Near NHA Toll Plaza Mansehra.	Company owned Dealership	Leased	0.75
78,W Roshan Center, Main Jinnah Avenue, Blue Area, Islamabad.	Display Center	Leased	0.10

18.1.4 The property, plant and equipment of the Company are subject to pari passu charge as security for certain financing by certain banks (note 8, 12 and 13).

18.2 Capital work in progress

Reconciliation of carrying amounts is as follows:

	June 30, 2026	June 30, 2025
	Rupees	Rupees
Plant and machinery		
Opening balance	460,161,165	208,248,424
Additions made during the year	8,247,717,422	363,325,521
	8,707,878,587	571,573,945
Transferred to operating fixed assets	(3,116,595,576)	(111,412,780)
	5,591,283,011	460,161,165
Civil works		
Opening balance	1,417,860,633	128,182,820
Additions made during the year	2,460,724,724	1,502,732,423
	3,878,585,357	1,630,915,243
Transferred to operating fixed assets	(3,594,785,399)	(213,054,610)
	283,799,958	1,417,860,633
	5,875,082,969	1,878,021,798

18.2.1 This includes the advance to suppliers of Rs. 461.99 million (2025: Rs. 284.33 million) for procurement of plant and machinery.

Note 19

Intangible Assets

	Note	June 30, 2026	June 30, 2025
Net Carrying Value		Rupees	Rupees
Opening balance		62,564	130,814
Additions during the year		-	-
Amortization during the year	19.2	(62,564)	(68,250)
Closing balance		-	62,564
Gross Carrying Value			
Cost		4,699,173	4,699,173
Accumulated amortization		(4,699,173)	(4,636,609)
Net book value		-	62,564
Useful life		5 Years	5 Years

19.1 Intangible assets include costs incurred on patents, copyrights, trademarks, and designs.

19.2 Amortization charge for the year has been allocated to cost of sales (note 27).

Note 20

Long Term Loans to Employees

	June 30, 2026	June 30, 2025
Loans to employees (secured - considered good)	Rupees	Rupees
- Executives	95,749,925	45,788,425
- Non-executives	149,595,283	120,391,091
	245,345,208	166,179,516
Less: Discounting of loan to employees	(81,454,458)	(54,334,274)
Unwinding of discount	6,362,370	3,436,682
	170,253,120	115,281,924
Less: Current portion of loans	(63,005,261)	(41,114,248)
	107,247,859	74,167,676

20.1 These loans and advances have been granted as per the Company's policy to facilitate employees for meeting household expenses. These are secured against post employment benefits payable to employees. These loans are interest free and are repayable within 20 years (June 30, 2025: 20 years). The maximum amount of loan outstanding to executives at the end of any month during the year was Rs. 95.75 million (2025: Rs. 46.16 million). Receivable from executives of the Company do not include any amount receivable from directors or chief executive. 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 13.26% (2025: 12.89%). The difference between cash paid and present value of cash inflows upon initial recognition has been recognized as expense in profit or loss.

20.2 Reconciliation of loans to employees

Description	Opening balance	Disbursements / transfers	Repayments / transfers	Closing balance
	Rupees	Rupees	Rupees	Rupees
Executives	45,788,425	59,270,100	(9,308,600)	95,749,925
Non-executives	120,391,091	83,321,430	(54,117,238)	149,595,283
Carrying value as at June 30, 2026	166,179,516	142,591,530	(63,425,838)	245,345,208
Carrying value as at June 30, 2025	116,052,366	108,133,761	(58,006,611)	166,179,516

Note 21
Long Term Deposits

	June 30, 2026	June 30, 2025
	Rupees	Rupees
Deposit with Pakistan Steel Mills	400,000	400,000
Securities with utility companies	4,800,470	4,800,470
Rent securities	7,945,000	3,745,000
Others	45,000	45,000
	13,190,470	8,990,470

Note 22
Stock in Trade

	Note	June 30, 2026	June 30, 2025
		Rupees	Rupees
Raw materials and components		11,383,937,654	8,257,739,347
Work-in-process		20,792,342	41,674,019
Finished goods		5,199,506,230	2,698,243,142
Less: Provision for slow moving items	22.3	(57,542,619)	(33,451,460)
		16,546,693,607	10,964,205,048
Stock in transit		25,520,823,877	3,263,674,220
		42,067,517,484	14,227,879,268

22.1 The stock in trade of the Company is subject to pari passu charge as security for certain financing by banks (note 8, 12 and 13).

22.2 Finished goods amounting to Rs 3,153.87 million (2025: Rs 1,668.42 million) are in the possession of various dealers as consignment stock for display at dealerships.

22.3 Movement in provision for slow moving items

	2026	2025
Opening balance	33,451,460	27,016,712
Charged during the year	24,091,159	6,434,748
Less: written off during the year	-	-
Closing balance	57,542,619	33,451,460

Note 23

Trade Debts

	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
Considered good		89,663,623	111,137,653
Considered doubtful		721,465	721,465
		90,385,088	111,859,118
Less: Allowance for expected credit losses	23.1	(721,465)	(721,465)
		89,663,623	111,137,653

23.1 Allowance for expected credit loss

Opening balance		721,465	1,845,965
Loss allowance for the year		-	-
		721,465	1,845,965
Less: Reversal of credit loss allowance during the year		-	(1,124,500)
Closing balance		721,465	721,465

23.2 The customer has no history of default. For age analysis of these trade debts, refer to note 36.1 (b).

Note 24

Loans, Advances, Deposits, Prepayments and Other Receivables

	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
Current portion of long term loans to employees	20	63,005,261	41,114,248
Advance to employees for expenses	24.1	10,048,482	9,892,245
Advance to suppliers (unsecured - considered good)		243,248,591	120,602,391
Letter of credit margins		374,922,689	509,672,406
Prepayments		21,041,430	16,371,907
Other receivables		1,400,000	1,400,000
Bank guarantee margins		5,413,160	5,413,160
Accrued profit on bank deposits		123,618,127	121,484,596
Advance sales tax		1,362,285,770	1,889,188,003
		2,204,983,510	2,715,138,956

24.1 These amounts are given in the normal course of business and do not carry any interest or mark-up.

Note 25

Cash and Bank Balances

	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
Cash in hand		5,190,620	1,988,530
Cash at banks in:			
- Current accounts - Conventional banking		49,391,608	25,649,903
- Current accounts - Islamic banking		739,908,392	1,108,623,930
- Saving accounts - Islamic banking	25.1	13,190,191,518	15,460,229,818
		13,979,491,518	16,594,503,651
		13,984,682,138	16,596,492,181

25.1 These represents shariah compliant bank deposits with Islamic banks that yield profit at the rates ranging from 2.19% to 12.72% (2025: 3.67% to 19.17%) per annum. During the year, profit of Rs. 2,564.57 million (June 30, 2025: 1,273.50 million) was earned on these shariah compliant deposits.

25.2 The above figures of cash and bank balances reconcile to the amount of cash and cash equivalents shown in the statement of cash flows.

Note 26
Sales - Net

		Note	June 30, 2026 Rupees	June 30, 2025 Rupees
Gross sales		26.1	239,551,028,257	130,014,592,111
Less:	Sales tax		32,903,684,765	15,350,127,739
	Federal excise duty		8,944,031,098	4,830,031,449
	Capital value tax		2,172,142,901	1,135,705,622
	New energy vehicle adoption levy		3,808,547,558	-
	Sales return		7,268,207	6,131,660
			(47,835,674,529)	(21,321,996,470)
			191,715,353,728	108,692,595,641

26.1 This includes Rs. 78.34 million (June 30, 2025: Rs. 69.05 million) on account of export sales and also includes the amortization of deferred revenue amounting to Rs. 124.70 million (2025: Rs. 99.22 million), which has been recognized for deferred revenue outstanding at the beginning of the year.

26.2 Contract liabilities as at the beginning of the year have been recognized as sales upon dispatch of vehicles against such advances.

26.3 The disaggregation of revenue is disclosed in note 39 of these financial statements.

26.4 The Company's revenue based on geographical location is given as under:

	June 30, 2026 Rupees	June 30, 2025 Rupees
Pakistan	191,637,014,023	108,623,546,584
Japan	21,535,907	23,578,110
Mexico	10,179,312	-
Netherland	1,336,445	-
Philippines	25,067,460	8,457,000
UAE	971,568	-
USA	19,249,013	-
Nigeria	-	23,485,415
Liberia	-	9,941,750
Others	-	3,586,782
	191,715,353,728	108,692,595,641

Note 27
Cost of Sales

	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
Raw materials and components consumed	27.1	139,852,891,917	73,153,691,288
Salaries, wages and other benefits	27.2	2,573,239,482	1,576,715,288
Stores, spares and loose tools consumed		567,026,663	356,197,986
Power and fuel charges		1,285,481,760	861,070,549
Repairs and maintenance		330,480,685	253,613,468
Other manufacturing expenses		122,562,483	112,403,040
Provision for slow moving items	22.3	24,091,159	6,434,748
Depreciation	18.1.1	469,557,950	284,065,980
Amortization	19.2	62,564	68,250
		145,225,394,663	76,604,260,597
Work in process:			
- Opening stock		41,674,019	32,066,787
- Closing stock	22	(20,792,342)	(41,674,019)
		20,881,677	(9,607,232)
Cost of goods manufactured		145,246,276,340	76,594,653,365
Finished goods:			
- Opening stock		2,698,243,142	1,848,659,626
- Closing stock	22	(5,199,506,230)	(2,698,243,142)
- Cost of finished goods purchased during the year		2,494,698,510	1,305,541,850
		(6,564,578)	455,958,334
		145,239,711,762	77,050,611,699

27.1 This includes adjustment of scrap sales of Rs. 50,829,968 (June 30, 2025: Rs. 82,049,031).

27.2 Salaries, wages and other benefits include Rs. 125,551,435 (June 30, 2025: Rs. 102,978,860) in respect of retirement benefits.

Note 28
Distribution and Marketing Costs

	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
Salaries and other benefits	28.1	307,028,934	179,171,332
Freight, octroi and others		837,450,829	467,617,943
Commission		3,908,226,812	2,034,087,913
Travelling and conveyance		95,732,642	55,638,944
Provision for warranty claims		6,827,846	217,434,818
Packing materials consumed		31,050,518	21,615,052
Advertisement and sale promotion		605,435,051	242,973,413
Insurance		101,407,869	63,827,959
Rent expenses	28.2	37,862,460	23,454,423
After sales service		221,545,894	141,065,874
Printing and stationery		1,149,075	5,873,577
Depreciation	18.1.1	39,281,950	21,609,687
		6,192,999,880	3,474,370,935

28.1 Salaries and other benefits include Rs. 13,107,812 (June 30,2025: Rs. 9,856,067) in respect of retirement benefits.

28.2 This represents lease rentals recognised on leases classified as short term.

Note 29
Administrative Expenses

	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
Salaries and other benefits	29.1	581,914,580	363,450,563
Electricity		620,704	536,868
Communication expenses		68,156,972	24,026,171
Vehicle running expenses		39,159,516	27,825,901
Legal and professional		15,633,303	4,805,250
Travelling and conveyance		14,161,348	6,520,472
Fees and subscription		67,039,540	45,363,368
Insurance		1,942,544	1,450,667
Rent, rates and taxes	29.2	2,769,334	2,345,387
Printing and stationery		8,696,514	6,023,144
Entertainment		61,604,300	25,589,365
Office supplies		11,253,534	7,245,160
Miscellaneous expenses		793,891	3,104,079
Donations	29.3 & 29.4	57,172,300	11,776,708
Depreciation	18.1.1	45,923,165	30,264,269
		976,841,545	560,327,372

29.1 Salaries and other benefits include Rs. 41,876,302 (June 30, 2025: Rs. 32,008,574) in respect of retirement benefits.

29.2 This represents lease rentals recognised on leases classified as short term.

29.3 Directors and their spouses do not have any interest in the donees.

29.4 During the year, the Company made the following donations, both in cash and in kind, amounting to Rs. 1 million or above:

	June 30, 2026 Rupees	June 30, 2025 Rupees
Indus Hospital & Health Network	10,000,000	-
SOS Children Village Pakistan	3,725,900	-
Bali Memorial Trust	2,956,200	-
Alkhidmat Foundation Pakistan	2,442,600	-
Molana Tariq Jamil Foundation	2,330,400	-
Kiran Foundation	2,237,000	-
Cancer Care Hospital	2,000,000	-
Shaukat Khanum Memorial Trust	2,000,000	-
Misbah Momin Foundation	2,000,000	-
Akhuwat Foundation	2,000,000	-
The Citizens Foundation	2,000,000	-
Sardar Trust Eye Hospital	2,000,000	-
Hijaz Hospital	2,000,000	-
Chhipa Welfare Association	2,000,000	-
Abdul Sattar Edhi Foundation	1,500,000	-
Allah Walay Trust	1,500,000	-
JDC Foundation	1,500,000	-
Transparent Hands (Zaman Foundation)	1,313,500	-
Punjab Emergency Service Department	1,200,000	-
Neurology Research & Patient Welfare Fund	1,000,000	-
Sundas Foundation	1,000,000	-
SIUT - Sindh Institute of Urology and Transplantation	1,000,000	-
Saylani Welfare Trust	1,000,000	-
Needy & Hungry Foundation	1,000,000	-
Sahara For Life Trust	1,000,000	-
Jahanara Memorial Trust	1,000,000	-
	53,705,600	-

Note 30
Other Operating Expenses

	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
Auditors' remuneration		2,550,000	2,212,500
Tax consultancy services		5,893,600	1,563,643
Workers' (Profit) Participation Fund	12.3	2,089,327,459	1,442,645,018
Workers' Welfare Fund	12.4	759,577,507	546,305,117
		2,857,348,566	1,992,726,278

30.1 Auditors' remuneration

Statutory audit	2,040,000	1,700,000
Half yearly review	360,000	300,000
Workers' (Profit) Participation Fund	-	52,500
Certificate fee	150,000	160,000
	2,550,000	2,212,500

Note 31
Other Income

	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
Income from financial assets			
Profit from Islamic banking deposits	31.1	2,564,566,241	1,273,497,436
Exchange gain		19,211	442,421
Unwinding of discount	20	2,925,688	2,028,587
Income from non financial assets			
Gain on disposal of vehicles		1,139,385	1,086,652
Reversal of provision for doubtful debts	23.1	-	1,124,500
Sale of scrap items		72,914,811	50,190,367
Rectification charges		9,740,513	26,647,715
		2,651,305,849	1,355,017,678

31.1 This represents income from shariah compliant bank deposits.

Note 32
Finance Cost

	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
Profit on:			
- Long term finances - Islamic banking		86,512,693	41,442,069
- Short term borrowings - secured - Islamic banking		40,921,513	53,515,333
- Profit on muswammah / murabaha - Islamic banking		594,498	874,618
Discounting of loan to employees	20	27,120,184	5,824,861
Interest on Workers' (Profit) Participation Fund		292,092,046	124,634,743
Bank charges and others		6,964,714	4,004,653
		454,205,648	230,296,277

Note 33
Taxation

	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
Levy / final taxation		-	1,431,417
Current tax			
- Current year		10,793,596,388	7,762,982,213
- Prior year		(7,397,371)	(34,210,792)
- Super tax		3,721,929,785	2,676,895,072
		14,508,128,802	10,405,666,493
Deferred tax	9	532,780,523	(3,997,280)
		15,040,909,325	10,401,669,213
		15,040,909,325	10,403,100,630

33.1 Reconciliation of tax charge for the year

	June 30, 2026	June 30, 2025
Profit before levy and taxation	38,645,552,176	25,889,731,963
Tax @ 29% (2025: 29%) on profit before taxation	11,207,210,131	7,754,387,982
Tax effect of amounts that are allowable deductions for tax purposes	114,403,854	4,725,917
Tax effect of profit attributable to		
-presumptive income	4,762,926	(128,966)
-presumptive tax	-	1,431,417
Super tax	3,721,929,785	2,676,895,072
Prior year	(7,397,371)	(34,210,792)
	15,040,909,325	10,403,100,630

33.2 Reconciliation of Levy and Income tax under IAS-12

	June 30, 2026	June 30, 2025
	Rupees	Rupees
Current Tax liability as per applicable tax laws	14,508,128,802	10,405,666,493
Portion of current tax liability representing		
- Income tax as per IAS -12	(14,508,128,802)	(10,404,235,076)
- Levy as per IFRIC 21 / IAS 37	-	(1,431,417)
Difference	-	-

33.3 The current tax expense for the year is calculated using corporation tax rate of 29% (2025: 29%) and super tax at 10% (2025:10%) per annum. Deferred tax assets and liabilities on temporary differences are measured at effective rate of 37% (2025:39%) per annum.

Note 34

Earnings Per Share - Basic and Diluted

		June 30, 2026	June 30, 2025
		Rupees	Rupees
Profit attributable to ordinary shareholders	Rupees	23,604,642,851	16,336,201,342
Weighted average number of ordinary shares outstanding during the year	Numbers	60,445,964	60,445,964
Basic earnings per share	Rupees	390.51	270.26

34.1 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 (2025: Nil) which would have any effect on the earnings per share if the option to convert is exercised.

Note 35

Cash Generated from Operations

	Note	June 30, 2026	June 30, 2025
		Rupees	Rupees
Profit before levy and taxation		38,645,552,176	26,739,280,758
Adjustment for:			
- Depreciation on property, plant and equipment	18.1.1	554,763,065	335,939,936
- Amortization on intangibles	19	62,564	68,250
- Provision for post employment benefits	10.4	180,535,549	144,843,501
- Provision for slow moving items - net	22.3	24,091,159	6,434,748
- Reversal for doubtful debt	23.1	-	(1,124,500)
- Workers' (Profit) Participation Fund	12.3	2,089,327,459	1,442,645,018
- Provision for warranty claims - net	12.2	76,395	215,084,406
- Workers' Welfare Fund	12.4	759,577,507	546,305,117
- Finance cost	32	427,085,464	224,471,416
- Discounting of loan to employees	32	27,120,184	5,824,861
- Bank profits on saving accounts	31	(2,564,566,241)	(1,273,497,436)
- Effect of unwinding on loan to employees	31	(2,925,688)	(2,028,587)
- Miscellaneous income		(19,211)	(442,421)
- Gain on disposal of fixed assets	31	(1,139,385)	(1,086,652)
		1,493,988,821	1,643,437,657
Operating profit before working capital changes		40,139,540,997	28,382,718,415
(Increase) / decrease in current assets			
- Store, spares and loose tools		(101,998,896)	(57,256,496)
- Stock-in-trade	22	(27,863,729,375)	83,782,898
- Trade debts	23	21,474,030	23,004,734
- Loans, advances, deposits, prepayments and other receivables	24	(14,613,256)	(92,834,393)
Increase / (decrease) in current liabilities			
- Trade and other payables	12	12,819,640,499	(2,204,817,387)
		(15,139,226,998)	(2,248,120,644)
Increase in long term loans		(57,274,679)	(38,519,205)
Cash Generated from Operations		24,943,039,320	26,096,078,566

Note 36

Financial Risk Management

36.1 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 (BOD). 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 BOD. All treasury related transactions are carried out within the parameters of these policies.

The Company's overall risk management procedures to minimize the potential adverse effects of financial market on the Company's performance are as follows:

(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: Currency risk, interest rate risk and price risk.

(i) Currency risk

Foreign currency risk is the risk that the fair value or the 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, 2026, 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. 175.52 million (2025: Rs. 139.53 million), mainly as a result of foreign exchange losses / gains on translation of the foreign currencies financial assets and liabilities.

	Note	June 30, 2026	June 30, 2025
		Rupees	Rupees
Letters of credit commitments	17.2	17,516,701,549	13,949,608,453
Foreign currency bank account	25	692,230	3,368,290
		17,517,393,779	13,952,976,743

The following exchange rates were applied during the year:

Rupees per foreign currency rate

	June 30, 2026	June 30, 2025
	USD	USD
Average rate	280.64	279.34
Reporting date rate	278.55	283.76
	CNY	CNY
Average rate	40.11	38.72
Reporting date rate	40.99	39.60

(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:

	Note	June 30, 2026	June 30, 2025
Fixed rate instruments		Rupees	Rupees
Financial liabilities			
Murabaha financing	12	-	661,050,413
Floating rate instruments			
Financial liabilities			
Diminishing musharakah financing	8	5,228,955,753	151,892,963
Financial assets			
Saving accounts - Islamic banking	25	13,190,191,518	15,460,229,818

Cash flow sensitivity analysis for variable rate instruments

As at June 30, 2026, 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. 79.61 million (2025: Rs. 146.47 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, 2026, the maximum exposure to credit risk is equal to the carrying amount of the financial assets as detailed below:

	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
Trade debts	23	89,663,623	111,137,653
Bank balances	25	13,979,491,518	16,594,503,651

The aging of trade debts as at reporting date is as follows:

	June 30, 2026	June 30, 2025
Not past due	67,664,407	82,339,625
Past Due 0-30 days	21,999,216	28,329,620
Past due 31-120 days	-	468,408
Past due more than 120 days	-	-
	89,663,623	111,137,653

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	2026	2025
	Short term	Long term	Agency		
				Rupees	Rupees
Habib Metropolitan Bank Limited	A1+	AAA	PACRA	576,564,440	2,401,235,882
Bank Al-Habib Limited	A1+	AAA	PACRA	444,339,949	611,921,559
Habib Bank Limited	A1+	AAA	VIS	2,969,606,057	2,119,656,804
The Bank of Punjab	A1+	AAA	PACRA	84,625,888	682,346,157
Al Baraka Bank (Pakistan) Limited	A1	AA-	VIS	163,829	881,790,627
Meezan Bank Limited	A1+	AAA	VIS	4,302,577,153	849,327,338
National Bank of Pakistan	A1+	AAA	PACRA	2,350,451,482	3,565,496,197
Allied Bank Limited	A1+	AAA	PACRA	50,211,747	21,568,949
Bank Islami Limited	A1	AA-	PACRA	20,992,012	15,597,465
JS Bank Limited	A1+	AA	PACRA	929	2,956
MCB Islamic Bank Limited	A1	A+	PACRA	11,704,976	2,268,217
United Bank Limited	A1+	AAA	VIS	90,932,762	346,343,060
Dubai Islamic Bank Pakistan Limited	A1+	AA	VIS	8,875,568	8,287,031
Bank Alfalah Limited	A1+	AAA	PACRA	97,598,876	69,853,189
Faysal bank Limited	A1+	AA+	PACRA	2,070,505,882	2,576,210,783
Askari Bank Limited	A1+	AAA	PACRA	891,773,723	2,440,251,644
The Bank ok Khyber	A1	AA-	PACRA	6,886,617	2,345,793
Soneri Bank Limited	A1+	AA	PACRA	1,679,628	-
				13,979,491,518	16,594,503,651

(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 year as at the reporting date to contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows:

Contractual maturities of financial liabilities as at June 30, 2026:

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	3,931,186,288	3,931,186,288	3,931,186,288	-	-	-
Profit payable	497,765,753	497,765,753	497,765,753	-	-	-
Diminishing Musharakah Financing	5,228,955,753	5,228,955,753	40,450,266	1,304,157,618	3,884,347,869	-
	9,657,907,794	9,657,907,794	4,469,402,307	1,304,157,618	3,884,347,869	-

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	1,692,212,480	1,692,212,480	1,692,212,480	-	-	-
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	-	-
	1,978,823,568	1,978,823,568	1,928,998,286	49,825,282	-	-

(d) Fair value of financial instruments

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

The fair value hierarchy has the following levels:

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

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

36.2 Financial instruments by categories

	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
Financial asset as at amortized cost			
Trade debts	23	89,663,623	111,137,653
Cash and bank balances	25	13,984,682,138	16,596,492,181
Long term loans to employees	20	170,253,120	115,281,924
Accrued profit on bank deposits	24	123,618,127	121,484,596
		14,368,217,008	16,944,396,354

The Company did not possess any financial assets designated as fair value through profit or loss and fair value through other comprehensive income categories.

	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
Financial liabilities at amortized cost			
Trade and other payables	12	3,931,186,288	1,692,912,480
Profit payable	14	497,765,753	134,718,125
Diminishing Musharakah Financing	8	5,228,955,753	151,892,963
Islamic mode of financing - Murabaha / Musawammah	12	-	661,050,413
Unclaimed dividends		43,504,570	22,228,966
		9,701,412,364	2,662,802,947

Note 37
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, 2026 and 2025, 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:

	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
Cash and bank balances	25	13,984,682,138	16,596,492,181
Total borrowings	8	(5,228,955,753)	(812,943,376)
Net asset / (debt)		8,755,726,385	15,783,548,805
Equity		43,015,563,450	23,707,697,460
Total capital employed		51,771,289,835	39,491,246,265
Gearing ratio		Not Geared	Not Geared

Note 38
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	June 30, 2026 Rupees	June 30, 2025 Rupees
Pak Tractor Manufacturing Company (Private) Limited	Associate	Sale of goods		
		Rims	2,013,494	1,191,776
		Receipt against sales	2,013,494	2,780,811
Power Vision Systems (Private) Limited	Associate	Payment against purchases	-	46,285
Non-executive directors		Meeting fee paid	3,580,000	2,080,000
		Travelling, boarding and lodging expenses	50,000	50,000
		Sale of goods - vehicles	51,606,700	-
		Receipts against sale of goods	51,606,700	-
		Dividend paid	336,571,340	203,835,600
Key management personnel		Remuneration, allowances and benefits	427,058,622	287,820,175
		Dividend paid	2,267,452,250	1,457,311,012
Other executives		Remuneration, allowances and benefits	70,401,611	38,898,649
		Dividend paid	103,146,960	50,421,696
Spouses of directors		Sale of goods - vehicles	26,679,700	-
		Receipts against sale of goods	26,679,700	-
		Dividend paid	129,554,530	72,610,748
Relatives of Directors		Sale of goods - vehicles	-	10,058,750
		Receipts against sale of goods	-	10,058,750
		Dividend paid	7,054,260	4,648,894

There is no outstanding balance from related parties as June 30, 2026 (2025: Nil).

38.1 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		
Ms. Saira Asad Hameed	Non-executive director	6.411%
Ms. 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%
Spouses of Directors		
Ms. Naghmana Saeed	Spouse of director	1.708%
Mr. Muhammad Suleyman Khan	Spouse of director	0.028%
Ms. 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	0.000%
Ms. Zehra Ambreen Ali	Relatives	0.007%
Mr. Ahsan Ejaz	Relatives	0.000%
Mr. Khalid Iqbal Khan	Relatives	0.000%
Mr. Mian Pervaiz Hameed	Relatives	0.005%
Mr. Nadeem Ahmed Roomi	Relatives	0.007%
Mr. Ishtiaq Ahmed Roomi	Relatives	0.116%
Mr. Mian Zafar Hameed	Relatives	0.011%

Note 39

Segment Reporting

39.1 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 & other parts
- 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.

39.2 Segment analysis

The segment information for the reportable segments for the year ended June 30, 2026 is as follows.

	Automobiles-Three wheeler	Automotive & other parts	Automobiles-Four wheeler	Total
Segment Results for the year ended June 30, 2026				
Segment revenue - Net	10,282,121,194	763,886,557	180,669,345,977	191,715,353,728
Segment operating results	276,088,321	6,528,329	39,014,740,292	39,297,356,942
Segment assets	2,072,095,805	522,075,557	64,904,276,184	67,498,447,546
Unallocated assets	-	-	-	14,155,850,791
Total assets	2,072,095,805	522,075,557	64,904,276,184	81,654,298,337
Segment liabilities	1,019,211,067	212,525,557	30,936,488,055	32,168,224,679
Unallocated liabilities	-	-	-	6,470,510,208
Total liabilities	1,019,211,067	212,525,557	30,936,488,055	38,638,734,887
Capital expenditure	-	-	15,606,890,128	15,606,890,128
Depreciation and amortization	12,966,109	7,469,395	534,390,125	554,825,629
Non-cash charges other than depreciation and amortization	50,636,711	17,118,888	136,871,109	204,626,708

	Automobiles-Three wheeler	Automotive & other parts	Automobiles-Four wheeler	Total
Segment Results for the year ended June 30, 2025				
Segment revenue - Net	9,824,848,097	700,749,142	98,166,998,402	108,692,595,641
Segment operating results	408,849,808	12,838,611	27,181,821,073	27,603,509,492
Segment assets	1,636,980,350	663,471,968	22,779,293,179	25,079,745,497
Unallocated assets	-	-	-	16,657,111,181
Total assets	1,636,980,350	663,471,968	22,779,293,179	41,736,856,678
Segment liabilities	1,044,224,158	218,104,782	15,475,738,576	16,738,067,516
Unallocated liabilities	-	-	-	1,291,091,702
Total liabilities	1,044,224,158	218,104,782	15,475,738,576	18,029,159,218
Capital expenditure	-	-	3,732,521,120	3,732,521,120
Depreciation and amortization	13,765,217	12,474,207	309,768,762	336,008,186
Non-cash charges other than depreciation and amortization	59,146,383	26,413,663	65,718,203	151,278,249

39.3 99.96% (2025: 99.94%) of the gross sales of the Company are made to customers located in Pakistan.

39.4 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.

- Information about geographical areas
  - All non-current and current assets of the Company as at June 30, 2026 are located in Pakistan.
  - Revenue from export sales is Rs. 78.34 million (2025: Rs 69.05 million).

39.5 Product-wise reconciliation of sales

	June 30, 2026	June 30, 2025
	Rupees	Rupees
Automobiles - Four wheeler	180,669,345,977	98,166,998,402
Automobiles - Three wheeler	10,282,121,194	9,824,848,097
Automotive parts	763,886,557	700,749,142
Scrap sales	123,744,779	132,239,394
	191,839,098,507	108,824,835,035
Less: Scrap sales transferred to cost of sales	(50,829,968)	(82,049,031)
Less: Sale of scrap transferred to other operating income	(72,914,811)	(50,190,363)
	191,715,353,728	108,692,595,641

Note 40

Liabilities arising from Financing Activities

	As at July 01, 2025	Non-cash changes	Cash flows (Net)	As at June 30, 2026
	Rupees	Rupees	Rupees	Rupees
Diminishing musharakah financing	151,892,963	-	5,077,062,790	5,228,955,753
Murabaha financing	661,050,413	-	(661,050,413)	-
Total liabilities from financing activities	812,943,376	-	4,416,012,377	5,228,955,753

	As at July 01, 2024	Non-cash changes	Cash flows (Net)	As at June 30, 2025
	Rupees	Rupees	Rupees	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

Note 41

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	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
	---------------------------Rupees---------------------------									
Managerial remuneration	69,600,000	55,200,000	55,200,000	43,800,000	-	-	410,922,556	273,921,380	535,722,556	372,921,380
Bonus	39,150,000	18,400,000	31,050,000	14,600,000	-	-	220,262,121	90,177,522	290,462,121	123,177,522
Leave encashment	-	-	-	-	-	-	16,274,428	6,955,910	16,274,428	6,955,910
Income tax benefit	65,621,147	46,664,234	50,724,227	31,944,180	-	-	143,332,134	81,478,348	259,677,508	160,086,762
Medical expenses	-	-	18,390	683,385	-	-	11,789,270	6,613,852	11,807,660	7,297,237
Other allowances	-	-	717,500	712,500	-	-	19,560,960	3,305,078	20,278,460	4,017,578
Meeting Fee	-	-	-	-	3,630,000	2,130,000	-	-	3,630,000	2,130,000
Total	174,371,147	120,264,234	137,710,117	91,740,065	3,630,000	2,130,000	822,141,469	462,452,090	1,137,852,733	676,586,389
Number of persons	1	1	2	2	6	6	127	90	136	99

41.1 The Chief Executive, executive directors and certain executives of the Company are also provided with company maintained cars for official and personal use.

41.2 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, 2026

Note 42

Shariah Screening Disclosures by Company Listed on Islamic Index

	Note	June 30, 2026 Rupees	June 30, 2025 Rupees
Financing obtain as per Islamic mode;			
- Diminishing musharakah financing	8	5,188,505,487	49,825,282
- Profit Payable	14	81,028,775	10,073,193
- Short term borrowings	13	-	-
- Current portion of diminishing musharakah financing	15	40,450,266	102,067,681
Interest or mark-up accrued on any conventional loan or advance;		-	-
Long-term and short-term Shariah compliant investments;		-	-
Shariah-compliant bank deposits, bank balances, and TDRs;	25	13,984,682,138	16,596,492,181
Revenue earned from a Shariah-Compliant business segment;	26	191,715,353,728	108,692,595,641
Break-up of late payments or liquidated damages;		-	-
Gain or loss or dividend earned on Shariah compliant investments or share of profit from Shariah-compliant associates;		-	-
Profit earned from Shariah-compliant banks deposits, bank balances, or TDRs;	31	2,564,566,241	1,273,497,436
Exchange gain earned from actual currency;	31	19,211	442,421
Exchange gains earned using conventional derivative financial instruments;		-	-
Profits paid on Islamic mode of financing;	32	128,028,704	95,832,020
Total interest earned on any conventional loan or advance;		-	-
Source and detailed breakup of other income, including breakup of other or miscellaneous portions of other income into Shariah-compliant and non compliant income;			
- Gain on sale of fixed asset	31	1,139,385	1,086,652
- Sale of scrap items	31	123,744,779	132,239,394
- Rectification charges	31	9,740,513	26,647,715

42.1 Relationship with Shariah-compliant financial institutions, including banks, takaful operators and their windows, etc

Name	Relationship
Habib Metropolitan Bank Limited	Funded / Non-funded facility & Bank Balance
Bank Al-Habib Limited	Funded / Non-funded facility & Bank Balance
Habib Bank Limited	Funded / Non-funded facility & Bank Balance
The Bank of Punjab	Funded / Non-funded facility & Bank Balance
Al Baraka Bank (Pakistan) Limited	Bank Balance
Meezan Bank Limited	Funded / Non-funded facility & Bank Balance
National Bank of Pakistan	Non-funded facility & Bank Balance
Allied Bank Limited	Bank Balance
Bank Islami Limited	Bank Balance
JS Bank Limited	Bank Balance
MCB Islamic Bank Limited	Bank Balance
United Bank Limited	Funded / Non-funded facility & Bank Balance
Dubai Islamic Bank Pakistan Limited	Funded / Non-funded facility & Bank Balance
Bank Alfalah Limited	Funded / Non-funded facility & Bank Balance
Faysal bank Limited	Funded / Non-funded facility & Bank Balance
Askari Bank Limited	Funded / Non-funded facility & Bank Balance
The Bank ok Khyber	Funded / Non-funded facility & Bank Balance
Soneri Bank Limited - Islamic	Funded / Non-funded facility & Bank Balance
Jubilee General Insurance Company Limited	Window Takaful
IGI General Insurance Ltd.	Window Takaful
EFU General Insurance Company Limited	Window Takaful

Note 43
Plant Capacity and Production

	Note	June 30, 2026 Number	June 30, 2025 Number
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.

	Note	June 30, 2026 Number	June 30, 2025 Number
Actual Production			
-Auto rickshaw	43.1	26,574	24,700
-Four wheeler	43.2	19,391	11,039
Automotive parts			
-Wheel rims		42,139	41,717

43.1 The excess production of Auto-Rickshaw over normal capacity is due to working on over-time schedule to meet the increased demand during the year.

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

Note 44
Number of Employees

	June 30, 2026 Number	June 30, 2025 Number
Number of permanent employees at the year end	2,558	1,552
Average number of permanent employees during the year	1,943	1,481

Note 45
Subsequent Event

The Board of Directors, in their meeting held on August 27, 2026, proposed a final cash dividend of Rs. 20 per share i.e 200% amounting to Rs. 1,208.92 million (2025: Rs.20 per share i.e 200% amounting to Rs. 1,208.92 million) for the year ended June 30, 2026 for approval of the members at the 35th Annual General Meeting. This dividend is in addition to interim dividend paid of Rs. 50 per share i.e. 500% amounting to Rs. 3,022.30 million declared during the current year.

The financial statements for the year ended June 30, 2026 do not include the effect of the proposed appropriations, which will be accounted for in the financial statements for year ending June 30, 2027.

Note 46
Authorization of Financial Statements

These financial statements were approved and authorized by the Board of Directors of the Company for issuance on August 27, 2026.

Note 47

General

Corresponding figures have been rearranged / reclassified where necessary, to facilitate comparison. Except note 1.1 due to discontinued operations, no material rearrangement or reclassification has been made in these financial statements.

MIAN ASAD HAMEED	**SAEED IQBAL KHAN**	**MUHAMMAD ATIF RAO**
CHIEF EXECUTIVE	DIRECTOR	CHIEF FINANCIAL OFFICER

BCR (BEST CORPORATE REPORTING) CHECK LIST

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.	3, 4, 25
1.02	Profile of the company including principal business activities, markets (local and international), key brands, products and services.	7, 8, 23
1.03	Geographical location and address of all business units including sales units and plants.	23-24
1.04	The legislative and regulatory environment in which the company operates.	147
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.	11
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.	56-57
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.	57
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.	26
	b) The effect of seasonality on business in terms of production and sales.	27
1.13	The legitimate needs, interests of key stakeholders and industry trends.	28
1.14	SWOT Analysis of the company.	29
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).	27
1.16	History of major events.	19 - 20
1.17	Details of significant events occurred during the year and after the reporting period.	21
2	**Strategy and Resource Allocation**	
2.01	Short, medium and long-term strategic objectives and strategies in place to achieve objectives.	32 - 33
2.02	Resource allocation plans to implement the strategy. Resource mean 'Capitals' including:	32 - 33
	a) Financial Capital;	
	b) Human Capital;	
	c) Manufactured Capital;	
	d) Intellectual Capital;	
	e) Social and Relationship Capital; and	
	f) Natural Capital.	
2.03	The capabilities and resources of the company that provide sustainable competitive advantage, resulting in value creation by the company.	34
2.04	Company's strategy on market development, product and service development.	34

Sr. No.	Statement of Clause	Annual Report Page Reference No.
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).	35
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.	32 - 33
2.07	The linkage of strategic objectives with company's overall mission, vision and objectives.	35
2.08	Board's statement on the internal controls including IT controls of the company.	141
2.09	Board's statement on the significant plans and decisions such as corporate restructuring, business expansion, major capital expenditure or discontinuance of operations.	36
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.	36
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.	46 - 49
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.	
3.03	Risk Management Framework covering principal risks and uncertainties facing by the company, risk methodology, risk appetite and risk reporting.	44 - 45
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.	46 - 49
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).	49
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:	157
	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;	162
	b) Disclosures about four-pillars core content (Governance, Strategy, Risk Management and Metrics and Targets), together with the specific metrices designed by the company to demonstrate the performance and progress of the company.	157 - 178
	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.	61, 135, 177
	d) Boards are encouraged to adopt of the SECP's ESG Disclosure Guidelines	84, 128
4.02	Highlights of the company's performance, policies, initiatives and plans in place relating to the various aspects of sustainability:	135
	· Social initiatives - financial inclusion, research and development, employment generation, community health and education, and health and safety of staff etc.;	188 - 202
	· 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.	181 - 187
	· Technological innovation - use of advanced technology, innovative ideas leading to sustainability practices like energy-efficient processes or eco-friendly product designs;	203 - 204
	· Information on consumption and management of materials, energy, water, emissions and waste.	181 - 187

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.	5, 140, 157
	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.	126, 129
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.	198
4.05	Highlights of the company's performance, policies, initiatives for CSR.	60, 199-202
5	**Governance**	
5.01	Board composition:	
	a) Leadership structure of those charged with governance;	63-64,
	b) Name of independent directors indicating justification for their independence;	63, 137
	c) Diversity in the board i.e. competencies, requisite knowledge & skills, and experience;	12, 138
	d) Profile of each director including education, experience and engagement in other entities as CEO, Director CFO or Trustee etc.;	12
	e) No. of companies in which the executive director of the reporting organization is serving as non-executive director.	12
5.02	A brief description about role of the Chairman and the CEO.	140
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.	139
5.04	Chairman's Review Report on the overall performance of the board including:	52 - 54
	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.	137
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.	64, 139
5.07	Disclosure if the board's performance evaluation is carried out by an external consultant once in every three years.	139
5.08	Details of formal orientation courses for directors.	63
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.	63
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.	141
5.11	Disclosure about related party transactions:	
	a) Approved policy for related party transactions;	144 - 145 , 258-259
	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.	

Sr. No.	Statement of Clause	Annual Report Page Reference No.
5.12	Disclosure of Board's Policy on the following significant matters:	
	a) Risk Management and internal control policies.	141
	b) Disclosure of director's interest in significant contracts and arrangements.	144
	c) Remuneration of non-executive directors including independent directors for attending board meetings and general meetings.	62
	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.	138
	f) Board meetings held outside Pakistan.	138
	g) Human resource management including:	142 - 143
	· 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.	143
	i) Communication with stakeholders.	148
	j) Dividend policy.	144
	k) Investors' relationship and grievances.	146, 151
	l) Employee's health, safety and protection.	143
	m) Whistle blowing policy	145
	n) Anti-harassment policy to safeguard the rights and well-being of employees.	143
	o) Safety of records of the company.	146
5.13	Board statement of the organization's business continuity plan or disaster recovery plan.	39
5.14	Compliance with the Best Practices of Code of Corporate Governance (No marks in case of any non-compliance).	80 - 82
5.15	Disclosure about:	123 - 125
	a) Shares held by Sponsors / Directors / Executives;	
	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).	
5.16	Details about Board meetings and its attendance.	63 , 138
5.17	TORs, composition and meeting attendance of the board committees including (Audit, Human Resource, Nomination and Risk management).	140
5.18	Timely Communication:	263
	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	
	(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).	
5.19	Audit Committee report should describe the work of the committee in discharging its responsibilities. The report should include:	78 - 79
	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.
	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.	79
	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.	79 , 151
5.21	Board disclosure on Company's use of Enterprise Resource Planning (ERP) software including:	41
	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;	
	e) How the company assesses system security, access to sensitive data and segregation of duties.	
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.	56
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.)	60
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:	87 - 98
	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 with graphical presentation and disclosure of methods and assumptions used in compiling the indicators.	99 - 107
	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.	109 - 117
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	122
	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.	120 , 122
6.07	Statement of value added and its distribution with graphical presentation:	118
	a) Employees as remuneration;	
	b) Government as taxes (separately direct and indirect);	
	c) Shareholders as dividends;	
	d) Providers of financial capital as financial charges;	
	e) Society as donation; and	
	f) Retained within the business.	

Sr. No.	Statement of Clause	Annual Report Page Reference No.
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]*	119
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).	-
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.	39 - 40
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.	39 - 40
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.	59
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.	

Sr. No.	Statement of Clause	Annual Report Page Reference No.
10	**Stakeholders Relationship and Engagement**	
10.01	Stakeholder's engagement policy of the company and how the company has identified its stakeholders.	
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. 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.	148 - 150
10.03	Steps taken by the management to encourage the minority shareholders to attend the general meetings.	151
10.04	Investors' Relations section on the corporate website with all relevant information including audited annual reports are available in the section.	151
10.05	Issues raised in the last AGM, decisions taken and their implementation status.	151
10.06	a) Steps board has taken to solicit and understand the views of stakeholders through corporate briefing sessions; and b) Disclosure of brief summary of Corporate Analyst briefing conducted during the year.	151
10.07	Highlights about redressal of investors' complaints including number of complaints received and resolved during the year.	146
10.08	Details about corporate benefits to shareholders like value appreciation, dividend etc.	152
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.	79, 145
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.e. International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB)).*	84
11.02	BCR criteria cross referred with page numbers of the annual report. *(details can be maintained by companies on the Investor Relation section of the company's website).*	
12	**Specific Disclosures of the Financial Statements**	
12.01	Specific disclosures of the financial statements required under the Companies Act, 2017 and IFRSs: *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.*	221 - 264

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 2025 to 30 June 2026.
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	130			
	2-2 Entities included in the organization's sustainability reporting	128			
	2-3 Reporting period, frequency and contact point	128-129			
	2-4 Restatements of information	129			
	2-5 External assurance	129			
	2-6 Activities, value chain and other business relationships	130			
	2-7 Employees	189-191			
	2-8 Workers who are not employees	189			
	2-9 Governance structure and composition	137			
	2-10 Nomination and selection of the highest governance body	137			
	2-11 Chair of the highest governance body	138			
	2-12 Role of the highest governance body in overseeing the management of impacts	139			
	2-13 Delegation of responsibility for managing impacts	139			
	2-14 Role of the highest governance body in sustainability reporting	157-158			
	2-15 Conflicts of interest	144			
	2-16 Communication of critical concerns	145			

GRI Standard/ Other Source	Disclosure	Location (Page No.)	Omission		
			Requirement(s) Omitted	Reason	Explanation
	2-17 Collective knowledge of the highest governance body	63			
	2-18 Evaluation of the performance of the highest governance body	64, 139			
	2-19 Remuneration policies	62			
	2-20 Process to determine remuneration	62			
	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	132,198			
	2-23 Policy commitments	141			
	2-24 Embedding policy commitments	142			
	2-25 Processes to remediate negative impacts	142			
	2-26 Mechanisms for seeking advice and raising concerns	145-146			
	2-27 Compliance with laws and regulations	147			
	2-28 Membership associations	131			
	2-29 Approach to stakeholder engagement	148			
	2-30 Collective bargaining agreements	-	All	-	-
Material topics					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	153			
	3-2 List of material topics	154			
Economic performance					
GRI 3: Material Topics 2021	3-3 Management of material topics	154, 205			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	205, 206,207			
	201-2 Financial implications and other risks and opportunities due to climate change	162-172			
	201-3 Defined benefit plan obligations and other retirement plans	206			
	201-4 Financial assistance received from government	206;			

GRI Standard/ Other Source	Disclosure	Location (Page No.)	Omission		
			Requirement(s) Omitted	Reason	Explanation
Indirect economic impacts					
GRI 3: Material Topics 2021	3-3 Management of material topics	154, 205			
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	207			
	203-2 Significant indirect economic impacts	207, 208			
Procurement practices					
GRI 3: Material Topics 2021	3-3 Management of material topics	154,208			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	208			
Materials					
GRI 3: Material Topics 2021	3-3 Management of material topics	154,181			
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	185			
	301-3 Reclaimed products and their packaging materials	185			
Energy					
GRI 3: Material Topics 2021	3-3 Management of material topics	154,181			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	182			
	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	182			
	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	-			

GRI Standard/ Other Source	Disclosure	Location (Page No.)	Omission		
			Requirement(s) Omitted	Reason	Explanation
Water and effluents					
GRI 3: Material Topics 2021	3-3 Management of material topics	154,181			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	184			
	303-2 Management of water discharge-related impacts	184-185			
	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	154,181			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	183			
	305-2 Energy indirect (Scope 2) GHG emissions	183			
	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	183			
	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)	183			
	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	154,181			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	185			
	306-2 Management of significant waste-related impacts	185-186			
	306-3 Waste generated	187			
	306-4 Waste diverted from disposal	187			

GRI Standard/ Other Source	Disclosure	Location (Page No.)	Omission		
			Requirement(s) Omitted	Reason	Explanation
	306-5 Waste directed to disposal	187			
Employment, Labor Relations and DE&I					
GRI 3: Material Topics 2021	3-3 Management of material topics	154, 188			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	189			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	193			
	401-3 Parental leave	192	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	193			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	138, 191			
	405-2 Ratio of basic salary and remuneration of women to men	192			
Occupational health and safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	154, 188			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	195			
	403-2 Hazard identification, risk assessment, and incident investigation	196			
	403-3 Occupational health services	196			
	403-4 Worker participation, consultation, and communication on occupational health and safety	195			
	403-5 Worker training on occupational health and safety	196			
	403-6 Promotion of worker health	196			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	195			
	403-8 Workers covered by an occupational health and safety management system	195			
	403-9 Work-related injuries	197			
	403-10 Work-related ill health	197			

GRI Standard/ Other Source	Disclosure	Location (Page No.)	Omission		
			Requirement(s) Omitted	Reason	Explanation
Training and education					
GRI 3: Material Topics 2021	3-3 Management of material topics	154, 188			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	194			
	404-2 Programs for upgrading employee skills and transition assistance programs	194			
	404-3 Percentage of employees receiving regular performance and career development reviews	194			
Local communities					
GRI 3: Material Topics 2021	3-3 Management of material topics	154, 188,198			
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	199 - 202			
	413-2 Operations with significant actual and potential negative impacts on local communities	199			

SDG INDEX

SDGs	Page Number
1 NO POVERTY	205,207
2 ZERO HUNGER	200,202
3 GOOD HEALTH AND WELL-BEING	184,192,193,195, 200, 201, 202, 203, 207
4 QUALITY EDUCATION	194,199, 200, 202
5 GENDER EQUALITY	138,192, 205
6 CLEAN WATER AND SANITATION	184
7 AFFORDABLE AND CLEAN ENERGY	182
8 DECENT WORK AND ECONOMIC GROWTH	192,193, 205, 207
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	205, 207
10 REDUCED INEQUALITIES	192
11 SUSTAINABLE CITIES AND COMMUNITIES	–

SDGs	Page Number
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	185
13 CLIMATE ACTION	183,184, 202, 203, 207
14 LIFE BELOW WATER	–
15 LIFE ON LAND	–
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	–
17 PARTNERSHIPS FOR THE GOALS	–

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 35th Annual General Meeting of **Sazgar Engineering Works Limited** will be held at The Nishat Hotel, Grand Ball Room-A, Banquets wing 4th Floor, Emporium Mall, Gate No. 7 (Expo Facing), Johar Town, Lahore on Saturday, September 26, 2026 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, 2026 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, 2027. 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 500% already paid making total of 700% for the year ended June 30, 2026.

By order of the Board

Lahore
September 04, 2026

Arshad Mahmood
Company Secretary

Notes:

a. The share transfer books of the company will remain closed from September 20, 2026 to September 26, 2026 (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 19th September, 2026 will be treated in time for the entitlement of final cash dividend and to attend the 35th Annual General Meeting of the Company.

b. Attendance at this Annual General Meeting:
All members of the Company whose names are appearing in the register of members are entitled to attend this meeting. In case of individuals, the member shall authenticate his / her identity by showing his/ her original Computerized National Identity Card (CNIC) or original Passport at the time of attending the meeting. A corporation or company being a member of the Company may appoint any of its officials or any other person through a resolution of its board of directors to attend and vote at the meeting. An original or a valid certified copy of board resolution shall be required to submit at the time of attending of this general meeting.

CDC account holders will further have to follow the following guidelines as laid down in Circular No. 1 dated 26th January 2000 issued by the Securities & Exchange Commission of Pakistan for attending the meeting.

i) In case of individuals, the account holder or sub account holder and/ or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his/ her identity by showing his/ her original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.

ii) In case of corporate entity, the Board of Directors' Resolution/ Power of Attorney with specimen signature of the nominee along with his/her original CNIC or original Passport shall be produced (unless it has been provided earlier) at the time of the meeting.

c. Right to Appoint Proxy:
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. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorized in writing. A proxy must be a member of the Company.

The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a certified copy of that power of attorney or authority, shall be deposited at Company's Share Registrar office at M/s CorpTec Associates (Private) Limited, 503-E, Johar Town, Lahore not less than 48 hours (excluding non-working days) before the time of holding of Annual General Meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid.

CDC account holders will further have to follow the following guidelines as laid down in Circular No. 1 dated 26th January 2000 issued by the Securities & Exchange Commission of Pakistan for appointing a proxy.

i) In case of individuals, the account holder or sub account holder and/ or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the requirements stated above.

ii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the Proxy Form.

iii) The proxy shall produce his/ her original CNIC or original Passport at the time of the meeting.

iv) In case of corporate entity, the Board of Directors' Resolution/ Power of Attorney with specimen signature along with his/ her original CNIC or original Passport shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

d. Members are requested to promptly communicate the change in their addresses, if any, to the Company's share registrar.

e. 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, 2026 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.

f. Attendance through 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.

g. 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 company.secretary@sazgarautos.com 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, 2026.

(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, 2026.

h. 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.

i. 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.

j. 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

k. 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 19, 2026, it will be assumed that the shares are held in equal proportion by the principal shareholder and joint holder(s).

l. 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.

m. 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.

n. Prohibition of Gifts:

In view of prohibition under Section 185 of the Companies Act, 2017, the Company does not distribute gifts in any form to its members in the general meetings.

تشکیلِ نیابت داری

میں / ہم ______________________________

ساکن ______________________________

بحیثیت رکن (ممبر) **سازگار انجینئرنگ ورکس لمیٹڈ**

مقرر کرتا / کرتی ہوں / کرتے ہیں مسمٰی / مسماۃ ______________________________

ساکن ______________________________

کو یا ان کی غیر حاضری میں مسمٰی / مسماۃ ______________________________

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 پینتیسواں سالانہ اجلاس عام میں جو بروز ہفتہ 26 ستمبر 2026 کو دن 11:30 بجے نشاط ہوٹل، گرینڈ بال روم-اے، بینکوئٹس ونگ (چوتھی منزل)، امپوریم مال گیٹ نمبر 7 (ایکسپو کی جانب)، جوہر ٹاؤن، 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 ______________ 2026 کو میرے / ہمارے دستخط سے جاری ہو۔

فولیو نمبر	سی ڈی سی شرکت کنندہ I.D نمبر	سی ڈی سی / ذیلی کھاتہ نمبر	حصص کی تعداد

پچاس روپے کی رسیدی ٹکٹ پر دستخط

گواہ نمبر ا

دستخط ______________________________

نام ______________________________

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر ______________________________

پتہ ______________________________

گواہ نمبر ۲

دستخط ______________________________

نام ______________________________

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر ______________________________

پتہ ______________________________

نوٹ:

1. پراکسی کے لئے کمپنی کا رکن ہونا ضروری ہے۔
2. دستخط کی مماثلت کمپنی میں رجسٹرڈ نمونہ دستخط کے ساتھ ہونا ضروری ہے۔
3. اگر پراکسی اسی رکن کی طرف جاری کی گئی ہے جس کے / کی کے حصص سنٹرل ڈیپازٹری کمپنی آف پاکستان لمیٹڈ میں جمع ہیں۔ تو پراکسی کے ہمراہ ممبر کا I.D نمبر اور CDC اکاؤنٹ / ذیلی کاؤنٹ نمبر بشمول تصدیق شدہ کمپیوٹرائزڈ شناختی کارڈ یا مالک انتقامی کے پاسپورٹ کی فوٹو کاپی لانا لازمی ہے۔ کارپوریٹ ارکان کے نمائندہ ارکان اس مقصد کیلئے درکار دستاویزات ساتھ لے کر آئیں۔
4. پراکسی اجلاس کے وقت اپنا اصل کمپیوٹرائزڈ شناختی کارڈ یا اصل پاسپورٹ مہیا کرے گا / گی۔
5. مناسب طور پر مکمل شدہ پراکسی کے دستاویز اجلاس سے کم از کم 48 گھنٹے قبل (صرف ایام کار) کمپنی 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 35th Annual General Meeting of the share holders of the Company to be held on Saturday September 26, 2026 at 11:30 A.M. at The Nishat Hotel, Grand Ball Room-A, Banquets wing 4th Floor, Emporium Mall, Gate No. 7 (Expo Facing), Johar Town, Lahore and at any adjournment thereof.

Signed this ______________ day of ______________ 2026

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

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