



PANTHER

برسفر --- بر منزل کاساتھ

ANNUAL REPORT
2023



PANTHER
A TRUSTED COMPANION



ہر سفر۔۔۔ ہر منزل کا ساتھ
صَلِّ عَلَيَّ

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PANTHER HOUSE

ORGANIZATIONAL OVERVIEW

CORPORATE EVENTS

**07
SEP
22**

Annual Financial
Results 2022
Declared

**25
OCT
22**

Annual General
Meeting

**27
OCT
22**

1st Quarter Sep 2022
Results Declared

**28
DEC
22**

EOGM & Board
Meeting
Election of Directors

**20
JUN
23**

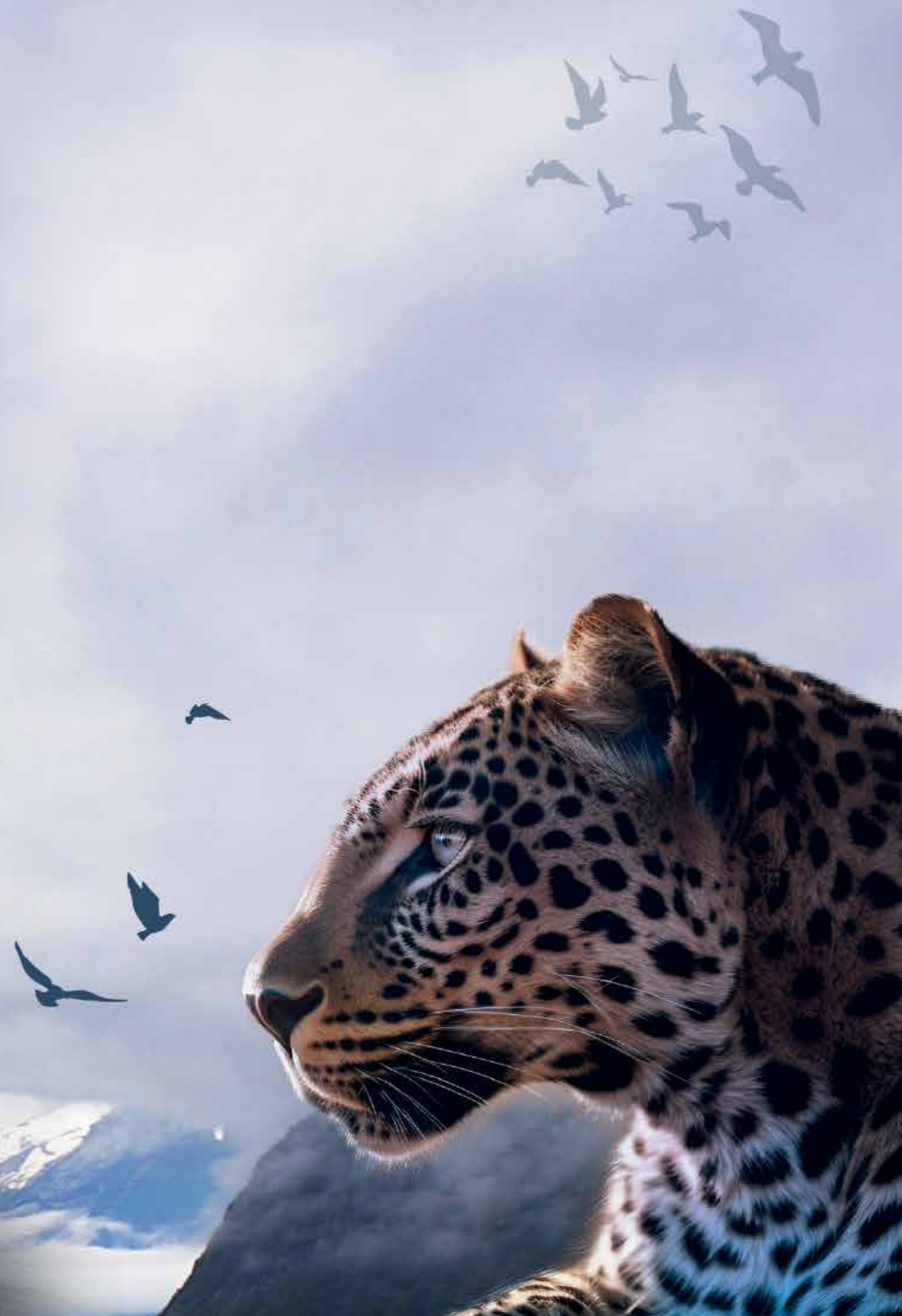
HR & Remuneration
Committee
Meeting Held

**25
JAN
23**

Half Yearly Dec-2022
Results Declared

**12
APR
23**

Nine Months
Mar-2023
Results Declared



KEY FINANCIAL HIGHLIGHTS 2023



VISION & MISSION STATEMENTS



OUR VISION

“To be the Leading and innovative Tyre Company of Pakistan, helping the Nation to achieve speed with safety by moving the wheels of economy towards shared Growth and Prosperity of all stake holders”



OUR MISSION

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

خوشحالی
کا ضامن



سپرینٹر سیلیکا
کمیونٹی



CORPORATE OBJECTIVES



Trust



Business Scale



Reliability



Relationship



Morality



Choice



BUSINESS PRINCIPLES

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

01



CORE CORPORATE VALUES

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

02



CORPORATE OBJECTIVES

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

03

CODE OF CONDUCT, CULTURAL VALUES & ETHICAL PRINCIPLES

BASIC PRINCIPLE

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

WORK ENVIRONMENT

Positive Environment:

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

Safety & Security of Employees:

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

Alcohol & Drugs Abuse:

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

Employee Privacy:

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

Protection against Harassment of Women:

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

PROFESSIONAL CONDUCT

Protection and Proper Use of the Company's Property:

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

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

Conflicts of interest:

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

Political Contributions:

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

Confidentiality of Information:

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

DEALING WITH CUSTOMERS

Gifts and Other Business Courtesies:

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

Business Courtesies:

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

CULTURE

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



CORE VALUES



CUSTOMER FOCUSED

Commitment
Quality and Consistency
Customer Satisfaction
Fair Practices



ENTREPRENEURSHIP

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



ETHICS AND INTEGRITY

Honesty
Integrity
Transparency
Professional Conduct



INNOVATION

Creative Solutions
Cutting Edge Innovations
Process Automation
Improving upon Industry Benchmarks



EXCELLENCE

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

COMPANY PROFILE

HISTORY & OVERVIEW

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

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

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

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

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



COMPANY ORGANOGRAM



COMPANY KEY BRANDS & PRODUCT PORTFOLIO

EARTH MOVER OTR TYRES

Panther Earth Mover / OTR tyres have excellent load bearing due to reinforced tyre structure, high quality rubber and strong bead wire. These tyres have wider contact area which makes it suitable for construction and mining vehicles. The carcass (basic structure) is robust for greater load-bearing and durability as it provides buffer for maximum load and performance.



TRACTOR TYRES

Panther Tractor Tyres are designed to give high performance on-road and off-road. These high quality tyres provide traction on wet, dry surfaces, light snow conditions and on the rocks. Treads are designed to give maximum traction. These tyres are made up of high-quality rubber and it goes through various processes for maximum strength and durability.



MOTORCYCLE TYRES

Panther Motorcycle Tyres have high Tyre deformation and Formation. These tyres are made with flexible rubber polymer. Because of this feature, there is less pressure on human body especially on backbone & disc etc. It feature provides smooth driving experience, prevents the damage to motorcycle and ultimately increases its road life.



RICKSHAW / LOADER TYRES

Panther Rickshaw / Loader Tyres are designed for extra-long mileage. These tyres have strong Rubber casing which gives maximum load bearing, durability and increased stability under heavy load conditions. The layer beneath the tyre tread is the casing. Tyre casing is the foundation upon which the tread sits. Panther tyre's high quality casing layer consists of threads criss-crossing from one side of the tyre to the other which provides strength for heavy load bearings and longer tyre mileage.



TBB / COMMERCIAL TYRES

Panther Truck and Trolley Tyres are heavy duty performance tyres. These tyres have reinforced tyre structure and high-quality bead wire for maximum strength, durability and load bearing. Panther uses high quality bead wire which helps to hold the tyre on the rim and resist the action of the inflated pressure which constantly tries to force it off as the speed of vehicle increases. Bead wire is the crucial link through which the vehicle load is transferred from rim to the tyre and prevents vibration during driving.



AUTO PARTS AND LUBRICANTS



MARKET PORTFOLIO

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

OEM SALES

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

REPLACEMENT MARKET SALES

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

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

EXPORT SALES

The Company exports motorcycle, tractor, rickshaw, LCV, truck and bus bias tyres and tubes to replacement market of around 14 countries in the world. The Company has been awarded EU E-8 marked certification in 2018 for export to European countries for motorcycle, rickshaw and tractor tyres.

KEY OEM CUSTOMERS

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

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

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



KEY INSTITUTIONAL CUSTOMERS

Panther Tyres excels in the domain of institutional sales, actively participating in local tenders to secure rewarding contracts. With a track record of winning tenders, we have successfully expanded our business, now proudly supplying our high-quality products to esteemed institutions such as Pakistan Army, Pakistan Air Force, Frontier Works Organisation, Pakistan Rangers, Bahria Town, CDA, Habib Rafiq Group, Descon Engineering, LCI Pakistan, Nishat Group, Waste Management Companies of Punjab including Faisalabad, Gujranwala, Multan, Dera Ghazi Khan and Rescue 1122



GEOGRAPHICAL PRESENTATION



Registered Office

Panther House, Jail Road, Lahore



Production Plant

Sheikhupura Road, Sheikhupura



Regional Sales offices

Multan | Faisalabad | Sukkur | Rawalpindi | Karachi

INTERNATIONAL BUSINESS

- France
- Egypt
- Turkey
- Brazil
- Iraq
- Jordan
- U.A.E
- Somalia
- Algeria
- Afghanistan
- Djibouti
- Tunisia
- Syria
- Yemen
- Saudi Arabia
- Lebanon
- Bangladesh
- Taiwan
- Poland



EXPORT DESTINATIONS

- Asia
- Africa
- Europe
- South America



SWOT ANALYSIS



STRENGTHS

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



WEAKNESS

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



OPPORTUNITIES

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



THREATS

- Rising trend of energy prices
- Continuous increase in raw material costs and disruption of supply
- Instability of local currency
- Influx of smuggled products
- Under invoicing
- Political uncertainty



COMPANY INFORMATION

BOARD OF MANAGEMENT

EXECUTIVE DIRECTORS

Mian Faisal Iftikhar - CEO
Ms. Ayesh Iftikhar

INDEPENDENT DIRECTORS

Asad Sultan Chaudhary
Javed Masud
Iqbal Ahmed Khan

NON - EXECUTIVE DIRECTORS

Mian Iftikhar Ahmed - Chairman
Zahid Mahmud

AUDIT COMMITTEE MEMBERS

Javed Masud - Chairman
Asad Sultan Chaudhary
Iqbal Ahmed Khan
Zahid Mahmud

HR & REMUNERATION COMMITTEE

Asad Sultan Chaudhary - Chairman
Iqbal Ahmed Khan
Mian Faisal Iftikhar

RISK MANAGEMENT COMMITTEE

Javed Masud - Chairman
Mian Faisal Iftikhar
Zahid Mahmud

NOMINEE COMMITTEE

Mian Iftikhar Ahmed - Chairman
Mian Faisal Iftikhar
Mohsin Muzaffar Butt: Secretary of the Committee

CHIEF FINANCIAL OFFICER

Ghulam Abbas FCA FCMA

COMPANY SECRETARY

Mohsin Muzaffar Butt FCA CIA

HEAD OF INTERNAL AUDIT

Mohsin Muzaffar Butt FCA CIA

AUDITORS

EY Fords Rhodes Chartered Accountants

REGISTERED OFFICE

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

SHARE REGISTRAR

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

FACTORY ADDRESS

29.5 KM Lahore Sheikhupura Road Sheikhupura

BANKERS

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

WEBSITE

www.panthertyres.com



HEAD OFFICE



FACTORY



TREKKER
DIRECTIONAL TREAD
PATTERN FOR CITY ROADS



ENDURO
DEEP & WIDER GROOVES
FOR OFF-ROADING





EMBRACE THE CHALLENGES
PERSIST WITH PASSION
AND SUCCESS
WILL BE YOUR
CONSTANT COMPANION

AWARDS & RECOGNITION



ACHIEVEMENTS

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

AWARDS

- Brand of the Year Award for the years from 2013-2023
- Consumers Choice Award 2019
- Federation of Pakistan Chambers of Commerce & Industry (FPCCI)'s Export Trophy Awards till 2008
- ISO 9001 certified Company

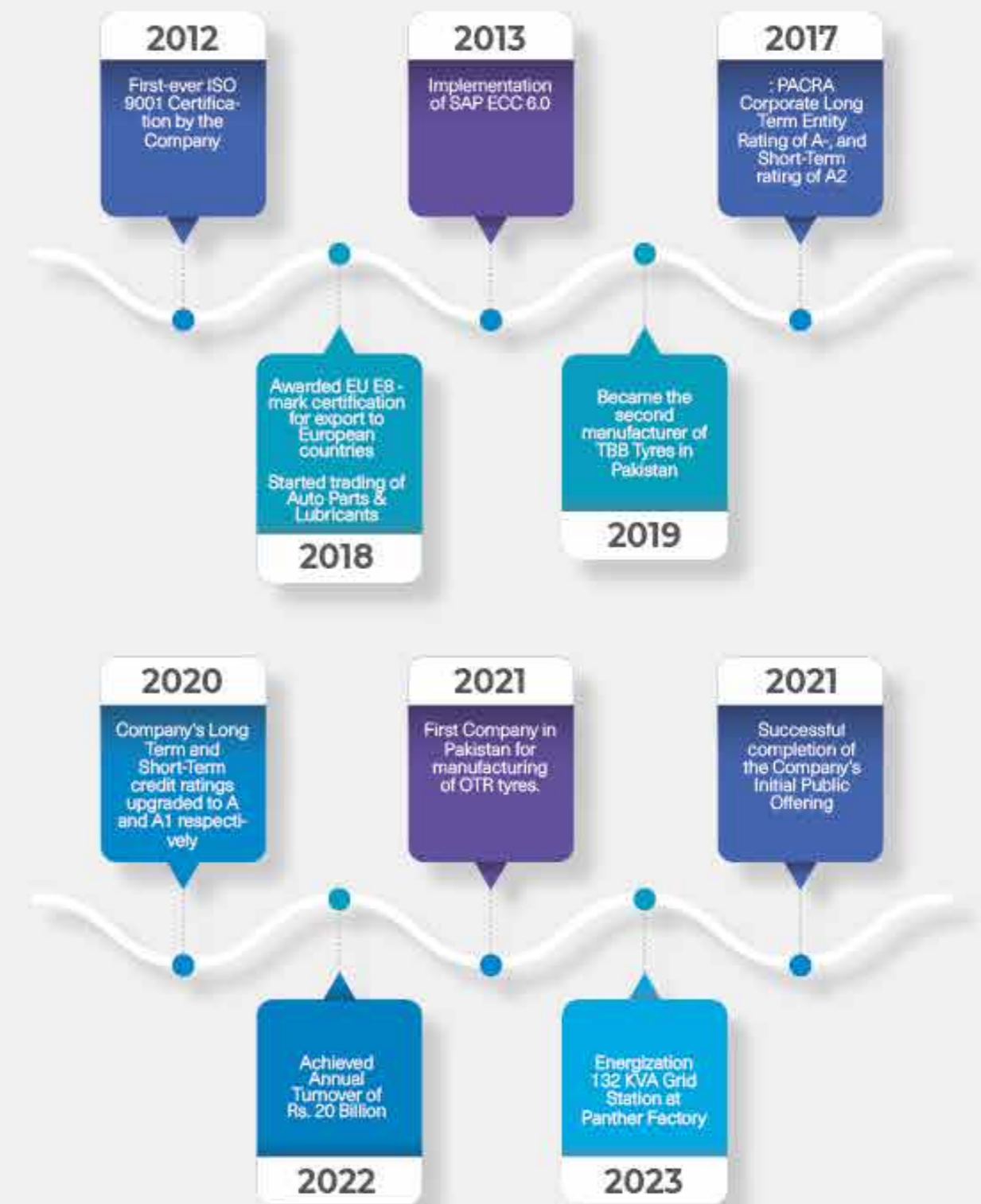
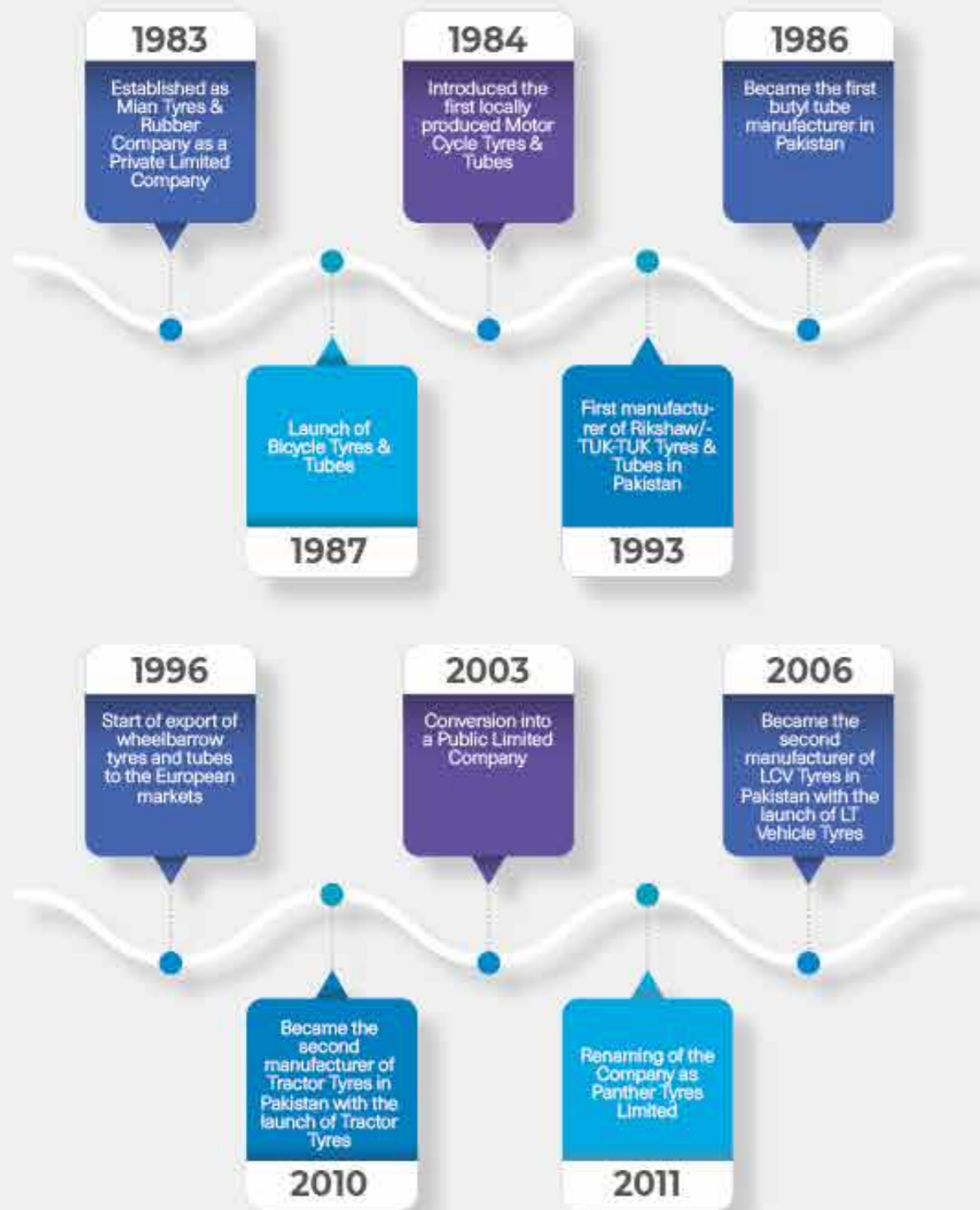


CERTIFICATIONS

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



KEY MILESTONES / HOW WE EVOLVES





OUR LEADERSHIP

Leadership is not about the title;
it's about the impact, influence, and
inspiration to bring out the best in
others and create a brighter future

BOARD PROFILE



MIAN IFTIKHAR AHMED
CHAIRMAN



He has been the driving force behind the Company's success. Through his visionary thinking coupled with hard work and commitment, he transformed the Company from a humble beginning to one of the leading tyre manufacturing Company of Pakistan.

Over the period, he has demonstrated his skills as a strategic thinker with strong entrepreneurial ability and managed to lead the organization successfully.

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

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



MIAN FAISAL IFTIKHAR
CHIEF EXECUTIVE OFFICER

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

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



AYESHA IFTIKHAR
DIRECTOR MARKETING & STRATEGY

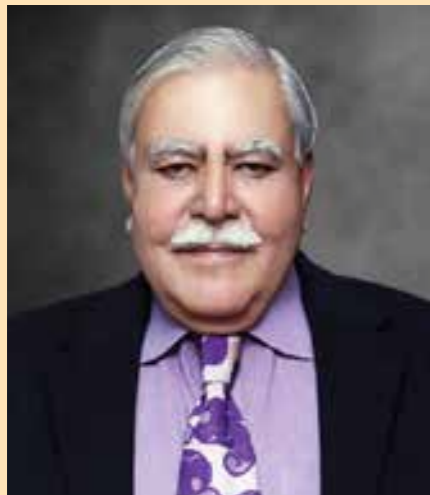
Ms. Ayesha has joined the Company as an executive director and currently heading the marketing department as a Director Marketing & Strategy. Her primary responsibilities encompass the development and execution of marketing strategies aimed at bolstering our brand presence & product offerings and at the same time developing and shaping long term business strategy.

Ms. Ayesha Iftikhar is an accomplished professional with a proven track record in the field of entrepreneurship and marketing. She carries more than 20 years of experience of diverse cultures and business environments. Her vast experience in business administration and marketing has given her a unique perspective and insight into the market dynamics. Ayesha is driven by an enduring passion for marketing and she finds inspiration in the ever-evolving landscape of consumer behavior and limitless opportunities that marketing offers to create meaningful connections with market and customers.

Ms. Ayesha graduated from Kinnaird College for Women University, Lahore and then moved to UK where she continued her professional learning. She has attended many professional development programs around the world about marketing, branding, leadership & management. She is the alumni of Havard University and Lahore University of Management Sciences (LUMS). She is also a certified director and has attended the Directors Training Program as prescribed by SECP under Listed Companies (Code of Corporate Governance) Regulations, 2019.

Under her leadership, the marketing team undertakes; annual marketing plan, execution and monitoring of sales promotional activities, management and development of distributors/dealers network and their events. Simultaneously, she focuses on the broader business strategy, conducting in-depth analysis of economic indicators, tracking shifts in supply and demand, identifying current and future customer needs, and closely monitoring competitive forces in the marketplace. Her good leadership skills and strategic vision have already shown positive results in building the brand equity of Panther. Her passion, dedication, and commitment to excellence will be instrumental in supporting the growth and profitability of the business.

BOARD PROFILE



MR. JAVED MASUD

INDEPENDENT DIRECTOR

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

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

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

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



ASAD SULTAN CHAUDHARY

INDEPENDENT DIRECTOR

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

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

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



ZAHID MEHMUD

EXECUTIVE DIRECTOR

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

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

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



IQBAL AHMAD KHAN

INDEPENDENT DIRECTOR

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

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

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

LEADERSHIP TEAM



MR. GHULAM ABBAS
CHIEF FINANCIAL OFFICER

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

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

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

He is a Certified Director and has attended the Directors Training Program as prescribed by the SECP under Listed Companies (Code of Corporate Governance) Regulations, 2019.



MR. MOHSIN MUZAFFAR BUTT
COMPANY SECRETARY & HEAD OF INTERNAL AUDIT

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

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

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

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



MUHAMMAD RIAZ
GENERAL MANAGER OPERATIONS

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

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

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



USMAN MUKHTAR GONDAL

HEAD OF MARKETING

He is a seasoned marketing and sales professional with a decade of experience across diverse multi-national companies. At Panther Tyres Limited, he currently leads the marketing department, driving brand development, trade activations, and digital marketing efforts. His tenure saw the launch of successful 360-degree seasonal campaigns for both two-wheel and four-wheel segments, while also spearheading marketing strategies for international markets and co-branding initiatives with major companies like Total Parco and Foodpanda.

In his previous role as the Head of Institutional Sales at Panther Tyres, he played a very important role in developing new business channels, collaborating with key accounts, and expanding corporate sales and online markets. He was responsible for managing a network of over 100 institutional accounts, actively participating in public tenders and Army Contracts, and cultivating collaborations across divisions.

At his previous job, He was the Regional Manager of Retail at Puma Energy where he skillfully managed a network of 200 retail sites in Northern Punjab, ensuring consistent profit growth. Simultaneously, He led a team of managers and dealers, maintained retail standards, and managed external stakeholders for seamless operations. Moreover, in earlier roles at Philip Morris International and Total Parco, He excelled in driving sales, optimizing distribution channels, and exceeding targets.

His academic background includes an MBA from Lahore University of Management Sciences (LUMS), complemented by a Bachelor of Laws and a Bachelor of Science in Economics and Finance. He is also recognized for his licenses and certifications from the Punjab Bar Council. He is a results-driven professional committed to strategic growth and innovation.



CH. ZAFAR SALAM

NATIONAL SALES MANAGER

He is a seasoned professional with a diverse background with over 13 years of dedicated service within the company in business management and a proven track record in spearheading successful sales and commercial operations. Holding an MBA degree from the Lahore School of Economics, he has carved a notable niche for himself in the corporate world.

His journey began with a role in the Commercial Department at Nishat Chunian Limited, where he gained valuable insights into the intricacies of business operations. Subsequently, he joined Pepsi Cola, where he excelled as a Key Accounts Manager for an impressive duration of four years. During his tenure, he exhibited a mastery of key account management and fostered lasting relationships with clients.

His career trajectory continued to ascend as he embarked on his journey with Panther Tyres Limited, a testament to his unwavering commitment and loyalty. He took on various roles within the organization, progressively climbing the ranks from Assistant Sales Manager to Regional Sales Manager, and eventually assuming the position of Senior Sales Manager and National Sales Manager. His expertise spanned diverse domains, including 2, 3 & 4-W Replacement, Exports, Institutional Sales, and OEMs.



REPORTS OF THE DIRECTORS



CHAIRMAN'S REVIEW REPORT



DEAR SHAREHOLDERS

Assalam o Alaikum

I feel honored to write to you as a chairman of Panther Tyres Limited and to present review report on the financial performance for the year ended June 30, 2023.

OVERVIEW OF THE ECONOMY

The financial year under review turned out to be the most challenging year for the economy of Pakistan; inflation touched 48 years high level whereas foreign reserves touched the multi-decade low level of 4 billion dollars. Lower foreign exchange reserves triggered high volatility in currency market and forced the rupee to nose dive by more than 40% before settling at around 286. This hefty depreciation further prompted the inflation inside the country. The duo affected the businesses directly and indirectly. Inflation shrunk the buying power of the consumer which then affected the off-take of the products

whereas weak parity against green back accelerated the cost of production of businesses, since the demand was sluggish, the businesses faced challenges to fully pass on this effect of cost escalation.

OVERVIEW OF THE TYRE INDUSTRY

Inspite of all odds, the long-term growth potential of tyre industry is intact and new opportunities for import substitution are likely to emerge. The local tyre industry with decades of experience has now been able to produce best quality tyres at reasonable costs due to higher productivity and increased efficiency. It is now posing real challenge to the international brands locally and in exports market as well.

Pakistan is expected to face forex shortage for the foreseeable future that will trigger the curbs on imports. Restricted imports, will create an opportunity for local manufacturer to fill the market demand supply gap. Moreover, rising exchange rate will continuously raise the cost of imported tyres which will then allow the local players to improve pricing parity. Any local tyre company with a good level of value addition capability will be rightly positioned to take the benefit of the emerging situation.

BUSINESS PERFORMANCE

The company has performed well during the year under review inspite of many micro and macro level aforementioned challenges. It has managed to post a modest growth of 5% in the top line, although quantitative numbers could not be pushed to positive territory. The sales to OEM customer dropped drastically, yet the renewed focus of management on exports sales and replacement market helped the Company to offset the negative pressure on topline. The company has also been able to protect its bottom line by better planning, controlling and dynamic strategy. The financial strategy of the board to contain the debt utilization to immune the Company from rising discount rate has been successful. Accordingly, the Company has successfully reduced its working capital debt from Rs.7.2 billion to Rs.5.5 billion by efficiently utilizing its operational resources.

EXPANSION PROGRESS

The expansion project of the Company has almost reached to its completion stage and will be passing through trial run phase soon. However, fixed assets having aggregate value of Rs.1.67 billion were put to commercial operations which will help company to achieve its production targets of next financial year. Acquisition process of land & building of Punjab Cotton Mills Ltd has been completed. Similarly, the 132KVA grid station is also fully functional and fulfilling the energy requirements of the Company.

GOVERNANCE SYSTEM

Robust and dynamic governance system is fundamental to the successful performance of the organization and also to safeguard the interest of stakeholders. In this regard, your Board of Directors has developed sound Governance Framework to meet the regulatory and statutory requirements to achieve effective self and co-regulation.

The Company has diverse and competent Board of Directors which hold to the Company's vision and mission with the ultimate goal of serving the interest of stakeholders. The board members have diverse background of engineering, sales, marketing, banking and production operations. These skill sets complement one another for best decision making at board level.

During the year, elections of the Board of Directors were held where shareholders of the Company re-elected all of the board members except Mrs. Samina Iftikhar. Whereas Mrs. Ayesha Iftikhar Ahmed has joined the Board as an executive director. She is alumni of Havard University and carries with her rich experience of entrepreneurship and marketing. She is now leading the marketing team with a passion to add more value to the brand equity of the Company.

Overall, the Board is working well and ensuring that the organization is being managed effectively in a way that it achieves its objective whilst also safeguarding the integrity of the organization and interest of its stakeholders by making sure that the management conducts its businesses with honesty, integrity and in accordance with the highest ethical and legal standards.

WORDS OF GRATITUDE

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

Mian Iftikhar Ahmed
Chairman

چیئر مین جائزہ رپورٹ

ہوئے کامیابی کے ساتھ اپنے ورکنگ کپتال قرض 7.2 ارب روپے سے کم کر کے 5.5 ارب روپے کیا۔

سپے آؤٹ:

بورڈ نے فیصلہ اور جوہر کیا ہے کہ رواں برس کے دوران حاصل ہونے والے منافع 786 ٹیصد حصہ اپنے شیئر ہولڈرز میں 2 روپے فی حصہ کے حساب سے نقد ڈیویڈنڈ کے ذریعے تقسیم کیا جائے اور باقی منافع کو جاری توسیعی منصوبے کے لیے رکھا جائے۔

توسیعی منصوبے میں پیش رفت:

کپنی کا توسیعی منصوبہ پتھیل کے مرحلے کو پہنچ چکا ہے اور جلد ہی آزمائشی مراحل سے گزرے گا۔ تاہم، 1.67 ارب روپے کی مجموعی مائٹ کے لگنڈاٹھے کرشن آپریشن کے لیے رکھے گئے تھے جو کپنی کو اگلے مالی سال کے پیداواری اہداف حاصل کرنے میں مدد فراہم کریں گے۔ پنجاب کاشن ملز لمیٹڈ کی زمین اور عمارت کے حصول کا عمل مکمل کر لیا گیا ہے۔ اسی طرح 132KV گرڈ اسٹیشن بھی مکمل طور پر فعال ہے اور کپنی کی توانائی کی ضروریات کو پورا کر رہا ہے۔

گورنرس کا نظام:

منصوبہ اور متحرک گورنرس کا نظام ادارے کی کامیاب کارکردگی اور اسٹیک ہولڈرز کے مفادات کے تحفظ کے لیے بنیادی حیثیت رکھتا ہے۔ اس سلسلے میں، آپ کے بورڈ آف ڈائریکٹرز نے موثر کارکردگی کے حصول کے لیے ریگولیری اور قانونی تقاضوں کو پورا کرتے ہوئے ایک منصوبہ گورنرس فریم ورک تیار کیا ہے۔

کپنی کے پاس بہترین صلاحیتوں کا مالک بورڈ آف ڈائریکٹرز ہے جو اسٹیک ہولڈرز کے مفادات کے تحفظ کو یقینی بنانے کے ساتھ ساتھ کپنی کے وژن اور مشن کو بھی مد نظر رکھتا ہے۔ بورڈ کے ممبران انجینئرنگ، سٹرائیڈ مارکیٹنگ، بیکنگ، ٹرانس اور پریوڈیشن آپریشنز کا متنوع پس منظر رکھتے ہیں۔ اس کی وجہ سے بورڈ کی سطح پر بہترین فیصلہ سازی ہوتی ہے۔

رواں برس کے دوران بورڈ آف ڈائریکٹرز کے انتظامات ہوئے جہاں کپنی کے شیئرز ہولڈرز نے سزیمینڈ افکار کے علاوہ بورڈ کے تمام ممبران کو دو بارہ منتخب کیا۔ جبکہ سزیمینڈ افکار نے بطور ایگزیکٹو ڈائریکٹر بورڈ میں شمولیت اختیار کی ہے۔ وہ بورڈ یونیورسٹی سے فارغ التحصیل ہیں اور ان کے پاس انٹرنیشنل بیورو شپ اور مارکیٹنگ کے شعبے کا وسیع تجربہ ہے۔ اپنی منصوبہ قائدانہ صلاحیتوں اور سزیمینڈ سونج کے ساتھ، سزیمینڈ افکار مارکیٹنگ ٹیم کی قیادت کر رہی ہیں اور امید ہے کہ کپنی کی براڈ ایکٹیوٹی میں اچھا اضافہ کریں گی۔

مجموعی طور پر، بورڈ اچھی طرح سے کام کر رہا ہے اس بات کو یقینی بنا رہا ہے کہ ادارے کا انتظام موثر انداز سے چلایا جائے تاکہ وہ اپنے مقاصد حاصل کر سکے۔ مزید یہ کہ ادارے کی سالمیت اور اس کے اسٹیک ہولڈرز کے مفادات کا بھی تحفظ کیا جائے اور اس بات کو یقینی بنایا جائے کہ انتظامیہ اپنے کاروبار کو ایمانداری اور یانٹنڈاری کے اعلیٰ معیارات کے مطابق چلائے۔

انتہا تک:

ختم کرنے سے پہلے، میں خلوص دل سے اپنے کارکنان کی محنت، لیڈرشپ کے دانشمندانہ اور بصیرت افروز انداز، مصارفین کی سرپرستی، کپنی کی قرض دہندگان اور سپلائرز کے مسلسل اعتماد کو خراج تحسین پیش کرتا ہوں۔ اس کے ساتھ ساتھ میں کپنی کے وژن اور مشن کو پورا کرنے کے لیے تمام اسٹیک ہولڈرز سے دل کی گہرائیوں سے تعاون کا خواہاں ہوں۔

میلا اختر احمد
چیئر مین

محترم شیئرز ہولڈرز

اسلام علیکم!

میں بطور چیئر مین مختصر جائزہ لمیٹڈ 30 جون 2023 کو ختم ہونے والے سال کی مالیاتی کارکردگی کے بارے اپنی جائزہ رپورٹ آپ کے سامنے پیش کرنے پر فخر محسوس کرتا ہوں۔

معاشی جائزہ:

زیرہ جائزہ مالی برس پاکستان کی معیشت کے لیے سب سے مشکل سال ثابت ہوا۔ مہنگائی 48 برسوں کی بلند ترین شرح پر پہنچ گئی جبکہ زرمبادلہ کے ذخائر کی دہائیوں کی کم ترین سطح 14 ارب ڈالر تک گر گئے۔ زرمبادلہ کے کم ذخائر نے کئی مہینوں میں مارکیٹ میں بہت زیادہ اتار چڑھاؤ کو جنم دیا اور پاکستانی روپیہ امریکی ڈالر کے ساتھ شرح مبادلہ میں 40 ٹیصد گراؤت بعد 286 روپے پر رکھا۔ اس عمل سے ملک کے اندر مہنگائی کو مزید بڑھا دیا۔ دونوں عوامل نے کاروبار کو متاثر کیا۔ بالواسطہ اور بلا واسطہ مہنگائی نے مصارفین کی قوت خرید کم کر دیا، مصنوعات کی خریداری میں کمی ہوئی، مزید یہ کہ پیداواری لاگت بھی بڑھ گئی۔ اسی وجہ سے کپنی پیداواری لاگت کو مکمل طور پر مصارفین کو منتقل کرنے میں چیلنجز سے تیراؤ زما رہی۔

نازائشی مہنگائی کا جائزہ:

تمام تر مشکلات کے باوجود نازائشی مہنگائی کی ترقی کی طویل المدتی صلاحیت برقرار ہے اور اپورٹ کے متبادل کے نئے مواقع سامنے آنے کا امکان ہے۔ پاکستان کو مستقبل قریب میں غیر ملکی کرنسی کی کمی کا سامنا کرنا پڑے گا۔ جس سے درآمدات پر روک لگ جائے گی۔ درآمدات میں اس کمی سے، مقامی صنعتکاروں کو مارکیٹ کی طلب اور رسد کے فرق کو پر کرنے کا موقع ملے گا۔ مزید برآں، شرح مبادلہ میں اضافے سے درآمدتہ نازوں کی قیمت میں اضافہ ہوگا جس کے بعد مقامی کھلاڑیوں کو قیمتوں میں برابری کو بہتر بنانے کا موقع بھی ملے گا۔ کوئی بھی مقامی ناز کپنی جس میں مصنوعات میں بہتری لانے کی اچھی صلاحیت موجود ہے وہ اس ابھرتی ہوئی صورت حال سے فائدہ اٹھانے کی کج پوزیشن میں ہوگی۔ فی الحال مقامی نازائشی مارکیٹ کی کل طلب کا ایک چوتھائی حصہ مشکل سے فراہم کر رہی ہے، اسی لیے آنے والے وقت میں درآمدی متبادل کے بہت زیادہ امکانات ہیں۔

کئی دہائیوں کے تجربے کے ساتھ مقامی نازائشی مہنگائی اب زیادہ پیداواری صلاحیت اور بڑھتی کارکردگی کی وجہ سے مناسب قیمت پر بہترین معیار کے ناز تیار کرنے میں کامیاب ہوگئی ہے۔ یہ اب مقامی طور پر اور برآمدی منڈی میں بھی بین الاقوامی برانڈز کے لیے حقیقی چیلنج ہے۔ یہی وجہ ہے کہ نازوں کی برآمدات تیزی سے بڑھ رہی ہیں۔

دوسری طرف، حکومت سمگلنگ اور انٹرا نوائٹنگ کے خلاف سخت اقدامات پر غور کر رہی ہے، جن پر اگر حقیقی روح کے ساتھ عمل کیا جائے تو مقامی صنعت کاروں کے لیے ایک بڑی گنجائش پیدا ہو جائے گی۔ لہذا مقامی کھلاڑیوں کے لیے کاروبار کو متنوع بنانے اور اس صنعت میں دیگر مواقع تلاش کرنے کا ایک بڑا موقع موجود ہے۔

کاروباری کارکردگی:

کپنی نے رواں برس کے دوران چھوٹے بڑے چیلنجز کے باوجود اچھی کارکردگی کا مظاہرہ کیا۔ کپنی اپنی ٹاپ لائن میں 5 ٹیصد شرح نمو لانے میں کامیاب رہی۔ OEM کسٹمرز کو مصنوعات کی فروخت میں بہت زیادہ کمی آئی، پھر بھی برآمدات اور متبادل مارکیٹ پر انتظامیہ کی توجہ نے کپنی کی ٹاپ لائن پر خلی دباؤ کو دور کرنے میں مدد دی۔ کپنی بہتر منصوبہ بندی، کسٹمر لگ اور متحرک حکمت عملی کے ذریعے باہم لائن کو محفوظ رکھنے میں بھی کامیاب رہی۔

کپنی کو بڑھتی ہوئی شرح سود کے اثرات سے بچانے کے لیے قرض کے استعمال کو روکنے کے لیے بورڈ کی حکمت عملی کامیاب رہی۔ اس کے مطابق، کپنی نے اپنے آپریٹنگ وسائل کو موثر طریقے سے استعمال کرتے

OWNERSHIP STRUCTURE

OUR OWNERSHIP STRUCTURE AS ON JUNE 30, 2023





MESSAGE OF CHIEF EXECUTIVE OFFICER



In the midst of evolving market dynamics, steadfast focus on quality and branding has been a driving force behind our strategy. Quality embodies our ethos, while branding captures the recognition of excellence we deliver.

At PHANTHER, quality is not merely a checkbox on a list; it's a culture that permeates every level of our organization. From the engineers designing our products to the technicians on the factory floor, our entire team is united by a shared commitment to excellence. This culture of quality ensures that every product we release into the market reflects the best of our abilities.

We understand that a tyre is more than just a rubber component; it's a vital link between the vehicle and the road, impacting safety, efficiency, and comfort. Our promise to our customers is to continue innovating, researching, and refining our products to ensure that every tyre we produce embodies excellence.

As we forge ahead, we envision a future where quality and branding aren't just ideals – they're our commitment to delivering excellence in every aspect. We will continue to invest in the people, processes, and technologies that make quality synonymous with PANTHER.



MESSAGE OF DIRECTOR MARKETING & STRATEGY



Our brand isn't just a logo – it's a promise, a symbol of our commitment to delivering value beyond expectations.'

At PANTHER, our brand is more than just a logo or a name; it embodies our values, our vision, and our promise to our customers to deliver excellence. Through strategic marketing initiatives and engaging customer experiences, we aim to forge stronger connections, reaching new markets, and amplifying PANTHER presence through innovative campaigns and collaborations.

Looking ahead, we are committed to fostering a brand that evokes emotions, establishes trust, and stands as a symbol of reliability, durability and comfort.

DIRECTORS' REPORT

The Board of Directors of the Company is pleased to present the directors' report and audited financial statements of the company for the year ended June 30, 2023, together with auditors' report thereon.

OVERVIEW OF ECONOMY AND BUSINESS ENVIROMENT

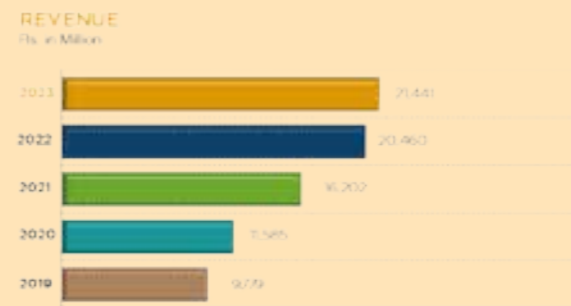
The financial year under review marked a significant period for Pakistan's economic history, characterized by a range of internal and external factors that influenced its economic health. The country had faced the challenges of depleting forex reserves, currency devaluation and rising inflation. The situation further worsened when the country hit with heavy rains and floods in the early months of the financial year, floods engulfed the major part of agriculture land and disrupted the domestic supply chain and created the acute shortage of agricultural commodities. All this resulted into one of the highest inflation levels in the economic history of Pakistan. Consequently, the SBP had to intervene by raising the policy rate to an unprecedented level of 22%.

On the external front, policy tightening and stabilization strategies have led to positive outcomes, including a substantial reduction in the current account deficit (CAD) to USD 2.56 billion for the financial year 2022-23 as against a deficit of USD 17.5 billion last year, primarily due to contraction in import bill. However, a decline of 14%

was observed in workers' remittances, while exports also experienced a 13% decrease in financial year 2022-23. Consequently, foreign exchange reserves at Central Bank fell below USD 5 billion, which added further pressure on the currency.

OVERVIEW OF THE FINANCIAL PERFORMANCE

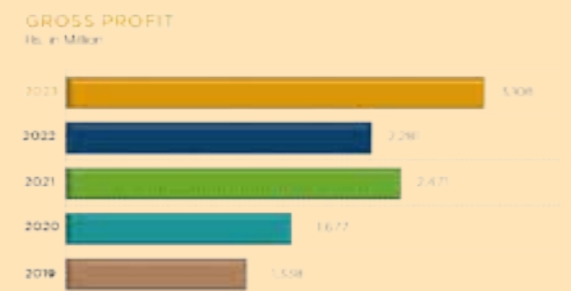
Despite the prevailing economic headwinds, the Company has been able to achieve annual net revenue of Rs. 21,441 million, which represents a growth of 5% over the last year. Although, the sales to OEMs during the year dropped significantly yet the Company managed to off-set the deficit through local and export replacement markets. The exports of the Company increased to Rs.3,119 million from Rs.1,857 as reported in last year due to addition of new countries and that of new products in the export portfolio.



The snapshot of financial performance of the company is as follows;

PKR in millions except EPS	2022-23	2021-22	Changes
Revenue	21,441	20,460	4.8%
Gross Profit	3,108	2,281	36%
Gross Profit %	14.5%	11.1%	30.0%
Operating Profit	1,694	1,354	25%
Finance Cost	1,048	650	61%
Net Profit	433	457	-5%
Earing Per Share	2.58	2.72	-5%

During the year the Company successfully managed to strengthen its gross margin back to 14.5% as against 11% reported in last year due to some strategic actions taken by the management. The management not only passed on the impact of higher costs to the end consumers but also implemented rigorous cost control actions to enhance operational efficiencies.



Selling and distribution expenses have increased from 687 million to 932 million due to additional spending on marketing & branding which will support the Company achieve its ambitious plans in future.

The financial charges for the fiscal year experienced a significant surge, rising from Rs. 650 million to Rs. 1,049 million, mainly resulting from increase in discount rate from 15% to 22%. However, in order to arrest the escalating finance cost, the company implemented financial discipline all across its operations and successfully achieved efficiency in financial operations. Consequently, requirements of the short term loans reduced from Rs.7,215 million to Rs.5,502 million. This efficient utilization of working capital limits will also help company to keep tight control over finance cost in next financial year as well.

Inspite of all odds, the Company successfully managed to post net profit of Rs.432.79 million as compared to Rs.457.46 million reported in last year.

CHANGE IN ACCOUNTING POLICY

The company has been following accounting policy of measurement of plant & machinery using revaluation model since long. During the year ended June 30, 2023, the company shifted from the revaluation model to the cost model. This change was prompted by concerns over the revaluation of assets, where valuers were overly influenced by current exchange rates, leading to inflated asset values without corresponding benefits. Additionally, the rapid pace of technological advancements and industry preferences for cutting-edge technology rendered these machineries obsolete, making their revaluation unjustified. The company's move to the cost model aims to provide a more accurate representation of its assets, in line with industry dynamics and prudent financial reporting practices. Accordingly, the impact of change in accounting policy has been disclosed in the note # 41 to the financial statements

FUTURE OUTLOOK

Due to the prevailing tough economic situation coupled

with fragile political situation of Pakistan, the businesses in current financial year are likely to face headwinds. However, the global recession have led to softening of global commodity prices and downward trend in the prices of oil, natural rubber, butyl, carbon and many other raw materials is also being witnessed. This will help the Company to partially off-set adverse impact of rupee dollar parity. However, higher interest rates and slow demand are likely to exist due to higher levels of inflation. The management of the company is cognizant with these emerging challenges and devising the strategies to cope with them successfully.

DIVIDENDS AND APPROPRIATIONS

The directors of your company have recommended a final cash dividend of Rs.2 per share i.e 20% to the shareholders of the company. The decision on distributing dividends is drawn after considering a multitude of parameters including business needs, growth prospects and strategic direction of the business.

PRINCIPLE ACTIVITY OF THE COMPANY

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

COMPOSITION OF THE BOARD

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

- a) Male 6
- b) Female..... 1

Composition

- Independent Directors 3
- Non-Executive Directors 2
- Executive Directors 2

BOARD OF DIRECTORS

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

Directors	Status	07-Sep-22	27-Oct-22	28-Dec-22	25-Jan-23	12-Apr-23
Mian Iftikhar Ahmed – Chairman	Non-Executive Director	✓	✓	✓	✓	✓
Mian Faisal Iftikhar – CEO	Executive Director	✓	✓	✓	✓	✓
Samina Iftikhar	Non-Executive Director	✓	✓	✓	N/A	N/A
Asad Sultan Chaudhary	Independent Director	✓	✓	✓	✓	✓
Javed Masud	Independent Director	✓	✓	✓	✓	✓
Iqbal Ahmad Khan	Independent Director	✓	✓	✓	✓	✓
Zahid Mahmud	Non-Executive Director	✓	✓	✓	✓	✓
Ayesha Iftikhar	Executive Director	N/A	N/A	N/A	Leave	✓

AUDIT COMMITTEE

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

During the year, four meetings of the Audit Committee of the board were held and attendance was as follows:

Directors	Status	07-Sep-22	27-Oct-22	25-Jan-23	12-Apr-23
Asad Sultan Chaudhary	Independent Director	√	√	√	√
Javed Masud	Independent Director	√	√	√	√
Iqbal Ahmad Khan	Independent Director	√	√	√	√
Zahid Mahmud	Non-Executive Director	N/A	N/A	√	√

HUMAN RESOURCE COMMITTEE

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

Directors	Status	20-Jun-23
Asad Sultan Chaudhary - Chairman	Independent Director	√
Iqbal Ahmad Khan	Independent Director	√
Mian Faisal Iftikhar	Executive Director	√

NOMINEE COMMITTEE

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

Directors	Status	27-Oct-22
Mian Iftikhar Ahmed-Chairman	Independent Director	√
Mian Faisal Iftikhar	Executive Director	√

CHANGES IN NATURE OF BUSINESS

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

AUDITORS

The present auditors, M/s EY Fords Rhodes Chartered Accountants will retire at the conclusion of the upcoming Annual General Meeting and M/s KPMG Taseer Hadi & Co, being eligible, offer themselves for appointment as auditors. The Audit Committee of the Company has suggested and the Board has approved & recommended their appointment to the shareholders as auditors of the Company for the year ending on June 30, 2024.

RELATED PARTY TRANSACTIONS

The Company has made disclosures about related party transactions in its financial statements annexed with this annual report. Such disclosure is in line with the requirements of the 4th Schedule to the Companies Act, 2017 and applicable International Financial Reporting Standards.

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

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

The requirement of the Code of Corporate Governance set out by the Pakistan Stock Exchange in their listing regulations relevant for the year ended 30 June 2023 were duly complied with. A statement to this effect is attached with the report.

STATEMENT OF CORPORATE FINANCIAL REPORTING FRAMEWORK

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

Accordingly, the Directors are pleased to confirm the following:

1. The financial statements together with the notes thereon have been drawn up in conformity with the Companies Act, 2017. These statements present fairly the Company's state of affairs, the result of its operations, cash flow and changes in equity.
2. The principal business activity of the Company is manufacturing and sales of tyres and tubes for vehicles.
3. Proper books of accounts have been maintained by the Company.

4. Appropriate accounting policies have been consistently applied in the preparation of financial statements which conform to the International Accounting Standards as applicable in Pakistan.
5. The accounting estimates, wherever required are based on reasonable and prudent judgment.
6. International financial reporting standard, as applicable in Pakistan, have been followed in preparation of financial statements.
7. The system of internal control is sound in design and has been effectively implemented.
8. There are no significant doubts upon the Company's ability to continue as a going concern.
9. There has been no material departure from the best practices of corporate governance, as detailed in the Listing Regulations.

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

CREDIT RATINGS

The Company believes in transparency and credibility of financial information. In line with this philosophy, the board engages the Pakistan Credit Rating Agency Limited (PACRA) to evaluate the financial strength and governance system of the company. After applying its standard procedures and due diligence, PACRA, in its interim report, affirmed the rating of the Company as A & A1 for long term and short-term tenures respectively. Year-end review of this rating based on the audited financials for the year 2022-23 will start soon after the publishing of this annual report.

SUBSEQUENT EVENTS

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

RISK MANAGEMENT POLICY

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

ADEQUACY OF INTERNAL FINANCIAL CONTROL

The Board of Directors has established an efficient system of internal financial controls, for ensuring effective and

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

VISION, MISSION AND OVERALL CORPORATE STRATEGY APPROVAL BY THE BOARD

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

QUALIFICATION OF CFO AND HEAD OF INTERNAL AUDIT

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

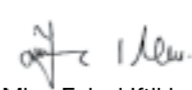
PATTERN OF SHAREHOLDING

Pattern of shareholding of the Company in accordance with the Companies Act, 2017 as at June 30, 2023 is annexed to this report.

ACKNOWLEDGMENT

The Board takes this opportunity to express its gratitude towards the employees, customers, banks, suppliers and other stakeholders for the confidence and faith they have always reposed in the company.

For and on behalf of the Board


Mian Faisal Iftikhar
Chief Executive Officer


Mian Iftikhar Ahmed
Chairman

August 10, 2023
Lahore

ڈائریکٹرز جائزہ رپورٹ

انتظامیہ خالص مال کی فراہمی اور بڑھتی ہوئی کاروباری لاگت کی بھی چوکی سے نگرانی کر رہی ہے اور ان چیلنجز سے موثر طریقے سے نمٹنے کے لیے تمام ضروری اقدامات کر رہی ہے۔ جیسا کہ ہم ان مشکلات سے نکلنے، کاروبار کے طویل مدتی امکانات اور مارکیٹ کے بدلنے ہوئے حالات کے مطابق خود کو ڈھالنے کی اپنی صلاحیت کے بارے میں پرامید ہیں۔

حتمی منافع معتمد:

آپ کی کمپنی کے ڈائریکٹرانے کمپنی کے شیئرز ہولڈرز کو 2 روپیہ فی حصص یعنی 20 فیصد کے حتمی منافع کی سٹارٹش کی ہے۔ حتمی منافع کی تقسیم کا فیصلہ کاروباری ضروریات، ترجیحی امکانات اور کاروباری اسٹریٹجک سمت سمیت متعدد امور پر غور کرنے کے بعد کیا گیا ہے۔

بورڈ کی تشکیل:

بورڈ سات منتخب اراکین پر مشتمل ہے۔ بورڈ کی تشکیل سلیڈ پینچر (کوڈ آف کارپوریٹ گورننس) ریگولیشنز

کمپنی کا بنیادی کاروبار:

کمپنی بنیادی طور پر ٹائروں اور ٹیوبوں کی تیاری اور فروخت کا کاروبار کرتی ہے۔

ڈائریکٹر	مرتبہ	7 ستمبر 2022	27 اکتوبر 2022	28 دسمبر 2022	25 جنوری 2023	12 اپریل 2023
میاں افتخار احمد۔ چیئر مین	نان ایگزیکٹو ڈائریکٹر	✓	✓	✓	✓	✓
میاں فیصل افتخاری ای او	ایگزیکٹو ڈائریکٹر	✓	✓	✓	✓	✓
شمینہ افتخار	نان ایگزیکٹو ڈائریکٹر	✓	✓	✓	N/A	N/A
اسد سلطان چودھری	انٹرویوٹ ڈائریکٹر	✓	✓	✓	✓	✓
جاوید مسعود	انٹرویوٹ ڈائریکٹر	✓	✓	✓	✓	✓
اقبال احمد خان	انٹرویوٹ ڈائریکٹر	✓	✓	✓	✓	✓
زاہد محمود	نان ایگزیکٹو ڈائریکٹر	✓	✓	✓	✓	✓
عائشہ افتخار	ایگزیکٹو ڈائریکٹر	N/A	N/A	N/A	رضعت	✓

آڈٹ کمیٹی

آڈٹ کمیٹی کے ذریعے اندرونی کنٹرول کے فریم ورک کو موثر طریقے سے نافذ کیا گیا ہے۔ کمیٹی کا اندرونی کنٹرول کا نظام بہترین ڈیزائن کا حامل ہے اور اس کا مسلسل جائزہ لیا جاتا رہتا ہے۔ رواں برس بورڈ کی آڈٹ کمیٹی کے چار اجلاس ہوئے اور ان میں حاضری حسب ذیل رہی:

ڈائریکٹر	مرتبہ	7 ستمبر 2022	27 اکتوبر 2022	25 جنوری 2023	12 اپریل 2023
اسد سلطان چودھری	انٹرویوٹ ڈائریکٹر	حاضر	حاضر	حاضر	حاضر
جاوید مسعود	انٹرویوٹ ڈائریکٹر	حاضر	حاضر	حاضر	حاضر
اقبال احمد خان	انٹرویوٹ ڈائریکٹر	حاضر	حاضر	حاضر	حاضر
زاہد محمود	نان ایگزیکٹو ڈائریکٹر	N/A	N/A	حاضر	حاضر

کمپنی کے بورڈ آف ڈائریکٹرانے 30 جن 2023 کو ختم ہونے والے مالیاتی سال کے لیے اپنی جائزہ رپورٹ اور آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

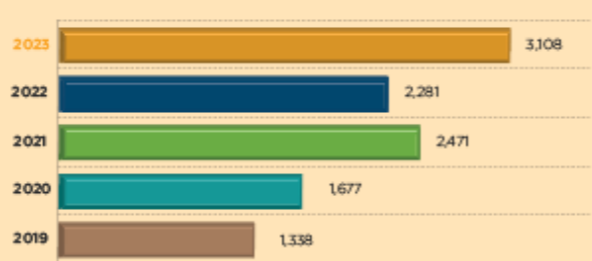
معیشت اور کاروباری ماحول کا جائزہ:

زیر جائزہ مالیاتی برس پاکستان کی اقتصادی تاریخ کے لیے ایک اہم دور کی نشاندہی کرتا ہے، متعدد اندرونی اور بیرونی عوامل نے اس معاشی صورتحال کو متاثر کیا۔ ڈین عزیز کو زرمبادلہ کے ذخائر اور کرنسی کی قدر میں کمی اور منہ گائی میں اضافے جیسے چیلنجز کا سامنا رہا۔ زیرہ جائزہ مالیاتی برس کے آغاز میں شدید بارشوں اور سیلاب نے اس صورتحال کو مزید ابتر کر دیا۔ سیلاب نے زرعی اراضی کے بڑے حصے کو اپنی لپیٹ میں لیا جس سے اندرون ملک سپلائی چین میں مٹل پڑا اور زرعی اجناس کی شدید قلت پیدا ہو گئی۔ اس سب کے نتیجے میں افراتر پاکستان کی اقتصادی تاریخ میں بلند ترین سطح پر پہنچ گیا۔ ان حالات میں اسٹیٹ بینک آف پاکستان کو شرح سود 22 فیصد کی غیر معمولی بلند شرح تک بڑھا کر مداخلت کرنی پڑی۔

بیرونی تنازع پر پالیسی میں سختی اور استحکام کی حکمت عملیوں سے مثبت نتائج سامنے آئے ہیں بشمول مالیاتی برس 2022-23 میں کرنٹ اکاؤنٹ خسارہ خاطر خواہ کم ہو کر 2.56 ارب امریکی ڈالر رہا جو گزشتہ برس اسی مدت کے دوران 17.5 ارب امریکی ڈالر تھا، ایسا بنیادی طور پر درآمدی بل میں کمی کی وجہ سے ہوا۔ تاہم، اس کے ساتھ ہی بیرون ملک سے ترسیلات زر میں 14 فیصد کمی اور برآمدات میں 13 فیصد کمی واقع ہوئی۔ مرکزی بینک

رواں برس کمپنی انتظامیہ کی جانب سے اٹھائے گئے کچھ اسٹریٹجک اقدامات کی بدولت کمپنی مجموعی مارجن کو 14.5 فیصد تک واپس لانے میں کامیاب رہی جو گزشتہ برس اس مدت کے دوران 11 فیصد تھا۔ کمپنی نہ صرف بڑھتی ہوئی لاگت کے اثرات کو صاف کرنے میں ناکام رہی بلکہ لاگت کو کنٹرول کرنے اور آپریٹنگ کو بہتر بنانے کے لیے سخت اقدامات کیے۔

GROSS PROFIT



مارکیٹنگ اور براؤننگ پرائزاتی اخراجات کی وجہ سے مصنوعات کی فروخت اور تقسیم کے اخراجات 687 ملین روپے سے بڑھ کر 932 ملین روپے ہو گئے جو کمپنی کو مستقبل میں اپنے منصوبوں کے اہداف کے حصول میں معاون ثابت ہوں گے۔

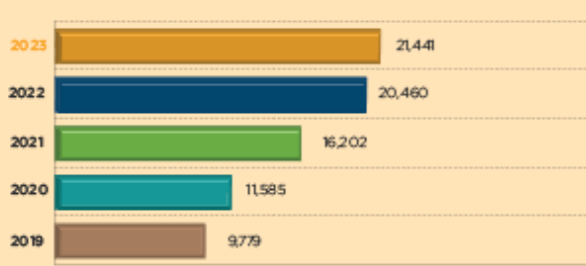
رواں برس مالیاتی اخراجات میں نمایاں اضافہ ہوا جو 650 ملین روپے سے بڑھ کر 1,049 ملین روپے ہو گئے۔ ایسا بنیادی طور پر ڈسکونٹ ریٹ کے 15 فیصد سے 22 فیصد تک بڑھنے کی وجہ سے ہوا۔ تاہم،

میں زرمبادلہ کے ذخائر 5 بلین امریکی ڈالر سے نیچے آ گئے جس سے پاکستانی روپے پر مزید دباؤ پڑا۔

مالیاتی کارکردگی کا جائزہ:

موجودہ اقتصادی خرابیوں کے باوجود، کمپنی 21,441 ملین روپے کی آمدن حاصل کرنے میں کامیاب رہی جو گزشتہ برس کے مقابلے میں پانچ فیصد بڑھوتری ظاہر کرتی ہے۔ اگرچہ زیرہ جائزہ برس میں OEM کی فروخت میں نمایاں کمی ہوئی لیکن کمپنی مقامی اور متبادل برآمدی مارکیٹوں کے ذریعے خسارے کو ختم کرنے میں کامیاب رہی۔ کمپنی کی مصنوعات کی برآمدات نئی مصنوعات اور ممالک شامل کرنے کی وجہ سے گزشتہ برس 1,857 ملین روپے سے بڑھ کر 3,119 ملین روپے ہو گئیں۔

REVENUE



پاکستانی روپے ملین سوائے EPS	2022-23	2021-22	تبدیلی (فیصد)
آمدن	21,441	20,460	4.8%
مجموعی منافع	3,108	2,281	36%
پرنٹنگ منافع	14.5%	11.1%	30.0%
مالیاتی لاگت	1,694	1,354	25%
خالص منافع	1,049	650	21%
EPS	433	457	-5%

بڑھتی ہوئی مالیاتی لاگت کو روکنے کے لیے کمپنی نے اپنے تمام آپریٹنگ میں مالیاتی نظم و ضبط کا نفاذ کیا ہے اور اس کے مثبت نتائج حاصل کیے۔ اس کی وجہ سے لیبل مدتی قرضہ جات کی ضروریات 7,215 ملین روپے سے کم ہو کر 5,502 ملین روپے رہ گئیں۔ ورکنگ کپٹل کی limits کے موثر استعمال سے کمپنی کو اگلے مالی برس میں بھی مالیاتی لاگت پر سخت کنٹرول رکھنے میں مدد ملی۔

تمام تر مشکلات کے باوجود، کمپنی رواں برس 432.79 ملین روپے خاص منافع حاصل کرنے میں کامیاب رہی، جو گزشتہ برس 457.46 ملین روپے تھا۔

مستقبل کا منظر نامہ:

مستقبل میں مالی برس 2023-24 بھی چیلنجز سے گزر رہا ہے گا۔ کاروباری ترقی کی بحالی کا انحصار سیاسی اور میکرو اکنامک استحکام، بیرونی کھاتوں کی بہتری، معاون مالیاتی اور مانیٹری پالیسیوں اور عالمی تیل اور اجناس کی قیمتوں میں متوقع کمی پر ہوگا۔ 2023-24 کے لیے مجموعی اقتصادی ترقی کا تخمینہ 3.5 فیصد ہے، جو زرعی شعبے میں 3.5 فیصد، صنعتی شعبے میں 3.4 فیصد اور خدمات کے شعبے میں 3.6 فیصد متوقع ترقی کی شراکت سے ہوگا۔ مالی برس 2023-24 میں ڈین عزیز میں منگائی کا دباؤ ایک چیلنج کے طور پر رہے گا تاہم، 2024 کی دوسری ششماہیہ دباؤ کم ہونا شروع ہو جائے گا۔

کمپنی انتظامیہ نے اہم چیلنجز کے باوجود حتمی صورتحال کو بخوبی سمجھا لیا ہے۔ آپریٹنگ افادیت، لاگت پر قابو پانے اور ورکنگ کپٹل کے بہتر استعمال میں پیش رفت کے بعد، ہم آنے والے مشکل وقت سے عمدہ براہ ہونے کے لیے پرامید ہیں۔



- گوٹھارے شفاف انداز سے کمپنی کی حالت، آپریٹرز کے نتائج، کمپنی کو اور ایکویٹی میں تبدیلی پیش کرتے ہیں۔
- 2- کمپنی کی بنیادی کاروباری سرگرمی کا ڈیڑھ سالوں اور نیو یوں کی تیاری اور فروخت ہے۔
 - 3- کمپنی کی طرف سے اکاؤنٹس کی مناسب کنٹریولنگ تیار کی گئی ہیں۔
 - 4- مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو مستقل طور پر لاگو کیا گیا جو پاکستان میں قابل اطلاق بین الاقوامی اکاؤنٹنگ معیارات کے مطابق ہیں۔
 - 5- حسب ضرورت اکاؤنٹنگ کے تخمینہ جات، مقبول اور دانش مندانہ طریقوں سے کیے گئے ہیں۔
 - 6- مالیاتی گوشوارے، پاکستان میں قابل اطلاق، انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز کے مطابق تیار کیے گئے ہیں۔
 - 7- انٹرنل کنٹرول کا سسٹم اپنے ڈیزائن میں بہترین ہے اور اسے موثر طریقے سے نافذ کیا گیا ہے۔
 - 8- کمپنی کی کاروباری صلاحیت کے حوالے سے کوئی شک و شبہات نہیں پائے جاتے۔
 - 9- لسٹنگ ریگولیشنز میں دی گئی کارپوریٹ گورننس کے طریقہ کار سے کسی قسم کا انحراف نہیں کیا گیا۔ اس رپورٹ کے ساتھ گزشتہ چھ برسوں کے اہم آپریٹنگ اور مالیاتی اعداد و شمار منسلک ہیں۔

ہیومن ریسورس کمیٹی
رواں برس ہیومن ریسورس کمیٹی کی ایک میٹنگ ہوئی، حاضری حسب ذیل رہی:

ڈائریکٹر	مرتبہ	20 جون 2023
اسد سلطان چوہدری - چیئر مین	اظہار حاضری	حاضر
اقبال احمد خان	اظہار حاضری	حاضر
میاں فیصل انصاری	اظہار حاضری	حاضر

نامزد کمیٹی
رواں برس ہیومن ریسورس کمیٹی کی ایک میٹنگ ہوئی، حاضری حسب ذیل رہی:

ڈائریکٹر	مرتبہ	27 اکتوبر 2022
میاں انصاری احمد - چیئر مین	اظہار حاضری	حاضر
میاں فیصل انصاری	اظہار حاضری	حاضر

بنیادی کاروبار میں تبدیلی:

رواں برس کے دوران کمپنی کے بنیادی کاروبار میں کوئی تبدیلی واقع نہ ہوئی۔

کریڈٹ ریٹنگ

انتظامیہ مالیاتی معلومات کی شفافیت اور صداقت پر یقین رکھتی ہے۔ اس قسط کے مطابق کمپنی نے پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) کو کمپنی کی مالی حیثیت اور کارکردگی کا جائزہ لینے کے لیے مقرر کیا ہے۔ PARCA نے مکمل جانچ پرکھ کے بعد Panther Tyres Limited کو باہر تہیب A (مطلوبہ معیار) اور A1 (مقبول معیار) کی کریڈٹ ریٹنگ دی ہے۔ مالیاتی برس 2022-23 کے آڈٹ شدہ مالیاتی حسابات کی بنیاد پر اس درجہ بندی کا سال کے آخر میں جائزہ اس سال رپورٹ کی اشاعت کے فوراً بعد شروع ہوگا۔

مابعد واقعات

مالی سال کے ختم ہونے کے بعد اور اس رپورٹ کی تاریخ کے درمیان، کمپنی کی مالی پوزیشن کو متاثر کرنے والی کوئی بھی اہم ہادی تبدیلی وقوع پذیر نہیں ہوئی۔

رہنہ منجھٹ پالیسی

کمپنی کے پاس ایک بہترین رہنہ منجھٹ پالیسی تیار ہے۔ جو خطرات کی نشاندہی اور ان کا جائزہ لے کر اس طرح کے خطرات کے کمپنی پر پڑنے والے ضمنی اثرات کو کم کرنے کے لیے طریقہ کار وضع کرتی ہے۔ یہ پالیسی خطرات سے نمٹنے کے لیے ہر ایریا کے لیے رہنما خطوط فراہم کرتی ہے تاکہ خطرات کی روک تھام اور ان کے اثرات کو کم سے کم کیا جاسکے۔

انٹرنل کنٹرول کی موثریت

کمپنی آپریٹرز کو موثر بنانے، اہم جات کی حفاظت، قابل اطلاق قوانین اور ریگولیشنز کی تعمیل اور قابل اعتماد مالیاتی رپورٹنگ کے لیے بورڈ آف ڈائریکٹرز نے انٹرنل کنٹرول کا ایک موثر نظام قائم کیا ہے۔ مختصر نازک آزاد انٹرنل آڈٹ کا شعبہ مالیاتی کنٹرول کے کے نفاذ کی باقاعدگی سے جانچ اور نگرانی کرتا ہے۔ جبکہ آڈٹ کمیٹی سماجی بنیادوں پر انٹرنل کنٹرول فریم ورک اور مالیاتی گوشواروں کا جائزہ لیتی ہے۔

آڈیٹرز

موجودہ آڈیٹرز سمبھرا ڈائی فورڈ روڈ چارٹڈ اکاؤنٹنٹس، آئندہ سالانہ جنرل میٹنگ کے اختتام پر ریٹائر ہو جائیں گے۔ سمبھرا کے پی ایم بی تاثیر ہادی اینڈ کمپنی اہل ہونے کے ناطے، خود کو بطور آڈیٹرز تقرری کے لیے پیش کریں گے۔ کمپنی کی آڈٹ کمیٹی نے تجویز دی ہے اور بورڈ نے 30 جون 2024 کو ختم ہونے والے مالی سال کے لیے سمبھرا روڈ روڈ کو کمپنی کے آڈیٹرز کے طور پر ان کی تقرری کی منظوری اور سفارش کی ہے۔

متعلقہ پارٹی لین دین (Related Party Transactions)

کمپنی نے اپنی سالانہ رپورٹ کے ساتھ منسلک مالیاتی گوشواروں میں متعلقہ فریق (Related Party) لین دین کے بارے بتایا ہے۔ اس امر کا اظہار ایکٹو ایکٹ 2017ء کے چوتھے شیڈول اور قابل اطلاق بین الاقوامی مالیاتی رپورٹنگ معیارات کے تقاضوں کے مطابق ہے۔

تمام متعلقہ فریقوں سے ہر قسم کا لین دین، کاروباری معمولات کے مطابق آزادانہ طور پر بغیر کسی دباؤ سے کیا گیا۔

کوڈ آف کارپوریٹ گورننس کی تعمیل کا بیان

پاکستان اسٹاک ایکسچینج کی جانب سے 30 جون 2023 کو ختم ہونے والے سال کے لیے متعلقہ ضوابط میں وضع کردہ ضابطہ کارپوریٹ گورننس کی تعمیل کی گئی ہے اور اس سلسلے میں ایک بیان رپورٹ کے ساتھ منسلک ہے۔

کارپوریٹ فنانشل رپورٹنگ فریم ورک کا بیان

کمپنی نے کوڈ آف کارپوریٹ گورننس کے تمام تقاضوں کی تعمیل کی ہے۔ جیسا کہ دی گئی ریگولیشن میں کہا گیا ہے۔

اس کے مطابق ڈائریکٹران مندرجہ ذیل کی توثیق کرتے ہیں:

1- مالیاتی گوشوارے مع نوٹس (notes) کیٹنڈ ایکٹ 2017ء کے مطابق تیار کیے گئے ہیں۔ یہ

اظہار تشکر:

بورڈ آف ڈائریکٹرز نے آپ کی کمپنی کے ڈیٹن، مشن اور مجموعی کارپوریٹ حکمت عملی کا بخور جائزہ لینے کے بعد اس کی منظوری دی ہے۔ بورڈ کا یقین ہے کہ یہ جامع طور پر مختصر نازک کے فلسفے کی ترجمانی کرتے ہیں۔ ہم اس بات کو یقینی بناتے ہیں کہ ہمارا ڈیٹن اور مشن ہماری مجموعی کارپوریٹ حکمت عملی اور ہر سطح پر ہمارے ہر کام میں مستقبل کے سزکی سمت کا یقین کرتا ہے۔ اور ہر مکمل طور پر اس مقصد اس سے منسلک ہے اور یہ ہمارے روزمرہ کے کاروبار میں فیصلہ سازی کا بنیادی ستون ہے۔

بورڈ کے لیے اور اس کی جانب سے

سی ایف اور ہیڈ آف انٹرنل آڈٹ کی اہلیت:

چیف فنانشل آفیسر اور ہیڈ آف انٹرنل آڈٹ کوڈ آف کارپوریٹ گورننس کے مطابق مطلوبہ قابلیت اور تجربہ رکھتے ہیں۔

میاں انصاری احمد
چیف ایگزیکٹو آفیسر

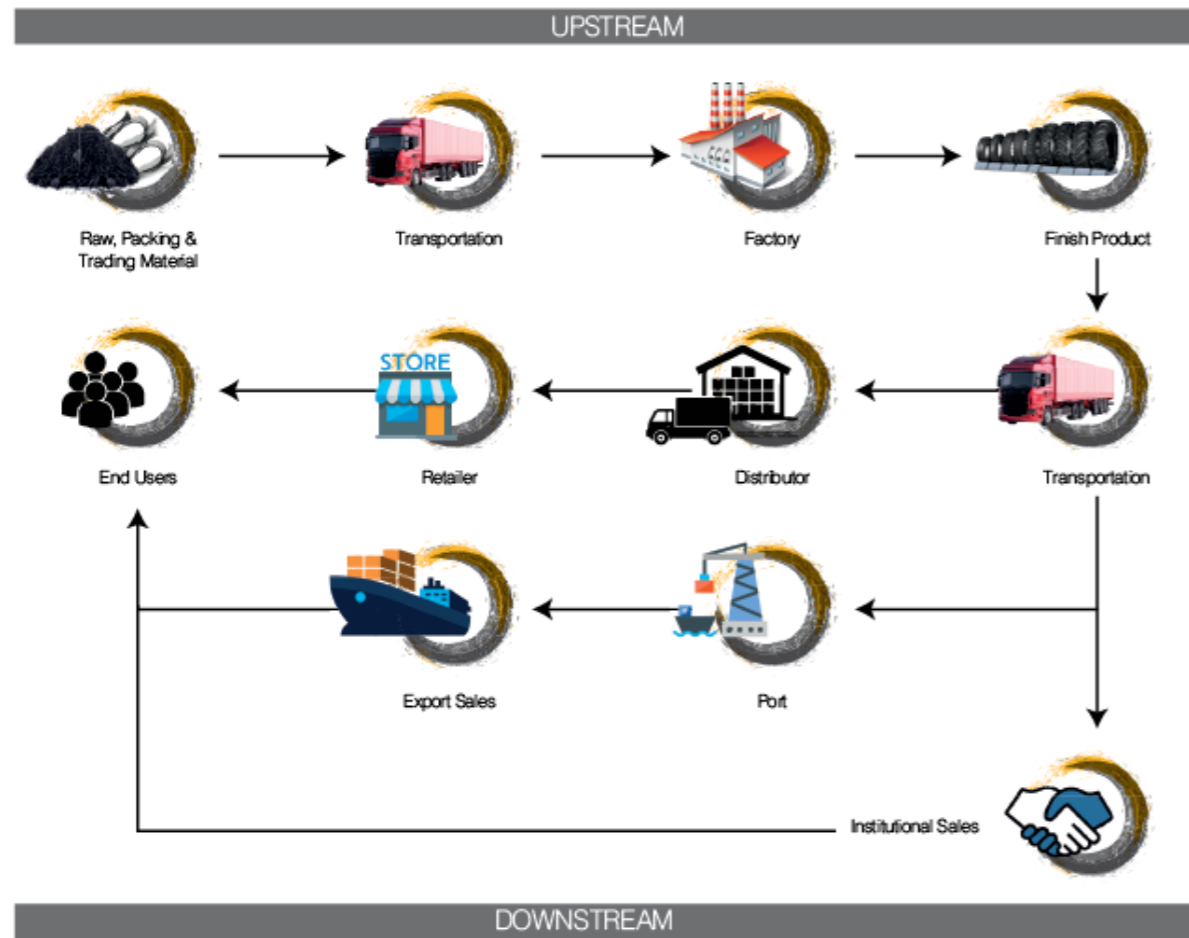
میاں فیصل انصاری
چیئر مین

پیٹرن آف شیئر ہولڈنگ

کمپنی ایکٹ 2017ء کے مطابق، 30 جون 2023ء تک کمپنی کے شیئر ہولڈنگ کا پیٹرن اس رپورٹ کے ساتھ منسلک ہے۔

اگست 2023-10

KEY ELEMENTS OF BUSINESS MODEL



THE LEGITIMATE NEEDS, INTERESTS OF KEY STAKEHOLDERS AND INDUSTRY TRENDS.

Panther Tyres employs targeted strategies to comprehend the requirements and preferences of all its stakeholders. With its innovative and best-in-class methods, the company establishes the benchmarks in the industry for comprehending and addressing the needs of its stakeholders.

In its relentless pursuit of surpassing customer expectations, Panther Tyres consistently delivers top quality products. The company has made significant investments in an in-house Quality Assurance department, dedicated to ensuring that its products consistently adhere to the highest industry standards. To maintain a continuous nationwide distribution of tyres and tubes, Panther Tyres has established enduring partnerships with third-party logistics providers through long-term contracts.

To keep shareholders informed about the company's performance and future prospects, the company regularly shares its financial reports along with comments from its directors. It also conducts annual investor briefing sessions to answer any questions from analysts.

Our continuous growth is attributable to engaging reputed and dependable suppliers as our business partners. We have developed multiple sources for supply of key components and materials internationally and locally which ensure that the Company receives uninterrupted supply of raw materials required for the production process.

The company tailors its CSR initiatives to make the most significant positive difference in the communities it serves. This entails getting to know the community needs through frequent visits and discussions with local leaders. The Company contributes to the national exchequer by paying its share of due taxes on timely basis. Furthermore, the company's commitment to growing its exports continually brings in foreign currency, bolstering the country's economic reserves.

BUSINESS PROCESS

PTL's principal business activity is to produce and sell tyre and tube products. Following are the key elements of the business model

Key elements of our business model	Relevance with Our Business Processes
Input	Raw Material (Natural & Butyl Rubber, Carbon, Tyre Cord, Bead wire, tube valves, processing oils and Chemicals)
Business Process – Tyre Manufacturing	Tyre manufacturing process is traditionally divided into five departments that performed specialized operations. <ol style="list-style-type: none"> 1. Compounding & Mixing, 2. Calendaring, Extrusion & Bead building 3. Tyres Building 4. Curing 5. Packaging
Business Process – Tube Manufacturing	Tube manufacturing process is divided into following processes; <ol style="list-style-type: none"> 1. Master Batch Mixing & Straining 2. Rubber Extrusion 3. Valve Installation 4. Splicing & Curing 5. Packaging
Output	Tyres and Tubes

FACTORS AFFECTING THE EXTERNAL ENVIRONMENT

FACTOR	DESCRIPTION	ORGANIZATIONAL RESPONSE
P POLITICAL	<ul style="list-style-type: none"> ● Political instability and turmoil impact the organization negatively. ● Abrupt changes in Government's macroeconomic policies also adversely impact the Company's business. 	<ul style="list-style-type: none"> ● The management of Panther Tyres Limited (PTL) closely monitors the political developments and government's regulatory policies that may affect the Company. ● Timely adjustments are made in the organizational processes and policies in response to actual or anticipated changes in Government policies. Issues relating to the tyre industry are dealt through forums such as PAMA & PAPAM

FACTOR	DESCRIPTION	ORGANIZATIONAL RESPONSE
E ECONOMIC	<ul style="list-style-type: none"> ● In times of high inflation, increasing interest rates and higher inflation can drive up operating costs, including labor, energy, transportation and finance cost. This can erode profit margins for the company's business. 	<ul style="list-style-type: none"> ● The management of the company consider several strategies including cost management, energy saving solutions, negotiating better transportation contracts and reviewing labor cost. ● Depending on the market conditions, company may consider passing on the increased cost onto the consumers through price adjustments.

FACTOR	DESCRIPTION	ORGANIZATIONAL RESPONSE
S SOCIAL	<ul style="list-style-type: none"> ● Focus on Corporate Social Responsibility, Donations, Plantation and free education to deserving students. ● Women Empowerment 	<ul style="list-style-type: none"> ● As a socially responsible corporate entity, Panther Tyres strives hard to develop the communities in which it operates. It has launched dedicated scholarship programs for the deserving students of Numal University. ● The Company remains committed to environmental preservation, education, and the empowerment of women in Pakistan. In its recent initiative on the 76th Independence Day, Panther Tyres launched a campaign to promote women's motorcycle riding in Pakistan

FACTOR	DESCRIPTION	ORGANIZATIONAL RESPONSE
T TECHNOLOGY	<ul style="list-style-type: none"> ● Risk of technological obsolescence ● Technological innovation by competitors 	<ul style="list-style-type: none"> ● To continue its legacy of being unparalleled leaders of the tyre industry, Panther Tyres Limited has always given priority to latest technological developments and in this regard remained at the forefront to upgrade its manufacturing facilities. ● Recently, Panther Tyres has made significant investments in technological advancement. The company has installed a modernized calender machine along with pre-fabricated building with in its production line and constructed a state-of-the-art mixing building which plays integral role in tyre manufacturing process. Furthermore, the company has increased its curing capacity by installing new boiler. In addition to all these, the company has a lineup of upcoming machinery investments that will further enhance its technological capabilities and production capacity. ● PTL maintains a dedicated team of professionals to ensure adherence to relevant regulatory requirements. The company utilizes SAP Software for streamlined processes, data-driven decisions, and agility in a dynamic market.

FACTOR	DESCRIPTION	ORGANIZATIONAL RESPONSE
L LEGAL	<ul style="list-style-type: none"> ● Compliance with the applicable legal and regulatory requirements 	<ul style="list-style-type: none"> ● The Company has a dedicated team of professionals which ensures that all its processes comply with the applicable regulatory requirements.

FACTOR	DESCRIPTION	ORGANIZATIONAL RESPONSE
E ENVIRONMENTAL	<ul style="list-style-type: none"> ● Environmental Footprint, Recycling, Climatic Conditions Global warming, Natural disasters etc. 	<ul style="list-style-type: none"> ● The company employs multiple measures to safeguard the environment, adhering to relevant environmental standards. We enhance environmental performance by optimizing resource usage, adopting eco-friendly alternatives, and investing in Waste Heat Recovery systems. Additionally, we are actively working on installing renewable energy projects, with a strong commitment to water conservation in our operations.

COMPETITIVE LANDSCAPE AND MARKET POSITIONING

Panther Tyres has experienced significant growth over the years, establishing an extensive distribution network within the country, making our domestically manufactured tyres and tubes accessible nationwide. We have strategically positioned ourselves for efficient tyre and tube delivery and exceptional customer service by building a diverse network of dealers in key markets. Our primary objective revolves around developing business strategies that secure and expand our market share, both locally and internationally."

We are committed to strengthening our position in both local and international markets. Our focus is on directing our resources and efforts toward exploring new markets and regions, aiming to enhance our global accessibility within the tyre industry and meet the needs of customers in both domestic and international markets.

POWER OF SUPPLIERS

Our association with suppliers is defined by transparency, long-term collaboration, and the creation of mutual value. At Panther Tyres, we place great importance on nurturing our Social and Relationship Capital to uphold the utmost quality standards. Our consistent expansion owes much to our partnerships with reputable and trustworthy suppliers. We've established multiple channels for sourcing essential components and materials, ensuring uninterrupted access to the raw materials needed for our production throughout the year. Our strong and positive relationship with suppliers, coupled with our esteemed standing in the industry, enables effective management of supplier relationships.

POWER OF CUSTOMERS

As one of our Core Values, we prioritize our customers, adopting proactive strategies to meet their evolving expectations and showcase our adaptability in the business world. We stay in harmony to our customers' demands, consistently delivering best quality tires and tubes that align with their needs. Placing customers at the heart of our decision-making process empowers us to effectively manage customer influence."

COMPETITION AND RIVALRY

We endorse healthy competition, which keeps us vigilant about preserving our market share and consistently enhancing our quality standards for tyres and tubes. Our cutting-edge production facilities, responsible utilization of natural resources, extensive distribution network, and committed team of experts position us as a leading company, enabling us to maintain a competitive edge."

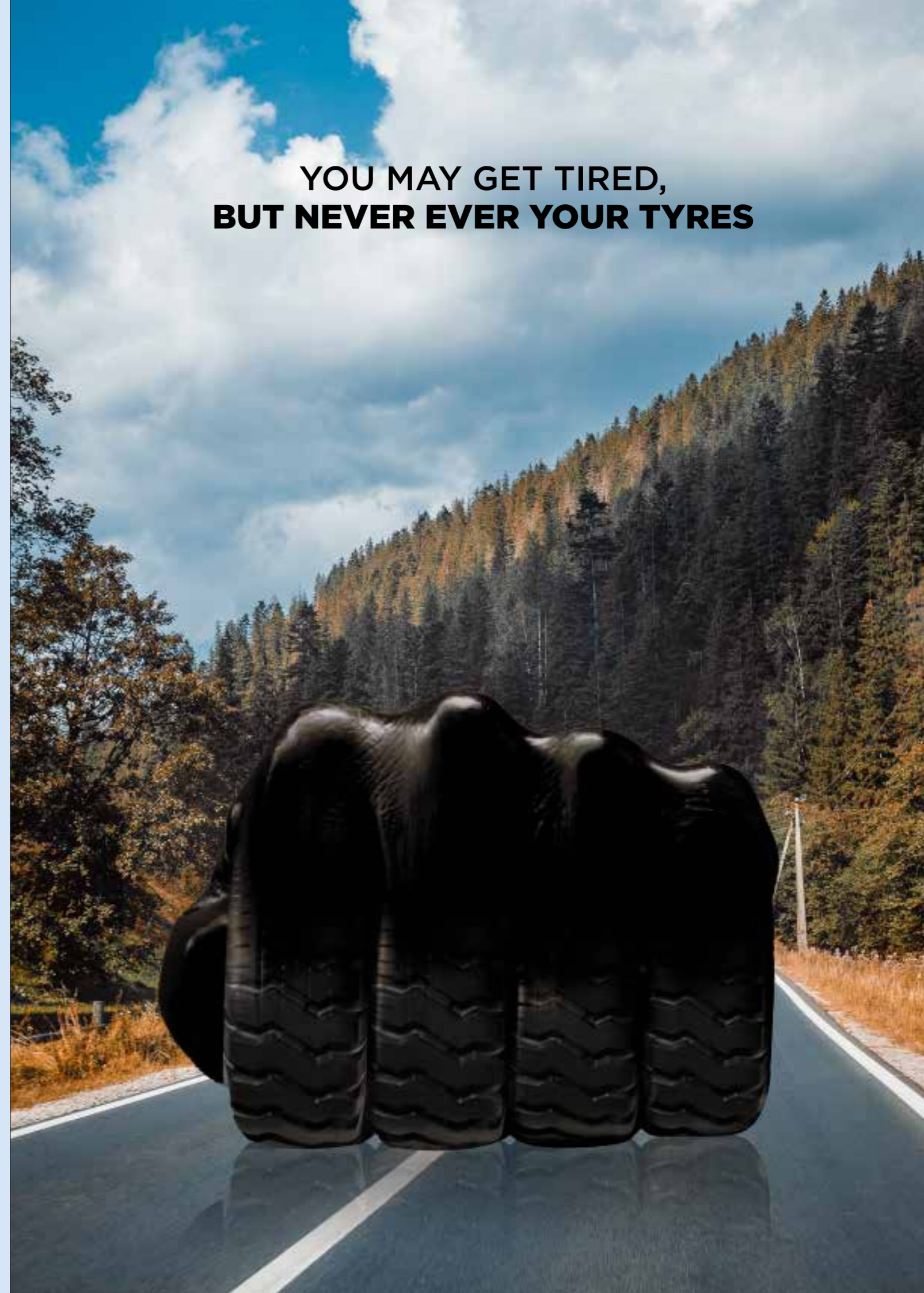
THREAT OF NEW ENTRANTS

As the eminent tyre and tube manufacturer in Pakistan, with state-of-the-art production facilities and an extensive marketing and distribution network covering the entire country, the threat of new entrants in the Pakistan tyre and tube industry is substantially low. The industry's high capital requirements, limited availability of raw materials, and restricted access to delivery channels serve as formidable barriers to entry for potential competitors.

THREAT OF SUBSTITUTE PRODUCTS

The market faces low risk from substitute products due to the unique nature of our product.

**YOU MAY GET TIRED,
BUT NEVER EVER YOUR TYRES**



THE LEGISLATIVE AND REGULATORY ENVIRONMENT

Panther Tyres operates within a highly regulated environment, primarily due to its significant presence in a critical sector of the market and its status as a publicly listed company. There is a multitude of regulatory requirements that must be diligently adhered to, with governmental authorities closely monitoring the organization to ensure legal compliance. Our company routinely engages with various areas of the law, including:

- Companies Act of 2017: Governing the overall management of our company.
- Sales Tax Act of 1990: Regulating tax rates on tires, tubes, and lubricants.
- Federal Excise Act of 2005: Setting excise duty rates on specific raw materials.
- Income Tax Ordinance of 2001: Imposing taxes on income generated from our business operations.
- Competition Act of 2010: Ensuring prevention of anti-competitive behavior.
- Labor and Employment Laws: Covering workers' rights and company obligations to employees.
- Environmental Laws: Compliance with federal and provincial regulations for environmental protection in Pakistan.
- Pakistan Stock Exchange Regulations: Governing the operations of listed companies on the stock exchange.
- Listed Companies (Code of Corporate Governance) Regulations of 2017: Detailing the procedures, composition, and technical aspects of publicly listed company management.

Panther Tyres takes immense pride in actively ensuring full legal compliance and rigorously adopts preventive measures to mitigate the risk of liability stemming from any potential breaches of these laws."

SIGNIFICANT CHANGES AND DEVELOPMENTS FROM PRIOR YEARS

Throughout this period, the company successfully confronted various challenges including the impending energy crisis, mounting circular debt, rising inflation, pressures on the balance of payments, diminished foreign exchange reserves, fluctuations in exchange rates, and persistent fiscal deficits, all of which continued to challenge the competitiveness of businesses."

Additionally, in the month of February 23, the Federal Government of Pakistan raised the general Sales Tax rate from 17% to 18%."

THE POLITICAL ENVIRONMENT WHERE THE ORGANIZATION OPERATES AND OTHER COUNTRIES THAT MAY AFFECT THE ABILITY OF THE ORGANIZATION TO IMPLEMENT ITS STRATEGY

The political landscape significantly influences an organization's strategy execution. Political uncertainties have adverse effects on consumers, businesses, investors, financial markets, and economic policymakers. Persistent political instability has been a major hindrance to Pakistan's economic progress, leading to short-term macroeconomic policies and frequent policy shifts. The nation's economic challenges, such as dwindling foreign exchange reserves, surging inflation, and rising interest rates, contribute to an economic slowdown. Consequently, both domestic political instability and economic difficulties impact the company's operations."

Panther Tyres exports tires and tubes globally to Asia, Europe, Africa, and South America. The political environment in these regions can significantly impact its business through trade barriers, tariffs, and geopolitical tensions. To mitigate these risks, Panther Tyres diversifies its markets, establish strong customers' relations, and monitor political developments to adapt swiftly to changing conditions, ensuring a resilient global presence.

SIGNIFICANT EVENTS THAT OCCURRED DURING THE YEAR AND AFTER THE REPORTING PERIOD

To fulfill its uninterrupted energy requirements, the company effectively commissioned an 11.5 MW grid station at its factory. Furthermore, it substantially boosted its production capacity by incorporating technological advanced calendar machine. The company also expanded its tyre curing press capabilities for both the 4-Wheel and MC tube segments. Additionally, new manufacturing facilities were constructed, including the 4-Wheel Green building and Mixing Building. The Board of Directors, during their meeting on August 10, 2023, has recommended a year-end cash dividend of Rs. 2 per share for the fiscal year ending June 30, 2023.





STAKEHOLDERS RELATIONSHIP & ENGAGEMENT

Stakeholder relationships are the building blocks of trust, and trust is the cornerstone of lasting success.

STAKEHOLDER ENGAGEMENT



ANALYSTS' BRIEFING

To ensure transparency in our relationships with stakeholders, PTL conducts comprehensive annual interaction session. During this session, we share insights into our financial and operational outlook, discuss regulatory changes, and address economic developments. As part of our standard practice, we host an annual analysts' briefing to provide investors with a clear understanding of our business perspective. During the briefings, our CFO presents the company's performance and future plans.

Analysts' briefings attract participants from investment firms across the country, Pakistan Stock Exchange representatives, banks, and other stakeholders. Our presentation is followed by detailed question-and-answer sessions where we address inquiries satisfactorily, underscoring PTL's commitment to an open and continually evolving approach to engaging with stakeholders.

SHAREHOLDERS ENCOURAGED TO ATTEND GENERAL MEETINGS

"The Notice of the Annual General Meeting, along with the Company's Annual Report, is electronically sent to all shareholders a minimum of 21 days prior to the meeting date. Simultaneously, the notice and report are published in prominent newspapers with nationwide readership, in both Urdu and English. They are also made available on the websites of the Pakistan Stock Exchange and the Company."

All shareholders are entitled to designate a proxy and, upon prior registration with the company, can participate in the meeting through video conference (VC). They can also provide feedback, make proposals, offer comments, or express reservations during the meeting.

PTL highly regards and respects the insights of its shareholders. We diligently record their concerns, proposals, suggestions, and comments in meeting minutes, and keep them informed about the progress and follow-up actions.

ENCOURAGING MINORITY SHAREHOLDERS TO ATTEND THE GENERAL MEETINGS

The Company encourages minority shareholders to participate in the analyst briefing sessions, the date of which are announced through the Stock Exchange.

Meeting requests of minority shareholders are also entertained where their queries are addressed appropriately to their satisfaction.

INVESTOR RELATIONS SECTION ON PTL WEBSITE

Information is comprehensively disseminated to PTL's investors, shareholders and other stakeholders through multiple platforms including the Corporate Website. In compliance with the requirements of applicable regulatory framework, the website is maintained in both English and Urdu languages

The company's website undergoes regular updates to ensure the provision of extensive information, encompassing areas such as governance, product and service offerings, financial highlights, investor relations and pertinent information.

PRESENCE OF CHAIRMAN OF THE BOARD

The general meeting held during the year was attended by the Board Members including the Chairman of the Board, Chief Executive Officer and other senior management of the Company to address queries and clarifications sought by the shareholders.

ISSUES RAISED AT LAST AGM

Shareholders raised general inquiries and sought clarifications regarding the agenda items, all of which were effectively addressed to their contentment. No noteworthy issues or concerns were brought forth.

IDENTIFICATION OF KEY STAKEHOLDERS

The company has the authority to distribute its resources fairly among essential relationships and activities, and it

takes a careful approach to identifying key stakeholders. We consider a few factors:

- The stakeholder's fundamental impact on the Company.
- The Company's ability to define its expectations from the stakeholder.
- The Company's desire for the relationship to develop.
- The feasibility of the Company's existence without, or easy replacement of, the stakeholder.
- Whether the stakeholder has already been identified through another relationship

Our process of working with stakeholders, how we manage specific relationships, how often we interact with them during the year, and how these relationships might impact our performance and value are detailed under 'stakeholder engagement'.

KEY STAKEHOLDERS OF THE COMPANY

INSTITUTIONAL INVESTORS / SHAREHOLDERS

Management of Stakeholders' Engagement	PTL recognizes and respects the trust that our investors place in the Company by ensuring a consistent return on their investments. We are committed to maintaining a transparent and open relationship with all our stakeholders.
Frequency of Engagement	Regular
Engagement Process	General meetings, Corporate Briefing etc.
Effect and Value	The capital providers enable PTL to realize its vision

CUSTOMERS AND SUPPLIERS

Management of Stakeholders'	PTL has made substantial investments in customer relationship management locally and internationally, going beyond the provision of credit facilities and trade discounts.
Frequency of Engagement	Regular
Engagement Process	Periodic formal and informal meetings / conferences and technical support services
Effect and Value	PTL's success and performance depends on customer's loyalty, preference to the brand over competitors and Company's supply chain management.

BANKS AND OTHER LENDERS

Management of Stakeholders' Engagement	The Company maintains ongoing interactions with banks and other financial institutions to discuss matters related to interest rates, lending requirements, short-term financing, deposits, and investments. Furthermore, consultations with banks encompass topics such as letters of credit, payments to suppliers, and operational disbursements.
Frequency of Engagement	Regular
Engagement Process	Meetings on negotiation of rates on various financing matters
Effect and Value	Engagements with financial institutions and lenders play a pivotal role in enhancing PTL's performance, enabling better access to favorable interest rates and loan terms, reducing fees, improving customer service, and facilitating strategic future planning

MEDIA

Management of Stakeholders' Engagement	The Company maintains ongoing interactions with banks and other financial institutions to discuss matters related to interest rates, lending requirements, short-term financing, deposits, and investments. Furthermore, consultations with banks encompass topics such as letters of credit, payments to suppliers, and operational disbursements.
Frequency of Engagement	Occasional
Engagement Process	As necessary, various communication channels, including press releases in prominent newspapers and announcements on the corporate website's, are employed to inform the general public about recent developments and activities
Effect and Value	By informing the media of the developments and activities of PTL, effective awareness is created regarding the Company and offered products and services, indirectly having a positive impact.

REGULATORS

Management of Stakeholders' Engagement	The Company maintains ongoing interactions with banks and other financial institutions to discuss matters related to interest rates, lending requirements, short-term financing, deposits, and investments. Furthermore, consultations with banks encompass topics such as letters of credit, payments to suppliers, and operational disbursements.
Frequency of Engagement	Regular
Engagement Process	Meetings with officials, submissions of data for review and compliance
Effect and Value	Laws and regulations, determination of prices and other factors controlled by the Government affect PTL and its performance.

EMPLOYEES

Management of Stakeholders' Engagement	PTL's human resource strategy centers on its unwavering commitment to its most valuable asset: a dedicated and skilled workforce. The company fosters a nurturing and employee-friendly environment while making substantial investments in training for both local and international employees. PTL also prioritizes employee well-being by investing in health and fitness programs, alongside competitive monetary compensations
Frequency of Engagement	Regular
Engagement Process	In-house newsletters and notices, televised broadcasts, employee portals.
Effect and Value	Employees are the company's most significant asset, responsible for implementing every strategic and operational decision and representing the company in the industry and the community.





CORPORATE GOVERNANCE FRAMEWORK

Corporate governance is not a destination but a commitment, a culture, and a continuous journey towards integrity, transparency, and responsible stewardship of all stakeholders' interests.

CORPORATE GOVERNANCE

GOVERNANCE FRAMEWORK

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

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

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

GOVERNANCE CONTINUOUS IMPROVEMENT

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

OPENNESS AND TRANSPARENCY

We believe being open and transparent is important - not

only because it helps deliver fair, efficient, and effective customer service but because sharing information about what we do and why we do it helps colleagues and customers to be the best they can be. In the face of social and economic change, we want to lead by example - to influence the debate around transparency in our sector and make sure it's relevant, meaningful and cost-effective to deliver.

MONITORING AND REVIEW OF THE FRAMEWORK

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

ROLE OF THE BOARD, AUDIT COMMITTEE AND RISK COMMITTEE

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

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

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

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

COMPOSITION OF THE BOARD

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

SUCCESSION PLANNING

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

RECRUITMENT AND RENEWAL

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

PERFORMANCE MANAGEMENT - GOVERNANCE EFFECTIVENESS REVIEW

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

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

The review process will include:

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

CONDUCT OF BOARD BUSINESS AND EFFECTIVE DECISION MAKING

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

- A clear delegation framework is developed and compliance with the delegations is monitored;
- Agendas and Plans/Schedule of meetings are agreed with the relevant chair of the board(s) and committees to include regulatory, statutory and business matters (including performance, risk, financial information, and financial controls/risk systems);
- Reports are presented in an approved format and clearly set out the key points for decision and recommendations;
- Time agendas and reports are circulated when possible 1 week in advance of meetings;
- Time is available to discuss reports and issues with the report author/lead prior to meetings;
- Sufficient time is allowed for debate; and
- Decisions are recorded in Minutes, and actions against these are monitored.

ANNUAL REPORTS AND QUARTERLY REPORTS

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

Financial statements (Annual & Quarterly Reports and accounts), Director's report, Statement of Compliance under CCG are published; and

- The Chief Financial Officer and Company Secretary will be responsible for ensuring that the reports, accounts, statements are prepared in accordance with current statutory and regulatory requirements, and best financial and audit practices, and are presented to the Board for approval in advance of being laid before the Annual General Meeting.

REGULATORY AND STATUTORY COMPLIANCE AND RETURNS

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

REMUNERATION

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

TOR'S OF THE BOARD COMMITTEES

AUDIT COMMITTEE CHARTER

The Charter of Board's Audit Committee, constituted under clause 27 of the Listed Companies (Code of Corporate Governance), Regulations, 2019, sets out composition requirement, meeting rules and responsibilities (TOR's) of audit committee approved on December 10, 2020.

COMPOSITION

1. The constitution of Board's Audit Committee will be as follows:
 - a. The Committee will be comprised of at least three members comprising of non-executive directors / independent directors.
 - b. The Chairman of the Committee shall be an independent director, who shall not be the Chairman of the board.
 - c. Chief Executive Officer and Chief Financial Officer shall not be members of the Audit Committee.
 - d. At least one member of the Committee shall be "financially literate";
"Financially literate" means a person who,-
 - I. is a member of any recognized body of professional accountants; or
 - II. Has a post graduate degree in finance from a university or equivalent institution, either in Pakistan or abroad, recognized by HCE of Pakistan; or
 - III. The member should have at least a 10 years' experience as audit committee member or;
 - IV. Minimum 20 years of experience as head of department for finance or audit.

The Secretary of the Committee shall either be Company Secretary or Head of Internal Audit.

The Board discussed and approved Audit Committee members as follows:

BOARD'S AUDIT COMMITTEE

Mr. Javed Masud..... Chairman
Mr. Iqbal Ahmad Khan Member
Mr. Asad Sultan Chaudhry Member

MEETINGS

2. Meetings of the Audit Committee shall be held as follows:
 - a. The Audit Committee shall meet at least once every quarter of the financial year. These meetings shall be held prior to the approval of financial results of the company by its board of directors and after completion of external audit.
 - b. A meeting of the Audit Committee shall be held, if requested by external auditors or Head of Internal Audit or by the Chairman of the Audit Committee.
 - c. CEO&CFO can be invited by the Chairman of the Audit

Committee whenever required to present their point of view.

- d. The Head of Audit and external auditors represented by engagement partner or in his absence any other partner designated by the audit firm shall attend meetings of the Audit Committee at which issues relating to accounts and audit are discussed.
- e. At least once a year, the Audit Committee shall meet the external auditors without the CFO and the Head of Internal Audit being present.
- f. At least once a year, the Audit Committee shall meet the Head of Internal Audit and other members of the internal audit function without the CFO and the external auditors being present.
- g. The Chairman of the Audit Committee and engagement partner of external auditor or in his absence any other partner designated by the audit firm shall be present at the AGM for necessary feedback to the shareholders.
- h. The secretary on the requisition of Chairman shall, at any time, summon audit committee meeting of members. Notice sent to a member through email whether such member is in Pakistan or outside Pakistan shall be a valid notice.
- i. The head of internal audit and external auditors are entitled to receive notice of audit committee meeting where half yearly and annual accounts are to be discussed.
- j. At least one-third (1/3rd) of the total number of members or two (2) members whichever is higher, for the time being of the company, present personally, or through video-link, shall constitute a quorum.
- k. Questions arising at the audit Committee meeting shall be determined by a majority of votes of the members present by show of hands. One member has one vote. No proxy can be appointed. In case of an equality of votes, the chairman shall have and exercise a second or casting vote.
- l. Every meeting shall be chaired by the Chairman of the Committee. In his absence, one of the members by a majority vote shall act as the meeting Chairman.
- m. The Secretary shall circulate minutes of meetings of the Audit Committee to all members, directors, Head of Internal Audit and the CFO prior to the meeting of the board and where this is not practicable, the Chairman of the Audit Committee shall communicate a synopsis of the proceedings to the board and the minutes shall be circulated within 15 days of the meeting of the board.

RESPONSIBILITIES (TOR)

The Committee shall carry out the following responsibilities:

FINANCIAL STATEMENTS

The Committee will carry out the following:

- a. Review of preliminary announcements of results prior to publication;
- b. Determination of appropriate measures to safeguard

- c. Review of quarterly, half-yearly and annual financial statements of the Company's, prior to their approval by the Board of Directors, focusing on:
 - major judgmental areas;
 - significant adjustments resulting from the audit;
 - the going-concern assumption;
 - any changes in accounting policies and practices;
 - compliance with applicable accounting standards;
 - compliance with listing regulations and other statutory and regulatory requirements; and
 - significant related party transactions.

INTERNAL CONTROLS

The Audit Committee shall:

- a. Ascertain that the internal control system including financial and operational controls, accounting system for timely and appropriate recording of income and expenses, receipts and payments, assets and liabilities and reporting structure are adequate and effective;
- b. Review the Company's statement on internal control systems prior to endorsement by the Board of Directors and internal audit reports.

INTERNAL AUDIT

The Audit Committee shall:

- a. Review of the scope and extent of internal audit, audit plan, reporting framework and procedures and ensuring that the internal audit function has adequate resources and is appropriately placed within the Company.
- b. Consider major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;
- c. Determine appointment, remuneration and terms and conditions of employment of the Head of Internal Audit on behalf of the Board of Directors. The removal of Head of Internal Audit shall be made with the approval of the board only upon recommendation of the Chairman of the Audit Committee.

EXTERNAL AUDIT

The Audit Committee shall:

- a. Be responsible for recommending to the Board of Directors the appointment of external auditors by the Company's shareholders and shall consider any questions of resignation or removal of external auditors, audit fees and provision by external auditors of any service to the Company in addition to audit of its financial statements.
- b. Facilitate the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management,

- c. Review management letter issued by external auditors and management's response thereto;
- d. Ensure coordination between the internal and external auditors of the Company.
- e. Ensure that the Company does not appoint a person as an external auditor or a person involved in the audit of the Company who is a close relative, i.e. spouse, parents, dependents and non-dependent children, of the CEO, the CFO, an internal auditor or a director of the listed company.

COMPLIANCE

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

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

HUMAN RESOURCE AND REMUNERATION COMMITTEE CHARTER

The Charter of Human Resource & Remuneration Committee, constituted under clause 28 of the Listed Companies (Code of Corporate Governance), Regulations, 2019, sets out composition requirement, meeting rules and responsibilities (TOR's) of Human Resource & Remuneration committee Approved on December 10, 2020.

COMPOSITION

1. The constitution of Board's Human Resource & Remuneration Committee will be as follows:
 - a. The Committee will be comprised of at least three members comprising of non-executive directors / independent directors.
 - b. The Chairman of the Committee shall be an independent director, who shall not be the Chairman of the board.
 - c. The chief executive officer may be included as a member of the HR & R committee.

The Secretary of the Human Resource and Remuneration Committee shall be the Company Secretary.

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

BOARD'S HR & R COMMITTEE

Mr. Asad Sultan Chaudhry Chairman
Mr. Iqbal Ahmad Khan Member
Mr. Mian Faisal Iftikhar Member

MEETINGS

2. Meetings of the Human Resource & Remuneration Committee shall be held as follows:
 - a. The HR & R Committee shall meet at least once in a financial year.
 - b. Meeting of the Human Resources and Remuneration Committee can also be held, if requested by a member of the Board, or committee.
 - c. The Chief Executive Officer (if the said individual is not a member of HR & R Committee), Head of human resources or any adviser or person may attend the meeting by invitation.
 - d. A member of the committee shall not participate in the proceedings of the committee when an agenda item relating to his performance or review or renewal of the terms and conditions of this service comes up for consideration.
 - e. The secretary on the requisition of member shall, at any time, summon HR & R committee meeting of members. Notice sent to a member through email whether such member is in Pakistan or outside Pakistan shall be a valid notice.
 - f. At least one-third (1/3rd) of the total number of members or two (2) members whichever is higher, for the time being of the company, present personally, or through video-link, shall constitute a quorum.
 - g. Questions arising at the HR & R Committee meeting shall be determined by a majority of votes of the members present by show of hands. One member has one vote. No proxy can be appointed. In case of an equality of votes, the chairman shall have and exercise a second or casting vote.
 - h. Every meeting shall be chaired by the Chairman of the Committee. In his absence, one of the members by a majority vote shall act as the meeting Chairman.
 - i. The Secretary shall circulate minutes of meetings of the HR & R Committee to all members, directors, prior to the next meeting of the HR & R committee.

RESPONSIBILITIES (TOR)

3. The Committee shall carry out the following responsibilities:
 - i. Recommendation to the Board for consideration and approval of a policy framework for determining remuneration of directors (both executive and independent directors; and members of senior management).

- ii. undertaking, annually, a formal process of evaluation of performance of the Board as a whole and its committees either directly or by engaging external independent consultant and if so appointed, a statement to that effect shall be made in the directors' report disclosing therein name and qualifications of such consultant and major terms of his / its appointment;
- iii. recommending human resource management policies to the Board;
- iv. recommending to the Board the selection, evaluation, development, compensation (including retirement benefits) of chief operating officer, chief financial officer, company secretary and head of internal audit;
- v. consideration and approval on recommendations of chief executive officer on such matters for key management positions who report directly to chief executive officer or chief operating officer; and
- vi. Where human resource and remuneration consultants are appointed, they shall disclose to the committee their credentials and as to whether they have any other connection with the company.

RISK MANAGEMENT COMMITTEE CHARTER

The charter of the board's risk management committee, constituted under clause 30 of the listed companies (Code of Corporate Governance), Regulations, 2019, sets out composition requirements, meeting rules and responsibilities (TORs) of the risk management committee approved on April 27, 2022.

COMPOSITION

The constitution of the board's risk management committee will be any class of directors and number of members as it may deem appropriate in the current circumstances. The secretary of the committee shall be the company secretary.

The board discussed and approved risk management committee members as follows:

BOARD'S RISK MANAGEMENT COMMITTEE

Mr. Javed Masud Chairman
Mian Faisal Iftikhar Member
Mr. Zahid Malik Member

MEETINGS

Meetings of the risk management committee shall be held as follows:

1. The secretary on the requisition of chairman shall, at any time, summon risk management committee meetings of members. Notice sent to a member through email whether such member is in Pakistan or outside Pakistan shall be a valid notice.

2. The secretary shall circulate minutes of meetings of the risk management committee to all members within 15 days of the meeting of the committee.

RESPONSIBILITIES (TORS)

The committee shall carry out the following responsibilities:

1. Review of effectiveness of the risk management framework and process, and present a report to the board.
2. Ensure appropriate disclosure of the company's risk management framework and its process and internal control system in the director's report.
3. Monitor and review the following types of risk along with risk treatment i.e., material controls:

A. FINANCIAL RISK:

This will include the following:

- I. Liquidity / Cash flow Risk
- II. Credit Risk
- III. Currency / Exchange Risk
- IV. Interest Rate Risk

B. OPERATIONAL RISK:

Operational risks are risks that may adversely impact the value of the organization caused by internal factors, and operational and administrative procedures. Examples of such risks shall include the following:

- i. Any significant accidents, fatalities, dangerous occurrences, and instances of pollution and environmental problems involving the company;
- ii. Significant public or product liability claims made or likely to be made against the company, including any adverse judgment or order made on the conduct of the company or of another company that may bear negatively on the company;
- iii. Workforce turnover, supply-chain disruption, IT system shutdowns or control failures, etc.
- iv. Monitoring the quality of production.

C. STRATEGIC RISK:

These risks are mostly external and emanate from the formation of the company's strategic objectives and business strategy decisions. Strategic risk will include market risk.

D. COMPLIANCE RISK:

The compliance risk includes compliance with specified laws and regulations.

NOMINATION COMMITTEE CHARTER

The charter of the board's Nomination Committee, constituted under clause 29 of the Listed Companies

(Code of Corporate Governance), Regulations, 2019, sets out composition requirements, meeting rules and responsibilities (TOR's) of the Nomination Committee approved on April 27, 2022.

COMPOSITION

1. The constitution of the board's Nomination Committee will be any class of directors and number of members as it may deem appropriate in the current circumstances.
2. There should be no duplication or conflict with matters stipulated under TORs of Human Resource and Remuneration Committee (HRRC).

The Secretary of the Committee shall be the Company Secretary.

The Board discussed and approved Nomination Committee members as follows:

BOARD'S NOMINATION COMMITTEE

Mian Iftikhar Ahmed Chairman
Mian Faisal Iftikhar Member

MEETINGS

3. Meetings of the Nomination Committee shall be held as follows:
 - a. The secretary on the requisition of Chairman shall, at any time, summon the Nomination Committee meeting of members.
 - b. Every meeting shall be chaired/attended by the Chairman of the committee.
 - c. The Secretary shall circulate minutes of meetings of the Nomination Committee to all members within 15 days of the meeting of the committee.

RESPONSIBILITIES (TORS)

4. The Committee shall carry out the following responsibilities:
 - a. To consider and make recommendations to the board in respect of the structure, size, and composition of the board's committees and the chairmanship of the board's committees.
 - b. To review the structure, size, and composition (including the skills, knowledge, and experience) of the board and make recommendations on any proposed changes to the board.
 - c. To make recommendations to the board on succession planning for members of the board and its committees;
 - d. To make recommendations to the board on appointments to fill casual vacancies on the board or committees;

RISK MANAGEMENT

RISK GOVERNANCE

The Company's Board of Directors is responsible for the establishment and oversight of an effective risk management framework. It is also responsible for developing and monitoring risk management policy to determine the Company's level of risk tolerance.

The roles and responsibilities at various levels of our risk management program are outlined in the Company's risk governance structure.

KEY SOURCES OF UNCERTAINTY

In preparing the Company's financial statements, management has made judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in application of accounting policies are duly disclosed in the financial statements of the Company. These key sources of uncertainty in estimation carry a significant risk which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

ASSESSMENT OF PRINCIPAL RISKS

The Board of Directors is responsible for conducting a critical analysis of all risks that could threaten the business model, future performance, solvency or liquidity of the Company. The responsibility for monitoring and control of these risks has been delegated to the management of the Company.

The Board's Audit Committee has been tasked to oversee the risk management policy and procedures. All departments of the Company are responsible for identification and evaluation of all types of risks relating to their areas, devising adequate mitigating strategies thereof and report any changes / additions therein to the Audit Committee on periodic basis.

STRATEGIC, COMMERCIAL, OPERATIONAL AND FINANCIAL RISK

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

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

- **Strategic Risk:** These risks are mostly external in nature and emanate from the formation of Company's strategic objectives and business strategy decisions and may impact execution thereof. The Board of Directors actively oversees the management of these risks and creates mitigating strategies wherever required.
- **Commercial Risk:** These risks are associated with the commercial substance of an organization. Reduction in an entity's market share, product price regulation or other regulatory amendments posing threat to the organization's profitability and commercial viability are a few examples of these risks affecting the Company.
- **Operational Risk:** Operational risks are such risks which may adversely impact the value of the organization caused by internal factors, operational and administrative procedures, such as workforce turnover, supply-chain disruption, IT system shutdowns or control failures.
- **Financial Risk:** The following financial risks have been duly explained in the financial statements of the Company:
 - Credit risk
 - Liquidity risk
 - Market risk

INTERNAL CONTROL POLICY

OBJECTIVE

We are committed to provide uncompromised best Quality products to its customers via highest international standards of operations, good governance, and its effective and efficient management.

The Board of Directors recognizes that the establishment of a sound system of risk oversight and management and internal control is a fundamental requirement of good corporate governance. This policy describes the manner in which the Company identifies, assesses, monitors and mitigates risks. It focuses on the responsibility of certain governance structures to control the operations of the Company.

There are five interrelated components of internal control that should be present and functioning, forming an integrated system of controls:

1. The control environment, which includes the integrity, ethical values, and competence of the Company's employees;
2. Risk assessment;
3. Control activities;
4. Information and communications; and
5. Monitoring

PROCESSES

The Management is charged with the responsibility for establishing procedures with the objective of controlling the operations in a manner that provides the Board of Directors with a reasonable assurance that:

- Data and information published either internally or externally are accurate, reliable, and timely;
- The actions of managers and employees are in compliance with the Company's policies, procedures, standards, and all relevant laws and regulations;
- The Company's resources (including its people, assets, systems, and data/information bases) are adequately protected;
- Resources are acquired economically and employed profitably; quality business processes and continuous improvement are emphasized; and
- The Company's plans, programs, goals, and objectives are achieved.

CONTROL

Overall Control Environment and Control Procedures
The Company maintains an established control framework comprising clear structures, authority limits and accountabilities, well understood policies and procedures.

INTERNAL AUDITING FUNCTION

The internal auditing function is charged with the responsibility to evaluate that the ongoing processes for controlling operations throughout the Company are adequately designed and functioning in an effective manner. Internal auditing is also responsible for reporting to senior management and Board Audit Committee on the adequacy and effectiveness of internal controls, together with recommendations to improve the systems.

The internal auditing function should contribute to the governance process by evaluating/improving the processes through which:

- Values and goals are established and recommended;
- Accomplishment of goals is monitored;
- Accountability is ensured; and
- Values preserved.

The Company's internal audit function which reports to the Board Audit Committee, performs independent reviews of control environment and control procedures through detailed audits and on-site re-performance of test of controls to ensure compliance with pre-defined policies and procedures.

AUDIT COMMITTEE

The internal auditing function is charged with the responsibility to:

- Review of the interim and annual financial statements of the Company prior to approval by the Board of Directors
- Discussions with the external auditors of major observations arising from interim and final audits; review of management letter issued by the external auditors and management's response thereto
- Review of scope and extent of internal audit ensuring that the internal audit function has adequate resources and is appropriately placed within the Company
- Recommending to the Board of Directors the appointment of external auditors by the Company's shareholders and any question of resignation or removal of external auditors, audit fees and provision by external auditor of any service to the Company in addition to the audit of its financial statements
- Ascertain adequacy and effectiveness of the internal control system including financial and operational controls, accounting system and reporting structure
- Determination of compliance with relevant statutory requirements and monitoring compliance with the best practices of corporate governance.

COMMUNICATION AND DISCLOSURE POLICY

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

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

DISCLOSURE COMMITTEE RESPONSIBILITY

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

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

RUMORS

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

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

MATERIAL INFORMATION

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

QUALITY POLICY

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

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



WHISTLE BLOWING POLICY

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

This policy applies to all individuals working for PTL at all levels and grades including, members of the Senior Management, Senior Managers, Employees (including permanent, temporary and part time employees), Contractors, External Consultants, Suppliers, Vendors and Customers including all personnel affiliated with third parties.

We encourage the Whistle Blower to share a genuine concern if there are reasonable grounds for believing that:

- A criminal offence including fraud has been committed, is being committed, or is likely to be committed.

- A person has failed, is failing, or is likely to fail to comply with his or her legal obligations whether derived from statute, regulations or contract.
- A false or inaccurate allegation has been made, is being made, or is likely to be made against a person connected with PTL (whether a co-employee, an adviser or supplier of the Company or a customer).
- Forgery of company documents and financial instruments like cheques and securities.
- Theft or misappropriation of PTL's assets.
- Conflict of interest and abuse of office.
- Disclosure / leakage of business secrets and other confidential company and its customers' information obtained during the course of employment.
- Misuse of the Company's property, misuse of authority, misuse of systems or unauthorized sharing of passwords.

HEALTHY SAFETY & ENVIRONMENT POLICY

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

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

- By displaying safety signs in each & every department to create awareness & educative to minimize the accidents and to ensure safety of employees.
- Minimizing pollution (Air, Water & Noise) at all level by adopting prevention schemes.

- Implementation evacuations plans for the safe exit of employees in case of any emergency, in the organization.
- Implementation prevention plans for accidents, risks to avoid health and damage to the environment.
- Ensuring compliance of applicable Health, Safety and Environment laws & regulations by using best industrial practices.
- By installing the fire alarms in each area to minimize the risk of fire and to ensure safe working environment.
- Providing trainings to employees in good HSE practices



CORPORATE SOCIAL RESPONSIBILITY

Success measured not just in numbers, but in the positive change we bring. That's the essence of Corporate Social Responsibility.

CORPORATE SOCIAL RESPONSIBILITY

“At Panther Tyres, our unwavering belief in corporate social responsibility (CSR) supports our corporate culture. Throughout the year, we have honored our commitment to effecting positive change within our communities. We have pursued this mission through diverse avenues, such as empowering women to achieve societal importance and providing educational opportunities for local youth. Moreover, we have organized corporate trip to enhance employee well-being. CSR embodies our essence at Panther Tyres, transcending mere obligation to represent a pledge for a more promising tomorrow.”

FOODPANDA COLLABORATION

Panther Tyres recognizes the essential role played by delivery riders in the success of food delivery services provided by Foodpanda. Understanding that the condition of tires directly impacts their day-to-day operations and safety, Panther has taken the initiative to collaborate with Foodpanda in providing affordable tires and tubes to delivery riders. This collaboration aims to support the riders in maintaining their vehicles effectively, thereby enhancing their efficiency and overall work experience.

The importance of this collaboration lies in Panther's commitment to the welfare of the delivery riders who often face challenges due to the wear and tear of their tires, which can lead to increased risks on the road. By offering discounts of 12%, 15%, and 18% based on the rider's batch number, Panther aims to incentivize the riders to stay active in their food delivery endeavors and rewards their commitment and dedication.

This collaboration directly addresses a specific social issue faced by a vulnerable group in the community - the delivery riders. By providing them with discounted tires and tubes, Panther contributes to their welfare and promotes road safety. Moreover, the collaboration reflects Panther's dedication to making a positive impact on the community it serves and embodies the principles of sustainable business practices, where corporations acknowledge their responsibilities towards society beyond their core business activities.

CLIMATE CHANGE ACTIVITY

As part of its commitment to corporate social responsibility, Panther Tyres has partnered with Arqam School's Nishtabad Campus for a climate change awareness campaign. In this initiative, Panther has donated a significant amount of waste and used tires to the school, aiming to raise awareness regarding environmental change and promote recycling practices for climate control.

The significance of this activity lies in its potential to foster environmental consciousness among the students, teachers, and the broader community. By providing the school with used tires, Panther facilitates practical demonstrations and educational workshops on responsible waste management and recycling. The campaign showcases the environmental impact of tire waste and emphasizes the importance of reusing and recycling tires to combat climate change.

This collaboration underscores Panther's commitment to addressing pressing environmental issues and contributing to a greener and more sustainable future. By actively participating in initiatives that promote climate change awareness and responsible waste management, Panther demonstrates its dedication to the well-being of the local community and the planet at large. This event aligns with the core principles of corporate social responsibility, wherein companies take initiatives beyond their profitseeking motives to actively support and empower the communities they serve.



PLANTATION

At Panther Tyres, our commitment to corporate social responsibility (CSR) extends to environmental conservation, and one of our key initiatives involves tree plantation programs. We believe in giving back to the planet that sustains us, and this belief manifests in our dedication to planting trees across communities. As we continue to expand our CSR activities, tree plantation remains a core component of our commitment to a greener, more sustainable future.

MMA AND FIGHTING SERIES

To promote sports and support lesser-recognized disciplines, Panther Tyres has sponsored the ARY Warriors, Legacy Fight and Realwrd League. The purpose of this sponsorship is to create opportunities for athletes in the realm of mixed martial arts (MMA) and to popularize this sport within the country.

By supporting these MMA and fighting series, Panther aims to encourage the growth and recognition of MMA in Pakistan. This sponsorship provides athletes with a platform to showcase their skills and talent while also nurturing a sporting culture that celebrates diversity and individual achievements.



WORK LIFE HARMONY

The Panther Accounts Department embraces a unique advantage that sets the stage for an ideal work-life balance. Located in the scenic northern region, from Islamabad to Passu, including Skardu and the picturesque Ferry Meadows, our team enjoys a wonderful mix of professional expertise and the beauty of nature. This remarkable location not only creates a peaceful atmosphere for relaxation but also allows for the exploration of the stunning landscapes in northern Pakistan. At Panther, we recognize the significance of balancing career goals with personal well-being, and this commitment is evident in our efforts to ensure that our employees experience a healthy work-life balance.



WOMEN EMPOWERMENT

In a bid to empower women, Panther Tyres is currently working on several impactful initiatives such as collaboration with influential female personalities, including the renowned motorcyclist Zenith Irfan, as brand ambassador. It has been more than a year since Panther Tyres is working on women empowerment. Panther celebrated the Pakistan Day by inviting two of the esteemed guest; Justice Nasira Iqbal (Daughter in law of Allama Iqbal) and Zenith Irfan (Motorcycle Girl).

Purpose of hosting such event aims to promote the empowerment of women in various fields and inspire other women to break barriers and achieve their goals.



PANTHER CAMPAIGN

Panther tyres has launched a new campaign called "PantHer", a range of tyres specially designed for women to meet the diverse needs and preferences of female drivers. Three new tyres have been launched for women, the tyres have been named Princess, Shirmi and Freedom.

Moreover, Panther is coming up with its own mobile "Panther" application. which will be centered around women safety as it will include features like live tracking, nearest tyre station locations, emergency button linked with rescue 1122 and police. Moreover, podcast and many inspiring stories will be included in the entertainment section that will include short stories of strong women, and many other interesting features.



CRICKET SERIES

Panther Tyres has sponsored multiple cricket series to contribute to the development of the sports community and helps nurture the potential of national athletes. The sponsorship exemplifies Panther's dedication to promoting a healthy and active lifestyle through sports and supporting athletes in their pursuit of excellence.



THE NOOR PROJECT

The Noor Project underscores their dedication to fostering positive and lasting change within society. By aligning with their noble mission of breaking the cycle of poverty and restoring human dignity. By contributing to this philanthropic gesture not only demonstrates their concern for the welfare of the less privileged but also highlights their proactive role in making a tangible impact on the community.



**DRIVE TOWARDS
A GREENER
TOMORROW**



PANTHER TYRES
LEVEL HE AUR HAI

NOTICE OF ANNUAL GENERAL MEETING



Notice is hereby given that the 40th Annual General Meeting (AGM) of Panther Tyres Limited (the "Company") will be held on Tuesday, September 26, 2023, at 01:30 p.m. at the Faletti's Hotel, 24-Egerton Road, Lahore, to transact the following business:

ORDINARY BUSINESSES:

- To confirm the minutes of the last Extra Ordinary General Meeting (EOGM) held on December 28, 2022.
- To receive and adopt the company's audited financial statements for the year ended June 30, 2023, with the Auditors' Report, Directors' Report, Chairman's Review reports, etc.
- To consider and approve the cash dividend for the year ended June 30, 2023, at the rate of 20%, i.e., Rupee 2.0 per share as recommended by the Board of Directors; and
- To appoint auditors and to fix their remuneration. The members are hereby notified that the Board of Directors have recommended the name of KPMG Taseer Hadi & Co., Chartered Accountants, for new appointment as auditors of the company for the year ending June 30, 2024.
- To transact such other business as may be placed before the meeting with the permission of the Chairman.

SPECIAL BUSINESS:

- To approve the circulation of the Annual Report (including the Audited Financial Statements, Auditor's Report, Directors' Report, and Chairman's Review Report to the Members of the Company through QR-enabled code and weblink, following Section 223(6) of the Companies Act, 2017 read with S.R.O. 389(I)/2023 dated March 21, 2023.

"RESOLVED THAT the approval be and is hereby given to allow the Company to circulate the annual audited financial statements to its members/shareholders through Quick Response (QR) enabled code and weblink instead of through CD/DVD/USB, subject to the requirements of Notification No. S.R.O. 389(1)/2023 of Securities and Exchange Commission of Pakistan dated March 21, 2023"

Statement as required under Section 134(3) of the Companies Act, 2017 concerning the special business to be considered at the meeting is being sent to the shareholders with this notice.

By Order of the Board

Lahore:
September 04, 2023

Mohsin Muzaffar Butt
Company Secretary

NOTES:

1. CLOSURE OF SHARE TRANSFER BOOKS

The Share Transfer Books of the Company will remain closed from September 20, 2023, to September 26, 2023 (both days inclusive). Transfers / CDS transaction IDs received at the Company's Share Registrar, M/s Corplink (Pvt.) Limited, Wing Arcade, 1-K Commercial, Model Town, Lahore, PABX No (92-42)35916714 and Email shares@corplink.com.pk at the close of business on September 19, 2023, will be treated in time for the above entitlement of cash dividend and to attend and vote at the AGM.

2. PROXY

Members of the company entitled to attend and vote at the company meeting may appoint another member as their proxy to exercise his rights to attend, speak and vote. The proxy form is available on the company's website. The proxy form must be signed by the appointer or attorney duly authorised in writing, or if the appointer is a company, it must be signed by an officer or attorney duly authorised.

A company may authorise an individual to act as its representative at the meeting by resolution of its Board. The authorised individual shall be entitled to exercise the same powers for the company he represents. The proxies must be lodged with the company by forty-eight hours before holding the AGM.

When attending the meeting, a member or proxy shall authenticate their identity by showing the original CNIC/passport.

3. VIDEO CONFERENCE FACILITY

Under the Companies Act 2017 provisions, the shareholders residing in a city and collectively holding at least 10% of the total paid-up share capital may demand the Company to provide the video-link facility for participating in the meeting. The demand for video-

link facility shall be received by the Company at least seven days before the meeting date.

I/we _____ of _____ being members of Panther Tyres Limited holder _____ Ordinary Shares(s) as per Registered Folio No / CDC Account No. _____ hereby opt for a video conference facility at [name of city] regarding the Company's Annual General Meeting.

The Company will inform respective members regarding the venue of the video-link facility five days before the meeting, along with complete information necessary to enable them to access the facility.

4. WITHHOLDING TAX ON DIVIDENDS

The withholding tax rates on the amount of dividend are as under:

- Rate of tax deduction appearing in Active Taxpayer List (ATL) 15%
- Rate of tax deduction not appearing in Active Taxpayer List (ATL) 30%

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 Active Taxpayers List (ATL) provided on the website of FBR, even though they are filers, are advised to make sure that their names are entered into ATL before the date of approval of the cash dividend, at the Annual General Meeting on September 26, 2023, otherwise, tax on their cash dividend will be deducted @ 30% instead of 15%.

In the case of a Joint account, each holder is to be treated individually as appearing in ATL or not appearing in ATL. Tax will be deducted based on the shareholding of each joint holder as may be notified by the shareholder, in writing as follows, to our Share Registrar, or if not so notified, each joint holder shall be assumed to have an equal number of shares.

Company Name	Folio / CDC A/C No.	Total No. of Shares	Principal Shareholder		Joint Holder(s)	
			Name and CNIC No.	Shareholding Proportion (No. of Shares)	Name and CNIC No.	Shareholding Proportion (No. of Shares)

The Corporate shareholders with CDC accounts must update their National Tax Number (NTN) with their respective participants. The shareholders, while sending NTN or NTN certificates, as the case may be, must quote the company name and their respective Folio numbers.

Withholding tax exemption from dividend income shall only be allowed if a copy of a valid tax exemption certificate is made available to our Share Registrar, Corplink Private Limited, Wings Arcade, 1-k Commercial, Model Town, Lahore.

Members are requested to submit their Notarized Declarations (CZ-50) as per Zakat & Ushr Ordinance, 1980, with their CDC participants if they want to claim exemption towards non-deduction of zakat on cash dividends.

5. PLACEMENT OF FINANCIAL STATEMENTS

By section 223 (6) of the Companies Act, 2017, the audited financial statements of the Company for the year ended June 30, 2023, together with the Chairman's Review Report, Directors' Report, and Auditor's Report, have been sent to the stakeholders of the company by post or electronically. By section 223(7), the statements mentioned above/reports are available on the company's website.

6. INFORMATION REQUIRED FROM SHAREHOLDERS

Shareholders are requested to report/update the following information/documents with their respective CDS participants if not earlier reported/updated: -

- a. Change in their addresses.
- b. According to the requirement of Section 242 of the Companies Act 2017, any dividend payable in cash declared by a listed company shall only be paid electronically directly into the bank account designated by the entitled shareholder.
- i. Accordingly, shareholders who still need to report/update their International Bank Account Number (IBAN) are requested to furnish the information on a priority basis. In case of non-submission of IBAN of 24 digits, the Company will withhold the payment of dividends under the Companies (Distribution of Dividends) Regulations, 2017.
- ii. According to the CDC record, the accounts of some shareholders are grouped under IFA, meaning the CDC account is inactive for any reason. The shareholders are requested to regularise the accounts with CDC and enable us to pay dividends timely through electronic mode.

7. COMPANY CONTACT

As per Circular No. 05 of 2020, dated March 16, 2020, read with Circular No. 4 of 2021, dated February 15,

2021; the shareholders may contact the Company at either of the following:

Company: Email: corporate@panthertyres.com

WhatsApp/Mobile: 0301-7539619

Registrar Email: shares@corplink.com.pk

WhatsApp/Mobile: 0300-9417476

8. POLLING ON SPECIAL BUSINESS

The members are hereby notified that under Companies (Postal Ballot) Regulations, 2018 amended through Notification S.R.O 2192/(1)/2022 dated December 05, 2022, issued by the Securities and Exchange Commission of Pakistan ("SECP"), wherein SECP has directed all the listed companies to provide the right to vote through electronic voting facility and voting by post to the members on all businesses classified as special business.

Accordingly, members of Panther Tyres Limited (the "Company") will be allowed to exercise their right to vote through the electronic voting facility or voting by post for the special business in its forthcoming AGM to be held on Tuesday, September 26, 2023, at 1:30 PM, following the requirements of the Regulations mentioned above.

9. PROCEDURE FOR E-VOTING

- Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company by the close of business on September 19, 2023, by Corplink (Private) Limited, the e-voting service provider.
- The identity of the members intending to cast a vote through e-voting shall be authenticated through electronic signature or authentication for login.
- E-voting lines will start on September 23, 2023, at 09:00 AM and close on September 25, 2023, at 5:00 PM. Members can cast their votes at any time during this period. Once members vote on a resolution, they shall not be allowed to change it.

10. PROCEDURE FOR VOTING THROUGH POSTAL BALLOT

The members shall ensure that duly filled and signed ballot paper along with a copy of the Computerized National Identity Card (CNIC) should reach the Chairman of the meeting through post on the Company's registered address, 97-B, Aziz Avenue, Jail Road, Lahore, or email at corporate@panthertyres.

com one day before the Annual General Meeting on September 25, 2023. The signature on the ballot paper shall match the signature on CNIC.

For the members' convenience, the ballot paper is annexed to this notice, and the same is also available on the Company's website at www.panthertyres.com for download.

STATEMENTS AS REQUIRED UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017 IN RESPECT OF THE SPECIAL BUSINESS

Agenda Item 6 - Approval of circulation of the Annual Audited Accounts of the Company to its members/ shareholders through Quick Response (QR) enabled code and web link.

Securities and Exchange Commission of Pakistan (SECP), through its Notification No. S.R.O. 389(1)/2023, dated March 21, 2023, has allowed the companies to circulate the Annual Audited Financial Statements to its Members/Shareholders through Quick Response (QR) enabled code and weblink instead of through CD/DVD/USB.

Considering the optimum use of advancements in technology and fulfilling the Company's corporate social responsibility to the environment and sustainability, members' approval is being sought for the circulation of the Annual Report (including Annual Audited Financial Statements and other reports contained therein) to the Members of the Company through QR enabled code and weblink following S.R.O. 389(1)/2023 dated March 21, 2023.

The notice of the meeting shall be dispatched to members as per requirements of the Act, on their registered address, containing the QR code and the weblink address, to view and download the annual audited financial statements together with the reports and documents required to be annexed thereto under the Act. The Company shall circulate the annual audited financial statements along with the Auditors' report, Directors' report, Chairman's review report, etc., through Email in case the Email address has been provided by the member to the Company and the consent of the member to receive the copies through Email is not required. The Company shall send the complete financial statements with relevant documents in hard copy to the shareholders, at their registered addresses, free of cost, within one week if the member requests on the Standard Request Form available on the Company's Website.

اطلاع برائے سالانہ اجلاس عام

ماضی بذریعہ نائب (Proxy)

2- ایسا ممبر جو سالانہ اجلاس عام میں شرکت اور رائے دہی کا اہل ہوگا وہ کسی دوسرے شخص کو تحریری طور پر اپنا نمائندہ مقرر کر کے اجلاس عام میں شرکت، خطاب اور رائے دہی کا اختیار دے سکتا ہے۔ پراکسی فارم نوٹس ہذا کے ساتھ لطف ہے۔ پراکسی فارم پر تقرری کرنے والے شخص یا اس کے تحریری طور پر مجاز عیار کے دستخط ہوں گے۔ اگر تقرری کرنے والا ایک کارپوریٹ ادارہ ہے تو پراکسی فارم پر مجاز افسر یا مجاز مقرر کے دستخط اور کھیتی کی ضروری ہوگی۔

کھیتی کا ممبر ہونے کے ناطے کارپوریٹ ادارہ بورڈ کی قرارداد کے ذریعے مقرر کردہ کسی فرد کو اجلاس عام میں شرکت کے اپنا نمائندہ مقرر کر سکتا ہے۔ اس طرح سے مقرر ہونے والا فرد اس ادارے کی طرف سے تمام اختیارات کا حامل ہوگا۔ پراکسی فارم اجلاس شروع ہونے سے اڑتالیس گھنٹے قبل کھیتی کو مل جانا چاہیے۔

اجلاس عام میں شرکت کے موقع پر ممبر یا نائب اپنے اصل شناختی کارڈ یا پاسپورٹ دکھا کر اپنی شناخت کروائے گا۔

سالانہ اجلاس میں ویڈیو کانفرنس کے ذریعے شرکت کی سہولت

3- کمپنیز ایکٹ 2017 کی دفعات کے مطابق، ایسے شیئرز ہولڈرز جو ایک ہی شہر میں رہتے ہیں اور ان کے پاس مجموعی طور پر ایڈاپٹ کھیل کے کم از کم دس فیصد حصص ہوں، وہ کھیتی سے مطالبہ کر سکتے ہیں کہ کھیتی انہیں اجلاس عام میں شرکت کیلئے ویڈیو لنک کی سہولت فراہم کرے۔ ویڈیو لنک فراہم کرنے کا مطالبہ اجلاس منعقد ہونے کی تاریخ سے کم از کم سات دن قبل کھیتی کو موصول ہونا چاہیے۔

4- میں اہم..... ساکن..... منتظر نائز لیمیٹڈ کھیتی کے ممبران ہونے کی حیثیت سے..... عام شیئرز رکھتے ہیں۔ ان شیئرز کا فوئیو نمبر اور سی ڈی سی اکاؤنٹ نمبر..... ہے۔ مجھے..... انہیں سالانہ اجلاس عام میں شرکت کے ذریعے ویڈیو کانفرنس کیلئے..... اس (شہر کا نام) سہولت مہیا کی جائے۔

کھیتی متعلقہ ممبران کو ویڈیو لنک سہولت کے مقام کے حوالے سے اجلاس شروع ہونے سے پانچ دن قبل اطلاع کرنے کی اور اس سہولت سے مستفید ہونے کے حوالے سے مکمل معلومات بھی فراہم کرے گی۔

4- منافع منقسمہ پر Withholding Tax

منافع منقسمہ کی رقم پر دو ہولڈنگ ٹیکس کی شرحیں مندرجہ ذیل ہیں:

a. 15% کیونٹیکس پیئر فہرست (ATL) میں ظاہر ہونے والوں کے لئے ٹیکس ڈیڈکشن کی شرحیں

b. 30% کیونٹیکس پیئر فہرست (ATL) میں ظاہر نہ ہونے والوں کے لئے ٹیکس ڈیڈکشن کی شرحیں

کھیتی کو ٹیکس ڈیڈکشن کی رقم پر 30% کی بجائے 15% ٹیکس کوٹنی کرنے کے قابل بنانے کے لیے، وہ تمام شیئرز ہولڈرز جن کے نام ایف بی آر کی ویب سائٹ پر فراہم کردہ ایکٹیو ٹیکس دہندگان کی فہرست (ATL) میں درج نہیں ہیں، حالانکہ وہ فائلرز ہیں۔ کو ہدایت کی جاتی ہے کہ اس بات کو یقینی بنائیں کہ 26 ستمبر 2023 کو ہونے والے سالانہ اجلاس میں نقد ڈیڈکشن کی منظوری کی تاریخ سے پہلے ان کے نام ATL میں درج کیے گئے ہیں، بصورت دیگر، ان کے ٹیکس ڈیڈکشن پر 15% کی بجائے 30% ٹیکس مہیا کیا جائے گا۔

مشترک اکاؤنٹ کی صورت میں، ہر ایک ہولڈر کو انفرادی طور پر ATL میں ظاہر ہونے یا ATL میں ظاہر نہ ہونے کے طور پر خیال کیا جائے گا۔ ٹیکس کی کوٹنی ہر مشترک ہولڈر کے شیئرز ہولڈر کی بنیاد پر کی جائے گی جیسا کہ شیئرز ہولڈر کی طرف سے مندرجہ ذیل تحریری طور پر ہمارے شیئرز رجسٹر کو مطلع کیا جائے گا، یا اگر مطلع نہیں کیا گیا ہے تو، ہر مشترک ہولڈر کے پاس حصص کی برابر تعداد کا فرض کیا جائے گا۔

بذریعہ نوٹس ہذا مطلع کیا جاتا ہے کہ منتظر نائز لیمیٹڈ (کھیتی) کا چالیسواں (40واں) سالانہ اجلاس عام بروز منگل مورخہ 26 ستمبر 2023 بمقام فلیٹیج ہوٹل، 24 ایجنٹ روڈ، لاہور میں بوقت 1:30 بجے دوپہر مندرجہ ذیل امور کی انجام دہی کیلئے منعقد ہو رہا ہے۔

عمومی امور

1- 28 دسمبر 2022 کو منعقدہ گزشتہ غیر معمولی اجلاس عام (EOGM) کی کارروائی کی توثیق کرنا۔
2- کھیتی کے آڈٹ شدہ مالیاتی حسابات برائے سال ختمہ 30 جون 2023 بمع ڈائریکٹرز رپورٹ، آڈیٹر رپورٹ اور جیٹیز مین کی جائزہ رپورٹ کی وصولی، غور و غوص اور ان کی منظوری۔
3- بورڈ آف ڈائریکٹرز کی جانب سے سفارش کردہ حتمی منقسمہ منافع کی ادائیگی 2 روپے فی شیئر (20 فیصد) کی منظوری دینا۔

4- کھیتی کے آڈیٹر کا تقرر اور ان کا مشاہرہ مقرر کرنا۔ اس حوالے سے ارکان کو اطلاع دی جاتی ہے کہ بورڈ آف ڈائریکٹرز نے سمرز کے پی ایم جی، تاہمیر جادی، چارلز ڈاؤننگ کی سال ختمہ 30 جون 2024 کیلئے تقرری کی سفارش کی ہے۔

5- صاحب صدر کی اجازت سے کوئی دیگر امور جو اجلاس عام میں رکھے جاسکتے ہیں سرانجام دینا۔
خصوصی امور

6- کھیتی ایکٹ 2017 کی شق (6) 203 کے مطابق بذریعہ 2023 S.R.O. 389(1) مورخہ 21 مارچ 2023 کھیتی کے سالانہ مالیاتی گواہوں سے معیت جیٹیز مین کی جائزہ رپورٹ، آڈیٹر رپورٹ اور ڈائریکٹرز رپورٹ کھیتی کے شیئرز ہولڈرز کو بذریعہ کوٹیک ریپانس (QR) ایپلیڈ کوڈ اور ویب لنک کے ذریعے ترسیل کرنے کیلئے منظوری دینا۔

مزید قرار پایا کہ بذریعہ نوٹیفیکیشن 2023 S.R.O. 389(1) مورخہ 21 مارچ 2022 جاری کردہ منجانب سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان منظوری کھیتی کو سالانہ آڈٹ شدہ مالیاتی گواہوں کو CD/DVD/USB کی بجائے کوٹیک ریپانس (QR) فعال کوڈ اور ویب لنک کے ذریعے اپنے ارکان اہل حصص یا ڈنگان کو گردش کرنے کی اجازت دی گئی ہے۔

بحکم بورڈ

محسن مظفر بٹ

کھیتی سیکریٹری

لاہور: 04 ستمبر 2023

ضروری گذارشات

1- حصص منتقلی کتاب کی بندش

کھیتی کے حصص منتقلی کی کتابیں 20 ستمبر 2023 تا 26 ستمبر 2023 تک بند ہیں گی (بشمول دونوں دن)۔ اس سلسلہ میں جو منتقلی ہمارے شیئرز رجسٹر کے دفتر سمرز کارپ لنک پرائیویٹ لیمیٹڈ ونگ آر کیڈ 1-1 کمرشل، ماڈل ٹاؤن لاہور اور PABX No. (92-42)35916714 اور ای میل shares@corplink.com.pk پر 19 ستمبر 2023 کے کاروباری دن کے اختتام تک وصول ہوجائے گی، اور منتقلی ایڈکوسالانہ اجلاس عام (ایس ای ایم) میں شرکت، منقسمہ منافع اور ووٹ کے استحقاق کیلئے بروقت تصوری کی جائے گی۔

کھیتی نام	فولیو ای ڈی سی	شیئرز کی تعداد	پر نیٹل شیئرز ہولڈرز	جو انٹ شیئرز ہولڈرز
اکاؤنٹ نمبر	(شیئرز کی تعداد)	نمبر	نام اور شناختی کارڈ نمبر	نام اور شناختی کارڈ
			شیئرز ہولڈنگ کا نام	شیئرز ہولڈنگ کا نام
			(شیئرز کی تعداد)	

امور قرار دیے جانے والے تمام امور کیلئے ممبران کو ایکٹرا تک دوگن سہولت کے ذریعے اور ڈاک کے ذریعے ووٹ دینے کا حق دینے کی ہدایات دی گئی ہیں،

ایکٹرا تک دوگن اور ڈاک کے ذریعے رائے دہی کی سہولیات فراہم کی جارہی ہیں۔ اس کے مطابق، منتظر نائز لیمیٹڈ (کھیتی) کے ممبران کو 26 ستمبر 2023 بوقت دوپہر 1:30 بجے منعقد ہونے والی AGM میں خصوصی امور کیلئے مذکورہ بالا ریگولیشنز میں مقرر کردہ شرائط اور طریقہ کار کے تحت ای دوگن اور رائے دہی کے ذریعے ڈاک کا حق استعمال کرنے کی اجازت دی جائے گی۔

9- ای دوگن کا طریقہ کار

ای دوگن سہولت کھیتی کے ممبران کو بذریعہ ای میل فراہم کی جائے گی جن کے کارڈ CNIC نمبر، نیٹ فون نمبر اور ای میل ایڈریس کھیتی کے ممبران کے رجسٹر کارپ لنک (پرائیویٹ) ایپلیڈ میں 19 ستمبر 2023 کو کارڈ کے اختتام تک دستیاب ہوں گے۔

ای دوگن کے ذریعے اپنا ووٹ دینے کے خواہاں ممبران کی شناخت ایکٹرا تک سٹیچر (برقیاتی حد) کے ذریعے لاگ ان کے لئے تصدیق کے ذریعے کی جائے گی۔ ممبران اپنے ووٹ 23 ستمبر 2023 صبح 9:00 بجے 25 ستمبر 2023 کو شام 5:00 بجے تک بذریعہ آن لائن ڈال سکیں گے۔ ممبران اس دوران کسی بھی وقت ووٹ ڈال سکیں گے۔ کسی ممبر کو ایک بار ووٹ دینے کے بعد اسے تہمیل کرنے کی اجازت نہیں ہوگی۔

10- بذریعہ ڈاک رائے دہی کا طریقہ کار:

ممبران چھٹی بنا سکیں گے کہ باضابطہ پر شدہ اور دستخط کردہ پلٹ پیج ہر ایک پیکچر ڈاک ذریعے شناختی کارڈ (CNIC) کی کاپی، اجلاس کے جیٹیز مین کے پاس بذریعہ ڈاک کھیتی کے رجسٹر ڈیویژن B-97 عزیز ایجنڈ، جیل روڈ، لاہور میں یا بذریعہ ای میل corporate@panthertires.com پر سالانہ اجلاس عام کے انعقاد سے ایک دن قبل یعنی 25 ستمبر 2023 کو دوران اوقات کار کی جائے۔ پلٹ پیج پر دستخط CNIC پر موجود دستخط کے مین مطابق ہونا چاہیے۔

ممبران کی سہولت کیلئے پلٹ پیج اس نوٹس کے ساتھ منسلک کیا جا رہا ہے جو کھیتی کی ویب سائٹ www.panthertires.com سے بھی ڈاؤن لوڈ کیا جاسکتا ہے۔

خصوصی امور کے حوالے سے کمپنیز ایکٹ 2017 کی شق 134(3) کے تحت بیانات

ایپنڈیکس نمبر 6- کھیتی کے سالانہ نظر ثانی شدہ اکاؤنٹس بذریعہ کوٹیک ریپانس (QR) ایپلیڈ کوڈ اور ویب لنک کے ذریعے ترسیل کرنے کیلئے منظوری

سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے اپنے نوٹیفیکیشن نمبر 2023 S.R.O. 389(1) مورخہ 21 مارچ 2023 کے حوالے سے سالانہ نظر ثانی شدہ مالی حسابات اپنے ارکان اہل حصص داران کو CD/DVD/USB کے ذریعے کی بجائے کوٹیک ریپانس (QR) ایپلیڈ کوڈ اور ویب لنک کے ذریعے ترسیل کرنے کیلئے منظوری اور کھیتی کو اجازت دی ہے۔

کھیتی QR فعال کوڈ اور ویب لنک کے ذریعے مندرجہ ذیل 2023 S.R.O. 389(1) مورخہ 21 مارچ 2023 تیناٹوٹی میں پیش رفت کے زیادہ سے زیادہ استعمال اور ماحولیات اور پائیداری کیلئے کھیتی کی کارپوریٹ سماجی ذمہ داری کو پورا کرنے پر غور کرتے ہوئے سالانہ رپورٹ (بشمول سالانہ آڈٹ شدہ مالیاتی گواہوں اور اس میں موجود دیگر رپورٹس) کی گردش کیلئے اراکین کی منظوری کی جارہی ہے۔

اجلاس کا نوٹس اراکین کو ایکٹ کے تقاضوں کے مطابق، ان کے رجسٹرڈ پتے پر بھیجا جائے گا، جس میں QR کوڈ اور ویب لنک ایڈریس پر مشتمل گواہوں کو دیکھنے اور نوڈ کرنے کیلئے رپورٹس اور دستاویزات کے ساتھ اس کے ساتھ منسلک ہونا ضروری ہے۔

ایک ہفتے کے اندر کھیتی کے سالانہ گواہوں کے شیئرز ہولڈر کے رجسٹریشن ایڈریس پر بھیج دیئے جانے کے اگر کوئی شیئرز ہولڈر اس کی درخواست کرے گا درخواست کا فارم کھیتی کے ویب سائٹ پر دستیاب ہے۔

سی ڈی سی اکاؤنٹ رکھنے والے کارپوریٹ شیئرز ہولڈرز کیلئے ضروری ہے کہ وہ اپنے شرکاء کے ساتھ اپنے پیشگی ٹیکس نمبر زاپ ڈیٹ کریں۔ این ٹی این یا این ٹی این سرٹیفکیٹ بھیجیے وقت شیئرز ہولڈرز کو کھیتی کا نام اور اپنے متعلقہ فوئیو نمبروں کا حوالہ دینا ہوگا۔

منافع منقسمہ آگم سے دو ہولڈنگ ٹیکس میں استثنائی کی اجازت فقط اس صورت میں ہوگی اگر کارڈ ٹیکس ایگریمنٹس سرٹیفکیٹ ہمارے شیئرز رجسٹر، کارپ لنک پرائیویٹ لیمیٹڈ، جگڑا کیڈ، K-1 کمرشل، ماڈل ٹاؤن، لاہور کو فراہم کیا گیا ہے۔

ارکان سے درخواست ہے کہ اگر وہ نقد منافع منقسمہ پر ڈاک کی کوٹنی نہ کرنے کے بارے استثنائی کا دعویٰ کرنا چاہتے ہیں تو، ڈاک ایڈیشنل آرڈر نمبر 1980 کے مطابق اپنے نوٹس ڈیپلکریٹیشن (CZ-50) مع کریں۔

5- مالیاتی گواہوں کی دستیابی

کھیتی ایکٹ 2017 کی شق (6) 223 کے مطابق کھیتی کے 30 جون 2023 کو ختم ہونے والے سال کے آڈٹ شدہ مالیاتی گواہوں سے معیت جیٹیز مین کی جائزہ رپورٹ، ڈائریکٹرز اور آڈیٹرز رپورٹس، کھیتی کے اسٹیک ہولڈرز کو بذریعہ پوسٹ یا الیکٹرونک میلبکس بھیجی جائیں گی، کھیتی کی ویب سائٹ www.panthertires.com پر دستیاب ہے۔ مذکورہ بالا گواہوں سے رپورٹس کھیتی کی ویب سائٹ پر دستیاب کر دیئے گئے ہیں۔

6- حصص داران سے درکار معلومات

ممبران سے درخواست کی جاتی ہے کہ وہ مندرجہ ذیل معلومات اور دستاویزات معاہدے متعلقہ سی ڈی ایس یا رپورٹس رپورٹ اپ ڈیٹ کریں، اگر پلٹ رپورٹ اپ ڈیٹ نہیں کیا گیا:

a- اپنے پتے میں تبدیلی
b- کمپنیز ایکٹ 2017 کے سیکشن 242 کے تقاضے کے مطابق، اسٹیک کھیتی کی طرف سے اعلان کردہ نقد رقم میں قابل ادائیگی کوئی بھی ڈیویڈنڈ نقد تقاریر شیئرز ہولڈر کے نامزد کردہ بینک اکاؤنٹ میں براہ راست الیکٹرانک طور پر ادا کیا جائے گا۔

ا- اس کے مطابق، جن شیئرز ہولڈرز نے ابھی تک اپنا اسٹیکشیل بینک اکاؤنٹ نمبر (IBAN) رپورٹ اپ ڈیٹ نہیں کیا ہے، ان سے درخواست کی جاتی ہے کہ وہ رجسٹری بنیادوں پر معلومات فراہم کریں۔ 24 نومبر 2023 کو IBAN مع نہ کرنے کی صورت میں، کھیتی کمپنیز (ڈسٹری بیوشن آف ڈیویڈنڈ) ریگولیشنز، 2017 کے تحت ڈیویڈنڈ کی ادائیگی روک دے گی۔

ii. CDC ریکارڈ کے مطابق، کچھ شیئرز ہولڈرز کے اکاؤنٹس IFA کے تحت گروپ کیے گئے ہیں، یعنی CDC اکاؤنٹ کسی بھی چیز سے غیر فعال ہے۔ شیئرز ہولڈرز سے درخواست کی جاتی ہے کہ وہ سی ڈی سی کے پاس اکاؤنٹس کو ریگولائز کریں اور ہمیں ایکٹرا تک موڈ کے ذریعے بروقت منافع کی ادائیگی کے قابل بنائیں۔

7- 16 مارچ 2020 کے سرکلر نمبر 05/15 فروری 2021 کے سرکلر 04 کے مطابق شیئرز ہولڈرز مندرجہ ذیل میں سے کسی پر بھی کھیتی سے رابطہ کر سکتے ہیں۔

کھیتی ای میل corporate@panthertires.com واٹس ایپ نمبر 0301-7539619 رجسٹر ارا می میل shares@corplink.com.pk

اپ نمبر 0300-9417476
8- پونگ برائے خصوصی امور:

ممبران کو آگاہ کیا جاتا ہے کہ کمپنیز (پوسٹ پلٹ) ریگولیشنز 2018 ترمیم شدہ بذریعہ نوٹیفیکیشن 2022 S.R.O. 2192(1) مورخہ 05 دسمبر 2022 جاری کردہ منجانب سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی قبیل میں، جس میں SECP نے تمام اسٹیک کھیتیوں کو خصوصی

GRAPHICAL ANALYSIS

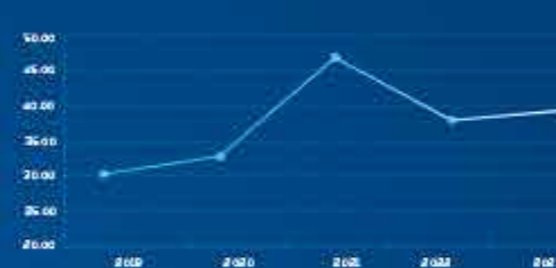
EQUITY & DEBT



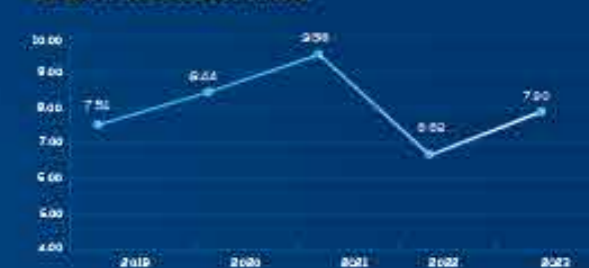
TOTAL ASSETS TURNOVER



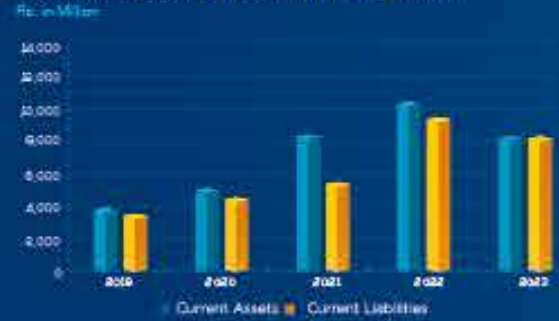
BREAKUP VALUE



OPERATING PROFIT RATIO



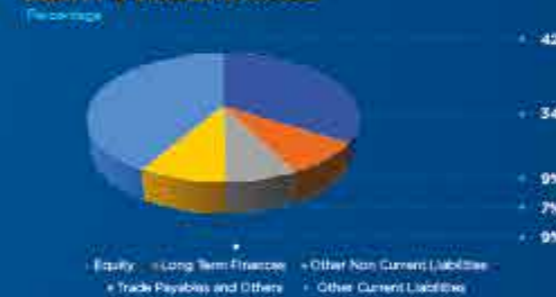
CURRENT ASSETS & CURRENT LIABILITIES



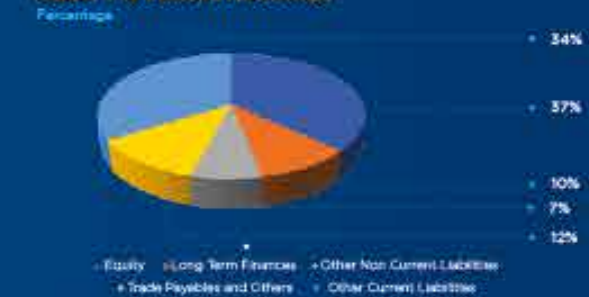
GROWTH IN SALES



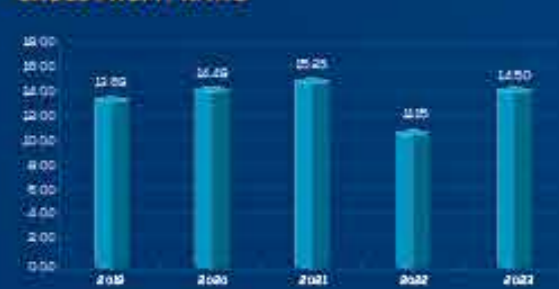
EQUITY & LIABILITIES-2022



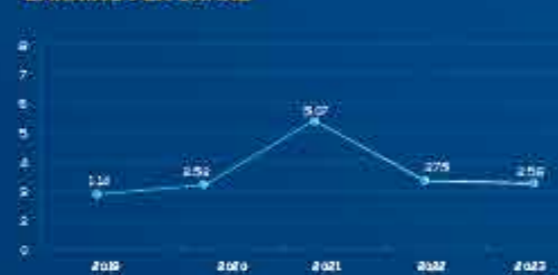
EQUITY & LIABILITIES-2023



GROSS PROFIT RATIO



EARNING PER SHARE



Assets-2022



Assets-2023



HORIZONTAL ANALYSIS

DESCRIPTION	2023	23 Vs 22	2022	22 Vs 21	2021	21 Vs 20	2020	20 Vs 19	2019	19 Vs 18	2018	18 Vs 17
	Rs Mln	%	Rs Mln	%	Rs Mln	%	Rs Mln	%	Rs Mln	%	Rs Mln	%
Non Current Assets	9,736,649	144	8,514,413	42.3	5,984,846	44.9	4,129,553	3.3	3,995,770	1.0	3,954,697	2.0
Current Assets	8,209,403	(20.1)	10,279,210	24.1	8,285,287	66.5	4,975,170	32.5	3,755,758	(9.3)	4,139,994	6.2
Total Assets	17,946,052	(5.8)	18,793,623	66	14,270,133	111	9,104,723	36	7,751,528	(8)	8,094,691	8
Equity	6,643,074	4.0	6,386,479	(2.9)	6,576,791	82.1	3,612,425	8.2	3,339,515	4.1	3,208,899	14.4
Non Current Liabilities	3,063,602	3.7	2,955,180	30.9	2,257,589	123.8	1,008,605	2.9	980,003	(10.9)	1,100,237	(20.0)
Current Liabilities	8,239,376	(12.8)	9,451,964	73.9	5,435,753	21.2	4,483,693	30.6	3,432,010	(9.3)	3,785,555	5.3
Total Liabilities	17,946,052	(5.1)	18,793,623	102	14,270,133	227	9,104,723	42	7,751,528	(16)	8,094,691	(0)
Current Assets												
Stores and spares	226,406	19.4	189,610	20.0	158,033	80.3	87,626	9.1	80,344	50.9	53,246	17.6
Stock in trade	3,805,845	(12.3)	4,340,368	34.2	3,234,588	69.8	1,905,085	43.2	1,330,206	(27.9)	1,845,386	20.0
Trade debts	2,953,279	(31.3)	4,298,060	30.1	3,303,967	35.4	2,440,209	28.8	1,894,183	33.3	1,420,672	4.7
Advances, deposits, prepayments and other receivables	869,955	18.1	736,801	(5.9)	782,640	100.0	391,402	42.2	275,188	(63.9)	762,979	(19.1)
Cash and bank balances	353,918	(50.5)	714,370	(11.4)	806,059	434.4	150,848	(14.2)	175,837	204.7	57,711	273.1
Total Current Assets	8,209,403	(56.6)	10,279,210	8,285,287	4,975,170	3,755,758	4,139,994					
Current Liabilities												
Current portion of long term liabilities	278,767	(5.4)	294,555	(18.4)	360,923	39.1	259,519	(20.4)	325,914	1.1	322,315	4.7
Short term finances - secured	5,502,287	(23.7)	7,215,101	7.5	4,111,848	22.6	3,353,579	34.9	2,485,370	(16.4)	2,973,651	2.9
Unclaimed dividend	310	(21.8)	397	-	-	-	-	-	-	-	-	-
Trade and other payables	2,108,012	28.3	1,642,432	83.9	892,883	20.5	740,853	37.3	539,736	27.5	423,361	(2.1)
Accrued mark - up	349,999	16.9	299,479	32.72	70,100	(46.0)	129,742	60.2	80,990	22.3	66,229	22.8
Total Current Liabilities	8,239,376	(5.6)	9,451,964	73.9	5,435,753	30.6	4,483,693	5.3	3,432,010	5.9	3,785,555	24.2

VERTICAL ANALYSIS

DESCRIPTION	2023	23 Vs 22	2022	22 Vs 21	2021	21 Vs 20	2020	20 Vs 19	2019	19 Vs 18	2018	18 Vs 17
	Rs Mln	%	Rs Mln	%	Rs Mln	%	Rs Mln	%	Rs Mln	%	Rs Mln	%
Balance Sheet												
Non Current Assets	9,736,649	54.3	8,514,413	45.3	5,984,846	41.9	4,129,553	45.4	3,995,770	51.5	3,954,697	48.9
Current Assets	8,209,403	45.7	10,279,210	54.7	8,285,287	58.1	4,975,170	54.6	3,755,758	48.5	4,139,994	51.1
Total Assets	17,946,052	100	18,793,623	100	14,270,133	100.0	9,104,723	100.0	7,751,528	100.0	8,094,691	100.0
Equity	6,643,074	37.0	6,386,479	34.0	6,576,791	46.1	3,612,425	39.7	3,339,515	43.1	3,208,899	39.6
Non Current Liabilities	3,063,602	17.1	2,955,180	15.7	2,257,589	15.8	1,008,605	11.1	980,003	12.6	1,100,237	13.6
Current Liabilities	8,239,376	45.9	9,451,964	50.3	5,435,753	38.1	4,483,693	49.2	3,432,010	44.3	3,785,555	46.8
Total Liabilities	17,946,052	100	18,793,623	100	14,270,133	100.0	9,104,723	100.0	7,751,528	100.0	8,094,691	100.0
Current Assets												
Stores and spares	226,406	1.3	189,610	1.0	158,033	1.1	87,626	1.0	80,344	1.0	53,246	0.7
Stock in trade	3,805,845	21.2	4,340,368	23.1	3,234,588	22.7	1,905,085	20.9	1,330,206	17.2	1,845,386	22.8
Trade debts	2,953,279	16.5	4,298,060	22.9	3,303,967	23.2	2,440,209	26.8	1,894,183	24.4	1,420,672	17.6
Advances, deposits, prepayments and other receivables	869,955	4.8	736,801	3.9	782,640	5.5	391,402	4.3	275,188	3.6	762,979	9.4
Cash and bank balances	353,918	2.0	714,370	3.8	806,059	5.6	150,848	1.7	175,837	2.3	57,711	0.7
Total Current Assets	8,209,403	45.7	10,279,210	54.7	8,285,287	58.1	4,975,170	54.6	3,755,758	48.5	4,139,994	51.1
Current Liabilities												
Current portion of long term liabilities	278,767	1.6	294,555	1.6	360,923	2.5	259,519	2.9	325,914	4.2	322,315	4.0
Short term finances - secured	5,502,287	30.7	7,215,101	38.4	4,111,848	28.8	3,353,579	36.8	2,485,370	32.1	2,973,651	36.7
Unclaimed dividend	310	0.0	397	0.0	-	-	-	-	-	-	-	-
Trade and other payables	2,108,012	11.7	1,642,432	8.7	892,883	6.3	740,853	8.1	539,736	7.0	423,361	5.2
Accrued mark - up	349,999	2.0	299,479	1.6	70,100	0.5	129,742	1.4	80,990	1.0	66,229	0.8
Total Current Liabilities	8,239,376	45.9	9,451,964	50.3	5,435,753	38.1	4,483,693	49.2	3,432,010	44.3	3,785,555	46.8

HORIZONTAL ANALYSIS PROFIT & LOSS ACCOUNT

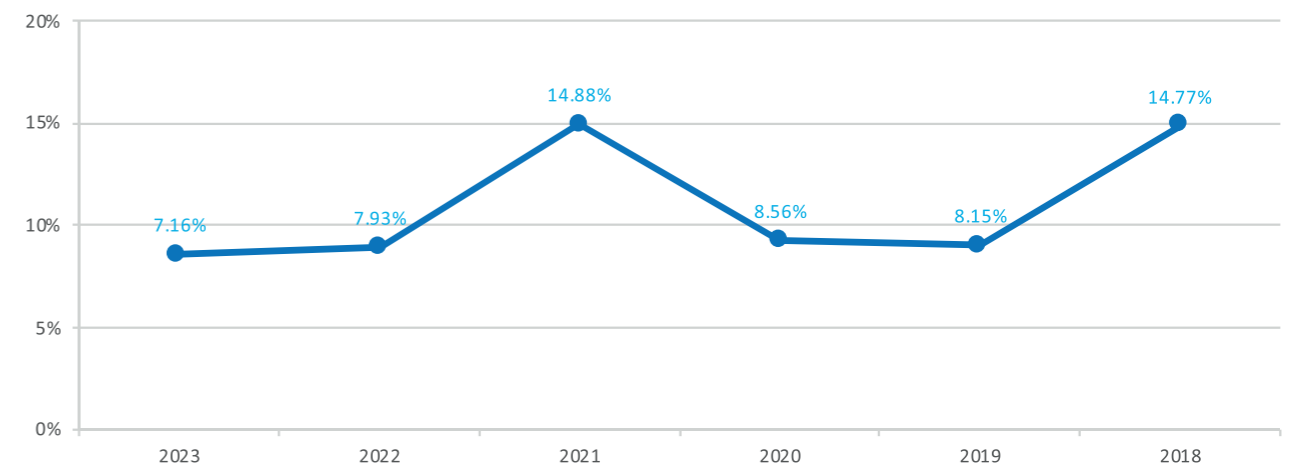
DESCRIPTION	2023	23 Vs 22	2022	22 Vs 21	2021	21 Vs 20	2020	20 Vs 19	2019	19 Vs 18	2018	18 Vs 17
	Rs Mln	%	Rs Mln	%	Rs Mln	%	Rs Mln	%	Rs Mln	%	Rs Mln	%
Sales	21,441,050	4.8	20,460,233	26.3	16,202,067	39.9	11,584,801	18.5	9,779,419	14.1	8,574,465	18.1
Cost of sales	(18,333,097)	0.8	(18,179,517)	32.4	(13,731,305)	38.6	(9,907,749)	17.4	(8,440,934)	13.4	(7,441,653)	19.2
Gross Profit	3,107,953	36.3	2,280,716	(7.7)	2,470,761	47.3	1,677,052	25.3	1,338,485	18.2	1,132,812	11.3
Selling and distribution expenses	(931,709)	35.5	(687,456)	18.3	(581,072)	40.2	(414,579)	35.4	(306,273)	18.3	(258,966)	(8.5)
Administrative and general expenses	(378,059)	4.1	(363,177)	2.26	(296,325)	1.35	(261,142)	0.8	(259,100)	3.15	(197,074)	2.65
Other operating expenses	(120,354)	83.4	(65,617)	(24.2)	(86,512)	19.33	(29,496)	(26.7)	(40,265)	30.0	(30,962)	15.3
Gain on disposal of Property, Plant & Equipment	-	-	-	-	-	-	-	-	-	-	74,350	-
Other operating income	16,553	(91.3)	189,696	356.0	41,604	550.3	6,397	221.7	1,988	382.3	412	4.0
Profit from operations	1,694,384	25.1	1,354,163	(12.5)	1,548,456	58.3	978,232	33.1	734,836	2.0	720,573	30.4
Finance cost	(1,048,512)	61.3	(649,849)	98.0	(328,192)	(45.2)	(598,395)	48.0	(404,290)	40.2	(288,395)	36.5
Profit before taxation	645,872	(8.3)	704,314	(42.3)	1,220,264	221.3	379,837	14.9	330,546	(23.5)	432,178	26.6
Taxation	(213,079)	(13.7)	(246,857)	(33.1)	(369,002)	188.3	(128,010)	10.1	(116,233)	65.2	(70,371)	48.6
Profit after taxation	432,794	(5.4)	457,457	(46.3)	851,262	238.0	251,827	17.5	214,314	(40.8)	361,807	23.1

VERTICAL ANALYSIS PROFIT & LOSS ACCOUNT

DESCRIPTION	2023	23 Vs 22	2022	22 Vs 21	2021	21 Vs 20	2020	20 Vs 19	2019	19 Vs 18	2018	18 Vs 17
	Rs Mln	%	Rs Mln	%	Rs Mln	%	Rs Mln	%	Rs Mln	%	Rs Mln	%
Sales	21,441,050	100.0	20,460,233	100.0	16,202,067	100.0	11,584,801	100.0	9,779,419	100.0	8,574,465	100.0
Cost of sales	(18,333,097)	(85.5)	(18,179,517)	(88.9)	(13,731,305)	(84.8)	(9,907,749)	(85.5)	(8,440,934)	(86.3)	(7,441,653)	(86.8)
Gross Profit	3,107,953	14.5	2,280,716	11.1	2,470,761	15.2	1,677,052	14.5	1,338,485	13.7	1,132,812	13.2
Selling and distribution expenses	(931,709)	(4.3)	(687,456)	(3.4)	(581,072)	(3.6)	(414,579)	(3.6)	(306,273)	(3.1)	(258,966)	(3.0)
Administrative and general expenses	(378,059)	(1.8)	(363,177)	(1.8)	(296,325)	(1.8)	(261,142)	(2.3)	(259,100)	(2.6)	(197,074)	(2.3)
Other operating expenses	(120,354)	(0.6)	(65,617)	(0.3)	(86,512)	(0.5)	(29,496)	(0.3)	(40,265)	(0.4)	(30,962)	(0.4)
Other operating income	16,553	0.1	189,696	0.9	41,604	0.3	6,397	0.1	1,988	0.0	74,762	0.9
Profit from operations	1,694,384	7.9	1,354,163	6.6	1,548,456	9.6	978,232	8.4	734,836	7.5	720,573	8.4
Finance cost	(1,048,512)	(4.9)	(649,849)	(3.2)	(328,192)	(2.0)	(598,395)	(5.2)	(404,290)	(4.1)	(288,395)	(3.4)
Profit before taxation	645,872	3.0	704,314	3.4	1,220,264	7.5	379,837	3.3	330,546	3.4	432,178	5.0
Taxation	(213,079)	(1.0)	(246,857)	(1.2)	(369,002)	(2.3)	(128,010)	(1.1)	(116,233)	(1.2)	(70,371)	(0.8)
Profit after taxation	432,794	2.0	457,457	2.2	851,262	5.3	251,827	2.2	214,314	2.2	361,807	4.2

DUPONT ANALYSIS

		2023	2022	2021	2020	2019	2018
Net Profit Margin	%	2.02%	2.24%	5.25%	2.17%	2.19%	4.22%
Asset Turnover	times	117	1.24	1.39	1.37	1.23	1.08
Financial Leverage Ratio	Times	3.04	2.87	2.04	2.86	3.01	3.24
Dupont	%	7.16%	7.93%	14.88%	8.56%	8.15%	14.77%
Return on Equity	%	7.16%	7.93%	14.88%	8.56%	8.15%	14.77%



FINANCIAL HIGHLIGHTS

	2023	2022	2021	2020	2019	2018
Operating Performance						
Sales	21,441,050	20,460,233	16,202,067	11,584,801	9,779,419	8,574,465
Gross Profit	3,107,953	2,280,716	2,470,761	1,677,052	1,338,485	1,132,812
Operating Profit	1,694,384	1,354,163	1,548,456	978,232	734,836	720,573
Profit before tax	645,872	704,314	1,220,264	379,837	330,546	432,178
Profit after tax	432,794	457,457	851,262	251,827	214,314	361,807
Earning Per Share	258	272	507	252	214	609
Balance Sheet						
Net assets	6,643,074	6,386,479	6,576,791	3,612,425	3,339,515	3,208,899
Operating fixed assets	9,736,649	8,514,413	5,984,846	4,129,553	3,995,770	3,954,697
Net working Capital	(29,973)	827,246	2,849,534	491,477	323,748	354,438
Long term liabilities	3,063,602	2,955,180	2,257,589	1,008,605	980,003	1,100,237

KEY RATIOS

		2023	2022	2021	2020	2019	2018
Key Ratios							
Profitability Ratio							
Gross profit ratio	%	14.50	11.15	15.25	14.48	13.69	13.21
Operating profit ratio	%	7.90	6.62	9.56	8.44	7.51	8.40
Profit before tax ratio	%	3.01	3.44	7.53	3.28	3.38	5.04
Profit after tax ratio	%	2.02	2.24	5.25	2.17	2.19	4.22
Return on capital employed	%	17.89	15.08	18.06	22.27	17.92	17.62
Return on Equity - Revaluation Surplus	%	6.51	7.16	12.94	6.97	6.42	11.28
Return on Equity - WOT Revaluation Surplus	%	7.16	7.93	14.88	8.56	8.15	14.77
Return on Assets	%	2.36	2.77	7.28	2.99	2.70	4.56
Investment Ratios							
EPS	Rs	258	272	507	252	214	609
Breakup Value							
Without Revaluation Reserve	Rs.	3599	34.34	40.87	26.75	23.91	22.27
With Revaluation Reserve	Rs.	3954	38.01	46.98	32.84	30.36	29.17
Liquidity Ratio							
Current Ratio	times	1.00	1.09	1.52	1.11	1.09	1.09
Quick /Acid Test Ratio	times	0.40	0.53	0.76	0.58	0.60	0.39
Cash to Current Liabilities	times	0.1	0.2	0.3	0.1	0.1	0.2
Activity/Turn over Ratios							
Inventory turnover ratio	Times	4.50	4.80	5.34	6.12	5.32	4.40
No. of days in Inventory	Days	81	76	68	60	69	83
Debtors Turnover Ratio	Times	5.91	5.38	5.64	5.35	5.90	6.17
No. of days in Receivable	Days	62	68	65	68	62	59
Creditors Turnover Ratio	Times	7.45	11.52	12.71	11.92	12.54	12.95
No. of days in Payables	Days	49	32	29	31	29	28
Total assets turnover ratio	Times	1.17	1.24	1.39	1.37	1.23	1.08
Fixed Asset turnover ratio	Times	2.20	2.40	2.71	2.81	2.45	2.17
Cash Conversion Cycle	Days	94	112	104	97	101	114
Capital Structure Ratios							
Debt equity ratio	%	56.44	61.39	48.52	53.47	49.51	55.45
Leverage Ratio	%	1.14	1.43	0.83	1.14	0.97	1.20
Interest Cover ratio	Times	1.62	2.08	4.72	1.63	1.82	2.50



FINANCIAL STATEMENTS

For the year ended
30 June 2023

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF PANTHER TYRES LIMITED

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Panther Tyres Limited (the Company) for the year ended 30 June 2023 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 30 June 2023.



Chartered Accountants
Engagement Partner: Ahsan Shahzad
Lahore: 4 September 2023
UDIN: CR202310079h4VuS9eGE

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES

(CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

The period ended: 30 June 2023

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

- The total number of directors are Seven (7) as per the following:
 - Male: Six (6)
 - Female: One (1)
- The composition of the Board is as follows:

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

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

Names	Designation
Mr. Mian Iftikhar Ahmed	Chairman/Non-Executive Director
Mr. Mian Faisal Iftikhar	CEO
Ms. Ayesha Iftikhar	Executive Director
Mr. Javed Masud	Independent Director
Mr. Asad Sultan Chaudhary	Independent Director
Mr. Iqbal Ahmad Khan	Independent Director
Mr. Zahid Mahmud	Non-Executive Director
Mr. Ghulam Abbas	CFO
Mr. Mohsin Muzaffar Butt	Company Secretary

10. No new appointments have been made during the year for the CFO, Company Secretary and Head of Internal Audit. However, all such appointments including their remuneration and terms and conditions of employment were duly approved by the board and complied with relevant requirements of the Regulations.

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

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

a) Audit Committee

Names	Designation
i. Mr. Javed Masud	Chairman/Independent Director
ii. Mr. Asad Sultan Chaudhary	Member/ Independent Director
iii. Mr. Iqbal Ahmad Khan	Member/ Independent Director
iv. Mr. Zahid Mahmud	Member/ Non-Executive Director
v. Mr. Mohsin Muzaffar Butt	Secretary of Audit Committee

b) HR and Remuneration Committee

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

c) Risk Management Committee

Names	Designation
i. Mr. Javed Masud	Chairman/Independent Director
ii. Mr. Mian Faisal Iftikhar	Member/ Executive Director
iii. Mr. Zahid Mahmud	Member/ Non-Executive Director
iv. Mr. Mohsin Muzaffar Butt	Secretary of Risk Management Committee

d) Nominee Committee

Names	Designation
i. Mr. Mian Iftikhar Ahmed	Chairman/Non-Executive Director
ii. Mr. Mian Faisal Iftikhar	Member/ Executive Director
iii. Mr. Mohsin Muzaffar Butt	Secretary of Nominee Committee

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:

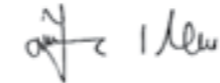
Meetings	Frequency
Audit Committee	Four meetings were held during the financial year ended June 30, 2023.
HR & Remuneration Committee	One meeting was held during the financial year ended June 30, 2023.
Nominee Committee	One meeting was held during the financial year ended June 30, 2023.

15. The Board has set up an effective internal audit function, which is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company.

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with the Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouses, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company.

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

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



Mian Faisal Iftikhar
CEO



Mian Iftikhar Ahmed
Chairman

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PANTHER TYRES LIMITED

Report on the Audit of the Financial Statements as at 30 June 2023

OPINION

We have audited the annexed financial statements of Panther Tyres Limited ("the Company"), which comprise the statement of financial position as at 30 June 2023, and the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, 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 30 June 2023 and of

the profit and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

BASIS FOR OPINION

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

KEY AUDIT 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
<p>Revenue Recognition</p> <p>As described in Note 27, of the financial statements, the Company generates revenue from four major categories of product i.e., Tyres, tubes, lubricants and auto parts. During the year ended 30 June 2023, the Company generated total revenue of Rs. 21.44 billion as compared to Rs. 20.46 billion during the previous year, which represents an increase of approximately 5% as compared to last year.</p> <p>Considering the significance of amounts involved and revenue being a key indicator of performance measurement of the Company and its management, we have considered revenue recognition as a Key Audit Matter.</p>	<p>Our audit procedures included the following:</p> <p>We obtained an understanding of the Company's processes and related internal controls for revenue recognition and, on a sample basis, tested the effectiveness of those controls, especially in relation to recognition of revenue and timing thereof.</p> <p>We evaluated the appropriateness of the Company's revenue recognition policies and procedures to assess compliance with the approved accounting and reporting standards as applicable in Pakistan.</p> <p>On a sample basis, we reviewed sales transactions near the reporting date to assess whether transactions are recorded in relevant accounting period i.e., performed procedures around the cut - off of revenue.</p> <p>We performed analytical procedures including analysis of sale pattern considering historical sales, seasonal and market patterns.</p> <p>We correlated the revenue transactions, on a sample basis, with movement in receivables and cash balances and compared with the results from our balance confirmation procedures.</p> <p>We reconciled revenue recorded in the books of account on sample basis with underlying accounting records including dispatch and delivery documents.</p> <p>We reviewed and assessed the adequacy of related disclosures made in the financial statements in accordance with the approved accounting and reporting standards as applicable in Pakistan.</p>

Change in Accounting Policy	
<p>As described in Notes 3.3 and 41 of the financial statements, the Company has elected to change its accounting policy for subsequent measurement of 'plant and machinery' and 'moulds' from revaluation model to cost model under IAS 16 'Property, plant and equipment'. As required by IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", the Company has incorporated the impact of this voluntary change in accounting policies, in the financial statements, on retrospective basis.</p> <p>Total impact of change in accounting policy on value of 'Property, plant and equipment' and total assets of the Company is approximately Rs. 602 million, in the 'statement of financial position', as of 30 June 2022, while in the statement of comprehensive income, the Company's profit after taxation for the year ended 30 June 2022 has increased by approximately Rs. 37 million. The figures have been adjusted retrospectively as per the requirement of IAS 8.</p> <p>Considering the significance of amounts involved and its impact on the financial statements, we have considered change in accounting policy as a Key Audit Matter.</p>	<p>Our audit procedures included the following:</p> <p>We discussed with management the rationale for change in the accounting policy for subsequent measurement of plant and machinery and moulds.</p> <p>We evaluated the appropriateness of the Company's change in accounting policy in accordance with the requirements of IAS 8.</p> <p>We obtained the underlying working from management of the Company and recalculated the impact of change in accounting policy on the financial statements and determined if the impact is calculated in accordance with IAS 8.</p> <p>We reviewed and assessed the adequacy accuracy of related disclosures made in the Note 3.3 and Note 41 of the financial statements in accordance with the approved accounting and reporting standards as applicable in Pakistan.</p>

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated 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 THE BOARD OF DIRECTORS FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as

management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2023

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 to 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:

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

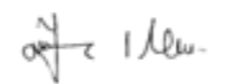
The engagement partner on the audit resulting in this independent auditor's report is Ahsan Shahzad.



EY Ford Rhodes
Chartered Accountants
Lahore: 4 September 2023
UDIN: AR202310079ywwzNIOb2k

	Note	2023 Rupees	2022 (Restated) Rupees	2021 (Restated) Rupees
NON CURRENT ASSETS				
Property, plant and equipment	6	9,618,216,023	8,375,037,322	5,193,769,416
Right-of-use assets	7	63,138,464	79,984,230	128,908,469
Intangible assets	8	2,650,530	4,165,119	7,479,437
Long term receivables	9	21,333,874	23,635,126	-
Long term deposits	10	31,310,389	31,591,435	31,880,839
		9,736,649,280	8,514,413,232	5,362,038,161
CURRENT ASSETS				
Stores and spares	11	226,406,185	189,610,372	158,032,988
Stock in trade	12	3,805,844,854	4,340,368,037	3,234,587,665
Trade debts	13	2,953,278,558	4,298,059,971	3,303,967,188
Advances, deposits, prepayments and other receivables	14	869,954,641	736,800,810	782,639,678
Cash and cash equivalents:	15			
Short term deposits		25,455,000	300,075,000	437,075,000
Cash and bank balances		328,463,334	414,295,353	368,984,464
		8,209,402,572	10,279,209,543	8,285,286,983
TOTAL ASSETS		17,946,051,852	18,793,622,775	13,647,325,144
EQUITY AND LIABILITIES				
Authorized Share Capital				
300,000,000 (30 June 2022: 300,000,000) ordinary shares of Rs.10/- each		3,000,000,000	3,000,000,000	3,000,000,000
Issued, subscribed and paid up capital				
168,000,000 (30 June 2022: 168,000,000) ordinary shares of Rs. 10/- each	16	1,680,000,000	1,680,000,000	1,400,000,000
Share premium		1,294,433,658	1,294,433,658	1,574,433,658
Unappropriated profits		3,071,912,956	2,794,931,546	2,611,402,561
Surplus on revaluation of property, plant and equipment	17	596,727,263	617,113,914	478,544,814
		6,643,073,877	6,386,479,118	6,064,381,033
NON CURRENT LIABILITIES				
Long term liabilities	18	1,776,981,652	1,603,538,653	1,017,854,304
Loan from directors	19	770,000,000	692,433,562	620,000,000
Deferred grant	20	88,470,465	135,785,007	2,968,803
Deferred taxation	21	428,150,080	523,422,448	506,367,719
		3,063,602,197	2,955,179,670	2,147,190,826
CURRENT LIABILITIES				
Trade and other payables	23	2,108,011,878	1,642,431,645	892,883,152
Current portion of long term liabilities	24	278,767,478	294,555,177	360,922,583
Accrued mark-up	25	349,998,507	299,479,274	70,099,744
Short term financing - secured	22	5,502,287,452	7,215,101,096	4,111,847,806
Unclaimed dividend		310,463	396,795	-
		8,239,375,778	9,451,963,987	5,435,753,285
TOTAL EQUITY AND LIABILITIES		17,946,051,852	18,793,622,775	13,647,325,144
CONTINGENCIES AND COMMITMENTS				
	26			

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



Chief Executive Officer



Director



Chief Financial Officer

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 (Restated) Rupees
Revenue from contracts with customers - net	27	21,441,050,079	20,460,232,842
Cost of sales	28	(18,333,096,684)	(18,179,516,875)
Gross profit		3,107,953,395	2,280,715,967
Selling and distribution expenses	29	(931,708,578)	(687,455,706)
Administrative expenses	30	(378,059,179)	(363,176,851)
Other operating expenses	31	(120,353,910)	(65,616,561)
Other operating income	32	16,552,542	189,695,955
Profit from operations		1,694,384,270	1,354,162,804
Finance cost	33	(1,048,511,949)	(649,848,973)
Profit before taxation		645,872,321	704,313,831
Taxation	34	(213,078,804)	(246,856,577)
Profit after taxation		432,793,517	457,457,254
Other comprehensive income			
<i>Items to be reclassified to profit or loss in subsequent periods:</i>		-	-
<i>Items not to be reclassified to profit or loss in subsequent periods:</i>			
- Revaluation Surplus on property, plant and equipment - net of tax		-	151,752,614
- Deferred tax on revaluation surplus due to change in tax rate		(8,198,758)	(7,111,783)
Total other comprehensive loss		(8,198,758)	144,640,831
Total comprehensive income		424,594,759	602,098,084
			(Restated)
Earnings per share			
- Basic and diluted (Rs.)	35	2.58	2.72

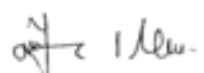
The annexed notes from 1 to 47 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2023

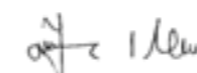
	Issued, subscribed and paid up capital	CAPITAL RESERVE		REVENUE RESERVE	Total
		Share Premium	Revaluation surplus on property, plant and equipment	Unappropriated profits	
	(R u p e e s)				
Balance as on July 01, 2021 - as previously reported	1,400,000,000	1,574,433,658	854,801,883	2,747,555,295	6,576,790,836
Adjustment of revaluation surplus due to change of accounting policy (Note 41)	-	-	(512,409,803)	-	(512,409,803)
Reclassification of deferred tax due to change of accounting policy (Note 41)	-	-	136,152,734	(136,152,734)	-
	-	-	(376,257,069)	(136,152,734)	(512,409,803)
Balance as on July 01, 2021 - restated	1,400,000,000	1,574,433,658	478,544,814	2,611,402,561	6,064,381,033
Issuance of bonus shares for the year ended June 30, 2021 at the rate 20%	280,000,000	(280,000,000)	-	-	-
Final dividend for the year ended June 30, 2021 at the rate of Rs. 2 per share	-	-	-	(280,000,000)	(280,000,000)
Profit for the year - restated	-	-	-	457,457,254	457,457,254
Other comprehensive income / (loss) (net of tax) - restated	-	-	151,752,614	(7,111,783)	144,640,831
Total comprehensive income for the period	-	-	151,752,614	450,345,471	602,098,085
Surplus on revaluation of property, plant and equipment realized through incremental depreciation charged on related assets - net of tax	-	-	(13,183,514)	13,183,514	-
Balance as on June 30, 2022 - restated	1,680,000,000	1,294,433,658	617,113,914	2,794,931,546	6,386,479,118
Final dividend for the year ended June 30, 2022 at the rate of Rs. 1 per share	-	-	-	(168,000,000)	(168,000,000)
Profit for the year	-	-	-	432,793,517	432,793,517
Other comprehensive loss	-	-	(8,198,758)	-	(8,198,758)
Total comprehensive income for the period	-	-	(8,198,758)	432,793,517	424,594,759
Surplus on revaluation of property, plant and equipment realized through incremental depreciation charged on related assets - net of tax	-	-	(12,187,894)	12,187,894	-
Balance as at June 30, 2023	1,680,000,000	1,294,433,658	596,727,263	3,071,912,956	6,643,073,877

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


Chief Executive Officer


Director


Chief Financial Officer


Chief Executive Officer


Director

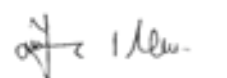

Chief Financial Officer

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Profit before taxation		645,872,321	667,161,745
Adjustment for non cash charges and other items:			
Mark up on short term finances under mark-up arrangements	33	919,851,715	493,500,206
Depreciation on property, plant and equipment	6.4	352,067,226	318,419,403
Mark-up on long term loans from financial institutions	33	70,732,422	71,560,695
Allowance for expected credit loss	13.2	22,145,199	45,968,117
Depreciation on right-of-use assets	7.1	16,500,008	38,068,150
WPPF provision	31	27,958,258	36,612,028
Provision for contribution to provident fund trust		25,428,811	22,877,858
Mark-up on lease liabilities - rented premises	33	19,488,511	21,992,400
WWF provision	31	7,920,760	12,645,175
Amortization	8	1,514,589	3,314,318
Markup on WPPF loan	23.1	3,549,411	1,103,496
(Written off) / provision for slow moving stock - stock in trade	12.1	(4,857,379)	606,099
Gain on termination of lease arrangement	32	(155,616)	(537,738)
Deferred Grant		(2,969,282)	(14,516,327)
Gain on disposal of fixed assets	32	(6,256,964)	(10,955,736)
Income from TDR	32	(3,531,681)	(32,585,598)
Impact of discounting of IFRS-9 on director loan	31	77,566,438	(77,566,438)
Impact of IFRS-9 on employees loan	31	6,908,454	-
		1,533,860,881	930,506,108
Operating profit before working capital change		2,179,733,202	1,597,667,853
Adjustment for working capital items			
(Increase) in stores and spares		(36,795,813)	(31,577,384)
(Increase) in long term receivables		(4,607,202)	(23,635,126)
Decrease/(Increase) in stock in trade		539,380,562	(1,106,386,471)
Decrease/(Increase) in trade debtors		1,322,636,214	(1,040,060,900)
(Increase)/Decrease in deposits, prepayments and other receivables		(109,882,110)	210,155,874
Increase/(Decrease) in unclaimed dividend		(86,332)	396,795
Increase in trade payables		486,718,532	774,011,449
		2,197,363,850	(1,217,095,763)
Cash generated from operations		4,377,097,052	380,572,090
Contribution paid to provident fund trust		(46,455,978)	(23,091,604)
Workers profit participation fund paid		(40,161,439)	(62,975,836)
Interest received from TDR		3,531,635	32,698,167
Mark-up paid against borrowings		(917,718,957)	(333,718,751)
Mark-up on lease liabilities - rented premises		(19,488,511)	(21,992,400)
Income tax paid - net		(327,130,128)	(409,530,105)
Net cash generated from / (used in) operating activities	A	3,029,673,675	(438,038,439)
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(1,649,644,634)	(3,304,897,676)
Long term deposits		(281,046)	289,404
Sale proceeds from disposal of property, plant and equipment		30,272,873	13,370,271
Net cash used in investing activities	B	(1,619,652,807)	(3,291,238,001)
CASH FLOW FROM FINANCING ACTIVITIES			
Long-term loan obtained from financial institutions - net		119,482,762	689,554,129
Short term running finance - net		(1,712,813,644)	3,103,253,290
Lease rentals paid		(9,142,004)	(25,616,886)
Loan from directors - net		-	150,000,000
Dividend paid		(168,000,000)	(279,603,205)
Net cash (used in) / generated from financing activities	C	(1,770,472,887)	3,637,587,328
NET DECREASE IN CASH AND CASH EQUIVALENTS	(A+B+C)	(360,452,019)	(91,689,112)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		714,370,353	806,059,465
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		353,918,334	714,370,353

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


Chief Executive Officer


Director


Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

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

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

BUSINESS UNIT	LOCATION
Registered Office	Panther House, 97-B Aziz Avenue, Jail Road, Lahore
Production Plant	29.5 Km, Sheikhpura Road, Sheikhpura
Regional Office	4th Floor, Shafi Courts, Mereweather Road, Karachi

1.2 Utilization of proceeds from Initial Public Offering (IPO)

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

Summary of IPO proceeds	Amount (Rupees)
Issuance of 30,000,000 ordinary shares at floor price of Rs. 47 per share	1,410,000,000
Excess funds received - share premium at Rs 18.80	564,000,000
Less: IPO expenses	(99,566,342)
Net IPO proceeds	1,874,433,658
Add: Long-term debt financing*	1,200,000,000
Add: Cashflows of the Company	456,173,839
Total Funds	3,530,607,497
Less: Expenditures incurred till 30 June 2023	(3,258,985,611)
Less: Repayment of short term loans	(464,433,658)
Cost overrun financed through cashflows of the Company**	(192,811,772)

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

	Funds Required	Allocation % age	30 June 2023
(R u p e e s)			
Freehold land & development expenditure	127,200,000	4%	131,598,756
Building and civil works	395,060,230	13%	603,654,450
Plant & machinery including duties and other expenses	2,543,913,609	83%	2,523,732,405
Total	3,066,173,839	100%	3,258,985,611

* Total long-term debt financing for IPO has been fully disbursed till date.

** The project cost has increased from original estimate due to abnormal variation in exchange rate since February 2021. The additional cost is being financed via internal cashflows of the Company. The same has been duly approved by the Board Of Directors of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

2 STATEMENT OF COMPLIANCE

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

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

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

2.2 Standards, Interpretations and Amendments to Published Approved Accounting Standards that are not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Standard

IAS 1 Presentation of Financial Statements to clarify how to classify debt and other liabilities as current or non-current.

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.
- Only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or non-current. In addition, an entity has to disclose information in the notes that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months.

The amendments are effective for annual reporting periods beginning on or after January 01, 2024 and must be applied retrospectively. The amendments are not expected to have a material impact on the Company's financial statements.

IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2 The amendments aim to help entities provide accounting policy disclosures that are more useful by:

Statement 2 - Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies; and

- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

The amendments to IAS 1 are applicable for annual periods beginning on or after January 01, 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary. The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

IAS 8 Definition of Accounting Estimates - Amendments to IAS 8 - The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after January 01, 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed. The amendments are not expected to have a material impact on the Company's financial statements.

IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12 - In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. The amendments are not expected to have a material impact on the Company's financial statements.

IFRS 10 & IAS 28 Consolidated Financial Statements & Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - (Amendment). The effective date of Amendments to IFRS 10 and IAS 28 has been deferred indefinitely (until the research project of IASB, on the equity method, has been concluded. Earlier application of the September 2014 amendments continues to be permitted. The Company expects that the adoption of the amendments will have no material effect on the Company's financial statements.

IFRS 16 Leases - Lease Liability in a Sale and Leaseback - Amendments requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease. The amendments are effective for annual reporting periods beginning on or after January 01, 2024. A seller-lessee applies the amendments retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to sale and leaseback transactions entered into after the date of initial application.

In addition to the above, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan:

Standard	(Annual periods beginning on or after)
IFRS 1	01 January 2004
IFRS 17	01 January 2023

The above amendments and interpretations are not expected to have any significant impact on financial statements of the Company.

2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES RESULTING FROM AMENDMENTS IN STANDARDS DURING THE YEAR

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year, except for following amendments to accounting standards which are effective for annual periods beginning on or after July 01, 2022 (unless otherwise stated). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective:

IFRS 03 Business Combinations - The amendment updates a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

The amendments add an exception to the recognition principle of IFRS 3 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date. The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

for recognition at the acquisition date. In accordance with the transitional provisions, the Company applies the amendments prospectively, i.e., to business combinations occurring after the beginning of the annual reporting period in which it first applies the amendments (the date of initial application).

These amendments had no impact on the separate financial statements of the Company.

IAS 16 Property, plant and equipment – Amendment to clarify the prohibition on an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.

In accordance with the transitional provisions, the Company applies the amendments retrospectively only to items of PPE made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment (the date of initial application). These amendments had no impact on the financial statements of the Company as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

IAS 37 Provisions, Contingent Liabilities and Contingent Assets - Amendments to specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The Company applied the amendments to the contracts for which it had not fulfilled all of its obligations at the beginning of the reporting period. These amendments had no impact on the financial statements of the Company, as prior to the application of the amendments, the Company had not identified any contracts as being onerous and the unavoidable costs under the contracts, which were the costs of fulfilling them, comprised of incremental costs directly related to the contracts and an allocation of costs directly related to contract activities.

The adoption of the above amendments to accounting standards did not have any material effect on the financial statement.

In addition to the above amendments to standards, improvements to various accounting standards (under the annual improvements 2018 - 2020 cycle) have also been issued by the IASB in May 2020. Such improvements were generally effective for accounting periods beginning on or after July 01, 2022:

IFRS 9 Financial Instruments: Fees in the '10 per cent' test for derecognition of financial liabilities - The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39.

In accordance with the transitional provisions, the Company applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment (the date of initial application). These amendments had no impact on the financial statements of the Company as there were no modifications of the Company's financial instruments during the period.

IFRS 16 Leases: Lease incentives – The amendment removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying IFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying IFRS 16 and had no impact on the financial statements of the Company.

IAS 41 Agriculture: Taxation in fair value measurements – The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

These amendments had no impact on the financial statements of the Company as it did not have assets in scope of IAS 41 as at the reporting date.

3 BASIS OF PREPARATION

3.1 Basis of measurement

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

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

3.2 Functional and Presentation currency

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

3.3. Change of accounting policy

During the year, the management has changed its accounting policy for valuation of plant and machinery and moulds from revaluation model to cost model under IAS 1 'Property, plant and equipment'. The Company had determined that the said change results in users of the financial information being presented with more reliable and relevant information. As a result of change in the overall outlook of the Company from a mid-sized tyre manufacturer to premium manufacturing facility offering tyre products across all categories of automobiles, the Company's plant and machinery and moulds now comprise of customized and highly specialized equipment. The change also results in better peer-group comparison with other industry players in the country and hence enables users of the financial statements to make more informed comparisons. The figures have been adjusted retrospectively as per the requirement of IAS 8 'Change in accounting policies, estimates and fundamental errors'. The effect of change in accounting policy on the financial statements has been disclosed in note 5.8 and 41.

4 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

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

The areas involving a higher degree of judgments or complexity or areas where assumptions and estimates are significant to the financial statements are as follows:

4.1 Estimates and assumptions

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

	Notes
- Provision for current and deferred tax	5.7, 21 & 34
- Impairment of financial assets	5.5.1, 9, 10 & 13
- Depreciation and Useful life of property, plant and equipment	5.8 & 6.1
- Provisions and contingencies	5.4 & 26
- Provision for obsolete and slow moving stock	5.13, 5.14, 11 & 12
- Provision for claims	5.18 & 23.2
- Provision for discounts	5.4 & 13.1
- Calculation of capitalization rate	5.3 & 6.8
- Incremental borrowing rate on leases	5.12 & 18.2
- Revaluation of Land and Building	5.8 & 6.1
- Initial recognition of grant on below market rate loans	5.11 & 20

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

4.2 Judgments

In the process of applying Company's accounting policies, management has made critical judgments which have most significant effects on the amounts recognized in financial statements:

- Lease term
- Borrowing cost capitalization in qualifying asset
- Recognition of deferred tax on minimum tax

Notes

5.12 & 18.2
5.3 & 6.8
5.7, 21 & 34

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, except as stated in note 2.2, 3.3 & 2.3.

5.1 Employee retirement benefits

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

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

5.2 Trade and other payables

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

5.3 Borrowing cost

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

5.4 Provisions and contingencies

5.4.1 Provisions:

Provisions are recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. The amount recognized as a provision reflects the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

5.4.2 Contingencies:

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

5.5 Financial instruments - initial recognition and subsequent measurement

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

5.5.1 Financial assets

Financial assets - initial recognition

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

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

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

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

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

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

Financial assets - subsequent measurement

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

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

Financial assets at amortized cost (debt instruments)

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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

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

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

Financial assets - Derecognition

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

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

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

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

Financial assets - Impairment

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

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

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

For balances with bank, The Company reviews internal and external information (credit ratings) available for each bank balance to assess expected credit loss and the likelihood to receive the outstanding contractual amount.

5.5.2 Financial liabilities

Financial liabilities - initial recognition

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

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

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

Financial liabilities - subsequent measurement

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

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

Financial liabilities at amortized cost (loans and borrowings)

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

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

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

Financial liabilities - derecognition

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

5.6 Offsetting of financial assets and liabilities

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

5.7 Taxation

Current

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

Deferred

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

Provision for taxation and deferred tax

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

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

5.8 Property, plant and equipment

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

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

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

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

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

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

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

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

5.9 Intangible assets

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

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

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

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

5.10 Capital work in progress

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

5.11 Government grant

Government grants are recognized when there is a difference between cash received and present value of cash outflow upon initial recognition in accordance with IAS 20. There is a reasonable assurance that the grant will be received and all attached conditions shall be complied with. When the grant relates to an expense item, it is recognized as income on systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

5.12 Leases

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

Company as lessee

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

5.12.1 Right-of-use assets

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

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

5.12.2 Lease liabilities - rented premises

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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

5.13 Stores and spares

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

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

5.14 Stock in trade

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

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

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

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

5.15 Trade and other receivables

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

5.16 Cash and cash equivalents

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

5.17 Revenue recognition

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

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

- Local sales

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

- Export sales

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

- Return on deposits

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

5.18 Claim liabilities

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

5.19 Foreign currencies

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

All exchange differences are charged to statement of comprehensive income.

5.20 Dividend

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

5.21 Impairment of non-financial assets

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

	Note	2023 Rupees	2022 Rupees (Restated)
6 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	6.1	5,658,583,159	4,323,456,031
Capital work-in-progress	6.7	3,959,632,864	4,051,581,291
		<u>9,618,216,023</u>	<u>8,375,037,322</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

6.8 Borrowing cost capitalized

Additions to capital-work-in-progress includes borrowing cost for projects determined using an average capitalization rate of 4.5% to 24.08% (2022: 2.5% to 11.5%). For detail of grant income on below market interest rate loans, set-off against specific borrowing cost, refer to note 20. Following is details of gross capitalized borrowing cost:

	Note	2023 Rupees	2022 Rupees
Specific borrowings		103,133,622	70,894,587
General borrowings		160,460,709	110,301,525
		<u>263,594,331</u>	<u>181,196,112</u>

7 RIGHT-OF-USE ASSETS

Cost

	Note	2023 Rupees	2022 Rupees
Balance as at 01 July		157,359,741	189,928,007
Termination		(1,077,952)	-
Reversal		-	(32,568,266)
Balance as at 30 Jun		<u>156,281,789</u>	<u>157,359,741</u>

Accumulated depreciation

	Note	2023 Rupees	2022 Rupees
Balance as at 01 July		77,375,511	61,019,538
Depreciation charge during the year	7.1	16,500,008	38,068,150
Termination		(732,194)	-
Reversal		-	(21,712,177)
Balance as at 30 June		<u>93,143,325</u>	<u>77,375,511</u>
Net book value as at 30 Jun		<u>63,138,464</u>	<u>79,984,230</u>

Useful life (number of years)

7.1 Depreciation for the year has been allocated as follows:

	Note	2023 Rupees	2022 Rupees
Cost of sales	28	-	18,602,474
Selling and distribution expenses	29	1,195,752	1,539,881
Administrative and general expenses	30	15,304,256	17,925,795
		<u>16,500,008</u>	<u>38,068,150</u>

8 INTANGIBLE ASSETS

	Cost as at beginning of year	Additions	Cost as at reporting date	Accumulated depreciation at beginning of year	Amortization charge for the year	Net book value at reporting date	Rate of amortization (%)
	(Rupees)						
	A		B		C	D = A-B-C	
30 June 2023							
Software	17,389,649	-	17,389,649	13,224,530	1,514,589	2,650,530	20
30 June 2022							
Software	17,389,649	-	17,389,649	9,910,212	3,314,318	4,165,119	20

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

	Note	2023 Rupees	2022 Rupees
9 LONG TERM RECEIVABLES			
Long term receivables		25,276,109	28,535,632
Less: current portion		(3,942,235)	(4,900,506)
	9.1	<u>21,333,874</u>	<u>23,635,126</u>

9.1 This amount represents interest free provident fund secured loan provided to employees of the Company. During the year, loan was provided to an employee, in excess of balance outstanding in his provident fund member account, based on specific approval. The tenure of these loans are 1 to 5 years (2022: 1 to 5 years). The loan is initially measured at its fair value, in accordance with IFRS-9 with the related charge is included as part of other operating expenses. As majority of these loans are secured against provident balances, although the counter parties may default, however, loss given such default is not expected to significant to the financial statements. Accordingly no allowances against expected credit losses have been recognized.

10 LONG TERM DEPOSITS

This includes security deposit relating to utilities, rented properties and to Pakistan State Oil. As of reporting date, these deposits have been recognized at undiscounted amounts, as the difference between carrying values and amortized cost is insignificant, in accordance with IFRS 9. Considering that majority of the counter parties are government owned entities, the Company does not expect to incur any significant credit loss in case of a default. Accordingly no allowances against expected credit losses have been recognized.

	Note	2023 Rupees	2022 Rupees
11 STORES AND SPARES			
Store and spares		231,764,256	194,968,443
Less: Provision for slow moving items	11.1	(5,358,071)	(5,358,071)
		<u>226,406,185</u>	<u>189,610,372</u>

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

	2023 Rupees	2022 Rupees
Opening balance as at 01 July	5,358,071	5,358,071
Charge during the year	-	-
Closing balance as at 30 June	<u>5,358,071</u>	<u>5,358,071</u>

12 STOCK-IN-TRADE

	2023 Rupees	2022 Rupees
Raw materials	972,583,070	1,110,625,356
Packing materials	115,627,469	82,574,500
Work in process	475,685,724	393,694,234
Finished goods - Manufactured	1,787,207,802	1,597,618,927
Finished goods - Trading	231,846,606	161,537,548
	<u>3,582,950,671</u>	<u>3,346,050,565</u>

	2023 Rupees	2022 Rupees
Raw materials in transit	231,239,402	1,007,520,070
Less: Provision for slow moving items	(8,345,219)	(13,202,598)
	<u>3,805,844,854</u>	<u>4,340,368,037</u>

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

	Note	2023 Rupees	2022 Rupees
Opening balance as at 01 July		13,202,598	12,596,499
Charged during the year	28	4,956,466	606,099
Written off during the year		(9,813,845)	-
Closing balance as at 30 June		<u>8,345,219</u>	<u>13,202,598</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
13 TRADE DEBTS			
Considered good			
Exports - secured		351,874,583	170,559,803
Local - unsecured	13.1	2,601,403,975	4,127,500,168
		<u>2,953,278,558</u>	<u>4,298,059,971</u>
Considered doubtful		175,297,467	157,362,372
Less: Allowance for expected credit losses	13.2	(175,297,467)	(157,362,372)
		<u>-</u>	<u>-</u>
		<u>2,953,278,558</u>	<u>4,298,059,971</u>

13.1 This amount includes provision for discount and incentives. During the year, the reduction in trade debts resulted from enhanced recovery efforts.

	Note	2023 Rupees	2022 Rupees
13.2 Movement in allowance for expected credit losses is as follows:			
Opening balance as at 01 July		157,362,372	111,394,255
Charge for the year	30	22,145,199	45,968,117
Amount written-off during the year		(4,210,104)	-
Closing balance as at 30 June		<u>175,297,467</u>	<u>157,362,372</u>

14 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Note	2023 Rupees	2022 Rupees
Loans and advances - considered good			
Employees			
- current portion of long-term receivables	9	3,942,235	4,900,506
- against expenses		2,606,598	1,867,670
Suppliers		249,312,820	131,518,518
Margin on LC		24,656,324	-
Earnest money		25,147,999	6,616,117
Prepayments		7,555,039	872,312
Tax refunds due from government			
Advance income tax - net	14.1	500,293,988	477,022,267
Sales tax refundable - net	14.2	11,092,167	84,050,913
		<u>511,386,155</u>	<u>561,073,180</u>
Other receivables	14.3	45,347,471	29,952,507
		<u>869,954,641</u>	<u>736,800,810</u>

14.1 This represent the amount of advance income tax recoverable from tax authorities, net of current year's provision for taxation amounting to Rs. 316,404,898 (2022: Rs. 297,080,562).

14.2 This represents the amount of slaes tax refundable to the Company from the tax authorities.

14.3 This includes Rs. 44.99 million (2022: Rs. 25 million) receivable from the Government in respect of export rebates. The Company expects to receive the outstanding balance within 12 months of the reporting date. This receivable in local currency is linked to a sovereign entity, who can effectively print the currency which is routinely held by central bank and other major local financial institutions, which qualitatively indicate that historical credit loss information should be minimally affected by current conditions and reasonable and supportable forecasts. As of the previous reporting date, the sovereign entity had never defaulted on any of its local currency receivables. Therefore, the Company had not recorded any ECLs at the end of the reporting period.

	Note	2023 Rupees	2022 Rupees
15 CASH AND CASH EQUIVALENTS			
Term Depository Receipts (TDRs)	15.1	25,455,000	300,075,000
Cash at bank - current accounts		326,737,101	411,182,439
Cash in hand		1,726,233	3,112,914
		<u>353,918,334</u>	<u>714,370,353</u>

15.1 Represents term deposit receipts with a commercial bank under conventional banking relationships, carrying profit at the rates of 12.25% to 19.50% (2022: 7.7% to 12.5%) per annum having maturity upto June, 2024. These term deposits can, however, can be readily convertible at face value by early encashment without liquidation penalty. Accordingly, the Company has classified these deposits as cash and cash equivalents.

16 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2023	2022	2023	2022
(Number of shares)		(Rupees)	
44,309,250	44,309,250	443,092,500	443,092,500
123,690,750	95,690,750	1,236,907,500	956,907,500
168,000,000	140,000,000	1,680,000,000	1,400,000,000
-	28,000,000	-	280,000,000
44,309,250	44,309,250	443,092,500	443,092,500
123,690,750	123,690,750	1,236,907,500	1,236,907,500
168,000,000	168,000,000	1,680,000,000	1,680,000,000

Opening balance

Ordinary shares of Rs. 10 issued against cash
Ordinary shares of Rs. 10 issued as bonus shares

Movement during the year

Ordinary shares of Rs. 10 issued as bonus shares

Closing balance

Ordinary shares of Rs. 10 issued against cash
Ordinary shares of Rs. 10 issued as bonus shares

17 REVALUATION SURPLUS ON PROPERTY, PLANT AND EQUIPMENT

Revaluation surplus on:

- Land
- Building
Less: Related deferred tax liability

Less: Transfer to retained earnings net of tax in respect of:
Incremental depreciation
Surplus realized on disposal of related assets

Break-up of closing balance of revaluation surplus on property, plant and equipment is as follows:

Land
Building
Revaluation surplus
Less: Related deferred tax liability

	Note	2023 Rupees	2022 Rupees (Restated)
Land		406,581,652	406,581,652
- Building		489,103,154	489,103,154
Less: Related deferred tax liability	21	(167,066,871)	(158,868,113)
		<u>322,036,283</u>	<u>330,235,041</u>
		<u>728,617,935</u>	<u>736,816,693</u>
Less: Transfer to retained earnings net of tax in respect of: Incremental depreciation		(67,764,528)	(55,576,634)
Surplus realized on disposal of related assets		(64,126,145)	(64,126,145)
		<u>596,727,263</u>	<u>617,113,914</u>
Land		342,455,507	342,455,507
Building		391,187,316	409,937,921
Revaluation surplus		(136,915,561)	(135,279,514)
Less: Related deferred tax liability		254,271,755	274,658,407
		<u>596,727,262</u>	<u>617,113,914</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

18 LONG-TERM LIABILITIES	Note	2023 Rupees	2022 Rupees
18.1 Loan from financial institutions - secured			
Samba Bank Limited	18.1.1	21,207,057	157,307,362
PAIR Investment Company Limited	18.1.2	343,015,437	378,073,157
Pak Oman Investment Company Limited	18.1.3	339,560,439	93,406,596
Meezan Bank Limited	18.1.4	468,126,381	452,136,215
National Bank Limited	18.1.4	496,188,593	476,665,631
United Bank Limited	18.1.4	195,591,679	187,974,681
Habib Metropolitan Bank Limited	18.1.4	169,560,064	168,203,247
		2,033,249,650	1,913,766,889
Add: Accrued mark-up		126,298,704	101,546,681
		2,159,548,354	2,015,313,570
Less: Deferred grant	20	(160,911,438)	(202,525,291)
Less: Accrued mark-up		(126,298,704)	(101,546,681)
Less: Current portion shown under current liabilities		(176,942,018)	(199,527,017)
		1,695,396,194	1,511,714,581
18.2 Lease liabilities - rented premises			
Less: current maturity shown under current liabilities		110,969,945	120,111,948
		(29,384,487)	(28,287,876)
	18.2	81,585,458	91,824,072
		1,776,981,652	1,603,538,653

18.1.1 The Company has obtained term finance under employee refinance scheme for payment of wages and salaries to the workers and employees of business concerns to the tune of Rs. 390 million (2022: Rs. 390 million). The loan tenure is 2.5 years along with a grace period of 3 months. This facility carries markup at 3 months KIBOR plus 2% per annum till grant of refinance from State Bank of Pakistan (SBP), and afterwards SBP rate + 2% per annum payable quarterly whereas the principal is repayable in eight equal quarterly installments starting from October 2020.

This also includes term loan of Rs. 21.2 million (2022: Rs. 60.08 million) obtained under SBP Long Term Financing Facility (LTFF) and carries markup rates ranges from 5% to 6% (SBP rate+spread) per annum. The loan tenure is 4 years. The facility is secured against first joint pari passu charge on the fixed assets of the Company.

18.1.2 This includes loan amounting to Rs. 200 million obtained under Temporary Economic Refinance Facility (TERF) Scheme for retirement of import documents of plant and machinery. This carries mark-up at the rate of 3% (SBP rate+bank spread) per annum and repayable in 20 equal quarterly installments. The tenure of the loan is 7 years with a grace period of 24 months.. This loan is carried at amortized cost using effective rate of 3 months KIBOR plus spread ranging from 9.45% to 12.46% The difference between cash received and present value of cash outflow upon initial recognition has been recognized as deferred grant in accordance with IAS 20.

This also includes term loan of Rs. 200 million obtained under SBP LTFF Scheme and carries markup rates ranges from 4.5% to 5% (SBP rate+spread) per annum. The loan tenure is 4 years and 6 years including grace period of 6 months and 1 year. These facilities are secured against first joint pari passu charge on the fixed assets of the Company.

18.1.3 This includes loan obtained amounting to 393 million for capital expenditure requirements from Pak Oman Investment Company Limited bearing mark up at the rates ranging from 15.64% per annum to 24.08% per annum (2022: 9.20% per annum to 15.64% per annum). The loan is repayable in 14 quartely installments up to April 2024. During the year, the Company has obtained an additional loan facility of Rs. 300 million, which carries markup of 16.49% to 24.31%, and is repayable in 14 equal quarterly installments. The tenure of loan is 4 years with a grace period of 6 months. The effective interest rates range from 19.31% per annum to 23.46% per annum. These facilities are secured by joint pari passu charge on the fixed assets of the Company.

18.1.4 These represent loans obtained from various banks amounting to Rs. 1,400 million obtained during the prior year under Temporary Economic Refinance Facility (TERF) Scheme for retirement of import documents of plant and machinery. These carry mark-up at the rates ranges from 2.75% to 3.25% (SBP rate+bank spread) per annum and repayable in 20 and 32 equal quarterly installments, respectively. The tenure of these loans are 7 years and 10 years, respectively with a grace period of 24 months. These loans are carried at amortized cost at the effective rate ranging from 8.89% per annum to 12.69% per annum (3 months KIBOR plus bank spread). The difference between cash received and present value of cash outflow upon initial recognition has been recognized as deferred grant in accordance with IAS 20. These are secured against first joint pari passu charge on the fixed assets of the Company.

During the year, a modification in the NBP loan due to change in the markup rates from 2.5% to 2.75% (SBP rate + bank spread) per annum has occurred. The impact of the modification is insignificant and accordingly an appropriate adjustment has been made in the profit and loss account.

18.2 Lease liabilities - rented premises (land and buildings)

This represents liability recognized against right-of-use assets (i.e. rented premises). The effective interest rate used as the discounting factor is (i.e. incremental borrowing rate) 15.91% (2022: 15.91%). The amount of future payments and the year during which they will become due are:

	2023 Rupees	2022 Rupees
Year ending 30 June		
2023	-	28,287,876
2024	29,384,487	29,552,859
2025	31,888,098	31,888,098
2026 onwards	116,104,564	116,104,564
	177,377,149	205,833,397
Less: Future finance charges	(66,407,204)	(85,721,449)
	110,969,945	120,111,948
Less: Current maturity shown under current liabilities	(29,384,487)	(28,287,876)
	81,585,458	91,824,072

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

	2023		2022	
	MLP	PV of MLP	MLP	PV of MLP
	(R u p e e s)		(R u p e e s)	
Due not later than 1 year	29,384,487	12,287,082	28,287,876	3,974,323
Due later than 1 year but not later than 5 years	147,992,662	98,682,863	177,545,521	116,137,625
	177,377,149	110,969,945	205,833,397	120,111,948

18.2.2 Set out below are the carrying amounts of lease liabilities and the movements during the year:	Note	2023 Rupees	2022 Rupees
Opening balance		120,111,948	157,532,930
Termination		(501,374)	-
Reversal		-	(11,393,831)
Mark-up on lease liabilities - rented premises	33	19,488,511	21,992,400
		139,099,085	168,131,499
Lease rentals paid		(28,630,515)	(48,019,551)
Closing balance		110,468,570	120,111,948

18.2.3 This includes lease liability amounting Rs. 110.579 million (2022: Rs. 122.695 million) payable to Mian Iftikhar Ahmed - Chairman of the Company, in respect of rented premises (land and building).

18.2.4 Lease term of the leases is between 3 to 10 years (2022: 2 to 10 years).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
19 LOAN FROM DIRECTORS			
Opening balance		692,433,562	620,000,000
Obtained during the year		246,000,000	150,000,000
Repaid during the year		(246,000,000)	-
		-	150,000,000
		692,433,562	770,000,000
Unwinding of loan		77,566,438	(77,566,438)
Closing balance	19.1	770,000,000	692,433,562

19.1 This Company has obtained loan from a Director (Mian Itikhar Ahmed) of the Company, in prior years, at KIBOR minus spread of 1% per annum. During 2022, however, the Company and the Director agreed to charge mark-up at the rate of 5% per annum; therefore, the Company recognized IFRS 9 adjustment. As at reporting date, the Director and the Company has agreed that the Company will pay mark-up at the rate of KIBOR minus spread of 1% per annum, with effect from July 01, 2023. Further, the Director agreed to not demand repayment of the loan on or before June 30, 2024. As the impact of difference between principle amount of the loan and present value of the future outflows is not material to the financial statements, the Company has not recognized the related impact of discounting in the financial statements, in accordance with IFRS 9.

20 DEFERRED GRANT

This represents deferred grant recognized on loan received from National Bank Limited, United Bank Limited, Habib Metropolitan Bank Limited, Meezan Bank Limited and PAIR Investment Company Limited under SBP (TERF) scheme at below market interest rate for the retirement of import documents against plant and machinery and it also includes term finance obtained under employee refinance scheme for payment of wages and salaries to the workers and employees of business (as described in Note 18.1)

	Note	2023 Rupees	2022 Rupees
Movement during the year is as follows:			
Opening balance as at 01 July		202,525,291	17,485,130
Amount recognized as deferred grant during the year		32,540,441	250,339,490
Amount recognized as income during the year	32	-	(65,299,329)
Amount set-off against borrowing cost capitalized during the year		(74,154,294)	-
Closing balance as at 30 June		160,911,438	202,525,291
Less: current portion		(72,440,973)	(66,740,284)
Closing balance		88,470,465	135,785,007

21 DEFERRED TAX

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

Taxable Temporary Differences

	Note	2023 Rupees	2022 Rupees (Restated)
Accelerated tax depreciation allowance		591,147,500	523,857,187
Surplus on revaluation on property, plant and equipment		136,915,561	135,279,514
Impact of IFRS-9 on director loan		-	23,272,724
		728,063,061	682,409,425

Deductible Temporary Differences

	Note	2023 Rupees	2022 Rupees (Restated)
Provision against slow moving stock		(4,098,311)	(5,568,869)
Provision for claims		(20,246,960)	(15,256,831)
Allowance for expected credit losses		(52,427,090)	(47,214,377)
Lease liabilities - rented premises - net		(14,305,200)	(12,039,760)
Minimum tax	21.3	(208,835,420)	(78,907,140)
		(299,912,981)	(158,986,977)
		428,150,080	523,422,448

	Note	2023 Rupees	2022 Rupees
21.1 Reconciliation of deferred tax liabilities, net			
Opening balance		523,422,448	506,367,717
Tax (income) / expense recognized in profit or loss	34	(103,471,126)	1,643,479
Tax expense recognized in other comprehensive income	21.2	8,198,758	15,411,251
Closing balance		428,150,080	523,422,448
21.2 Reconciliation of deferred tax liability for surplus on property, plant and equipment is as follows:			
Deferred tax on revaluation adjustment during the year		-	8,299,468
Deferred tax on revaluation surplus due to increase in effective tax rate		8,198,758	7,111,783
		8,198,758	15,411,251

21.3 Based on the analysis of the Company's projections of taxable profits, the Company's management is confident that it will be able to adjust the minimum tax for the tax years 2022 and 2023 against excess tax payable, under the Normal Tax Regime (NTR), before their expiry.

Expiry of alternate corporate tax and minimum tax is as follows:

Nature	Tax Year	2023 Rupees	2022 Rupees
Minimum tax	2025	78,907,140	78,907,140
Minimum tax	2026	129,928,280	-
		208,835,420	78,907,140

22 SHORT-TERM FINANCES - SECURED

Short-term finances aggregating to Rs. 8.37 billion (2022: Rs. 8.12 billion) are available from commercial banks under mark up arrangements. The mark up is charged at the rates ranging from 3% per annum to 23.97% per annum (2022: 3.00% per annum to 16.74% per annum). The aggregate running finances are secured by joint pari passu charge on the current and fixed assets of the Company.

	Note	2023 Rupees	2022 Rupees
23 TRADE AND OTHER PAYABLES			
Trade creditors		1,621,798,786	1,186,987,711
Accrued liabilities		313,855,958	273,855,895
Payable to provident fund		7,865,120	6,546,340
Workers' profit participation fund	23.1	27,958,258	36,612,028
Provision for claims	23.2	67,698,605	50,850,000
Workers' welfare fund	23.3	24,340,529	38,143,838
Income tax withheld		21,705,956	30,163,813
Other liabilities		22,788,666	19,272,022
		2,108,011,878	1,642,431,647

23.1 Workers' profit participation fund

	Note	2023 Rupees	2022 Rupees
Opening balance		36,612,028	61,013,216
Contribution and interest for the year		27,958,258	36,612,028
Late payment surcharge		3,549,411	1,962,620
		68,119,697	99,587,864
Payment made during the year		(40,161,439)	(62,975,836)
Closing balance		27,958,258	36,612,028

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FOR THE YEAR ENDED JUNE 30, 2023

23.2 This represents refund liability arising due to right of return of customers. During the year, the increase in provision for claims resulted from increase sales during the last quarter.

	2023 Rupees	2022 Rupees
23.3 Workers' welfare fund		
Opening balance	38,143,838	25,498,663
Provision for the year	7,920,760	12,645,175
	46,064,598	38,143,838
Payment made during the year	(21,724,069)	-
Closing balance	24,340,529	38,143,838
24 CURRENT PORTION OF LIABILITIES		
Current portion of loan from financial institution	176,942,018	199,527,017
Current portion of deferred grant	72,440,973	66,740,284
Current portion of lease liabilities	29,384,487	28,287,876
	278,767,478	294,555,177
25 ACCRUED MARK-UP		
Short term finances	223,699,803	197,932,593
Long term finances	126,298,704	101,546,681
	349,998,507	299,479,274

26 CONTINGENCIES AND COMMITMENTS

Contingencies

- 26.1** The Company received a notice under section 122(5A) of the Ordinance dated 08 February 2018 for the tax year 2013 on account of minimum tax credits amounting to Rs. 50.7 million claimed under section 113(2)(C) of the Ordinance. The taxpayer filed a writ petition against the said notice in the Honorable Lahore High Court (LHC). The Honorable Court has decided the case in favor of the Company. The tax department has filed a reference against the said order before the Honorable Supreme Court of Pakistan which is pending for adjudication. Management of the Company expects a favorable outcome of the case.
- 26.2** The original assessment for the Tax Year 2016 was amended by the Additional Commissioner Inland Revenue (Addl. CIR) by invoking Section 122(5A) of the Ordinance; wherein the income of the Company was re-assessed by making certain additions. The tax impact of the above order was Rs. 8.05 million. Being aggrieved, the Company filed an appeal before CIR-A, who subsequently decided the case in favour of the Company. The tax department has filed an appeal before ATIR. The matter is still pending for adjudication. Management is confident of the favorable outcome of the case.
- 26.3** The Company is defending an order dated 31 December 2015 under section 122(5A) of the Ordinance for the tax year 2010 involving tax amount of Rs.10.46 million. The matter is pending for adjudication before Appellate Tribunal Inland Revenue (ATIR). The management is confident of the favorable outcome of the case.
- 26.4** The Company had claimed tax credits under section 113(2)(C) pertaining to tax years 2005 to 2008 in the tax year 2010. The same was disallowed by the Department on the sole ground that section 113 of the Ordinance was omitted vide Finance Act, 2008. The financial impact of this amounts to Rs. 27.03 million. The matter has been decided by Appellate Tribunal Inland Revenue in favour of the Company. The department has filed a reference before the Honorable Lahore High Court which is still pending for adjudication. The management is confident of the favorable outcome of the case.
- 26.5** The Company is defending a case, involving tax amount of Rs.62.19, before Honorable Lahore High Court (LHC) against show cause notice issued under section 11(2) of the Sales Tax Act, 1990 for the tax periods 2015 & 2016. The management of the Company expects a favorable outcome of the case.
- 26.6** The Company had received an order dated 31 May 2015 under section 122(5A) of the Income Tax Ordinance, 2001 for the tax year 2013, wherein the income of the Company was re-assessed and certain expenses were added back to the income for the year. The Appellate Tribunal Inland Revenue (ATIR) has decided the case in favour of the Company. The department has filed a reference before the Lahore High Court which is pending for adjudication. The management is confident that the same will be decided in favour of the Company.

26.7 The Company received a show cause notice from Punjab Revenue Authority under section 57 (2) of the Punjab Sales Tax on Services (Withholding) Rules, 2015 for the tax years 2017 & 2018. The Company filed a writ petition against the said show cause notice before the Honorable Lahore High Court (LHC). The Court heard the case vide interconnected writ petition No.16217/2020 and decided the case in favour of the taxpayers.

Commitments

26.8 Commitments from various banks against letter of credit and letter of guarantees are Rs. 1,586.37 million (2022: 1,884 million) and Rs. 208.44 million (2022: Rs. 178.34 million) respectively.

	Note	2023 Rupees	2022 Rupees
27 REVENUE FROM CONTRACT WITH CUSTOMERS-NET			
Local sales	27.2	23,188,169,853	22,529,354,952
Less: discounts		(1,174,334,293)	(361,608,910)
Less: sales tax		(3,691,763,265)	(3,565,352,241)
		18,322,072,295	18,602,393,801
Export sales	27.3	3,118,977,783	1,857,839,041
		21,441,050,079	20,460,232,842

27.1 All revenue is recognized at point in time.

27.2 The above include sales amounting to Rs.13.58 million (2022: 14.3 million) against defective tyres and tube and realized exchange gain on foreign debtors.

27.3 This amount includes rebate on export of Rs. 71.63 million (2022: Rs.38.43 million).

	Note	2023 Rupees	2022 Rupees
28 COST OF SALES			
Raw material consumed	28.1	13,628,016,223	14,245,872,401
Packing material consumed		351,724,111	354,667,200
Salaries, wages and other benefits	28.2	1,187,037,822	1,203,182,799
Transportation expense		77,481,467	59,590,855
Fuel and power		2,031,201,990	1,994,506,217
Telephone and postage		1,078,780	1,037,494
Insurance		19,210,994	13,717,969
Repair and maintenance		247,576,815	323,295,839
Vehicle running and maintenance		28,928,181	17,631,876
Rent, rates and taxes		3,890,485	2,067,948
Printing and stationery		5,245,308	3,758,039
Fees and subscription		470,700	135,196
Provision for slow moving stock - stock in trade	12.1	4,956,466	606,099
Depreciation - owned assets	6.4	320,820,844	245,208,648
Depreciation - right-of-use assets	7.1	-	18,602,474
Miscellaneous expenses		6,864,967	9,368,081
		17,914,505,153	18,493,249,135
Add: work-in-process - opening		393,694,234	252,440,107
		18,308,199,387	18,745,689,242
Less: work-in-process - closing		(475,685,724)	(393,694,234)
Cost of goods manufactured		17,832,513,663	18,351,995,008
Add: Finished goods - opening		1,759,156,475	974,174,228
		19,591,670,138	19,326,169,236
Add: Finished goods purchased		760,480,954	612,504,114
Less: Finished goods - closing		(2,019,054,408)	(1,759,156,475)
Cost of goods sold		18,333,096,684	18,179,516,875

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FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
28.1 Raw material consumed			
Opening inventory		2,118,145,426	1,974,219,996
Add: Purchases		12,709,381,482	14,377,994,685
Add: Freight and octroi inward		4,311,787	11,803,146
		<u>14,831,838,695</u>	<u>16,364,017,827</u>
Less: Closing inventory	12	(1,203,822,472)	(2,118,145,426)
		<u>13,628,016,223</u>	<u>14,245,872,401</u>
28.2 Salaries, wages and other benefits include Rs. 14.35 million (2022 Rs. 12.53 million) in respect of provident fund contribution by the employer.			
29 SELLING AND DISTRIBUTION EXPENSES	Note	2023 Rupees	2022 Rupees
Salaries, allowances and other benefits	29.1	229,539,378	202,576,308
Telephone, telex and postage		1,243,290	1,221,983
Entertainment		2,626,628	935,155
Travel and transport		293,073,278	239,693,669
Other export expenses		112,980,876	109,962,563
Advertisement		235,098,461	98,228,337
Sales promotion		1,588,250	1,272,315
Rent expense		1,692,471	620,041
Insurance		-	837,707
Fuel and electricity		1,186,412	1,038,085
Repair and maintenance		25,193,272	11,921,443
Depreciation - owned assets	6.4	14,741,649	16,523,631
Depreciation - right-of-use assets	7.1	1,195,752	1,539,881
Miscellaneous expenses		11,548,861	1,084,588
		<u>931,708,578</u>	<u>687,455,706</u>
29.1 Salaries, allowances and other benefits include Rs. 6.32 million (2022: Rs. 5.96 million) in respect of provident fund contribution by the employer.			
30 ADMINISTRATIVE AND GENERAL EXPENSES	Note	2023 Rupees	2022 Rupees
Salaries, allowances and other benefits	30.1	191,037,351	182,628,633
Directors' remuneration		3,200,000	4,100,000
Printing and stationery		2,322,715	3,614,781
Telephone, telex and postage charges		5,036,417	3,883,849
Depreciation - owned assets	6.4	16,504,733	19,535,038
Depreciation - right-of-use assets	7.1	15,304,256	17,925,795
Amortization of intangible assets	8	1,514,589	3,314,318
Insurance		13,769,375	11,399,079
Vehicle running and maintenance		21,937,746	15,116,233
Traveling and conveyance		7,130,230	4,409,265
Entertainment		5,973,860	4,176,018
Rent, rates, taxes and fees		543,015	595,819
Auditor's remuneration	30.2	3,200,000	2,470,000
Donations	30.3	2,000,000	1,000,000
Legal and professional charges		9,033,025	6,764,545
Fee and subscription		5,434,949	4,331,789
Utilities charges		18,132,209	6,183,341
Support services		14,718,527	8,589,871
Repair and maintenance		17,228,637	15,661,994
Allowance for expected credit loss	13.2	22,145,199	45,968,117
Miscellaneous expenses		1,892,346	1,508,366
		<u>378,059,179</u>	<u>363,176,851</u>

30.1 Salaries, allowances and other benefits include Rs. 4.76 million (2021 : Rs. 4.39 million) in respect of provident fund contribution by the employer.

	Note	2023 Rupees	2022 Rupees
30.2 Auditor's remuneration			
Statutory audit		2,013,000	1,600,000
Half year review		462,000	420,000
Certifications		525,000	300,000
Out of pocket expenses		200,000	150,000
		<u>3,200,000</u>	<u>2,470,000</u>

30.3 Donations

This Amount includes donations made to a single party exceeds 1 million:

	2023 Rupees	2022 Rupees
Namal Education	1,000,000	1,000,000
Special Olympics	1,000,000	-
	<u>2,000,000</u>	<u>1,000,000</u>

None of the Directors or their spouses or other close family members had any interest in the donees.

31 OTHER OPERATING EXPENSES

	Note	2023 Rupees	2022 Rupees
Workers' profit participation fund	23.1	27,958,258	36,612,028
Workers' welfare fund		7,920,760	12,645,175
Unwinding of director's loan		77,566,438	-
Impairment on moulds		-	3,978,830
Impact of IFRS-9 on loans to employees		6,908,454	12,380,528
		<u>120,353,910</u>	<u>65,616,561</u>

32 OTHER OPERATING INCOME

	Note	2023 Rupees	2022 Rupees
Gain on disposal of property, plant and equipment		6,256,964	10,955,736
Gain on termination of lease arrangement		155,616	-
Grant income on SBP refinance scheme for payroll financing	20	2,969,282	14,516,327
Grant income on TERF for import of plant and machinery		-	50,783,002
Profit on TDRs		3,531,681	32,585,598
Impact of discounting of IFRS-9 on director loan		-	77,566,438
De-recognition of lease liability and right of use asset		-	537,738
Miscellaneous income		3,639,000	2,751,116
		<u>16,552,542</u>	<u>189,695,955</u>

33 FINANCE COST

	Note	2023 Rupees	2022 Rupees
Mark up on			
- long term loan		70,732,422	71,560,695
- due to deferred grant		2,969,282	43,098,330
- short term finances under mark up arrangements		919,851,715	492,641,082
- lease liabilities - rented premises		19,488,511	21,992,400
- Late payment surcharge-WPPF	23.1	3,549,411	1,962,620
Bank charges		31,920,609	18,593,846
		<u>1,048,511,949</u>	<u>649,848,973</u>

34 TAXATION

	Note	2023 Rupees	2022 Rupees
Current			
- For the year		316,404,898	297,080,562
- Prior period		145,032	(51,867,463)
		<u>316,549,930</u>	<u>245,213,099</u>
Deferred			
- Relating to origination of temporary difference	21.1	(103,471,126)	1,643,478
		<u>213,078,804</u>	<u>246,856,577</u>

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34.1 Upon enactment of Finance Act, 2023, the Company has recognized super tax amounting to Rs. 27.3 million.

34.2 The numerical reconciliation between the average / effective tax rate and applicable tax rate has not been presented in these financial statements as the total income of the Company attracts minimum tax under section 113 of the Income Tax Ordinance, 2001 and its export sales fall under final tax regime.

35 EARNINGS PER SHARE - BASIC AND DILUTED	2023 Rupees	2022 Rupees (Restated)
Profit after taxation (Rupees)	432,793,517	457,457,254
Weighted average number of ordinary shares at the end of the year (numbers)	168,000,000	168,000,000
Earnings per share - (basic / diluted) (Rupees)	2.58	2.72

36 REMUNERATION OF DIRECTORS AND CHIEF EXECUTIVE

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

	Directors		Chief Executive		Executives	
	2023	2022	2023	2022	2023	2022
	(R u p e e s)					
Managerial remuneration	14,280,000	10,422,800	32,500,000	37,166,667	319,184,000	241,509,482
Provident fund	-	-	-	-	13,922,510	12,055,275
	14,280,000	10,422,800	32,500,000	37,166,667	333,106,510	253,564,757
Number of persons	2	1	1	1	71	68

36.1 The Chief Executive, Directors and certain executives have also been provided with Company-maintained cars. Two executive Directors have been provided remuneration while 5 (2022: 4) other Directors have been provided with meeting fees aggregating to Rs. 3.2 million (2022: Rs. 1.7 million).

37 CONTRACT BALANCES	Note	2023 Rupees	2022 Rupees
Trade receivables	13	2,953,278,558	4,298,059,971
Provision for claims	23.2	67,698,605	50,850,000

38 RELATED PARTY TRANSACTIONS

The related parties comprise of shareholders, Directors of the Company, employees benefit funds and key management employees. The Company carries out transactions with its related parties in the normal course of business. Significant related party transactions, other than remuneration of Directors which is disclosed in note 36, are as follows:

Name of related party	Relationship with the Company	%age of shareholding	Nature of transactions	2023	2022
Mian Iftikhar Ahmed	Chairman	48%	Rent of head office	26,353,800	23,958,000
			Loan received from Director (Interest free)	217,000,000	150,000,000
			Repayment of loan	(217,000,000)	-
			Interest on loan	38,500,000	40,418,233
Mian Faisal Iftikhar	Chief Executive Officer	16%	Loan received from Director (Interest free)	15,000,000	-
			Repayment of loan	(15,000,000)	-
Samina Iftikhar	Spouse of Director	10%	Loan received from Director (Interest free)	14,000,000	-
			Repayment of loan	(14,000,000)	-
Staff provident fund	Other related parties		Contribution to staff provident fund	25,428,811	22,877,858

39 CAPACITY AND ACTUAL PRODUCTION	2023		2022	
	Actual production	Production capacity*	Actual production	Production capacity
Tyres / Tyre Sets	4,406,245	8,107,500	6,825,903	8,107,500
Tubes - packed	21,470,912	31,552,500	28,716,429	31,552,500
	25,877,157	39,660,000	35,542,332	39,660,000

Production capacity working is based on 300 days.

39.1 Under utilization of available capacity is mainly due to normal maintenance and changes in production patterns over the year, as major Original Equipment Manufacturers of the country closed down their operations temporarily which in turn led to a fall in production and sales of the tyre industry as a whole.

*As of reporting date, the Company's production capacity has increased as a result of capitalization during the month of June. Upon commencement of normal production, in financial year 2024, the Company will include such additions in this figure.

40 NUMBER OF EMPLOYEES	2023	2022
Factory		
Number of employees as at reporting date	2,737	2,947
Average number of employees during the year	2,656	2,813
Total Number of Employees		
Number of employees as at reporting date	2,941	3,167
Average number of employees during the year	2,865	3,027

41 RESTATEMENTS AND RECLASSIFICATION

Corresponding figures have been adjusted / reclassified, wherever necessary, for better and fair presentation. As disclosed in 3.3 and Note 5.8.

CHANGE OF ACCOUNTING POLICY

The adjustments summarized below represents the quantitative and qualitative effect of change in accounting policy that have been made in these financial statements by restating the corresponding figures.

STATEMENT OF FINANCIAL POSITION

Description	2022			01 July 2021		
	Reported	(Decrease)/Increase	Restated	Reported	(Decrease)	Restated
	R u p e e s					
NON CURRENT ASSETS						
Property, plant and equipment	4,925,494,944	(602,038,913)	4,323,456,031	4,342,201,351	(622,808,031)	3,719,393,320
EQUITY AND LIABILITIES						
Surplus on revaluation of property, plant and equipment	970,251,032	(353,137,118)	617,113,914	854,801,883	(376,257,069)	478,544,814
Unappropriated profits	2,911,101,732	(116,170,186)	2,794,931,546	2,747,555,295	(136,152,734)	2,611,402,561
Deferred taxation	656,154,055	(132,731,607)	523,422,448	616,765,947	(110,398,228)	506,367,719
STATEMENT OF COMPREHENSIVE INCOME						
Depreciation	229,930,154	(37,152,084)	192,778,070			
Other comprehensive income	138,690,418	5,950,413	144,640,831			
Earnings per share						
- Basic and diluted (Rs.)	2.50	0.22	2.72			

As part of above adjustment, the Company has also reclassified the amount of deferred tax included within 'Revaluation surplus on Property, plant and equipment' reserve, not relating to land and building, to 'Unappropriated profits'.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

42 FINANCIAL RISK MANAGEMENT OBJECTIVES

42.1 Financial risk factors

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

Risk management is carried out by the Company's finance department under policies approved by the Board of Directors.

(a) Market risk

(i) Currency risk

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

At 30 June 2023, if the Company's functional currency had weakened / strengthened by 10% against the US Dollar with all the other variables held constant, the profit before taxation for the year would have been higher / lower by Rs. 35.1 million (2022: Rs. 15.93 million), mainly as a result of foreign exchange gains / losses on translation of financial assets denominated in US Dollars.

(ii) Other price risk

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

(iii) Interest rate risk

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

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

	2023 Rupees	2022 Rupees
Floating rate instruments		
Financial liabilities		
Long-term finances	339,560,439	93,406,596
Short-term finances	5,502,287,452	7,215,101,096
	<u>5,841,847,891</u>	<u>7,308,507,692</u>
Fixed rate instruments		
Financial liabilities		
Long-term finances	1,693,689,211	1,820,360,293
Lease liabilities - rented premises	110,969,945	120,111,948
	<u>1,804,659,156</u>	<u>1,940,472,241</u>

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

If interest rates on long term loan and finances under mark-up arrangement, at the year end date, had been 100 basis points higher / lower with all other variables held constant, profit before taxation would have been Rs. 292.09 million (2022: Rs. 65.72 million) higher / lower, mainly as a result of higher / lower interest expense on floating rate borrowings. The Company, however, capitalizes its borrowing costs in respect of qualifying assets. Accordingly, such additional cost would be charged to profit or loss over the life of those qualifying assets.

(b) Credit risk

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

The carrying values of financial assets are as under:

	2023 Rupees	2022 Rupees
Trade debts	3,128,576,025	4,455,422,343
Loans given to employees	25,276,109	28,535,632
Other receivables	95,151,794	36,568,624
Long term deposits	31,310,389	31,591,435
Balances with bank	352,192,101	711,257,439
	<u>3,632,506,418</u>	<u>5,263,375,473</u>

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

	2023 Rupees	2022 Rupees
Geographically:		
- Trade debts		
Local	2,601,403,975	4,127,500,168
Europe	112,919,677	41,595,787
Asia	184,375,668	94,328,291
Africa	16,404,697	23,723,116
South America	38,174,541	10,912,609
	<u>2,953,278,558</u>	<u>4,298,059,971</u>
- Sales		
Company has made export sales in following regions, which have been made through advances and cash against documents:		
Europe	442,811,980	390,889,652
Asia	2,327,030,295	1,287,491,580
Africa	146,137,746	127,452,249
South America	202,997,762	52,005,560
	<u>3,118,977,783</u>	<u>1,857,839,041</u>
Categorically, sales comprises of		
Products:		
- Tyres and tubes	20,625,114,099	19,855,581,273
- Others- trading	815,935,980	604,651,569
	<u>21,441,050,079</u>	<u>20,460,232,842</u>

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). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The maximum

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FOR THE YEAR ENDED JUNE 30, 2023

exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The letters of credit and other forms of credit insurance are considered integral part of trade receivables and considered in the calculation of impairment.

	Up to 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
As at 30 June 2023					
	R u p e e s				
Expected credit loss rate	0.42% to 25.45%	35.75%	100.00%	100.00%	
Estimated total gross carrying amount at default	2,771,076,359	89,889,117	27,739,054	71,684,173	2,960,388,703
Expected credit loss	43,742,176	32,132,065	27,739,054	71,684,173	175,297,467

As at 30 June 2022

Expected credit loss rate	0.60% to 31.38%	40.22%	72.24%	99.82%	
Estimated total gross carrying amount at default	4,162,680,896	61,013,230	34,759,058	48,001,120	4,306,454,304
Expected credit loss	59,803,219	24,537,206	25,109,336	47,912,611	157,362,372

- Bank balances

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

Bank	Short term	Long term	Rating Agency	2023	2022
				Rupees	Rupees
Balances with bank:					
Albaraka Bank (Pakistan) Limited	A1	A+	PACRA	4,462,796	2,314,756
Allied Bank Limited	A1+	AAA	PACRA	-	300,000,000
Bank Alfalah Limited	A1+	AA+	PACRA	123,889,033	15,729,938
The Bank of Khyber	A1	A+	PACRA	23,554	24,460
Habib Bank Limited	A1+	AAA	JCR-VIS	62,096,442	128,539,346
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	5,715,526	15,953,064
Industrial & Commercial Bank Of China Limited	P-1	A-2	Moody's	331	1,741,502
MCB Bank Limited	A1+	AAA	PACRA	28,304,063	42,257,258
National Bank of Pakistan	A1+	AAA	JCR-VIS / PACRA	22,250,475	553,338
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	11,848,330	446,761
Summit Bank Limited	A3	BBB-	PACRA	48,938	48,938
United Bank Limited	A1+	AAA	JCR-VIS	4,991,549	37,643,943
Samba Bank Limited	A1	AA	PACRA	25,380,000	-
Faysal Bank Limited	A1+	AA	PACRA	35,840,503	144,821,433
JS Bank Limited	A1+	AA-	PACRA	623,940	-
Meezan Bank	A1+	AAA	JCR-VIS	628,100	19,015,000
Soneri Bank	A1+	AA-	PACRA	184,884	184,884
Bank Islamic Limited	AA-	AA-	PACRA	25,129,276	514,940
Dubai Islamic Bank Limited	A1+	AA	JCR-VIS	774,361	1,467,878
				352,192,101	711,257,439

All of the Company's deposit are with banks having better than investment grade external ratings. Accordingly, the Company has assessed allowance for expected credit loss with reference to default events that are possible within the next 12 months. Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly, the credit risk is minimal.

The Company also maintains margin on LC with investment grade financial institutions. Similarly, due to short-term nature of earnest money, the Company expects minimum credit loss.

(c) Liquidity risk

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

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

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

The following are the contractual maturities of financial liabilities as at 30 June 2023:

	On demand	within 1 year	Over 1 year	Total
	(R u p e e s)			
Loan from financial institutions	-	249,382,991	1,783,866,659	2,033,249,650
Lease liabilities - rented premises	-	29,384,487	147,992,662	177,377,149
Short term finances - secured	-	5,502,287,452	-	5,502,287,452
Trade and other payables	-	2,026,142,015	-	2,026,142,015
Accrued mark-up	-	349,998,507	-	349,998,507
	-	8,157,195,452	1,931,859,321	10,089,054,773

The following are the contractual maturities of financial liabilities as at 30 June 2022:

	On demand	within 1 year	Over 1 year	Total
	(R u p e e s)			
Loan from financial institutions	-	249,382,991	1,654,084,748	1,903,467,739
Lease liabilities - rented premises	-	28,287,876	177,545,521	205,833,397
Short term finances - secured	-	7,215,101,096	-	7,215,101,096
Trade and other payables	-	1,530,965,628	-	1,530,965,628
Accrued mark-up	-	299,479,274	-	299,479,274
	-	9,323,216,865	1,831,630,269	11,154,847,134

42.2 Fair values of financial assets and liabilities

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

42.3 Financial instruments by categories

Financial assets

Long term deposits
Long term receivables
Trade debts
Advances, deposits, prepayments and other receivable
Cash and cash equivalents

	2023	
Cash and cash equivalents	Amortized cost	Total
	31,310,389	31,310,389
	25,276,109	25,276,109
	3,128,576,025	3,128,576,025
	95,151,794	95,151,794
353,918,334	-	353,918,334
353,918,334	3,280,314,317	3,634,232,651

Financial liabilities

Loan from financial institutions
Lease liabilities - rented premises
Mark up accrued on loans
Trade and other payable
Short term finances

2023
Financial liabilities at amortized cost
2,033,249,650
177,377,149
349,998,507
2,026,142,015
5,502,287,452
10,089,054,773

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

	2022		Total
	Cash and cash equivalents	Amortized cost	
Financial assets			
Long term deposits	-	31,591,435	31,591,435
Advance to employees	-	28,535,632	28,535,632
Trade debts	-	4,455,422,343	4,298,059,971
Advances, deposits, prepayments and other receivable	-	36,568,624	736,800,810
Cash and bank balances	714,370,353	-	714,370,353
	<u>714,370,353</u>	<u>4,552,118,034</u>	<u>5,809,358,201</u>
Financial liabilities			
Loan from financial institutions			1,903,467,739
Lease liabilities - rented premises			205,833,397
Mark up accrued on loans			299,479,274
Trade and other payable			1,530,965,628
Short term finances			7,215,101,096
			<u>11,154,847,134</u>

43 CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may issue new shares or sell assets to reduce debt. Consistent with others in the industry and the requirements of the lenders the Company monitors the capital structure on the basis of gearing ratio based on long term borrowing. Total capital is calculated as 'equity' as shown in the statement of financial position plus long term finances. The gearing ratio as at year ended 30 June 2023 and 30 June 2022 are as follows:

	2023 Rupees	2022 Rupees
Long term finances	2,033,249,650	1,913,766,889
Total equity - excluding surplus on revaluation	6,046,346,614	5,769,365,204
Total capital	<u>8,079,596,264</u>	<u>7,683,132,093</u>
Gearing ratio	25%	25%

44 CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

For movement in loan from directors and lease liabilities, refer to notes 19 and 18.2.2, respectively.

	Long term loan obtained from financial institutions	
	2023 Rupees	2022 Rupees
As at 30 June 2022	2,015,313,570	1,445,034,235
Changes from financing activities		
Repayments during the year	(180,517,238)	(364,121,774)
Acquisition during the year	300,000,000	1,053,675,903
Total changes from financing cashflows	119,482,762	689,554,129
Other changes		
Interest expense	24,752,022	83,250,497
Deferred grant	(160,911,438)	(202,525,291)
As at 30 June 2023	<u>1,998,636,916</u>	<u>2,015,313,570</u>
45 STAFF PROVIDENT FUND		
Size of fund	196,003,200	155,472,242
Percentage of investments made	78.40%	80.02%
Fair value of investments	153,673,269	124,408,958
Cost of investments made	152,114,060	115,655,743

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

	2023			2022		
	Cost	Fair Value	%age of Fund size	Cost	Fair Value	%age of Fund size
	(R u p e e s)					
Meezan Bank Limited	141,984,178	142,893,922	72.90%	114,831,037	123,552,162	79.47%
Albaraka Bank (Pakistan) Limited	829,882	883,417	0.45%	824,706	856,796	0.55%
Cdc Trustee Alfalah Islamic Rozana Amdani Fund	9,300,000	9,895,930	5.05%	-	-	0.00%
	<u>152,114,060</u>	<u>153,673,269</u>	<u>78.40%</u>	<u>115,655,743</u>	<u>124,408,958</u>	<u>80.02%</u>


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

46 SUBSEQUENT EVENT

The Board of Directors in their meeting held on August 10, 2023 have proposed a final cash dividend for the year ended June 30, 2023 of Rs. 2.00 per share (2022: Rs. 1 per share), for approval of the members at the Annual General Meeting to be held on 26-09-2023. These financial statements do not reflect this dividend.

47 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors on August 10, 2023.


Chief Executive Officer


Director


Chief Financial Officer

PATTERN OF SHAREHOLDING

SHAREHOLDINGS			
No. of Shareholders	From	To	Total Shares Held
334	1	100	12,498
414	101	500	154,281
1217	501	1,000	822,162
1455	1,001	5,000	3,105,937
252	5,001	10,000	1,829,927
76	10,001	15,000	968,600
45	15,001	20,000	811,475
22	20,001	25,000	516,534
13	25,001	30,000	373,708
14	30,001	35,000	451,714
10	35,001	40,000	371,100
10	40,001	45,000	442,417
12	45,001	50,000	578,063
5	50,001	55,000	266,172
5	55,001	60,000	298,600
3	60,001	65,000	185,911
2	65,001	70,000	135,000
2	70,001	75,000	143,931
2	75,001	80,000	152,553
2	80,001	85,000	167,200
4	95,001	100,000	397,346
1	100,001	105,000	105,000
2	105,001	110,000	217,900
1	110,001	115,000	115,000
4	115,001	120,000	476,000
2	120,001	125,000	244,500
1	130,001	135,000	131,500
1	140,001	145,000	144,426
3	145,001	150,000	449,000
1	150,001	155,000	151,654
2	170,001	175,000	346,800
1	175,001	180,000	179,238
2	190,001	195,000	384,000
1	195,001	200,000	200,000
4	210,001	215,000	851,793
1	225,001	230,000	228,500
1	235,001	240,000	236,000
1	245,001	250,000	250,000
1	260,001	265,000	264,426
1	265,001	270,000	270,000
1	325,001	330,000	329,700
1	330,001	335,000	331,000
1	345,001	350,000	350,000
1	370,001	375,000	373,075
1	375,001	380,000	378,000
1	390,001	395,000	390,600
1	395,001	400,000	396,300
2	440,001	445,000	887,500

SHAREHOLDINGS			
No. of Shareholders	From	To	Total Shares Held
1	510,001	515,000	510,100
1	515,001	520,000	518,600
1	525,001	530,000	526,019
1	595,001	600,000	600,000
1	770,001	775,000	773,500
1	795,001	800,000	795,900
1	900,001	905,000	903,452
1	1,195,001	1,200,000	1,200,000
1	1,395,001	1,400,000	1,400,000
1	3,080,001	3,085,000	3,081,058
1	4,170,001	4,175,000	4,173,000
1	5,200,001	5,205,000	5,201,858
1	7,445,001	7,450,000	7,450,000
1	13,195,001	13,200,000	13,200,000
1	26,095,001	26,100,000	26,400,000
1	80,395,001	80,400,000	80,399,472
3,955			168,000,000

Categories of Shareholders	No. of Shareholders	Shares Held	Percentage
Directors, Chief Executive Officer, and their spouse and minor children	13	126,369,800	75.2201%
Associated Companies, undertakings and related parties. (Parent Company)	0	0	0.0000%
NIT and ICP	1	179,238	0.1067%
Banks Development Financial Institutions, Non Banking Financial Institutions.	2	1,023,452	0.6092%
Insurance Companies	6	6,590,738	3.9231%
Modarabas and Mutual Funds	11	4,380,296	2.6073%
Shareholders holding 10% or more	3	124,364,472	74.0265%
General Public			
a. Local	3,873	26,307,935	15.6595%
b. Foreign	4	9,120	0.0054%
Others (to be specified)			
- Joint Stock Companies	28	1,509,943	0.8988%
- Leasing Company	1	1,200	0.0007%
- Pension Funds	6	1,100,196	0.6549%
- Others	10	528,082	0.3143%

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



پینتھر ٹائر لیمیٹڈ برائے رائے شماری بذریعہ ڈاک برائے خصوصی امور بموقع سلاٹ اجلاس عام منعقدہ بروز منگل 26 ستمبر 2023ء بمقام فلپینز ہوٹل، 24 ایگزٹن روڈ، لاہور۔

ویب سائٹ: corporate@panthertyrescom

Sr. No.	Name	No. of Shares Held	Percentage
Associated Companies, Undertakings and Related Parties (Name Wise Detail):			
-			
Mutual Funds (Name Wise Detail)			
1	CDC - TRUSTEE ABL STOCK FUND	773,500	0.4604
2	CDC - TRUSTEE MEEZAN ISLAMIC FUND	28,008	0.0167
3	CDC - TRUSTEE NBP BALANCED FUND	35,700	0.0213
4	CDC - TRUSTEE NBP ISLAMIC SARMAYA IZAFI FUND	46,600	0.0277
5	CDC - TRUSTEE NBP ISLAMIC STOCK FUND	212,499	0.1265
6	CDC - TRUSTEE NBP SARMAYA IZAFI FUND	28,200	0.0168
7	CDC - TRUSTEE NBP STOCK FUND	3,081,058	1.8340
8	CDC - TRUSTEE UBL ASSET ALLOCATION FUND	30,000	0.0179
9	CDC - TRUSTEE UBL DEDICATED EQUITY FUND	61,500	0.0366
10	CDC - TRUSTEE UBL RETIREMENT SAVINGS FUND - EQUITY SUB FUND	11,300	0.0067

Directors and their Spouse and Minor Children (Name Wise Detail):

1	MIAN IFTIKHAR AHMED	80,399,472	47.8568
2	MIAN FAISAL IFTIKHAR	26,592,000	15.8286
3	MRS. AYESHA IFTIKHAR	2,000,000	1.1905
4	MR. JAVED MASUD	132	0.0001
5	MR. ASAD SULTAN CHAUDHARY	132	0.0001
6	MR. ZAHID MAHMUD	132	0.0001
7	MR. IQBAL AHMED KHAN	132	0.0001
8	MRS. SAMINA IFTIKHAR W/O MIAN IFTIKHAR AHMED	17,373,000	10.3411
9	MRS. FARZANA JAVED W/O JAVED MASUD	2,400	0.0014
10	MRS. ASMA ASAD W/O ASAD SULTAN CHAUDHARY	2,400	0.0014

Executives: 100 0.0001

Public Sector Companies & Corporations: - -

Banks, Development Finance Institutions, Non Banking Finance 8,787,517 5.2307%

Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:

Shareholders holding five percent or more voting interest in the listed company (Name Wise Detail)

1	MIAN IFTIKHAR AHMED	80,399,472	47.8568
2	MIAN FAISAL IFTIKHAR	26,592,000	15.8286
3	MRS. SAMINA IFTIKHAR	17,373,000	10.3411

All trades in the shares of the listed company, carried out by its Directors, Executives and their spouses and minor children shall also be disclosed:

		Sale	Purchase
1	MR. MOHSIN MUZAFFAR BUTT	5,800	-
2	MR. GHULAM ABBAS	5,400	-
3	MS. AYESHA IFTIKHAR		600,000 (Gifted)
4	MS. AYESHA IFTIKHAR		1,400,000

شیر ہولڈر / مشترکہ شیر ہولڈرز کا نام	
رجسٹرڈ پتہ	
فولیو نمبر / سی ڈی سی شرکت کنندہ / سرمایہ کار ID ذیلی اکاؤنٹ نمبر	
منعقدہ حصص کی تعداد	
سی این آئی سی / پاسپورٹ نمبر (اگر غیر ملکی ہو) (نقل منسلک کیلئے)	
انسانی معلومات اور معلومات (بصورت نمائندہ باڈی کارپوریٹ کارپوریشن اور وفاقی حکومت)	
مجاز و شاد کنندہ کا نام	
مجاز و شاد کنندہ کا سی این آئی سی / پاسپورٹ نمبر (اگر غیر ملکی ہو) (نقل منسلک کیلئے)	

مزید قرار پایا کہ بذریعہ نوٹیفکیشن S.R.O.389(1)2023 مورخہ 21 مارچ 2022 جاری کردہ منجانب سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان منظوری کمپنی کو سالانہ آڈٹ شدہ مالیاتی گوشواروں کو CD/DVD/USB کی بجائے کوئیک رسپانس (QR) فعال کوڈ اور ویب لنک کے ذریعے اپنے اراکین / حصص یافتگان کو گردش کرنے کی اجازت دی گئی ہے۔ میں / ہم بذریعہ ان کو بالاقرار داد کے ضمن میں بذریعہ بیلت (دوٹ) قرار وہ ان کی حمایت یا مخالفت کی اپنی رائے کا اظہار ذیل میں دیئے گئے موزوں خانے میں تک مارک () لگا کر کرتے ہیں

نوٹیت اور قرار دادوں کی تفصیل	
عام حصص کی تعداد جن کے لئے ووٹ ڈالے گئے	
میں / ہم قرار داد کی حمایت کرتے ہیں (حامی)	
میں / ہم قرار داد کی مخالفت کرتے ہیں (مخالف)	
ایجنڈا آئٹم نمبر 6 کیلئے قرار داد	

حصص داران کے دستخط

جگہ تاریخ

نوٹس:

- 1- باقاعدہ پر کردہ بیلت پینتھر ٹائر لیمیٹڈ کے چیئر مین کے دفتر عزیز ایونیو، نیٹیل روڈ، لاہور کو بذریعہ ڈاک یا corporate@panthertyrescom برائے میل کے ذریعے ارسال کیا جائے۔
- 2- سی این آئی سی / پاسپورٹ (اگر غیر ملکی ہو) پوسٹل بیلت فارم کے ساتھ منسلک کیا جائے۔
- 3- بیلت پینتھر ٹائر لیمیٹڈ کے پاس مورخہ 25 ستمبر 2023 5:00:00 تک موصول ہو جانا چاہیے۔ مذکورہ تاریخ کے بعد موصول ہونے والا کوئی بھی بیلت پینتھر ٹائر لیمیٹڈ کے لئے تصور نہیں ہوگا۔
- 4- بیلت پینتھر ٹائر لیمیٹڈ پر وہی دستخط ہونا چاہئیں جو سی این آئی سی / پاسپورٹ (اگر غیر ملکی ہو) پر کئے گئے ہیں۔
- 5- نام عمل، غیر دستخط شدہ، غیر درست، بد شکل، پھٹے ہوئے نسخہ شدہ و برائے تحریر والا بیلت پینتھر ٹائر لیمیٹڈ پر مسترد کر دیا جائے گا۔

PANTHER TYRES LIMITED BALLOT PAPER FOR VOTING THROUGH POST

For poll at the Annual General Meeting of Panther Tyres Limited to be held on Tuesday September 26, 2023 at Faletti's Hotel, 24-Egerton Road, Lahore. Designated email address of the Chairman at which the duly filled in ballot paper may be sent at corporate@panthertyres.com

Name of shareholder/joint shareholders	
Registered Address	
Folio No. / CDC Participant / Investor ID with sub-account No	
Number of shares held	
CNIC, NICOP/Passport No. (in case of foreigner) (Copy to be attached)	
Additional Information and enclosures (In case of representative of body corporate, corporation and Federal Government.)	
Name of Authorized Signatory:	
CNIC, NICOP/Passport No. (In case of foreigner) of Authorized Signatory - (Copy to be attached)	

I/we hereby exercise my/our vote in respect of the following resolutions through postal ballot by conveying my/our assent or dissent to the following resolution by placing tick (✓) mark in the relevant box below or may write "Approved" or "Disapproved"

Special Resolutions				
"RESOLVED THAT the approval be and is hereby given to allow the Company to circulate the annual audited financial statements to its members/shareholders through Quick Response (QR) enabled code and weblink instead of through CD/DVD/USB, subject to the requirements of Notification No. S.R.O. 389(1)/2023 of Securities and Exchange Commission of Pakistan dated March 21, 2023"				
Sr. No.	Nature and Description of resolutions	No. of ordinary shares for which votes cast	I/We assent to the Resolutions (FOR)	I/We dissent to the Resolutions (AGAINST)
1	Special Resolution as per Agenda # 6			

Signature of shareholder(s)
Place & Date

NOTES:

- Dully filled postal ballot should be sent to chairman of Pantehr Tyres Limited at 97-b, Aziz Avenue, Jail Road Lahore or through email at corporate@panthertyres.com
- Copy of CNIC, NICOP/Passport No. (In case of foreigner) should be enclosed with the postal ballot form.
- Postal ballot forms should reach chairman of the meeting till 5.00 p.m. September 25, 2023. Any postal ballot received after this date, will not be considered for voting.
- Signature on postal ballot should match with signature on CNIC, NICOP/Passport (In case of foreigner).
- Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot paper will be rejected.

AFFIX
CORRECT
POSTAGE

The Company Secretary

PANTHER TYRES LIMITED
97-B, Aziz Avenue, Jail Road, Lahore

FORM OF PROXY

PANTHER TYRES LIMITED

40TH ANNUAL GENERAL MEETING

The Company Secretary
Panther Tyres Limited
97-B, Aziz Avenue, Jail Road
Lahore

I/We _____

Of (Residence / Registered Office) _____

Being a member of Panther Tyres Limited hereby appoint (Name & CNIC) _____

Of (Residence) _____

As a proxy to attend, speak and vote on my / our behalf at the Annual General Meeting of the Company to be held on the 26th day of September 2023 at 01:30 pm and at any adjournment thereof.

Appointer detail:

CNIC / CUIN: _____

CDC Participant ID No. _____

CDC Account / Sub-Account No. _____

Rs. 50/-
Revenue
Stamp

Signature and Stamp*
Date:

Notes:

1. The proxy form should be signed by the appointer or attorney duly authorized in writing, or if the appointer is a company, it must be signed by an officer or attorney duly authorized.
2. A company may authorize an individual to act as its representative at the meeting by resolution of its board.
3. The proxies must be lodged with the company not later than forty-eight hours before the time for holding the AGM.
4. All members, through the proxy, shall authenticate their identity by showing the original CNIC/passport at the time of attending the meeting.

*in case the appointer is a company.

AFFIX
CORRECT
POSTAGE

The Company Secretary

PANTHER TYRES LIMITED

97-B, Aziz Avenue, Jail Road, Lahore



PANTHER

Panther Tyres Limited

Panther House, 97-B, Aziz Avenue,
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