



ANNUAL REPORT 2022



— S A Z G A R —
ENGINEERING WORKS LIMITED

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

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Vision

Dynamic, Quality Conscious and Ever Progressive

Mission

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

Corporate Strategy

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

COMPANY INFORMATION

BOARD OF DIRECTORS

Mrs. Saira Asad Hameed
Chairperson/Non-Executive Director

Mr. Mian Asad Hameed
Chief Executive

Mr. Saeed Iqbal Khan
Executive Director

Mr. Mian Muhammad Ali Hameed
Executive Director

Mrs. Sana Suleyman
Non-Executive Director

Mr. Humza Amjad Wazir
Non-Executive Director

Mr. Umair Ejaz
Independent Director

Mr. Muhammad Omer Saeed
Independent Director

Mr. Taha Mahmood
Independent Director

COMPANY SECRETARY

Mr. Arshad Mahmood - FCA

CHIEF FINANCIAL OFFICER

Mr. Muhammad Atif Rao

REGISTERED OFFICE

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

SHARE REGISTRAR

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

FACTORY

Unit-1 Located at 18-KM Raiwind Road, Lahore, Pakistan.
Unit-2 Located at Western Tank Link Road, near Ijtimah
Chowk, Sundar Road, Raiwind, Lahore, Pakistan.

AUDIT COMMITTEE

Mr. Umair Ejaz
Chairman

Mr. Taha Mahmood
Member

Mrs. Sana Suleyman
Member

Mr. Arshad Mahmood
Secretary

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Taha Mahmood
Chairman

Mr. Mian Asad Hameed
Member

Mr. Humza Amjad Wazir
Member

Mr. Umair Ejaz
Member

Mr. Arshad Mahmood
Secretary

NOMINATION COMMITTEE

Mr. Mian Asad Hameed
Chairman

Mr. Humza Amjad Wazir
Member

Mr. Saeed Iqbal Khan
Member

Mr. Arshad Mahmood
Secretary

RISK MANAGEMENT COMMITTEE

Mr. Umair Ejaz
Chairman

Mr. Taha Mahmood
Member

Mr. Mian Muhammad Ali Hameed
Member

Mr. Arshad Mahmood
Secretary

AUDITORS

H.Y.K & Co.
Chartered Accountants

BANKERS

Allied Bank Limited
National Bank of Pakistan
Bank Alfalah Limited
Habib Bank Limited
Meezan Bank Limited
United Bank Limited- Ameen
Bank Al - Habib Limited
MCB Islamic Bank Limited
Bank Islami Pakistan Limited
Faysal Bank Limited
Habib Metropolitan Bank
Askari Bank Limited
Dubai Islamic Bank Pakistan Limited

CHAIRPERSON'S REVIEW REPORT

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

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

The automobile sector has faced lot of challenges during the year in form of constant devaluation of Pak Rupee against USD, strict fiscal measures taken by SBP on car financing and import of CKD of vehicles, rise in inflation as well as KIBOR, increase in fuel cost etc. Under these circumstances, this sector has shown a sales volume growth in respect of four wheelers (other than tractors) 53.85%, tractors 15.76% and three wheelers (19.64%). (Source: Pakistan Automobile Manufacturers Association)

During the year, the Company has recorded highest ever sales revenue of Rs. 10.05 Billion (2021: Rs 4.03 Billion). Commencement of commercial operation of four wheeler under brand name "BAIC" has played an instrumental role in achieving this milestone.

The Company also completed setting up of project as on June 30, 2022 within its target time line for the manufacturing of passenger SUV vehicles under brand "HAVAL" which is well known in Global as well as in local Market. The Company commenced the trial operation of these vehicles in July and successfully completed in August, 2022 well before its time frame by rolling out first unit of HAVAL vehicle.

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

During the year a casual vacancy was occurred on account of resignation of independent director Mr. Ijaz Ishaq Khan

due to his appointment as a judge of Honorable Islamabad High Court, Islamabad. The casual vacancy was filled up with the appointment of independent director, Mr. Muhammad Omer Saeed who will hold office of directorship for the remainder period of resigned director. The Board appreciates the valuable contributions made by the outgoing director during his tenure of directorship of the Company.

The Board exercised all its powers in deciding the significant matters; Five (5) Board meetings were held during the year in timely manner and sufficient time was spent by the Board to decide the matters. The directors actively participated in the process of decision making and provided their valuable contribution. Board committees have functioned in accordance with their terms of reference diligently.

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


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

The Board ensures that the company is in compliance of its statutory obligations and good corporate governance practices, system of risk identification, risk management and system of related internal controls which is sound in design and is being implemented effectively with continuous monitoring. The Company is committed in discharging its Corporate Social Responsibility. Research and development work is continuously carried on for the innovation of new products and or to make the production and existing products more efficient to maintain or expand its market share.

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

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

Lahore
September 28, 2022


Mrs. Saira Asad Hameed
Chairperson

DIRECTORS' REPORT

The directors of your company are pleased to present 31st Annual Report along with the audited financial statements of the Company for the year ended 30th June 2022:

PRINCIPAL ACTIVITIES:

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

The Company commenced commercial operation of passenger cars and off-road vehicles during second quarter of current financial year under brand "BAIC".

The Company also completed setting up of project as on June 30, 2022 within its target time line for the manufacturing of passenger SUV vehicles under brand "HAVAL" which is well known in Global as well as in local Market. The Company commenced the trial operation of these vehicles in July and successfully completed in August, 2022 well before its time frame by rolling out first unit of HAVAL vehicle.

BUSINESS BRIEF OVERVIEW:

Presently, the Country is passing through a very difficult and unexpected situation. The political and economic instability has jeopardized the business conditions of the country. The constant devaluation of Pak Rupee, increase in KIBOR and higher inflation rate has escalated the input costs of products tremendously and halted the business transactions. The fiscal measures taken by SBP on import of raw materials and CKD of vehicles has further deteriorated the supply chain of products.

Auto sector although had suffered with lot of hurdles during the financial year but four wheeler segment (other than tractors) has shown an overall growth of 53.85%, tractors 15.76% and three wheelers (19.64)% in respect of sales volume. (Source: Pakistan Automobile Manufacturers Association)

The constant depletion of Pak Rupee against US Dollar has forced the automobile assemblers to raise prices of vehicles from time to time which has shrunk the purchasing power of the customers at large and particularly the buyers of three wheelers.

FINANCIAL PERFORMANCE OF THE COMPANY:

Summary of financial results is given below:

FINANCIAL RESULTS:

	2022 (Rupees)	2021 (Rupees)
Net Sales	10,048,117,887	4,033,601,008
Gross Profit	666,845,871	366,723,669
Operating Profit	317,330,601	125,665,610
Profit before Tax	263,452,573	104,480,003
Profit after Tax	117,839,528	75,795,332
Earnings Per Share	1.95	Restated 1.25

Appropriations:

The Board of Directors, at their meeting held on September 28, 2022 has not recommended any dividend considering the cash requirements for the Company's four wheeler project and country's prevailing economic conditions.

Sales Revenue:

The overall net sales revenue of the Company has increased by 149.11% from Rupees **4.034 Billion** to Rupees **10.048 Billion**, highest ever sales revenue in the history of the Company. This milestone has been achieved due to the successful functioning of four wheeler project during the current financial year.

Segment wise: The net sales of four wheelers has increased by 245.38 times from Rupees 22.28 million to Rupees 5,466.54 million. Four wheeler sales also include the sale of CBU unit of HAVAL vehicles of Rupees 2,738.72 million. The net sale of Three Wheelers has increased from Rupees 3,286.43 million to Rupees 3,825.21 million reflecting an increase of 16.39%. The net sale of automotive parts has increased by 4.69 % from Rupees 721.23 million to Rupees 755.02 million. The net sales of home appliances has decreased from Rupees 3.66 million to Rupees 1.35 million, compared

with the corresponding period of last year.

The sale of Three Wheelers also includes an export sale of Rupees 56.20 million showing a decline of 15.16% as compared to the last financial year export of Rupees 66.24 million. During the year, Company exported Three Wheelers to Afghanistan, Ethiopia, Tanzania and Japan.

The sale of home appliances has decreased due to their lower demand in the market.

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

Product	Sales volume 2021	Sales volume 2022	% of Increase/ (Decrease)
Four wheelers	-	997	-
Three wheelers	15,665	15,683	0.11
Tractor Wheel Rims	97,925	71,294	(27.20)

Four wheelers sale also includes the sale of 530 units of CBU.

The reduction in sale of tractor wheel rims is due to lower orders placed by tractor assemblers during the year.

Gross Profit:

Company's gross profit has increased from Rupees 366.72 million to Rupees 666.85 million showing an increase of Rupees 300.12 million compared with the corresponding period of last year, whereas, the gross profit ratio has declined from 9.09% to 6.64%.

During the year, the input costs has increased substantially due to the constant Pak Rupee devaluation, exorbitant rise in prices of iron sheet in the local as well as in international markets, sea freight cost, higher inflation rate etc. These factors have contributed in declining the gross profit rate.

Finance Cost:

Finance cost has increased from Rs 21.19 million to Rs. 53.88 million showing an increase of 32.69 million compared with the corresponding period of last year. The increase is mainly due to the higher usage of banking facilities, payment of profit on long term loans and increase in KIBOR.

Profit Before Taxation:

Company's profit before taxation has increased from Rupees 104.48 million to Rupees 263.45 million showing a surge of Rupees 158.97 million compared with the corresponding period of last year.

Earnings Per Share:

The Earnings per share of the Company has increased from Rs. 1.25 (restated) to Rs. 1.95 as compared to corresponding period of last year showing an increase in profits available for distribution to the shareholders.

Production:

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

Product	Production volume 2021	Production volume 2022	% of Increase/ (Decrease)
Four wheelers	-	474*	-
Three wheelers	15,806	16,002	1.24
Tractor Wheel Rims	97,066	70,966	(26.89)

*The Company commenced commercial production of four wheelers during second quarter of current financial year.

RISKS AND UNCERTAINTIES:

Risks:

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

All Risks cannot be eliminated, these can be managed, mitigated and transferred to third party.

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

The board has established Risk Management Policies for the governance of risks and determination of company's level of risk tolerance. The board reviews annually to

ensure that the management has maintained a sound system of risk identification, risk management and related internal controls to safeguard the assets, resources, reputation and interest of the company and shareholders. The system is subject to continuous monitoring for its further improvement.

The policies on Risk Management and Internal Control containing complete detail of frame work have been placed on Company's website.

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

Market Penetration of new products:

The Company has introduced passenger cars and off-road vehicles in the market during the year under the brand "BAIC". This is a new segment of market for the Company and it has to face various challenges for penetration in the market.

The Company has established a solid dealership network throughout the country for the marketing, sale and after sale service of its products and this network will expand continuously with the passage of time.

The Company is also using social media for the promotion of these vehicles which has been proved to be an effective platform for the general customers.

A marketing plan has been finalized and is being implemented gradually which will help and make easy to penetrate in the market.

Branding of Passenger Cars and Off- Road Vehicles:

The brand "BAIC" is well known in the International Market. However, the brand is new for the Pakistani markets.

The Company is taking various steps for creating of awareness of this brand throughout the country and Al-hamdolillah has achieved a substantial success in this regard.

Availability and Prices of Raw Material:

The production of tractor wheel rims and sheet metal components of Three Wheelers is dependent on the

availability of steel, any hurdle in availability and volatility of its prices may adversely affect the production, input cost and supply of tractor wheel rims and sheet metal components of three wheelers.

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

Currency Devaluation:

Pak Rupee is not stable against foreign currencies. Material devaluation of Pak Rupee, if any, may deteriorate the profitability of the Company and adversely affect the sales volume. The company has a planning of availing the hedging and forward cover booking of foreign currency facility upon its availability (if it is feasible).

Economic, Political and Law & Order conditions:

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

General Market Conditions:

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

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

Regulatory and Taxation Policy:

The automotive industry is subject to various

governmental regulations. Any adverse and sudden change in the Governments' taxation and regulatory policy may have considerable impact on the company's future business.

Sudden break down of Plant & Equipment:

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

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

Financial Risks:

The Company is also exposed to various financial risks which have been stated in note 41 to the audited financial statements.

Warranty cases:

Warranty cases could arise if the quality of the products does not meet the requirements and regulations are not complied with or support is not provided in the required form in connection with product problems and product care. Possible claims with such risks are examined and if necessary appropriate measures are taken for the affected products. The company works continuously to maintain the product quality at required level to supply the best possible products to the customers.

Uncertainties:

- Volatility in prices of raw materials.
- Government's new taxation and regulatory policies.
- Pak Rupee parity against foreign currencies.
- Law and order situation in the country.
- Supply of electricity to the industry.
- Political and economic stability.
- Inflation Rate.
- Borrowing cost.

MATERIAL CHANGES:

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

FUTURE OUTLOOK:

The flash flood in the country has destroyed the major portion of the infrastructure and washed off many houses, crops along with casualties of hundreds of people throughout the country. The magnitude of this disaster seems to be at high level and would have massive adverse effects on the economy in the coming days, as the major population of our country belongs to these rural areas.

Auto sector although has a great potential of growth, however, during next financial year, it will be exposed to various risk factors like constant depletion of Pak Rupee, higher KIBOR, rising inflation rate, fiscal measures taken by SBP on car financing and opening of LCs' for the import of CKD of vehicles. These factors may suppress the sale of vehicles.

The revival of IMF loan facility may help to improve the economic indicators of the country and may further help to overcome the prevailing crisis situation.

The COVID-19 is still present in the country and from time to time its infection rate rises but remains in control because majority of population is vaccinated. The Company is committed to follow the standard procedure for taking care of its employees.

Company's Four Wheeler Vehicles:

Under this segment, the Company is carrying two international Chinese brands, "BAIC" & "HAVAL". The Company is in commercial production of Jeep BJ-40L under brand "BAIC" whereas the CKD roll out of first unit of "HAVAL" vehicles (SUVs) had also been carried out in August, 2022.

Jeep BJ-40L is a unique product with exclusive features and does not have any competition in the market, however, this product pertains to a niche market and will have a great potential in corporate and institutional

sales in the time to come. Therefore, the Company foresees its bright future.

HAVAL vehicles (SUVs') have to face competition in the market with respect to price as well as quality. Fortunately, HAVAL vehicles are beautifully designed quality products and offer excellent safety features as compared to its competition. These products are already trial and tested and are being marketed by our principal in more than 60 countries and are highly ranked in their respective category.

Keeping in view the initial response from the test marketing of these products (CBU) in Pakistan and customers' interest in pre-booking numbers of locally manufactured vehicles, the Company is confident that these products will get good market shares in its respective category of vehicles.

The Company expects that this business segment will contribute substantially in company's sale revenue and profitability in the coming years.

Company's Three Wheeler Vehicles:

The customers of Three Wheeler Vehicles belong to a lower income segment of the society. The devaluation of Pak Rupee and higher inflation rate has reduced the purchasing power of these people which may badly affect the company's sale volume of three wheelers.

The Company will continue its policy of Research and Development to innovate new products as well as to improve the quality of existing products to remain ahead of the competition.

Automotive Parts:

The devastating floods throughout the country may adversely affect the sale of tractors therefore, demand of tractor wheel rims will remain under pressure in next financial year.

Exports:

Your Company is making efforts to increase the exports of its products because earning of every Dollar has a great significance for Pakistan and is very essential for the stability and progress of the country.

The Company expects a rise in export orders in the next year.

CORPORATE SOCIAL RESPONSIBILITY:

Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large. During the year, the company carried out the following activities under CSR:

Health:

In order to protect the employees from the pandemic COVID-19, the Company has formed SOP's and is taking all possible measures including wearing of masks, increased facilities for washing hands, provision of sanitizers, walk-through gate with chlorine spray and maintaining a social distance. The Company has also formed a committee of employees who are continuously ensuring the compliance of SOP's of the Company.

The Company is also helping its employees for their vaccination and to date majority of employees are vaccinated which has resulted in a healthier working environment.

Company made contribution of Rs. 150,000/- to various hospitals that provide free of cost medical facilities to the poor or deserving people of the society.

Education:

Company donated a sum of Rs. 200,000/- to the institutions which are not only looking after the poor children but are also providing them education free of cost.

Financial Assistance:

Company spent Rs. 822,360/- on the welfare of deceased's workers families to meet their household and children's education expenses.

Hajj Sponsorship:

This year the Company sent its two (2) employees for

performing Hajj and spent a sum of Rs. 1,700,774/- in this regard.

Employment of Disabled persons:

Company creates employment opportunities for disabled persons to make them respectable and self sufficient in the society. Presently company has employed 26 disabled persons.

Clean Drinking Water:

Clean water is important for the health of workers. Company provides its workers clean filtered drinking water to keep them healthy and safe from different diseases.

Workforce Training:

Workforce development is very significant for the progress of industrial sector. The Company is committed for human resource development for the automotive sector. The new appointees are trained before they are sent to production line. Measures are also taken to improve their skills and performance.

Safety:

The Company takes different safety measures to safe guard its man force and working environment. Company provides safety goggles, Gloves, safety shoes, welding shields, etc, to its workers. Work places are cleaned properly to avoid slips and fall. Hazardous materials are stored in designated area. The Company also takes measures to avoid the occurrence of accidents. First aid facility, fire extinguishers, dedicated Company owned Ambulance Service has been made available to meet the emergency situation.

Environment Protection:

The Company takes care of its environment in which it operates. The Company takes measures to minimize the negative impact of its business operations on air, soil, ground water and biological resources surrounding the plant areas. For this purpose, the Company uses the machinery with latest technology in production processes to control the hazardous wastages and harmful emission from the operations.

Material scraps are properly managed and disposed off. Company's production scrap is also used as input material for making new components and in this way does not pollute the environment.

Plantation of trees is also done from time to time within and outside the plant areas.

The Company has been awarded a compliance certificate by Environmental Protection Agency (EPA), Government of Punjab.

Contribution To National Exchequer:

Being a responsible citizen, the company has made a contribution of Rs. **3.769 Billion** to National Exchequer during the year in form of income tax, sales tax, custom duties and excise as compared to Rs. **0.981 Billion** of last financial year reflecting an increase of 284.05%.

IMPACT OF COVID-19 ON THE FINANCIAL STATEMENTS

Considering the applicable IFRS and going concern assumptions used for the preparation of these financial statements, the Company has assessed the accounting implications of this pandemic on these financial statements and determines that there has been no specifically quantifiable material impact of COVID-19 on the Company's financial statements for the year ended June 30, 2022.

COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE:

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

- **Presentation of Financial Statements** The financial statements, prepared by the management of the company, present its state of affairs fairly, the results of its operations, cash flows and changes in equity;
- **Books of Account** Proper books of account of the company have been maintained;

- **Accounting Policies** Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgement;

- **Compliance with International Financial Reporting Standards (IFRS)** International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and departure there from (if any) has been adequately disclosed and explained;

- **Going Concern** There are no significant doubts upon the Company's ability to continue as a going concern;

- **Best Practices of Corporate Governance** There has been no material departure from the best practices of corporate governance, as are applicable to the Company for the year ended June 30, 2022.

- **Financial Data of Last Years** Key operating and financial data of last six years is annexed as per annexure "A"

Dividend The Board of Directors, at their meeting held on September 28, 2022 has not recommended any dividend considering the cash requirements for the Company's four wheeler project and country's prevailing economic conditions.

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

Significant Plans and Decisions: To explore new business opportunities in automobile sector.

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

STATEMENT ON ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

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

Complete detail of internal control system has been defined in internal control policy which is available on Company's website.

BOARD OF DIRECTORS:

Presently, the Board of Directors of the Company consists of the following nine (9) directors who shall hold office up to March 19, 2023:

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

During the year, one casual vacancy was occurred and Board filled up that vacancy in due course of time.

Outgoing Director:

On December 08, 2021, Independent Director, Mr. Sardar Ejaz Ishaq Khan resigned from the directorship of the company because of his appointment as a judge of Honorable Islamabad High Court, Islamabad. The Board appreciates the valuable contributions made by Mr. Sardar Ejaz Ishaq Khan during his tenure as a director of the Company

Incoming Director:

Mr. Muhammad Omer Saeed appointed as an Independent Director of the Company w.e.f. February 17, 2022 to hold office of directorship for the remainder period of resigned director.

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

Name of Directors	Board	Board Audit Committee	HR & R Committee	Nomination Committee	Risk Management Committee
Total Meetings Held	5	4	1	1	1
Mr. Mian Asad Hameed	5	-	1	1	-
Mrs. Saira Asad Hameed	5	-	-	-	-
Mr. Saeed Iqbal Khan	4	-	-	1	-
Mr. Mian Muhammad Ali Hameed	5	-	-	-	1
Mrs. Sana Suleyman	5	4	-	-	-
Mr. Humza Amjad Wazir	4	-	1	1	-
Mr. Sardar Ejaz Ishaq Khan resigned on December 08, 2021	3	-	-	-	-
Mr. Umair Ejaz	5	4	1	-	1
Mr. Taha Mahmood	5	4	1	-	1
Mr. Muhammad Omer Saeed appointed w.e.f. February 17, 2022	2	-	-	-	-

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

Directors' Training Programs during the year: The Company is in compliance of certification of Directors Training Programme. Out of nine, six directors have acquired the Directors' Training Programme (DTP) from SECP approved Institutions up to June 30, 2022 whereas two directors fall under the exemption criteria of Listed Companies (Code of Corporate Governance) Regulations 2019 and also obtained exemption from SECP. The independent director appointed during the year has obtained the certification subsequent to the period under review.

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

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

Purchase, sale of Shares and change in beneficial ownership:

Name of Directors, Executives and Spouses	Bonus shares	Sale
Mr. Mian Asad Hameed	5,837,719	-
Mrs. Saira Asad Hameed	880,485	-
Mr. Saeed Iqbal Khan	624,544	-
Mr. Mian Muhammad Ali Hameed	1,619,647	-
Mrs. Sana Suleyman	9,235	-
Mr. Humza Amjad Wazir	427	-
Mr. Sardar Ejaz Ishaq Khan	332	-
Mr. Umair Ejaz	366	-
Mr. Taha Mahmood	333	-
Mr. Arshad Mahmood	9,654	-
Mrs. Naghmana Saeed	238,204	-
Mrs. Amina Humza Wazir	15,360	-
Mr. Muhammad Suleyman Khan	15,393	-

COMPOSITION OF BOARD:

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

- Male : (7) seven
- Female : (2) two

The composition of board is as follows:

- Independent Directors:**
 - Mr. Umair Ejaz
 - Mr. Taha Mahmood
 - Mr. Muhammad Omer Saeed
- Non-Executive Directors:**
 - Mrs. Saira Asad Hameed
 - Mrs. Sana Suleyman
 - Mr. Humza Amjad Wazir
- Executive Directors including Chief Executive:**
 - Mr. Mian Asad Hameed
 - Mr. Saeed Iqbal Khan
 - Mr. Mian Muhammad Ali Hameed
- Female Directors:**
 - Mrs. Saira Asad Hameed
 - Mrs. Sana Suleyman

Committees of the Board:

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

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

* Represents that the director is member of the respective committee

DIRECTORS' REMUNERATION POLICY:

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

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

No remuneration is paid to Non-Executive Directors except the meeting attending fee in accordance with the scale approved by the Board. The non-executive directors including independent directors who are residing outside Lahore are also paid travelling and accommodation expenses for attending the Board & Committees meetings.

No director participates in the proceedings of the meeting for determining his own remuneration.

DIRECTORS' REMUNERATION PACKAGE:

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

(Rupees)

Particulars	Managerial Remuneration	Bonus	Meeting fee & Boarding lodging expenses	Total
Chief Executive	29,766,000	605,000	-	30,371,000
Executive Director Technical	14,205,000	288,750	-	14,493,750
Executive Director Marketing	5,752,350	116,875	-	5,869,225
Non-Executive Directors	-	-	1,045,000	1,045,000

PERFORMANCE EVALUATION OF BOARD, COMMITTEES AND INDIVIDUAL DIRECTORS:

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

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

AUDITORS:

The present auditors retire and being eligible offers themselves for reappointment. The Audit Committee and the Board of Directors have also recommended for their reappointment on the following remunerations:

(Rupees)

a.	Annual Audit	1,093,500
b.	Half yearly review	200,000
c.	Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019	25,000
d.	Certificate under CDC Regulation and Report on Free-float of shares	25,000
e.	Any other certificate	25,000

EMPLOYEES RELATIONS:

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


ACKNOWLEDGEMENT:

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

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

Lahore:
September 28, 2022

For and on behalf of the Board


Mian Asad Hameed
(Chief Executive)


Saeed Iqbal Khan
(Director)

ڈائریکٹران کی رپورٹ

کمپنی کے ڈائریکٹران 30 جون 2022ء کو مکمل ہونے والے سال کیلئے آڈٹ شدہ مالی گوشواروں کے ہمراہ کمپنی کی اکتیسویں (31) سالانہ رپورٹ بخوشی پیش کرتے ہیں۔

بنیادی سرگرمیاں:

کمپنی بنیادی طور پر آٹوموبائلز بشمول فورویلڈز اور تھری ویلڈز، ٹریکٹرویل ریمز اور ہوم اپلائنسز کی پیداوار اور فروخت میں مصروف عمل ہے۔

کمپنی نے "BAIC" برانڈ کے تحت رواں مالی سال کی دوسری سہ ماہی کے دوران مسافر کاروں اور آف روڈ گاڑیوں کا کرشل آپریشن شروع کیا۔

کمپنی نے اپنے مقرر کردہ ہدف 30 جون 2022ء کو "HAVAL" برانڈ کے تحت جو کہ عالمی اور مقامی مارکیٹ میں یکساں مشہور ہے SUV مسافر گاڑیوں کی تیاری کے لیے پراجیکٹ بھی مکمل کیا۔ کمپنی نے جولائی میں ان گاڑیوں کا ٹرائل آپریشن شروع کیا اور اپنے مقرر کردہ وقت سے بہت پہلے کامیابی کے ساتھ مکمل کیا اور پہلی HAVAL گاڑی کا اگست 2022 میں افتتاح کر دیا۔

کاروبار کا مختصر جائزہ:

اس وقت ملک انتہائی مشکل اور غیر متوقع صورت حال سے گزر رہا ہے۔ سیاسی اور معاشی عدم استحکام نے ملک کے کاروباری حالات کو خطرے میں ڈال دیا ہے۔ پاکستانی روپے کی قدر میں مسلسل کمی، KIBOR میں اضافہ اور افراط زر کی بلند شرح نے مصنوعات کی لاگت میں زبردست اضافہ کیا ہے اور کاروباری لین دین میں تعطل پیدا کر دیا ہے۔ سٹیٹ بینک آف پاکستان کی جانب سے خام مال کی درآمد اور گاڑیوں کی CKD پر کئے گئے مالیاتی اقدامات نے مصنوعات کی سپلائی چین کو مزید خراب کر دیا ہے۔

آؤٹسٹو کو اگرچہ مالی سال کے دوران بہت سی رکاوٹوں کا سامنا کرنا پڑا لیکن فورویلڈ سیکمنٹ (ٹریکٹروں کے علاوہ) میں مجموعی طور پر 53.85 فی صد، ٹریکٹرز 15.76 فی صد اور تھری ویلڈز (19.64) فی صد فروخت کے حجم میں اضافہ دیکھا گیا۔ (ذرائع: پاکستان آٹوموبائل مینوفیکچررز ایسوسی ایشن)۔

امریکی ڈالر کے مقابلے میں پاکستانی روپے کی مسلسل گرتی ہوئی قدر نے آٹوموبائلز اسمبلر کو وقتاً فوقتاً گاڑیوں کی قیمتوں میں اضافہ کرنے پر مجبور کیا جس سے صارفین اور خاص طور پر تھری ویلڈز کے خریداروں کی قوت خرید میں کمی آئی ہے۔

کمپنی کی مالیاتی کارکردگی:

مالیاتی نتائج کا خلاصہ ذیل میں دیا گیا ہے۔

مالیاتی نتائج:

2021 (روپے)	2022 (روپے)	
4,033,601,008	10,048,117,887	آمدنی
366,723,669	666,845,871	مجموعی منافع
125,665,610	317,330,601	آپریٹنگ منافع
104,480,003	263,452,573	منافع قبل از ٹیکس
75,795,332	117,839,528	منافع بعد از ٹیکس
(ری اسٹیٹیٹ)		فی حصص آمدنی
1.25	1.95	

تخصیصات:

بورڈ آف ڈائریکٹران نے 28 ستمبر 2022 کو اپنے منعقدہ اجلاس میں فورویلر پراجیکٹ کی انڈی ضروریات اور ملک کے موجودہ معاشی حالات کو مد نظر رکھتے ہوئے کسی بھی منافع منقسمہ کی سفارش نہیں کی ہے۔

سیلز آمدنی:

کمپنی کی مجموعی سیلز آمدنی 149.11 فی صد اضافہ کے ساتھ 4.034 بلین روپے سے بڑھ کر اس سال 10.048 بلین روپے ہو گئی ہے، جو کمپنی کی تاریخ میں اب تک کی سب سے زیادہ فروخت آمدنی ہے۔ یہ سنگ میل رواں مالی سال کے دوران فورویلر پراجیکٹ کی کامیابی کے ساتھ کام کرنے کی وجہ سے حاصل ہوا ہے۔

حصہ دار سیلز آمدنی:

فورویلر کی مجموعی سیلز آمدنی 245.38 گنا اضافہ کے ساتھ 22.28 بلین روپے سے بڑھ کر 5,466.54 بلین روپے ہو گئی ہے۔ فورویلر کی سیلز میں 2,738.72 بلین روپے "HAVAL" کے CBU یونٹس کی سیلز کے بھی شامل ہیں۔ تھری ویلر کی مجموعی سیلز آمدنی پچھلے سال کے مقابلہ میں 3,286.43 بلین روپے سے بڑھ کر 3,825.21 بلین روپے ہو گئی ہے جو کہ 16.39 فی صد اضافہ کو ظاہر کرتی ہے۔ آٹوموٹیو پارٹس کی مجموعی سیلز آمدنی 4.69 فی صد اضافہ کے ساتھ 721.23 بلین روپے سے بڑھ کر 755.02 بلین روپے ہو گئی ہے۔ ہوم اپلائنسز کی مجموعی سیلز آمدنی پچھلے سال کے مقابلہ میں 3.66 بلین روپے سے کم ہو کر 1.35 بلین روپے ہو گئی ہے۔

تھری ویلر کی مجموعی سیلز آمدن 56.20 بلین روپے کی برآمدات بھی شامل ہیں جو کہ پچھلے مالی سال کی برآمدات 66.24 بلین روپے کے مقابلہ میں 15.16 فیصد کی کوتاہی کر رہی ہیں۔ سال کے دوران، کمپنی نے افغانستان، ایٹھویا، ہیٹز انیا اور جاپان کو تھری ویلرز برآمد کئے۔

مارکیٹ طلب میں نمایاں کمی کی وجہ سے ہوم اپلائنسز کی فروخت میں کمی ہوئی ہے۔

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

میں	فروخت حجم	فروخت حجم	فروخت حجم
2022	2021	2020	2019
997	-	-	-
15,683	15,665	15,665	15,665
71,294	97,925	97,925	97,925

فورویلر کی فروخت میں CBU گاڑیوں کے 530 یونٹس کی فروخت بھی شامل ہے۔

سال کے دوران ٹریکٹر ویلر کی فروخت میں کمی ٹریکٹر اسمبلر کے کم آرڈر کی وجہ سے ہے۔

مجموعی منافع:

کمپنی کا مجموعی منافع 300.12 بلین روپے کے اضافہ سے پچھلے سال کے مقابلہ میں 366.72 بلین روپے سے بڑھ کر 666.85 بلین روپے ہو گیا ہے جبکہ مجموعی منافع کا تناسب 9.09 فیصد سے کم ہو کر 6.64 فیصد ہو گیا ہے۔

سال کے دوران، پاکستانی روپے کی قدر میں مسلسل کمی، مقامی اور بین الاقوامی منڈیوں میں آئرن شیٹ کی قیمتوں میں بے تحاشہ اضافہ، بحری کرایہ میں اضافہ، مہنگائی کی بلند شرح وغیرہ کی وجہ سے پیداواری لاگت میں خاطر خواہ اضافہ ہوا ہے۔ ان عوامل نے مجموعی منافع کی شرح کو کم کرنے میں کردار ادا کیا ہے۔

قرضوں کی لاگت:

قرضوں کی لاگت پچھلے سال کے مقابلہ میں 32.69 ملین روپے کے اضافہ کے ساتھ 21.19 ملین روپے سے بڑھ کر 53.88 ملین روپے ہو گئی ہے۔ یہ اضافہ بنیادی طور پر بینکنگ سہولیات کے زیادہ استعمال، KIBOR، میں اضافہ اور طویل مدتی قرضوں پر منافع کی ادائیگی کی وجہ سے ہے۔

قبل از ٹیکس منافع:

کمپنی کا قبل از ٹیکس منافع پچھلے سال کے مقابلہ میں 104.48 ملین روپے سے بڑھ کر 263.45 ملین روپے ہو گیا ہے جو کہ 158.97 ملین روپے کے اضافہ کو ظاہر کر رہا ہے۔

آمدنی فی حصص:

کمپنی کی فی حصص آمدنی پچھلے سال کے مقابلہ میں 1.25 روپے (ری اسٹیٹڈ) سے بڑھ کر 1.95 روپے ہو گئی ہے جو کہ حصص داران کے لئے دستیاب منافع میں نمایاں اضافہ کو ظاہر کرتی ہے۔

پیداوار:

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

مصدات	پیداوار حجم 2021	پیداوار حجم 2022	فی صد اضافہ / (کمی)
فورویلز	-	474*	-
تھری ویلز	15,806	16,002	1.24
ٹریکٹر ویل رمز	97,066	70,966	(26.89)

* کمپنی نے رواں مالی سال کی دوسری سہ ماہی کے دوران فورویلز کی تجارتی پیداوار شروع کی تھی۔

خطرات اور غیر یقینی صورت حال:

خطرات:

کمپنی کو بڑی تعداد میں اندرونی اور بیرونی خطرات کا سامنا ہے۔ خطرہ ایک واقع کے رونما ہونے کا موقع ہے جو کمپنی کو اپنے مقاصد حاصل کرنے میں روک سکتا ہے۔ تمام خطرات ختم نہیں کئے جاسکتے، ان کا انتظام کیا جاسکتا ہے، کم کیے جاسکتے ہیں اور تیسری پارٹی کو منتقل کیے جاسکتے ہیں۔ بورڈ آف ڈائریکٹران کی مجموعی ذمہ داری ہے کہ کمپنی کے خطرات کے انتظامی ڈھانچہ کا قیام اور نگرانی کرے۔

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

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

کمپنی کو درپیش چند بنیادی خطرات درج ذیل ہیں۔

نئی مصنوعات کی مارکیٹ میں رسائی:

کمپنی نے سال کے دوران "BAIC" برانڈ کے تحت مسافر کاروں اور آف روڈ گاڑیاں مارکیٹ میں متعارف کرائی ہیں۔ یہ کمپنی کے لئے ایک نئی مارکیٹ ہے۔ اور اس میں رسائی حاصل کرنے کے لئے کمپنی کو بہت سارے چیلنجز کا سامنا کرنا پڑے گا۔

کمپنی نے اپنی مصنوعات کی مارکیٹنگ، فروخت اور سروس بعد از فروخت کے لئے ملک میں ایک ٹھوس ڈیلرشپ کا نظام قائم کیا ہے اور یہ نیٹ ورک وقت گزرنے کے ساتھ مسلسل پھیلتا جائے گا۔

کمپنی ان گاڑیوں کی تشہیر کے لئے سوشل میڈیا کا استعمال بھی کر رہی ہے جو کہ عام صارفین کے لئے ایک موثر پلیٹ فارم ثابت ہوا ہے۔

نئی مصنوعات کے متعارف کے لئے مارکیٹنگ منصوبے کو حتمی شکل دے دی گئی ہے جو ان کی رسائی کو آسان اور مددگار بنائے گا۔

مسافر کاروں اور آف روڈ گاڑیوں کی برانڈنگ:

"BAIC" برانڈ بین الاقوامی منڈیوں میں جانا پہچانا جاتا ہے تاہم یہ برانڈ پاکستانی منڈیوں کے لئے نیا ہے۔

کمپنی ملک بھر میں اس برانڈ کے بارے میں آگاہی پیدا کرنے کے لئے مختلف اقدامات کر رہی ہے اور الحمد للہ اس سلسلے میں خاطر خواہ کامیابی حاصل کی ہے۔

خام مال کی قیمت اور دستیابی:

ٹریڈر ویل رمز اور تھری ویلرز کے لوہے کے پرزہ جات کی پیداوار کا انحصار لوہے کی دستیابی پر ہے اس لئے اسکی دستیابی میں کسی بھی قسم کی رکاوٹ اور اس کی قیمتوں میں اتار چڑھاؤ تھری ویلرز کے لوہے کے پرزہ جات اور ٹریڈر ویلرز کی پیداوار، ان کی لاگت اور فراہمی پر برا اثر ڈال سکتی ہے۔

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

روپے کی قدر میں کمی:

غیر ملکی کرنسیوں کے مقابلہ میں پاکستانی روپیہ مستحکم نہیں ہے۔ پاکستان روپے کی قیمت میں اگر کوئی نمایاں کمی ہوتی ہے تو یہ کمپنی کے منافع کو کم کر سکتی ہے اور فروخت کے حجم پر منفی اثر ڈال سکتی ہے۔ کمپنی کا منصوبہ ہے کہ وہ غیر ملکی کرنسی کی ہجنگ (hedging) اور فارورڈ کوریجنگ (forward cover booking) کی دستیابی اگر سودمند ہو تو اس سے استفادہ کیا جائے۔

اقتصادی، سیاسی اور امن و امان کی صورت حال:

ملک میں مجموعی طور پر مستحکم اقتصادی، سیاسی اور امن و امان کی صورت حال کمپنی کی کامیابی پر اہم اثر رکھتے ہیں۔ کسی بھی قسم کا عدم استحکام کمپنی کی آمدن اور منافع پر برا اثر ڈال سکتا ہے۔

عام مارکیٹ کے حالات:

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

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

ریگولیٹری اور ٹیکس پالیسی:

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

پلائٹ اور آلہ جات میں اچانک خرابی:

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

قدرتی آفات کمپنی کے اختیارات سے باہر ہیں۔ تاہم کمپنی احتیاطی تدابیر اور کمزور اقدامات اختیار کرتی ہے اور انسورنس پالیسیوں کا اہتمام بھی کرتی ہے۔

مالیاتی خطرات:

کمپنی مختلف مالی خطرات بھی لاحق ہیں جو تصفیع شدہ مالیاتی گوشواروں کے نوٹ 41 میں بیان کردہ ہیں۔

واریٹی مقدّمات:

واریٹی مقدّمات نمودار ہو سکتے ہیں اگر اشیاء معیار پر پورا نہ اترتی ہوں اور قوانین کی پاسداری نہ کی جاتی ہو یا اشیاء کی دیکھ بھال اور اشیاء میں نقص کے مسائل کے لئے مطلوبہ سپورٹ فراہم نہ کی جاتی ہو۔ ایسے خطرات کے پیش نظر ممکنہ دعوؤں کی جانچ پڑتال کی جاتی ہے اور اگر ضروری ہو تو متاثرہ اشیاء کے لئے مناسب اقدامات کیے جاتے ہیں۔ کمپنی گاؤں کو کمزور بہترین اشیاء فراہم کرنے کے لئے اشیاء کی کوالٹی کو مطلوبہ سطح پر رکھنے کے لئے مسلسل کام کرتی ہے۔

غیر یقینی صورت حال:

خام مال کی قیمتوں میں اتار چڑھاؤ
حکومت کی نئی ٹیکس اور قوانین پالیسیاں
غیر ملکی کرنسی کے مقابلہ میں پاکستانی روپے کی قدر
ملک میں قانون اور امن وامان کی صورت حال
انڈسٹری کو بجلی کی فراہمی
سیاسی اور اقتصادی استحکام
افراط زر کی شرح
قرضے کی لاگت

نمایاں تبدیلیاں:

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

مستقبل پر نقطہ نظر:

ملک بھر میں آنے والے سیاسی ریلوں نے سیکٹروں لوگوں کی ہلاکتوں کے ساتھ کئی مکاناتوں، فصلوں اور انفراسٹرکچر کے بڑے حصے کو بھی تباہ کر دیا ہے۔ اس تباہی کی شدت بہت زیادہ نظر آتی ہے اور آنے والے دنوں میں اس کے معیشت پر بڑے پیمانے پر منفی اثرات مرتب ہوں گے کیونکہ ہمارے ملک کی بڑی آبادی کا تعلق انہی دیہی علاقوں سے ہے۔

آٹو مکینا اگرچہ ترقی کی بڑی صلاحیت رکھتا ہے تاہم اگلے مالی سال کے دوران یہ مختلف خطرات سے دوچار ہوگا جیسا کہ پاکستانی روپے کی قدر میں مسلسل کمی، زیادہ KIBOR، بڑھتی ہوئی مہنگائی کی شرح، کارفنانسنگ اور گاڑیوں کی CKD کے درآمد کے لئے LC، س کھولنے کے لئے سٹیٹ بینک کی جانب سے اٹھائے گئے مالیاتی اقدامات۔ یہ عوامل گاڑیوں کی فروخت کو کم کر سکتے ہیں۔

IMF قرض کی سہولت کی بحالی ملک کے معاشی اشاریات کو بہتر کرنے میں مدد دے سکتی ہے اور موجودہ بحرانی صورت حال پر قابو پانے میں بھی مزید مددگار ہو سکتی ہے۔

COVID-19 وبا اب بھی ملک میں موجود ہے اور وقتاً فوقتاً اس کے انفیکشن کی شرح میں اضافہ ہوتا رہتا ہے لیکن کنٹرول میں رہتا ہے۔ کیونکہ آبادی کی اکثریت کی ویکسینیشن ہو چکی ہے۔ کمپنی اپنے ملازمین کی دیکھ بھال کے لئے معیاری طریقہ کار پر عمل کرنے کے لئے پرعزم ہے۔

کمپنی کی فرویلرز گاڑیاں:

اس سیکٹور کے تحت، کمپنی کے پاس دو بین الاقوامی چائنیز برانڈز "BAIC" اور "HAVAL" ہیں۔ کمپنی "BAIC" برانڈ کے تحت JEEP BJ-40L کی تجارتی پیداوار میں مصروف عمل ہے جبکہ "HAVAL" SUV گاڑیوں کے پہلے CKD پونٹ کا افتتاح اگست 2022 میں کیا گیا۔

JEEP BJ-40L منفرد خصوصیات کی حامل ایک پروڈکٹ ہے اور اس کا مارکیٹ میں کوئی مقابلہ نہیں ہے۔ تاہم یہ پروڈکٹ مارکیٹ کے ایک خاص طبقہ سے تعلق رکھتی ہے اور آنے والے وقت میں کارپوریٹ اور ادارہ جاتی فروخت میں اس کی بہت زیادہ مانگ ہو سکتی ہے اس لئے کمپنی اس کا مستقبل روشن دیکھتی ہے۔

"HAVAL" SUV گاڑیوں کو قیمت اور معیار کے لحاظ سے مارکیٹ میں مقابلہ کرنا پڑے گا۔ خوش قسمتی سے "HAVAL" گاڑیاں خوبصورت ڈیزائن کی معیاری مصنوعات ہیں اور دوسری گاڑیوں کے مقابلے میں زیادہ حفاظتی خصوصیات رکھتی ہیں۔ یہ مصنوعات پہلے ہی ٹرائل اور ٹیسٹ شدہ ہیں اور ہمارے پرنسپل کی جانب سے 60 سے زائد ممالک میں مارکیٹ کی جارہی ہیں اور اپنی متعلقہ کیٹیگری میں اعلیٰ درجہ کی حیثیت رکھتی ہیں۔ پاکستان میں CBU مصنوعات کی ٹیسٹ مارکیٹنگ کے ابتدائی ردعمل کو دیکھتے ہوئے اور مقامی طور پر گاڑیوں کی پری بلنگ میں صارفین کی دلچسپی کو مد نظر رکھتے ہوئے کمپنی کو یقین ہے کہ یہ مصنوعات اپنی کیٹیگری میں اچھا مارکیٹ شیئر حاصل کر لیں گی۔

کمپنی توقع رکھتی ہے کہ یہ کاروباری حصہ آنے والے سالوں میں کمپنی کے فروخت اور منافع میں خاطر خواہ اضافہ کرے گا۔

کمپنی کی تھری ویلر گاڑیاں:

تھری ویلر گاڑیوں کے صارفین کا تعلق معاشرے کے کم آمدن والے طبقے سے ہے۔ پاکستانی روپے کی قدر میں کمی اور مہنگائی کی بلند شرح نے ان لوگوں کی قوت خرید کو کم کر دیا ہے۔ جو کمپنی کے تھری ویلرز کے فروخت کے حجم پر برا اثر ڈال سکتی ہے۔

کمپنی مقابلہ میں آگے رہنے کے لئے نئی مصنوعات کی ایجادات کرنے اور اپنی موجودہ مصنوعات کی کوالٹی کو بہتر کرنے کے لئے اپنی تحقیق اور ترقی کے طریقہ کار کو جاری رکھے گی۔

آٹو موٹیو پارٹس:

ملک میں تباہ کن سیلاب ٹریکٹرز کی فروخت کو بری طرح متاثر کر سکتا ہے۔ اس لئے اگلے مالی سال میں ٹریکٹر کے ویلر مرکز کی مانگ دباؤ میں رہے گی۔

برآمدات:

آپ کی کمپنی اپنی مصنوعات کی برآمدات میں اضافہ کرنے کی کوشش کر رہی ہے کیونکہ ہر ایک ڈالر کی آمدنی پاکستان کے لئے بہت اہمیت رکھتی ہے اور یہ ملک کے استحکام اور ترقی کے لئے بہت ضروری ہے۔ کمپنی اگلے سال برآمدی آرڈرز میں اضافے کی توقع رکھتی ہے۔

ادارے کی سماجی ذمہ داری:

کمپنی کی یہ سماجی ذمہ داری ہے کہ وہ اپنے ملازمین، ان کے اہل خانہ، اپنے ارد گرد کے لوگوں اور اپنے معاشرے کے لوگوں کے رہنے کے معیار کو بلند کرنے کیلئے اقدامات جاری رکھے۔ اس سال کمپنی نے سماجی ذمہ داری کے تحت مندرجہ ذیل خدمات سرانجام دیں:

صحت:

کمپنی نے وبا کی مرض COVID-19 سے ملازمین کی حفاظت کے لئے ایس او بیسز (SOP's) تشکیل دیئے ہیں اور ماسک پہننے، ہاتھ دھونے کی اضافی سہولیات، سینٹائزرز کی فراہمی، کلورین سپرے کے ساتھ واک تھرو گیٹ اور معاشی فاصلہ سمیت ہر ممکن اقدامات کر رہی ہے۔ کمپنی نے ایس او بیسز (SOP's) کی تعمیل کو یقینی بنانے کے لئے ایک کمیٹی بھی تشکیل دی ہے۔

کمپنی اپنے ملازمین کی ویکسینیشن کے لئے بھی مدد کر رہی ہے اور آج تک ملازمین کی اکثریت نے ویکسینیشن کروالی ہوئی ہے جس کے نتیجے میں کام کرنے کا صحت مندانہ ماحول پیدا ہوا ہے۔

کمپنی نے -/150,000 روپے مختلف ہسپتالوں کو دیئے ہیں جو کہ معاشرے کے غریب یا مستحق لوگوں کو مفت طبی سہولیات فراہم کرتے ہیں۔

تعلیم:

کمپنی نے ان اداروں کو -/200,000 روپے دیئے جو کہ نہ صرف غریب بچوں کی دیکھ بھال کرتے ہیں بلکہ ان کو بلا معاوضہ تعلیم بھی فراہم کرتے ہیں۔

مالی معاونت:

کمپنی نے -/822,360 روپے اپنے مرحوم ملازمین کے اہل خانہ کی فلاح و بہبود اور ان کے بچوں کی تعلیم کے لیے خرچ کئے۔

حج سپانسرز شپ:

کمپنی نے اس سال اپنے دو ملازمین کو حج کے لئے بھیجا جس سلسلے میں ان پر -/1,700,774 روپے رقم خرچ کی۔

معذور افراد کے لیے روزگار:

کمپنی معذور افراد کے لیے روزگار کے مواقع پیدا کرتی ہے تاکہ وہ معاشرے کے باعزت اور خود مختار افراد بن سکیں۔ اس وقت کمپنی میں 26 معذور افراد کام کرتے ہیں۔

پینے کا صاف پانی:

پینے کا صاف پانی ملازمین کی صحت کے لیے اہم ہے۔ کمپنی اپنے ملازمین کو صاف اور فلٹر شدہ پینے کا پانی مہیا کرتی ہے تاکہ وہ صحت مند اور مختلف بیماریوں سے محفوظ رہیں۔

افراد کی قوت کی تربیت:

انڈسٹریل سیکٹر کی ترقی کے لئے افرادی قوت کی نشوونما بہت اہمیت رکھتی ہے۔ کمپنی آٹو میٹیکل کے لئے انسانی وسائل کی ترقی کے لئے کام کرتی ہے۔ نئی تقرریوں کو پیداواری لائن پر بھیجنے سے پہلے تربیت دی جاتی ہے۔ افرادی قوت کی مہارت اور کارکردگی کو بہتر بنانے کے لئے اقدامات کئے جاتے ہیں۔

حفاظت:

کمپنی اپنی افرادی قوت اور کام کرنے کے ماحول کی حفاظت کے لئے مختلف اقدامات کرتی ہے کمپنی اپنے ملازمین کو حفاظتی جوتے، ویلڈنگ شیلڈ وغیرہ مہیا کرتی ہے۔ کام کرنے کی جگہ کو مناسب طریقے سے صاف کیا جاتا ہے تاکہ پھسلن اور گرنے سے بچا جاسکے۔ خطراتی مواد کو ان کی مقررہ جگہوں پر رکھا جاتا ہے۔ کمپنی حادثات کے نمودار ہونے کے بچاؤ کے لئے اقدامات کرتی ہے۔ ایمرجنسی حالات سے نمٹنے کے لیے ابتدائی طبی امداد کی سہولت، آگ بجھانے کے آلات، وقف شدہ کمپنی کی ملکیتی ایبویٹنس سروس دستیاب ہوتی ہیں۔

ماحولیاتی حفاظت:

کمپنی جس ماحول میں کام کرتی ہے اس کا خیال رکھتی ہے۔ کمپنی اپنے کاروباری معاملات کی وجہ سے پلانٹ ایریا کے ارد گرد پر موجود ہوا، مٹی، زمینی پانی اور حیاتیاتی وسائل پر ہونے والے منفی اثرات کو کم کرنے کے لئے اقدامات کرتی ہے۔ کمپنی اس مقصد کے لئے پیداواری عمل میں جدید ترین ٹیکنالوجی کی حامل مشینری کا استعمال کرتی ہے تاکہ آپریشن سے خطرناک ضیاع اور نقصان وہ اخراج کو کنٹرول کیا جاسکے۔

کنٹینر کے مواد کو مناسب طریقے سے سنبھالا اور تصرف میں لایا جاتا ہے۔ کمپنی کی پیداوار کا کنٹینر، مواد کی صورت میں نئے پرزے بنانے میں بھی استعمال ہوتا ہے۔ جس کی وجہ سے ماحول آلودہ نہیں ہوتا۔ پلانٹ ایریا کی جگہ کے اندر اور باہر وقتاً فوقتاً درخت بھی لگائے جاتے ہیں۔

حکومت پنجاب، انجینی برائے حفاظت ماحولیات (EPA) کی جانب سے ماحول کے تحفظ کے سلسلہ میں مطلوبہ اقدامات کرنے کی تعمیل پر کمپنی کو یقین دیا گیا ہے۔

قومی خزانے میں شراکت:

ایک مددگار شہری کی حیثیت سے کمپنی نے انکم ٹیکس، سیلز ٹیکس، کسٹم ڈیوٹی اور ایکسائز کی مد میں پچھلے سال 0.981 بلین روپے کے مقابلہ میں اس سال 3.769 بلین روپے جمع کرائے ہیں جو کہ 284.05 فی صد اضافہ کو ظاہر کرتے ہیں۔

مالی گوشواروں پر COVID-19 کا اثر:

ان مالی گوشواروں کی تیاری کے لئے استعمال ہونے والے قابل اطلاق IFRS اور کام جاری رکھنے والے مفروضوں پر غور کرتے ہوئے کمپنی نے ان مالی گوشواروں پر اس وبائی مرض کے کاؤٹنگ مضمورات کا اندازہ کیا ہے اور تعین کیا ہے کہ COVID-19 کمپنی کے 30 جون 2022 کے مالی گوشواروں پر کوئی قابل قدر اثر نہیں پڑا۔

کوڈ آف کارپوریٹ گورننس کی تعمیل:

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

مالی گوشواروں کی عکاسی:

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

اکاؤنٹس کی کتابیں:

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

اکاؤنٹنگ پالیسیاں:

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

انٹرنیشنل فنانشل رپورٹنگ سٹینڈرڈ کی پیروی:

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

کام جاری رکھنے کی اہلیت:

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

کارپوریٹ گورننس کے اصول:

کارپوریٹ گورننس کے رہنما اصول جن کا اطلاق کمپنی کے مالی سال تختہ 30 جون 2022 پر لاگو ہوتا ہے سے انحراف نہیں کیا گیا ہے۔

پچھلے چھ سالوں کا فیصلہ ڈیٹا:

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

منافع منقسمہ:

بورڈ آف ڈائریکٹرانے 28 ستمبر 2022 کو اپنے منعقدہ اجلاس میں فیوریلر پراجیکٹ کی نقدی ضروریات اور ملک کے موجودہ معاشی حالات کو مد نظر رکھتے ہوئے کسی بھی منافع منقسمہ کی سفارش نہیں کی ہے۔

واجب الادا قانونی واجبات:

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

اہم فیصلے اور منصوبے:

گازلیوں کے شعبہ میں کاروبار کے نئے مواقعوں کو تلاش کرتے رہنا۔

کاروبار کا ضابطہ اخلاق:

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

انٹرنل کنٹرول کی مناسبت پر بیان:

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

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

بورڈ آف ڈائریکٹرز:

کمپنی کے موجودہ بورڈ آف ڈائریکٹرز مندرجہ ذیل نو (9) ڈائریکٹرز پر مشتمل ہیں۔ جو 19 مارچ 2023 تک عہدہ پر فائز رہیں گے۔

1. جناب میاں اسد سعید
2. محترمہ سائرہ اسد سعید
3. جناب سعید اقبال خان
4. جناب میاں محمد علی سعید
5. محترمہ ثنا سلیمان
6. جناب حمزہ احمد وزیر
7. جناب عمیر اعجاز
8. جناب طلحہ محمود
9. جناب محمد عمر سعید

سال کے دوران ایک آسامی خالی ہوئی تھی اور بورڈ نے مقررہ وقت کے دوران اس آسامی کو پرکریا تھا۔

سبکدوش ہونے والے ڈائریکٹر:

آزاد ڈائریکٹر جناب سردار اعجاز اسحاق خان نے 08 ستمبر 2021 کو اسلام آباد ہائی کورٹ، اسلام آباد کے ایک معزز جج کے طور پر تقرری کی وجہ سے کمپنی کی ڈائریکٹر شپ سے استعفیٰ دے دیا تھا۔ بورڈ جناب سردار اعجاز اسحاق خان کی بطور کمپنی ڈائریکٹر کے اپنے دور میں ادا کی گئی خدمات کو سراہتا ہے۔

آنے والے ڈائریکٹر:

17 فروری 2022 سے جناب محمد عمر سعید کی آزاد ڈائریکٹر کے طور پر تقرری کی گئی تھی جو استعفیٰ ڈائریکٹر کی بقیہ مدت کے لئے ہوگی۔

بورڈ اور کمیٹی کے اجلاس میں حاضری:

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

ڈائریکٹر ان کے نام	بورڈ	بورڈ آڈٹ کمیٹی	ہیومن ریسورس اینڈ ریویو نیشن کمیٹی	نومینیشن کمیٹی	رسک منیجمنٹ کمیٹی
کل منعقدہ اجلاس	5	4	1	1	1
جناب میاں اسد جمید	5	-	1	1	-
محترمہ سائرہ اسد جمید	5	-	-	-	-
جناب سعید اقبال خان	4	-	-	1	-
جناب میاں محمد علی حمید	5	-	-	-	1
محترمہ ثناء سلیمان	5	4	-	-	-
جناب حمزہ امجدوزیر	4	-	1	1	-
جناب سردار اعجاز اسحاق خان، 08 دسمبر 2021 کو مستعفی ہوئے۔	3	-	-	-	-
جناب عبیر اعجاز	5	4	1	-	1
جناب طحہ محمود	5	4	1	-	1
جناب محمد عمر سعید، 17 فروری 2022 کو تقرری ہوئی۔	2	-	-	-	-

وہ ڈائریکٹر جو بورڈ میٹنگ میں شرکت نہیں کر سکے ان کو غیر موجودگی کی رخصت عطا کی گئی ہے۔

سال کے دوران ڈائریکٹر ڈیٹنگ پروگرام:

کمپنی سرٹیفیکیشن آف ڈائریکٹر ڈیٹنگ پروگرام کی پیروی میں ہے۔ (9) میں سے چھ (6) ڈائریکٹر ان نے 30 جون 2022 تک ایس ای سی پی کے منظور شدہ اداروں سے ڈائریکٹر ڈیٹنگ پروگرام حاصل کیا ہے جبکہ دو (2) ڈائریکٹر ان کو لیسڈ کمپنیز (کوڈ آف کارپوریت گورنس) ریگولیشنز 2019 کے تحت استثناء حاصل ہے اور ایس ای سی پی سے بھی استثناء حاصل کیا ہے۔ سال کے دوران مقرر کردہ آزاد ڈائریکٹر نے زیر جائزہ مدت کے بعد شقوقیت حاصل کر لیا ہے۔

شیئر ہولڈنگ کی ترتیب:

شیئر ہولڈنگ کی ترتیب بطور Annexure B لف ہے۔

کمپنی کے حصص میں تجارت:

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

حصص کی خرید و فروخت اور ان میں تبدیلی:

فروخت	بونس حصص	ڈائریکٹران، ایگزیکٹوز اور شریک حیات کے نام
-	5,837,719	جناب میاں اسد جمید
-	880,485	محترمہ سائرہ اسد جمید
-	624,544	جناب سعید اقبال خان
-	1,619,647	جناب میاں محمد علی جمید
-	9,235	محترمہ ثناء سلیمان
-	427	جناب حمزہ امجد وزیر
-	332	جناب سردار اعجاز اسحاق خان
-	366	جناب عمیر اعجاز
-	333	جناب طحہ محمود
-	9,654	جناب ارشد محمود
-	238,204	محترمہ نعمانہ سعید
-	15,360	محترمہ آمنہ حمزہ وزیر
-	15,393	جناب محمد سلیمان خان

بورڈ کی ساخت:

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

الف - مرد (7) سات	ب - عورت (2) دو
اے۔ آزاد ڈائریکٹران:	جناب عمیر اعجاز
بی۔ نان ایگزیکٹوز ڈائریکٹران:	محترمہ سائرہ اسد جمید
سی۔ چیف ایگزیکٹو سمیت ایگزیکٹوز ڈائریکٹران:	جناب میاں اسد جمید
ڈی۔ عورت ڈائریکٹران:	محترمہ سائرہ اسد جمید
	جناب طحہ محمود
	محترمہ ثناء سلیمان
	جناب سعید اقبال خان
	محترمہ ثناء سلیمان

بورڈ کمیٹیاں:

ممبران کے نام	بورڈ آڈٹ کمیٹی	ہیومن ریسورس اینڈ ریمونیریشن کمیٹی	نومینیشن کمیٹی	رہنما کمیٹی
جناب عمیر اعجاز	**	*		**
جناب طحہ محمود	*	**		*
محترمہ ثناء سلیمان	*			
جناب حمزہ امجد وزیر		*	*	
جناب میاں اسد جمید		*	**	
جناب سعید اقبال خان			*	
جناب میاں محمد علی جمید				*

ڈائریکٹر متعلقہ کمیٹی کا چیئر مین ہے۔
* ڈائریکٹر متعلقہ کمیٹی کا ممبر ہے۔

ڈائریکٹران کے مشاہرہ کی پالیسی:

یہ پالیسی کمپنی کو اس قابل بنانے کے لئے ڈیزائن کی گئی ہے جس سے وہ ایگزیکٹو اور نان-ایگزیکٹو ڈائریکٹران کو متوجہ کرے، ان کی حوصلہ افزائی کرے اور ان کو اپنے پاس برقرار رکھے اور کمپنی کو کامیاب طریقے سے چلانے اور اسکی قدر میں اضافہ کی حوصلہ افزائی کرے۔
بورڈ آف ڈائریکٹران چیف ایگزیکٹو سمیت ایگزیکٹو ڈائریکٹران کے لئے مشاہرہ بشمول فائدہ کا تعین پالیسی میں طے کردہ طریقہ کار کے مطابق کرتے ہیں۔ تاہم ایگزیکٹو ڈائریکٹران کو کسی بھی اجلاس میں شرکت کرنے کی فیس ادا نہیں کی جاتی ہے۔

بورڈ کی جانب سے منظور شدہ سکیل کے مطابق نان ایگزیکٹو ڈائریکٹران کو اجلاس میں شرکت کرنے کی فیس کے علاوہ کسی مشاہرہ کی ادائیگی نہیں کی جاتی ہے۔ آزاد ڈائریکٹران سمیت نان ایگزیکٹو ڈائریکٹران جولاء ہور سے باہر مقیم ہیں انہیں بورڈ اور کمیٹیوں کے اجلاسوں میں شرکت کرنے کے لئے سفری اور رہائشی اخراجات بھی ادا کئے جاتے ہیں۔

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

ڈائریکٹران کے مشاہرہ کا پیکیج:

سال کے دوران، کمپنی نے چیف ایگزیکٹو، ایگزیکٹو ڈائریکٹران اور نان-ایگزیکٹو ڈائریکٹران کو درج ذیل مینٹنگ فیس، مشاہرہ اور فوائد ادا کئے۔

تفصیلات	مشاہرہ	بونس	مینٹنگ فیس، سفری اور رہائشی اخراجات	ٹوٹل اخراجات
چیف ایگزیکٹو	29,766,000	605,000	-	30,371,000
ایگزیکٹو ڈائریکٹر سیکرٹریکل	14,205,000	288,750	-	14,493,750
ایگزیکٹو ڈائریکٹر مارکیٹنگ	5,752,350	116,875	-	5,869,225
نان-ایگزیکٹو ڈائریکٹران	-	-	1,045,000	1,045,000

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

بورڈ نے اپنی کمیٹیوں اور انفرادی ڈائریکٹران کی کارکردگی کی جانچ پڑتال کے لئے ایک طریقہ کار مرتب کیا ہے۔
اس سال کے دوران، ہجومن ریسورس اینڈ ریمو نیویشن کمیٹی نے جانچ پڑتال کا عمل کیا ہے۔ نتائج کو بورڈ کے غور و خوض اور ضروری کاروائی کے لئے پیش کیا گیا۔

آڈیٹرز:

موجودہ آڈیٹرز ریٹائر ہوتے ہیں اور اہلیت کی بنیاد پر انہوں نے اپنے آپ کو دوبارہ تقرری کے لئے پیش کیا ہے۔ آڈٹ کمیٹی اور بورڈ آف ڈائریکٹران نے بھی مندرجہ ذیل معاوضوں پر ان کی دوبارہ تقرری کے لئے تجویز کیا ہے۔

روپے	1- سالانہ آڈٹ فیس	2- ششماہی جائزہ	3- سٹیٹمنٹ آف کمپلائنس وولنٹیری (کوڈ آف کارپوریٹس گورننس) ریگولیشن، 2019	4- سی ڈی سی ریگولیشن کے تحت شمولیت اور فری فلوٹ حصص پر رپورٹ	5- کسی بھی شمولیت کے لئے (ہر شمولیت کی فی کس فیس)
1,093,500		200,000	25,000	25,000	25,000

ملازمین سے تعلقات:

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


اظہار تشکر:


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

لاہور:

28 ستمبر 2022

بورڈ آف ڈائریکٹرز کی جانب سے


سعید اقبال خان
ڈائریکٹر


میاں اسد میرزا
چیف ایگزیکٹو

SUMMARY OF LAST SIX YEARS' FINANCIAL RESULTS

ANNEXURE-A

Description	2022	2021	2020	2019	2018	2017
R U P E E S						
Profit & Loss Account:						
Turnover	10,048,117,887	4,033,601,008	2,891,754,502	3,218,523,838	3,968,217,110	3,618,144,493
Gross Profit	666,845,871	366,723,669	293,014,141	330,722,331	444,912,891	379,481,004
Operating Profit	298,978,141	108,053,417	89,866,167	132,481,095	247,993,771	202,980,483
Profit before taxation	263,452,573	104,480,003	40,773,628	111,844,513	254,678,642	204,113,745
Profit after taxation	117,839,528	75,795,322	27,633,547	81,997,158	186,005,018	142,821,941
Statement of Financial Position						
Paid up share capital	604,459,640	464,968,950	357,668,420	215,668,420	215,668,420	179,723,680
Capital reserve - Share premium account	557,406,192	557,406,192	557,406,192	-	-	-
Accumulated Profit	792,093,365	817,476,633	853,884,500	829,038,827	741,695,967	594,064,626
Fixed Capital Expenditure	2,640,534,747	1,844,803,734	1,318,409,750	998,187,948	708,814,230	533,057,992
Other long term assets	27,624,833	33,004,918	31,003,008	28,215,108	21,119,673	17,256,294
Net current assets / (liabilities)	(83,400,489)	453,101,502	862,362,360	388,941,345	387,033,041	361,809,654
Long term liabilities	805,897,499	540,290,511	459,315,412	370,637,154	159,602,557	138,335,634
Significant Ratios:						
Gross profit ratio %	6.64	9.09	10.13	10.28	11.21	10.49
Profit/(loss) before tax ratio %	2.62	2.59	1.41	3.48	6.42	5.64
Fixed assets turnover ratio %	380.53	218.65	219.34	322.44	559.84	678.75
Price earning ratio - times	31.86	134.15	178.83	72.35	33.04	41.36
Return on capital employed % (Before Int & Tax)	10.83	4.54	4.03	9.36	22.20	22.25
Return on equity ratio (after Tax)	6.03%	4.12%	1.56%	7.85%	19.43%	18.46%
Market value per share (PSX) Rs.	62.12	168.21	124.59	219.85	284.98	273.93
Break up value per share Rs.	32.33	39.57	49.46	48.44	44.39	43.05
Long term Debt : Equity ratio	44 : 56	30 : 70	26 : 74	35 : 65	17 : 83	18 : 82
Current ratio	0.97 : 1	1.20 : 1	2.47 : 1	1.70 : 1	1.79 : 1	1.73 : 1
Interest cover ratio - times	5.89	5.93	1.64	5.60	53.02	115.06
Cash Dividend %						
Interim Dividend	-	-	-	-	-	12.50
Final Dividend	-	-	-	-	-	-
Scrip Dividend %	-	30	30	-	-	20
Earnings per share Rs.	1.95	Restated 1.25	0.70	3.04	8.62	6.62


Note:

Earnings Per Share, consequently Price Earning ratio, has been adjusted to reflect the effect of bonus shares for the year 2021.

FORM-34
ANNEXURE - B

THE COMPANIES ACT, 2017 (SECTION 227 (2)(f))
PATTERN OF SHAREHOLDING AS ON JUNE 30, 2022
SAZGAR ENGINEERING WORKS LIMITED
Registration Number: 0025184

NUMBER OF SHAREHOLDERS	SHAREHOLDING			TOTAL SHARES HELD	PERCENTAGE %
	FROM		TO		
737	1	-	100	39,510	0.07%
1,526	101	-	500	449,127	0.74%
1,109	501	-	1,000	854,546	1.41%
1,840	1,001	-	5,000	4,288,048	7.09%
320	5,001	-	10,000	2,230,866	3.69%
107	10,001	-	15,000	1,324,550	2.19%
42	15,001	-	20,000	746,811	1.24%
31	20,001	-	25,000	700,977	1.16%
19	25,001	-	30,000	521,767	0.86%
9	30,001	-	35,000	295,484	0.49%
14	35,001	-	40,000	533,503	0.88%
10	40,001	-	45,000	416,372	0.69%
2	45,001	-	50,000	94,600	0.16%
6	50,001	-	55,000	316,650	0.52%
5	55,001	-	60,000	286,964	0.47%
3	60,001	-	65,000	189,319	0.31%
4	65,001	-	70,000	271,847	0.45%
1	70,001	-	75,000	74,529	0.12%
2	80,001	-	85,000	169,000	0.28%
1	85,001	-	90,000	89,790	0.15%
1	95,001	-	100,000	97,500	0.16%
1	100,001	-	105,000	104,356	0.17%
3	110,001	-	115,000	339,873	0.56%
1	115,001	-	120,000	115,250	0.19%
3	125,001	-	130,000	383,555	0.63%
1	130,001	-	135,000	135,000	0.22%
1	135,001	-	140,000	138,580	0.23%
1	150,001	-	155,000	152,752	0.25%
1	175,001	-	180,000	178,781	0.30%
1	195,001	-	200,000	200,000	0.33%
1	205,001	-	210,000	205,523	0.34%
1	255,001	-	260,000	259,998	0.43%
1	260,001	-	265,000	265,000	0.44%
1	270,001	-	275,000	272,935	0.45%
1	290,001	-	295,000	292,652	0.48%
1	420,001	-	425,000	423,450	0.70%
1	1,030,001	-	1,035,000	1,032,218	1.71%
1	2,705,001	-	2,710,000	2,706,358	4.48%
1	3,115,001	-	3,120,000	3,117,230	5.16%
1	3,815,001	-	3,820,000	3,815,435	6.31%
1	7,015,001	-	7,020,000	7,018,473	11.61%
1	25,295,001	-	25,300,000	25,296,785	41.85%
5,814				60,445,964	100.00%



Mian Asad Hameed
Chief Executive


Saeed Iqbal Khan
(Director)

PATTERN OF SHAREHOLDING

ANNEXURE - B/I

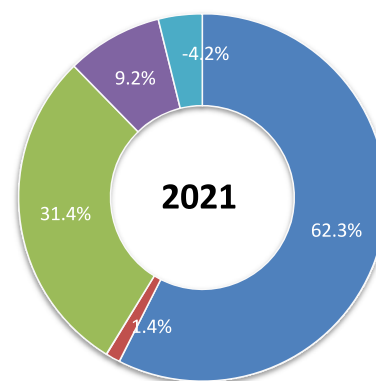
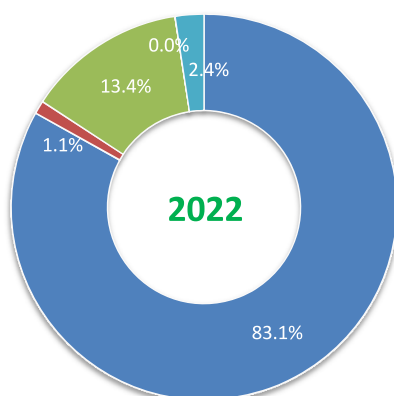
CATEGORIES OF SHAREHOLDERS	NUMBER OF SHARES HELD	SHAREHOLDING
I Directors, Chief Executive Officer, and their Spouse And Minor Children		
i. Mr. Mian Asad Hameed	25,296,785	41.85%
ii. Mrs. Saira Asad Hameed	3,815,435	6.31%
iii. Mr. Saeed Iqbal Khan	2,706,358	4.48%
iv. Mr. Mian Muhammad Ali Hameed	7,018,473	11.61%
v. Mrs. Sana Suleyman	40,021	0.07%
vi. Mr. Humza Amjad Wazir	1,853	0.00%
vii. Mr. Muhammad Omer Saeed	528	0.00%
viii. Mr. Umair Ejaz	1,588	0.00%
ix. Mr. Taha Mahmood	1,443	0.00%
x. Mrs. Naghmana Saeed W/o Mr. Saeed Iqbal Khan	1,032,218	1.71%
xi. Mr. Muhammad Suleyman Khan spouse of Mrs. Sana Suleyman	66,704	0.11%
xii. Mrs. Amina Humza Wazir W/o Mr. Humza Amjad Wazir	66,563	0.11%
II Associated Companies, Undertakings & Related Parties	Nil	-
III NIT and ICP	Nil	-
IV Banks, Development Financial Institutions, Non Banking Financial Institutions	Nil	-
V Insurance / Takaful Companies		
i. UNITED INSURANCE COMPANY OF PAKISTAN LIMITED	10,000	0.02%
ii. JUBILEE LIFE INSURANCE COMPANY LIMITED	3,117,230	5.16%
iii. DAWOOD FAMILY TAKAFUL LIMITED	583,500	0.97%
iv. ADAMJEE LIFE ASSURANCE COMPANY LTD-IMF	4,680	0.01%
VI Modarabas and Mutual Funds		
i. FIRST ALNOOR MODARABA	13,520	0.02%
ii. B.R.R. GUARDIAN MODARABA	205,523	0.34%
iii. CDC - TRUSTEE AL HABIB STOCK FUND	1,800	0.00%
iv. CDC - TRUSTEE AL HABIB ISLAMIC STOCK FUND	5,000	0.01%
v. CDC - TRUSTEE FIRST CAPITAL MUTUAL FUND	20,350	0.03%
vi. CDC - TRUSTEE ABL PENSION FUND - EQUITY SUB FUND	278	0.00%
VII Shareholders Holding 10% (other than above S.No. I)	Nil	-
VIII General Public		
a. Local	15,016,888	24.84%
b. Foreign	12,667	0.02%
IX Others (to be specified)		
i. Joint Stock Companies	830,998	1.37%
ii. Government Holding	292,652	0.48%
iii. Charitable Trust /Pension / Provided Fund	132,804	0.22%
iv. Cooperative Societies	11,525	0.02%
v. Investment Companies	138,580	0.23%
TOTAL	60,445,964	100.00%


Mian Asad Hameed
 Chief Executive


Saeed Iqbal Khan
 (Director)

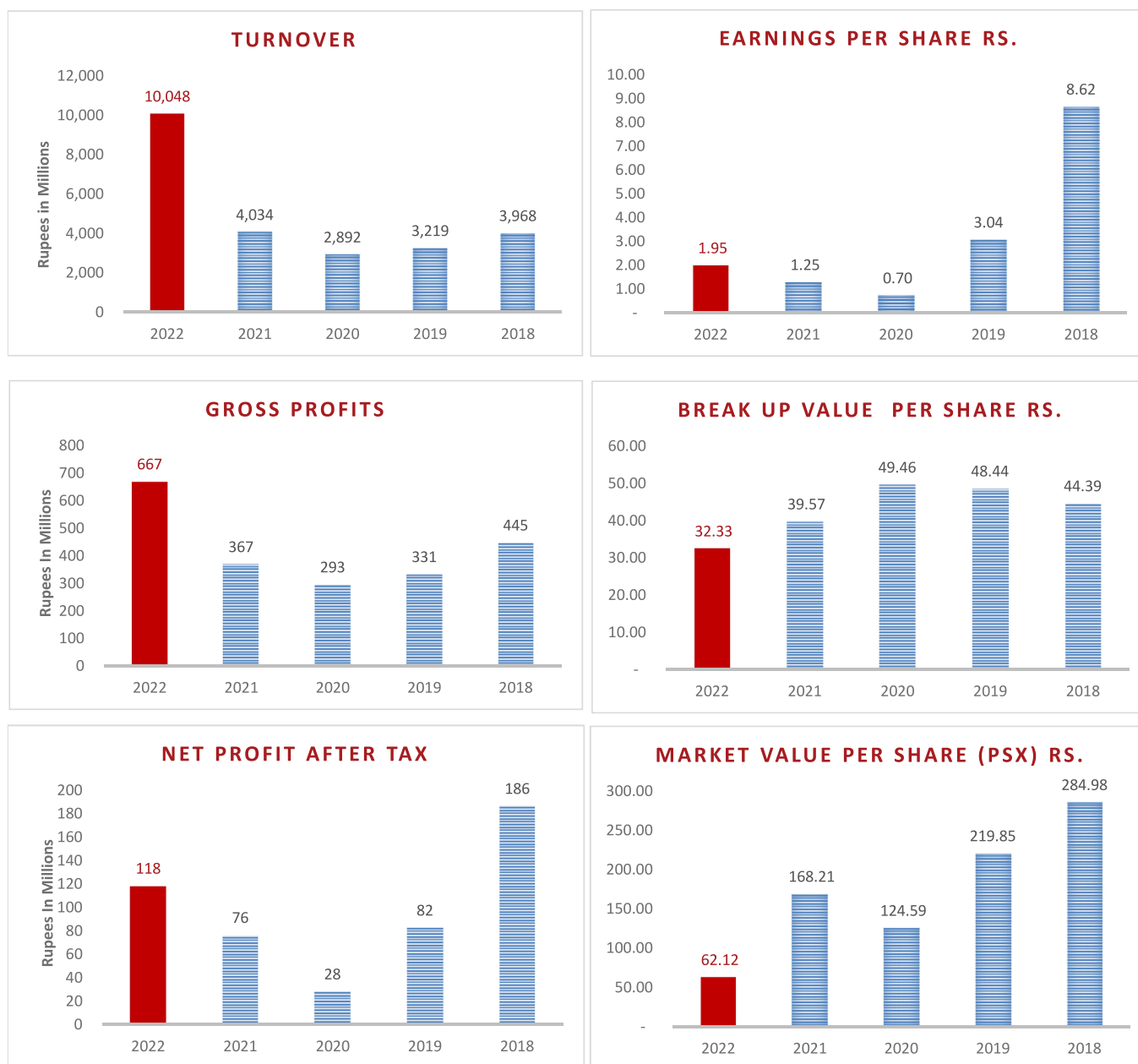
STATEMENT OF VALUE ADDITION AND ITS DISTRIBUTION

	June 30, 2022	%	June 30, 2021	%
Rupees				
VALUE ADDITION				
Gross Sales	11,954,743,867		4,732,642,876	
Other Operation Income	18,352,460		17,612,193	
Total Income	11,973,096,327		4,750,255,069	
Addition of material and services and other expenses	7,100,963,772		3,227,255,700	
TOTAL VALUE ADDITION	4,872,132,555		1,522,999,369	
VALUE DISTRIBUTION				
To Government				
Worker Welfare Fund	-		690,918	
Sales Tax	1,773,321,217		699,041,868	
Income Tax, Custom Duties & F.E.D	2,275,146,966		248,559,678	
	4,048,468,183	83.1%	948,292,464	62.3%
To Employees				
Workers' profits participation fund	13,889,528		5,543,487	
Salaries, wages and benefits	638,057,288		472,182,489	
	651,946,816	13.4%	477,725,976	31.4%
To Finance Providers				
Financial charges to providers of finance	53,878,028	1.1%	21,185,607	1.4%
To Shareholders				
Dividend to shareholders	-	0.0%	139,490,690	9.2%
Retained in / (Distributed) from Business				
Un-appropriated Profit	117,839,528	2.4%	(63,695,368)	-4.2%
TOTAL VALUE DISTRIBUTION	4,872,132,555	100%	1,522,999,369	100%



Government Finance Provider Employees Shareholders Business

FINANCIAL PERFORMANCE



Independent Auditor's Review Report to the Members of Sazgar Engineering Works Limited

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **Sazgar Engineering Works Limited** (the Company) for the year ended June 30, 2022 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

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

HYK & Co.

H.Y.K & Co.
Chartered Accountants
Lahore

Date: September 29, 2022

Engagement Partner: Younus Kamran

UDIN: CR202210144OJMnY6LsZ

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

NAME OF COMPANY: SAZGAR ENGINEERING WORKS LIMITED

YEAR ENDED: JUNE 30, 2022

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

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

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

2. The composition of board is as follows:

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

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.
4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
5. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company.
6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by the Board/ Shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the Board were presided over by the Chairperson and, in her absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. Detailed as below; six directors have completed their Directors' Training Certification (DTC), two directors fall under the exemption criteria of the Regulations and also obtained exemption from SECP. One director, who appointed during the year, shall comply with the Regulations within prescribed time period:

Directors who have completed their DTC:

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

Directors exempt from DTC:

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

Director yet to acquire DTC:

1. Mr. Muhammad Omer Saeed

Company's following executive has also acquired DTC:

Name Designation

1. Mr. Arshad Mahmood Company Secretary

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

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

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:

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

15. The board has set up an effective internal audit function.
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

For and on behalf of the Board


Mrs. Saira Asad Hameed
 Chairperson

September 28, 2022

Independent Auditor's Report to the Members of Sazgar Engineering Works Limited
Report on the Audit of Financial Statements

Opinion

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

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the 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 judgement, 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:

Sr.No.	Key audit matters	How the matters were addressed in our audit
1.	<p>Capitalization of property, Plant and Equipment and Capital Work in Progress</p> <p>Refer notes 3.3 and 16 to the financial statements.</p> <p>The Company has made significant capital expenditure on four wheeler projects. We identified capitalization of property, plant and equipment as key audit matters because there is a risk that amounts being capitalized may not meet the capitalization criteria.</p>	<p>Our audit procedures to access the capitalization of property, plant and equipment and Capital Work in Progress, amongst others, include the followings,</p> <ol style="list-style-type: none"> Understanding the design and implementation of management controls over capitalization and performing tests of control over authorization of capital expenditure and accuracy of its recording in the system; Tested on sample basis, the costs incurred on assets with supporting documentation and contracts. Assessed the nature of costs incurred for the capital assets through testing, on sample basis, of amounts recorded and considering whether the expenditure meets the criteria for capitalization as per the accounting policy and applicable accounting standards; and Inspected supporting documents for the date capitalization when assets were ready for its intended use to assess whether depreciation commenced and further capitalization of costs ceased from that date and assessing the useful life assigned by management including testing the calculation of related depreciation. Evaluated whether any impairment indicators exist that could trigger impairment for tangible assets. Assessed the adequacy of the related disclosures made in the financial statements in this respect with regard to the applicable accounting and reporting standards.

2.	<p>Contingent Liabilities</p> <p>Refer notes 15.1 to the financial statements.</p> <p>Company has significant contingent liabilities in respect of Income Tax, Sales Tax, Punjab Social Security Institution, The Employees' Old Age Benefits Institution and other claim matters, which are pending adjudication at various appellate forums.</p> <p>Contingences require management to make judgements and estimates in relation to the interpretation of laws. Statutory rules, regulations and the probability of outcome and financial impact, if any, on the Company for disclosure and recognition and measurement of any provision that may be require under such contingences.</p> <p>Due to significance of the amounts involved, inherent uncertainties with respect to the outcome of the matters and use of significant management judgements and estimates to assess the same including related financial impacts, we have considered contingent liabilities as a key audit matter.</p>	<p>Our audit procedures, amongst other, included in following:</p> <ol style="list-style-type: none"> Obtained an understanding of the Company's process and controls over litigations through meetings with the management and review of minutes of the meetings of Board of Directors and Board Audit Committee; Obtained and assessed details of the pending tax and other legal matters and discussed the same with the Company's management; Circularized confirmations to the Company's external legal and tax counsels for their view on legal position of the Company relation to these pending matters; Involved internal tax professionals to assess management's conclusion on contingent tax and other legal matters and evaluate consistency of such conclusions with the views of management and external tax and legal counsels engaged by the company; Checked correspondence of the Company with the relevant authorities including judgements or orders passes by the competent authorities in relation to the issues involved or matters which have similarities with the issues involved; and Assessed the adequacy of the related disclosures made in the financial statements in this respect with regards to the applicable reporting standards.
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Information Other than the Financial Statements and Auditor's Report Thereon

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from

error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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


HYK & Co

H.Y.K & Co.
Chartered Accountants
Lahore
Date: September 29, 2022
UDIN: AR2022101443SckTEvUM

STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2022

	Note	June 30, 2022 Rupees	June 30, 2021 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
	5.1	1,000,000,000	1,000,000,000
Authorized share capital	5.2	604,459,640	464,968,950
Issued, subscribed and paid-up share capital	6	557,406,192	557,406,192
Capital reserve - Share premium account		792,093,365	817,476,633
Revenue reserve - Un-appropriated Profit		1,953,959,197	1,839,851,775
LIABILITIES			
NON CURRENT LIABILITIES			
	7	510,383,878	295,398,663
Long term financing	8	295,513,621	244,891,848
Deferred liabilities	9	558,743	5,699,176
Deferred grant	10	3,111,783	-
Deferred revenue			
CURRENT LIABILITIES			
	11	2,498,331,108	2,008,188,102
Trade and other payables		1,407,358	1,407,358
Unclaimed dividend	12	34,835,623	8,998,064
Profit accrued on loans and other payables	13	162,875,560	119,679,608
Short term borrowings	14	195,141,340	134,125,605
Current portion of long term liabilities		2,892,590,989	2,272,398,737
	15	-	-
CONTINGENCIES AND COMMITMENTS			
		5,656,118,211	4,658,240,199
TOTAL EQUITY AND LIABILITIES			
ASSETS			
NON CURRENT ASSETS			
	16	2,640,250,123	1,844,421,043
Property, plant and equipment	17	284,624	382,691
Intangible assets	18	21,752,978	28,959,063
Long term loan and advances	19	5,871,855	4,045,855
Long term deposits	8.2	178,768,131	54,931,308
Deferred taxation			
CURRENT ASSETS			
	20	7,520,318	3,278,289
Stores, spares and loose tools	21	1,741,815,484	817,897,347
Stock-in-trade	22	179,841,812	116,923,695
Trade debts	23	53,912,676	31,012,216
Loans & advances	24	451,046,555	1,625,987,971
Trade deposits and short term prepayments	25	202,011,176	115,423,629
Other receivables	26	173,042,479	14,977,092
Cash and bank balances		2,809,190,500	2,725,500,239
		5,656,118,211	4,658,240,199
TOTAL ASSETS			

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


Mian Asad Hameed
Chief Executive



SAEED IQBAL KHAN
DIRECTOR


MUHAMMAD ATIF RAO
CHIEF FINANCIAL OFFICER

**STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2022**

		June 30, 2022	June 30, 2021
	Note	Rupees	Rupees
Sales - Net	27	10,048,117,887	4,033,601,008
Cost of sales	28	9,381,272,016	3,666,877,339
Gross Profit		666,845,871	366,723,669
Distribution and marketing costs	29	202,578,189	126,876,804
Administrative expenses	30	148,116,313	122,369,793
Other operating expenses	31	17,173,228	9,423,655
		367,867,730	258,670,252
		298,978,141	108,053,417
Other income	32	18,352,460	17,612,193
Operating profit before finance cost		317,330,601	125,665,610
Finance cost	33	53,878,028	21,185,607
Profit before taxation		263,452,573	104,480,003
Taxation	34	145,613,045	28,684,681
Profit after taxation		117,839,528	75,795,322
Earnings per share - Basic and diluted	35	1.95	Restated 1.25

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


Mian Asad Hameed
Chief Executive



SAEED IQBAL KHAN
DIRECTOR


MUHAMMAD ATIF RAO
CHIEF FINANCIAL OFFICER

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2022

	Note	June 30, 2022 Rupees	June 30, 2021 Rupees
PROFIT AFTER TAXATION FOR THE YEAR		117,839,528	75,795,322
OTHER COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR		-	-
Items that may be reclassified subsequently to profit or (loss)		-	-
Items that will not be reclassified subsequently to profit or (loss)		-	-
- Remeasurement of post employment benefit obligation	8.1.6	(3,732,106)	(4,902,659)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		114,107,422	70,892,663

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


Mian Asad Hameed
 Chief Executive



SAEED IQBAL KHAN
 DIRECTOR


MUHAMMAD ATIF RAO
 CHIEF FINANCIAL OFFICER

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

	Share Capital Rupees	Share Premium Account Rupees	Un-appropriated Profit Rupees	Total Rupees
Balance as at June 30, 2020	357,668,420	557,406,192	853,884,500	1,768,959,112
Transaction with owner, recognize directly in equity				
Issuance of Bonus Shares	107,300,530	-	(107,300,530)	-
Total Transaction with owner, recognized directly in equity	107,300,530	-	(107,300,530)	-
Comprehensive Income for the year				
Profit after taxation	-	-	75,795,322	75,795,322
Comprehensive Income / (Loss)	-	-	(4,902,659)	(4,902,659)
Total comprehensive income for the year ended June 30, 2021	-	-	70,892,663	70,892,663
Balance as at June 30, 2021	464,968,950	557,406,192	817,476,633	1,839,851,775
	Share Capital Rupees	Share Premium Account Rupees	Un-appropriated Profit Rupees	Total Rupees
Balance as at June 30, 2021	464,968,950	557,406,192	817,476,633	1,839,851,775
Transaction with owner, recognize directly in equity				
Issuance of Bonus Shares	139,490,690	-	(139,490,690)	-
Total Transaction with owner, recognized directly in equity	139,490,690	-	(139,490,690)	-
Comprehensive Income for the year				
Profit after taxation	-	-	117,839,528	117,839,528
Comprehensive Income / (Loss)	-	-	(3,732,106)	(3,732,106)
Total comprehensive income for the year ended June 30, 2022	-	-	114,107,422	114,107,422
Balance as at June 30, 2022	604,459,640	557,406,192	792,093,365	1,953,959,197

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


Mian Asad Hameed
Chief Executive



SAEED IQBAL KHAN
DIRECTOR


MUHAMMAD ATIF RAO
CHIEF FINANCIAL OFFICER

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

		June 30, 2022	June 30, 2021
		Rupees	Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from operations	36	1,103,670,506	43,039,975
Finance cost paid		(28,040,469)	(52,260,904)
Income tax paid/deducted at source		(286,885,014)	(45,654,098)
Increase in deferred revenue		5,107,960	-
Employees retirement benefit - Gratuity Paid		(7,146,718)	(3,962,220)
Workers' Welfare Fund Paid		-	(832,730)
Workers Profit Participation Fund Paid		(5,543,487)	(2,233,024)
Net cash generated from / (used in) operating activities		781,162,778	(61,903,001)
CASH FLOW FROM INVESTING ACTIVITIES			
Property, Plant and Equipment Purchased		(945,680,728)	(549,608,015)
Increase in long term security deposits		(1,826,000)	(533,000)
Proceeds from sale of Property, Plant and Equipment		6,035,000	2,300,000
Net cash used in investing activities		(941,471,728)	(547,841,015)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from long term financing		414,009,411	138,644,362
Repayment of Long term liabilities		(145,145,070)	(24,637,322)
Proceeds from short term borrowings		3,865,657,938	515,718,756
Repayment of short term borrowings		(3,822,461,986)	(396,039,148)
Repayment of lease liability		-	(72,800,000)
Profit on bank deposits		6,314,044	15,051,839
Dividend Paid		-	(36,435)
Net cash generated from financing activities		318,374,337	175,902,052
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		158,065,387	(433,841,963)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		14,977,092	448,819,055
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	37	173,042,479	14,977,092

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


Mian Asad Hameed
Chief Executive


SAEED IQBAL KHAN
DIRECTOR


MUHAMMAD ATIF RAO
CHIEF FINANCIAL OFFICER

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

1 LEGAL STATUS AND NATURE OF BUSINESS

Sazgar Engineering Works Limited was incorporated in Pakistan on September 21, 1991 as a Private Limited Company and converted into a Public Limited Company on November 21, 1994. The Company is listed on the Pakistan Stock Exchange Limited. The Company is engaged in the manufacture and sale of automobiles, automotive parts and household electric appliances. The registered office of the company is situated at 88- Ali Town, Thokar Niaz Baig, Raiwind Road, Lahore.

The geographic location of three wheeler, wheel rim and household electric appliances manufacturing facility is located at 18 K.m Raiwind Road, Lahore and four wheeler manufacturing facility is situated at Western Tank Link Road, Near Ijtimah Chowk, Sundar Road, Raiwind, Lahore.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of; International Financial Reporting Standards (IFR Standards) issued by the International Accounting Standards Board (IASB) as notified under the companies Act, 2017, Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017. Where provisions of and directives issued under the Companies Act, 2017 differ from the IFR Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of Measurement

These financial statements have been prepared under the historical cost convention except for the recognition of employees retirement benefits at present value.

2.3 Functional and Presentation Currency

These financial statements are presented in Pak Rupee, which is the functional and presentation currency of the Company.

2.4 New accounting standards, IFRIC interpretations, amendments to the published approved accounting standards and Companies Act, 2017 that are effective in current year:

Certain standards, amendments and interpretations of approved accounting standards are effective for accounting periods beginning on July 01, 2021 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these financial statements.

2.5 New accounting standards, IFRIC interpretations and amendments to the published approved accounting standards that are not effective in current year and have not been early adopted by the Company:

The following standards, amendments to the approved accounting standards and interpretations that are mandatory for the companies having accounting periods beginning on or after July 01, 2022 but are considered not to be relevant or to have any significant effect on the Company's operations:

Standards	Interpretation	Effective date
IAS 1	Presentation of Financial Statements — Classification of liabilities	January 01, 2023

The above standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements except for the increased disclosures in certain cases.

There are certain other new and amended standards, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after July 1, 2022 but are considered not to be relevant or will not have any significant effect on the Company's operations and are, therefore, not detailed in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

3 SIGNIFICANT ACCOUNTING POLICIES

The Significant accounting policies adopted in the preparation of these financial statements are set out below and have been consistently applied to all the years presented.

3.1 Employee benefits

3.1.1 Short term obligation

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position.

3.1.2 Defined benefit plan

Defined benefit plan is a post-employment benefit plan other than the defined contribution plan.

The Company operates an unfunded gratuity scheme for all its permanent employees. The provision is made on the basis of actuarial valuation by using the projected unit credit method. In calculating the Company's obligation in respect of a plan, any actuarial gains and losses are recognized immediately in the statement of comprehensive income. The gratuity is payable on the basis of last drawn basic salary of an employee after completion of six months of service.

3.2 Compensated Absences

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

3.3 Property, Plant and Equipment-Owned

Operating fixed assets except freehold land and capital work in progress are stated at cost less accumulated depreciation and impairment losses, if any. Land and capital work in progress are stated at cost. Cost in relation to self manufactured assets includes direct cost of materials, labour and applicable manufacturing overheads. Cost of tangible fixed assets consists of historical cost, borrowing cost pertaining to the construction/erection period and directly attributable cost of bringing the assets to working condition. The capital work in progress is stated at cost less impairment loss.

Depreciation on all property, plant and equipment except freehold land and capital work progress is charged by applying the reducing balance method in accordance with the rates specified in note no. 16.1 of these financial statements, whereby the cost of an asset is written off over its estimated useful life. Depreciation on additions is charged from the month in which the asset is available for use while no depreciation is charged in the month in which the asset is disposed off.

The assets' residual values and useful lives are reviewed at each financial year end, and adjusted if impact on depreciation is significant from previous estimates.

Normal maintenance and repairs are charged to statement of profit or loss as and when incurred. Major renewals and replacements are capitalized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Disposal of an asset is recognized when significant risks and rewards, incidental to the ownership of the assets have been transferred to the buyer. Gain or Loss on disposal of Property, Plant and Equipment is determined by comparing the carrying amount of the assets with the realized sale proceeds and is recognized in the current year's statement of profit or Loss.

3.4 Impairment of fixed assets

The company assesses at each statements of financial position date whether there is any indication that a fixed asset may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying value exceeds recoverable amount, assets are written down to the recoverable amount.

3.5 Intangible Assets

The Intangible Assets are stated at cost less accumulated amortization and identified impairment loss, if any. The cost of intangible assets is amortized over a period of five (5) years using the straight line method.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

Amortization on additions to the intangible assets is charged from the month in which an asset is capitalized and / or is available for use, while no amortization is charged for the month in which the asset is disposed off. The amortization expense is charged to the statement of profit or Loss.

International Accounting Standard (IAS) 38 "Intangible Assets" requires review of amortization period and the amortization method at least at each financial year end. Accordingly the management assesses at each statement of financial position date the assets' residual values and useful lives in addition to considering any indication of impairment, and adjustments are made if impact on amortization is significant.

3.6 Loan, advances and prepayments

These are recognized at cost, which is fair value of the consideration given. However, an assessment is made at each statement of financial position date to determine whether there is an indication that assets may be impaired. If such indication exists, the estimated recoverable amount of that asset is determined and any impairment loss is recognized for the difference between the recoverable amount.

3.7 Leases

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

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Right-of-use assets are measured at cost comprising of the amount of the initial measurement of lease liability, any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs and restoration costs. The right-of-use asset is depreciated in line with normal depreciation policy adopted for assets owned by the Company. The security deposits are made part of the cost of right of use assets and treated as residual value of the asset. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Lease liabilities include the net present value of the lease payments comprising of fixed payments (including in-substance fixed payments), less any lease incentives receivable, variable lease payment that are based on an index or a rate, amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

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

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

The company has elected not to recognise right of use assets and lease liabilities for short term leases of properties that have a lease term of 12 months or less and leases of low-value assets. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.8 Taxation

Current and Prior Year

Provision for current year's taxation is determined in accordance with the prevailing law of taxation on income enacted by the statement of financial position date and is based on current rates of taxation being applied on the taxable income for the year, after taking into account, tax credits and rebates available, if any and taxes paid under the Final tax regime. The tax charge also includes adjustments, where necessary, relating to prior years which arise from assessments finalized during the year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

Deferred

Deferred tax is accounted for using the statement of financial position liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable income. Deferred tax is calculated by using the tax rates enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profit will be available and the credits can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax is charged or credited in the statement of profit or loss, except in case where the item to which the deferred tax asset or liability pertains, is recorded in comprehensive income or equity, the corresponding deferred tax charge is also recognized in other comprehensive income or equity.

3.9 Trade debts and other receivables

These are recognized and carried at the original invoice amounts, being the fair value, less an allowance for uncollectible amounts, if any. The Company applies the IFRS 9 simplified approach to measure the expected credit losses (ECL) which uses a lifetime expected loss allowance for trade debts.

3.10 Store, spares and loose tools

These are valued at weighted average cost except items in transit which are valued at cost comprising invoice value and other charges paid thereon.

The company reviews the carrying amount of stores, spares and loose tools on a regular basis and provision is made for obsolescence if there is any change in usage pattern and physical form. Impairment, if any, is also made for slow moving items identified as surplus to the requirements or future usability of the company.

3.11 Stock-in-trade

Stock in trade is valued at the lower of weighted average cost and net realizable value. The average cost in relation to work in process and finished goods represents direct costs of raw materials, labour and appropriate portion of overheads. Net realizable value signifies the estimated selling price in the ordinary course of business less costs necessarily to be incurred in order to make the sale.

The company reviews the carrying amount of stock in trade on a regular quarterly basis and as appropriate, inventory is written down to its net realizable value or provision is made for obsolescence if there is any change in its usage pattern and physical form of related stock in trade. The provision of slow moving is determined based on the management's assessment regarding their future usability.

Cost of work in process and finished goods include direct material, labour and appropriate portion of manufacturing expenses.

3.12 Foreign currency translation

Transactions in foreign currencies are translated into Pak rupees using the exchange rate prevailing at the dates of transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Pak rupees at the rates of exchange approximating those prevalent at the statement of financial position date. All exchange differences are charged to statement of profit or loss.

3.13 Revenue recognition

Revenue is recognized when or as performance obligations are satisfied by transferring control of a promised goods or service to a customer over time or at a point of time under contract. An asset is transferred when (or as) the customer obtains control of that asset and thus has the ability to direct the use and obtain the benefits from the good or service.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

In case of vehicles and parts, revenue is recognised when goods are dispatched and invoiced to the customers. Revenue is measured at the transaction price agreed under the contract, adjusted for variable consideration such as discount, if any. In most cases, the consideration is received before the goods are dispatched/invoiced. Deferred payment terms may also be agreed in case of sales to certain categories of customers. Transaction price is adjusted for time value of money in case of significant financing component.

The Company's contracts with customers include promises to transfer goods or services without charges such as free inspections of vehicles. Such promised goods or services are generally considered performance obligations and related sales revenue is deferred under IFRS 15, if it is deemed material.

3.14 Borrowings and their cost

Borrowings are recognised initially at fair value, net of transaction cost incurred. Borrowing costs are recognised as an expense in the period in which these are incurred except where such costs are directly attributable to the acquisition, construction or production of a qualifying asset in which case such costs are capitalised as part of the cost of that asset.

3.15 Segment reporting

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

3.16 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of cash flow statement, cash and cash equivalent consists of cash in hand, balances with banks and short term borrowings facilities.

3.17 Trade and accrued liabilities

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for the goods and services received, whether billed or not to the Company. The amounts are unsecured and are usually paid as per terms and conditions. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

3.18 Provisions

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

Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provisions are reversed.

3.19 Financial instruments

Financial assets and financial liabilities are recognized in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument. All the financial assets are derecognized at the time when the Company loses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognized at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gains or losses on de-recognition of the financial assets and financial liabilities are taken to the statement of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

3.19.1 Financial assets

The Company classifies its financial assets in the following measurement categories:

- a) Amortized cost where the effective interest rate method will apply;
- b) Fair value through statement of profit or loss;
- c) Fair value through statement of comprehensive income.

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

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

Recognition and derecognition

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

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. In the case of a financial asset at fair value through statement of profit or loss (FVTPL), the Transaction costs of financial assets carried at FVTPL are expensed in the statement of profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

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

(i) Amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in statement of profit or loss and presented in other operating income/(expenses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

(ii) Fair value through statement of comprehensive income (FVTCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTCI. Movements in the carrying amount are taken through statement of comprehensive income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in statement of profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in statement of comprehensive income is reclassified from equity to statement of profit or loss and recognized in other income/expenses. Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other income/expenses and impairment expenses are presented as separate line item in the statement of profit or loss.

(iii) Fair value through statement of profit or loss (FVTPL)

Assets that do not meet the criteria for amortized cost or FVTCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognized in the statement of profit or loss and presented in operating gains/(losses) in the period in which it arises.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

De-recognition of financial assets

Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Impairment of financial assets

The Company assesses on a forward looking basis the Expected Credit Losses (ECL) associated with its debt instruments carried at amortized cost and FVTCL. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Following are financial instruments that are subject to the ECL model:

- Trade debts
- Loans, advances, deposits, prepayments and other receivables
- Cash and bank balances

For trade debts, the Company applies the simplified approach, which requires expected lifetime losses to be recognized from initial recognition of the receivables. The Company recognizes in statement of profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

Write-off

The Company write off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery.

3.19.2 Financial Liabilities

Classification, initial recognition and subsequent measurement

The Company classifies its financial liabilities in the following categories:

- At fair value through statement of profit or loss; and
- Other financial liabilities

The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of other financial liabilities, also include directly attributable transaction costs. The subsequent measurement of financial liabilities depends on their classification, as follows:

(i) Fair value through statement of profit or loss

Financial liabilities at fair value through statement of profit or loss include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as being at fair value through statement of profit or loss. The Company has not designated any financial liability upon recognition as being at fair value through statement of profit or loss.

(ii) Amortized cost

After initial recognition, other financial liabilities which are interest bearing are subsequently measured at amortized cost, using the effective interest rate method. Gains and losses are recognized in the statement of profit or loss, when the liabilities are derecognized as well as through effective interest rate amortization process.

De-recognition of financial liabilities

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

3.19.3 Offsetting of financial assets and financial liabilities

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

3.20 Research and Development

Expenditure on research activities, undertaken with the prospect of gaining new technical knowledge and understanding, is recognized in the statement of profit or loss as an expense as incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalized if the product or process is technically and commercially feasible and the company has sufficient resources to complete development. The expenditure capitalized includes the cost of materials, direct labour, an appropriate proportion of overheads and other directly attributable expenditure. Other development expenditure is recognized in the statement of profit or loss as an expense as incurred.

Expenditure on development activities, capitalized during the year, are classified under "Intangible Assets".

3.21 Earning Per Share

The Company presents Earning Per Share (EPS) data for its ordinary shares, EPS is calculated by dividing the profit attributable to ordinary shareholders of the Company by the weighted average number of shares outstanding during the year.

3.22 Dividends

Dividend distribution to the shareholders is recognized as a liability in the period in which it is approved.

3.23 Warranty Expenses

Warranty expenses are recorded as and when valid claims are received from customers and that claims are not warranted by the supplier.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with approved accounting standards. These standards require 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. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are as follows:

		Notes
a)	Liability in respect of staff retirement benefits.	3.1
b)	Useful life of depreciable Property, Plant and Equipment and amortizable Intangible assets.	3.3 & 3.5
c)	Current and deferred income taxes	3.8
d)	Stock in trade	3.11
e)	Provision of slow moving	21.1
f)	Provision for doubtful debts	22.2
g)	Staff retirement benefits	3.1
h)	Warranty Expenses	3.23
i)	Contingencies and Commitments	15

Estimates and judgments are continually evaluated and are based on historic experience and other factors including expectation of future events that are believed to be reasonable under the circumstances.

5 SHARE CAPITAL

5.1 AUTHORIZED SHARE CAPITAL

June 30, 2022	June 30, 2021		June 30, 2022	June 30, 2021
Number	Number	Note	Rupees	Rupees
100,000,000	100,000,000	Ordinary shares of Rupees 10 each	1,000,000,000	1,000,000,000

5.2 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

21,363,000	21,363,000	Ordinary shares of Rupees 10 each fully paid in cash	213,630,000	213,630,000
39,082,964	25,133,895	Ordinary shares of Rupees 10 each allotted as bonus shares	390,829,640	251,338,950
60,445,964	46,496,895		604,459,640	464,968,950

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

5.2.1 These shares include 13,949,069 bonus shares of Rs.10 each (June 30, 2021: 10,730,053) issued by the company during the current year.

5.2.2 All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company

	Note	June 30, 2022	June 30, 2021
		Rupees	Rupees
6 CAPITAL RESERVE			
Premium on issuance of Right Shares	6.1	557,406,192	557,406,192
		557,406,192	557,406,192

6.1 This amount represents the amount of premium received on the Right shares issued.

7 LONG TERM FINANCING

DIMINISHING MUSHARAKAH - Islamic banking

MCB Islamic Bank Limited.	7.1	41,299,492	54,506,490
Meezan Bank Limited	7.2	279,117,249	279,703,531
Habib Bank Limited	7.3	33,112,400	95,314,247
Habib Metro Bank Limited	7.4	150,000,000	-
Faysal Bank Limited	7.5	199,999,900	-

703,529,041 **429,524,268**

Less: Amount due within twelve months, shown under current portion of long term liabilities	14	193,145,163	134,125,605
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510,383,878 **295,398,663**

Following is the movement of long term loans:

Balance as at July 1,		429,524,268	316,045,803
Financing obtained during the year		414,009,411	138,644,362
Loan repaid during the year		(145,145,070)	(24,637,322)
Deferred Government Grant amortize/realize	9	5,140,433	(528,574)

Balance as at June 30 **703,529,041** **429,524,268**

NOTE	FINANCIAL INSTITUTIONS NAME / FACILITY TYPE	FOR THE YEAR ENDED JUNE 30,	TOTAL FACILITY	UTILIZED FACILITY	UN-UTILIZED FACILITY	PURPOSE OF FACILITY	RATE OF PROFIT	NUMBER OF INSTALLMENT	REPAYMENT COMMENCEMENT DATE	DATE OF MATURITY	TENURE	SECURITY
			IN MILLION									
		2022	44.60	41.30	3.30	For the acquisition of four wheeler Plant & Machinery.	KIBOR plus 1.35% & 1.75% with floor of 7.00% and Cap of 20.00%	Quarterly Installments	April 2020	November 2025	Six years including One Year grace period	
			30.00	30.00	-	For the acquisition of four wheeler Plant & Machinery.	KIBOR plus 1.35% with floor of 7.00% and Cap of 15.00%	Quarterly Installments	April 2020	January 2025	Six years including One Year grace period	
		2021	1.70	1.70	-	For the acquisition of four wheeler Plant & Machinery.	KIBOR plus 1.35% with floor of 7.00% and Cap of 21.00%	Quarterly Installments	Feb-21	November 2024	Six years including One Year grace period	
			35.71	33.99	1.72	For the acquisition of four wheeler Plant & Machinery.	KIBOR plus 1.75% with floor of 12.00% and Cap of 20.00%	Quarterly Installments	Feb-21	November 2025	Six years including One Year grace period	
		2021 - Total	67.41	65.69	1.72							

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

NOTE	FINANCIAL INSTITUTIONS NAME / FACILITY TYPE	FOR THE YEAR ENDED JUNE 30,	TOTAL FACILITY	UTILIZED FACILITY	UN-UTILIZED FACILITY	PURPOSE OF FACILITY	RATE OF PROFIT	NUMBER OF INSTALLMENTS	REPAYMENT COMMENCEMENT DATE	DATE OF MATURITY	TENURE	SECURITY
			IN MILLION									
7.2	Meezan Bank Limited - Diminishing Musharakah	2022	280.00	228.96	0.89	For the acquisition of four wheelers & Plant Machinery.	KIBOR plus 1.75% with floor of 8.00% and Cap of 22.00%	Quarterly Installments	August 2021	Nov 2025	Seven years including Two year and 7 months grace period	-Paripassu charge over fixed assets of Rs. 493.33 million. -Personal guarantees of some of the directors.
				50.15			SBP rate plus 4%	Quarterly Installments	October 2021	July 2026	Five years and six months including 9 months grace period	
		2022 - Total	280.00	279.11	0.89							
		2021	370.00	258.49	90.29		KIBOR plus 1.75% with floor of 8.00% and Cap of 22.00%	Quarterly Installments	August 2021	Nov 2025	Seven years including Two year and 7 months grace period	
				21.22			SBP rate plus 4%	Quarterly Installments	October 2021	April 2026	Five years and six months including 9 months grace period	
		2021 - Total	370.00	279.71	90.29							
7.3	Habib Bank Limited - Diminishing Musharakah (Sub-Limit of Note No.10.4)	2022	50.51	33.67	17	For the payment of wages and salaries for the month April-2020 to September-2020	Fixed at the rate 3.00%	Quarterly Installments	January 2021	October 2022	2.5 Years	-Paripassu charge over fixed assets of Rs. 214.00 million. -Paripassu charge over current assets of Rs. 160.00 million. -Personal guarantees of some of the directors.
		2021	134.68	134.68	-		Fixed at the rate 3.00%	Quarterly Installments	January 2021	October 2022	2.5 Years	
7.4	Habib Metro Bank Limited	2022	150.00	150.00	-	For acquisition of four wheelers & Plant Machinery.	KIBOR plus 1.50% with floor of 6.00% and Cap of 22.00%	Quarterly Installments	October 2022	July 2027	Five years including One Year grace period	-Paripassu charge over fixed assets of Rs. 267.00 million. -Personal guarantees of some of the directors.
		2021	Nil	Nil	Nil		Nil	Nil	Nil	Nil	Nil	
7.5	Faysal Bank Limited	2022	200.00	199.99	0.01	For acquisition of four wheelers & Plant Machinery.	KIBOR plus 1.75% with floor of 2.00% and Cap of 22.00%	Quarterly Installments	November 2022	August 2025	Five years including One Year grace period	-Paripassu charge over fixed assets of Rs. 534.00 million. -Personal guarantees of some of the directors.
		2021	Nil	Nil	Nil		Nil	Nil	Nil	Nil	Nil	

Note

June 30, 2022	June 30, 2021
Rupees	Rupees

8 DEFERRED LIABILITIES

Employee benefits obligation
Deferred tax Liability

8.1	295,513,621	244,891,848
8.2	-	-
	295,513,621	244,891,848

Deferred tax Asset

8.2	178,768,131	54,931,308
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8.1 Employee benefits obligation

8.1.1 Movement in the present value of defined benefit obligations

Present value of defined benefit obligations 1st July	244,891,848	202,107,551
Current Service Cost	29,904,536	24,833,111
Interest cost on defined benefit obligation	24,131,849	17,010,747
Benefits due but not paid (payables)	-	(111,578)
Benefits paid	(7,146,718)	(3,850,642)
Actuarial (gain) / losses from changes in financial assumptions	1,988,332	814,888
Experience Adjustments	1,743,774	4,087,771
	295,513,621	244,891,848

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

Net liability as at 1st July	244,891,848	202,107,551
Expense recognized in the statement of profit or loss	8.1.3 54,036,385	41,843,858
Liability discharged during the year	(7,146,718)	(3,850,642)
Benefit Payable transferred to Short Term Liability	-	(111,578)
Re-measurement recognized in comprehensive income	8.1.6 3,732,106	4,902,659
Net liability as at June 30	295,513,621	244,891,848

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

	June 30, 2022 Rupees	June 30, 2021 Rupees
8.1.3 Expense recognized in the statement of profit or loss		
Current service cost	29,904,536	24,833,111
Interest cost	24,131,849	17,010,747
	54,036,385	41,843,858

8.1.4 Distribution of expense recognized in the statement of profit or loss

The expense is recognized in the following line items in the statement of profit or loss under the head salaries, wages and other benefits.

Cost of sales	40,050,882	32,595,611
Administrative expenses	11,345,167	8,251,728
Distribution and marketing costs	2,640,336	996,519
	54,036,385	41,843,858

8.1.5 Year end sensitivity analysis(± 100 Bps) on Defined Benefit Obligation

	June 30, 2022	June 30, 2021
Discount Rate + 100 bps	274,854,778	226,650,094
Discount Rate - 100 bps	319,636,246	266,341,395
Salary Increase + 100 Bps	320,064,207	266,720,716
Salary Increase - 100 Bps	274,125,905	225,997,715

8.1.6 Re-measurement recognized in Comprehensive Income

Actuarial (gain) / losses from changes in financial assumptions	1,988,332	814,888
Experience adjustments	1,743,774	4,087,771
Total re-measurement recognized in Comprehensive Income	3,732,106	4,902,659

8.1.7 Expected Benefit Payments for the Next 10 Years and Beyond

	Less than one Year	From 1 to 2 Year	From 2 to 5 Year	From 5 to 10 Year	More Than 10 Years	Total
	Rupees					
As At June 30, 2022						
Defined Benefit Obligations	58,491,782	55,279,316	134,386,069	179,229,297	6,968,648,654	7,396,035,118

8.1.8 The amount of expected expense of gratuity benefit in 2022-23 will be Rs. 74,924,651/- as per the actuary's report.

8.1.9 The average duration of defined benefit obligation (unfunded) is 8 years (June 30, 2021, 8 Years).

8.1.10 Principal actuarial assumptions

The company has carried out actuarial valuation as at June 30, 2022 from professional actuary expert under the 'Projected Unit Credit Actuarial Cost Method' for calculating the accounting entries for these financial statements. The main assumptions used for actuarial valuation are as follows:

Discount rate for year end Obligation	13.25 % p.a.	10.00 % p.a.
Discount rate for interest cost in statement of profit or loss	10.00 % p.a.	8.50 % p.a.
Expected rate of future salary increase for the year 2023 (2022)	N/A	9.00 % p.a.
Expected rate of future salary increase from 2024 onward	12.25 % p.a.	9.00 % p.a.
Next Salary is increased at	July 01, 2022	July 01, 2021
Mortality rates	SLIC 2001-2005 Setback 1 Year	SLIC 2001-2005 Setback 1 Year
Withdrawal rates	Age-Based (per appendix)	Age-Based (per appendix)
Retirement assumption	60 Years	60 Years

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

	Note	June 30, 2022 Rupees	June 30, 2021 Rupees
8.2 Deferred taxation			
Taxable temporary differences arising from:			
Accelerated depreciation for tax purposes		74,735,173	15,731,712
Right of use asset		-	21,750,000
Deductible temporary differences arising from:			
Minimum tax u/s 113 of Income Tax Ordinance, 2001	8.2.2	(204,066,400)	(92,413,020)
Unrealized tax losses carried forward		(49,436,904)	-
		(178,768,131)	(54,931,308)
8.2.1 Movement of deferred tax is as follows:			
Opening Balance - Deferred Tax Liability		(54,931,308)	(21,670,008)
Less: Deferred tax income during the year		(182,840,284)	(31,810,622)
Less: Transfer from deferred tax asset to taxation - net		59,003,461	(1,450,678)
Closing balance - Deferred Tax Asset		(178,768,131)	(54,931,308)
8.2.2 Deferred tax asset on tax credit representing minimum tax available for carry forward under section 113 of the Income Tax Ordinance, 2001 has been recognised as sufficient taxable profits would be available for adjustment/utilisation in the foreseeable future. Minimum tax would expire as follows:			
Accounting year to which minimum tax relates	Accounting year in which minimum tax will expire	Amount of minimum tax (Rupees)	
2019	2024	7,326,684	
2020	2025	32,380,302	
2021	2026	52,706,034	
2022	2027	111,653,380	
		204,066,400	
9 DEFERRED GRANT			
Opening Balance		5,699,176	5,170,602
Add: Received during the Year	9.1	-	9,240,576
Less: Amortized during the Year	33	(5,140,433)	(8,712,002)
Closing Balance		558,743	5,699,176
9.1 The amount represents the difference of loan proceed and fair value of the loan from Habib Bank Limited for payment of wages and salaries for the months of April-2020 to September-2020 under the discount profit scheme 3% fixed issued by the State Bank of Pakistan			
10 DEFERRED REVENUE			
Deferred Revenue		5,107,960	-
Less: Current Portion of Deferred Revenue	14	1,996,177	-
Closing Balance		3,111,783	-
11 TRADE AND OTHER PAYABLES			
Creditors		677,527,259	446,566,755
Advances from trade customers - Contract Liability	11.1	1,085,059,862	1,474,382,197
Accrued & Other liabilities		90,681,507	49,522,113
Murabaha Payable: (Islamic banking)			
Meezan Bank Limited	11.3	118,758,024	-
Habib Bank Limited	11.4	-	-
United Bank Limited	11.5	-	-
Allied Bank Limited	11.6	-	-
Habib Metro Bank Limited	11.7	-	-
Faysal Bank Limited	11.8	190,000,000	-
Askari Bank Limited	11.9	264,910,500	-
Sales tax and excise duty payable		40,128,071	1,763,856
Income tax deducted at source		16,729,996	29,763,333
Payable towards:			
Workers' Profit Participation Fund	11.10	13,889,528	5,543,487
Workers' Welfare Fund	11.11	646,361	646,361
		2,498,331,108	2,008,188,102

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

11.1 These represent advance received from customers in respect of sale of vehicles and parts. All the opening balance of advance has been recognized as revenue during the year.

11.2 Letter of Credit facilities

NOTE	FINANCIAL INSTITUTIONS NAME / FACILITY TYPE	FOR THE YEAR ENDED JUNE 30,	TOTAL FACILITY	UTILIZED FACILITY	UN-UTILIZED FACILITY	SECURITY
IN MILLION						
11.2.1	Meezan Bank Limited	2022	500.00	476.51	23.49	-Nil cash margin or as per SBP requirement, which ever is higher . -Lien on import Documents. -Personal guarantees of some of the directors.
		2021	1000.00	396.20	603.80	-100% cash margin or as per SBP requirement, which ever is higher . -Lien on import Documents. -Personal guarantees of some of the directors.
			500.00	132.15	367.85	-Nil cash margin or as per SBP requirement, which ever is higher . -Lien on import Documents. -Personal guarantees of some of the directors.
11.2.2	Habib Bank Limited - Islamic Banking	2022	1000.00	735.92	264.08	-Nil cash margin or as per SBP requirement, which ever is higher . -Lien on import Documents. -Personal guarantees of some of the directors.
		2021	250.00	76.00	174.00	-Nil cash margin or as per SBP requirement, which ever is higher . -Lien on import Documents. -Personal guarantees of some of the directors.
11.2.3	United Bank Limited - Ameen Islamic Banking	2022	350.00	76.00	274.00	-Nil cash margin or as per SBP requirement, which ever is higher . -Lien on import Documents. -Personal guarantees of some of the directors.
		2021	350.00	36.94	313.06	-Nil cash margin or as per SBP requirement, which ever is higher . -Lien on import Documents. -Personal guarantees of some of the directors.
11.2.4	Allied Bank Limited - Islamic Banking	2022	500.00	-	500.00	-100% cash margin or as per SBP requirement, which ever is higher . -Lien on import Documents.
			225.00	147.54	77.46	-Nil cash margin or as per SBP requirement, which ever is higher . -Lien on import Documents. -Personal guarantees of some of the directors.
		2021	500.00	83.02	416.98	-100% cash margin or as per SBP requirement, which ever is higher . -Lien on import Documents.
			225.00	37.63	187.37	-Nil cash margin or as per SBP requirement, which ever is higher . -Lien on import Documents. -Personal guarantees of some of the directors.
11.2.5	Habib Metro Bank Limited - Islamic Banking	2022	400.00	-	400.00	-100% cash margin or as per SBP requirement, which ever is higher . -Lien on import Documents.
			700.00	700.00	-	-Nil cash margin or as per SBP requirement, which ever is higher . -Lien on import Documents. -Personal guarantees of some of the directors.
		2021	750.00	565.79	184.21	-100% cash margin or as per SBP requirement, which ever is higher . -Lien on import Documents.
			350.00	-	350.00	-Nil cash margin or as per SBP requirement, which ever is higher . -Lien on import Documents. -Personal guarantees of some of the directors.
11.2.6	Faysal Bank Limited - Islamic Banking	2022	300.00	-	300.00	-100% cash margin or as per SBP requirement, which ever is higher . -Lien on import Documents.
			300.00	96.29	203.71	-Nil cash margin or as per SBP requirement, which ever is higher . -Lien on import Documents. -Personal guarantees of some of the directors.
		2021	500.00	382.07	117.93	-100% cash margin or as per SBP requirement, which ever is higher . -Lien on import Documents.
			400.00	-	400.00	-Nil cash margin or as per SBP requirement, which ever is higher . -Lien on import Documents. -Personal guarantees of some of the directors.
11.2.7	Askari Bank Limited - Islamic Banking	2022	200.00	-	200.00	-100% cash margin or as per SBP requirement, which ever is higher . -Lien on import Documents.
			300.00	-	300.00	-Nil cash margin or as per SBP requirement, which ever is higher . -Lien on import Documents. -Personal guarantees of some of the directors.
		2021	NIL	NIL	NIL	NIL
11.2.8	Dubai Islamic Bank Pakistan Limited	2022	750.00	-	750.00	-Nil cash margin or as per SBP requirement, which ever is higher . -Lien on import Documents. -Personal guarantees of some of the directors.
		2021	NIL	NIL	NIL	NIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

NOTE	FINANCIAL INSTITUTIONS NAME / FACILITY TYPE	FOR THE YEAR ENDED JUNE 30,	TOTAL FACILITY	UTILIZED FACILITY	UN-UTILIZED FACILITY	SECURITY		
IN MILLION								
Letter of Credit facilities - for Capital Expenditure								
11.2.9	Meezan Bank Limited "Sublimit of note no. 7.2"	2022	NIL	NIL	NIL	NIL		
		2021	75.20	-	75.20	-Nil cash margin or as per SBP requirement, which ever is higher . -Lien on import Documents. -Personal guarantees of some of the directors.		
11.2.10	Habib Metro Bank Limited-Islamic Banking	2022	150.00	-	150.00	-Nil cash margin or as per SBP requirement, which ever is higher . -Lien on import Documents.		
		2021	NIL	NIL	NIL	NIL		
NOTE	FINANCIAL INSTITUTIONS NAME / FACILITY TYPE	FOR THE YEAR ENDED JUNE 30,	TOTAL FACILITY	UTILIZED FACILITY	UN-UTILIZED FACILITY	MAXIMUM PERIOD	RATE OF PROFIT	SECURITY
IN MILLION								
11.3	Meezan Bank Limited - Murabaha Arrangement	2022	200.00	118.76	81.24	180 Days	KIBOR PLUS 1.25%	-Paripassu charge over fixed assets of Rs. 268.00 million. -Paripassu charge over current assets of Rs. 200.00 million.
		2021	200.00		200.00	180 Days	KIBOR PLUS 1.25%	-Personal guarantees of some of the directors.
11.4	Habib Bank Limited - Islamic Banking - Murabaha Arrangement	2022	160.00	-	160.00	120 Days	KIBOR PLUS 1.10%	-Paripassu charge over fixed assets of Rs. 214.00 million. -Paripassu charge over current assets of Rs. 160.00 million. -Personal guarantees of some of the directors.
		2021	250.00	-	250.00	120 Days	KIBOR PLUS 1.10%	-Paripassu charge over fixed assets of Rs. 334.00 million. -Paripassu charge over current assets of Rs. 250.00 million. -Personal guarantees of some of the directors.
11.5	United Bank Limited - Ameen Islamic Banking Murabaha Arrangement (sublimit of Note no. 11.2.3)	2022	350.00	-	350.00	180 Days	KIBOR PLUS 1.10%	-Paripassu charge over fixed assets of Rs. 467.00 million. -Paripassu charge over current assets of Rs. 350.00 million.
		2021	350.00	-	350.00	180 Days	KIBOR PLUS 1.10%	-Personal guarantees of some of the directors.
11.6	Allied Bank Limited - Murabaha Arrangement (sublimit of Note no. 11.2.4)	2022	135.00	-	135.00	90 Days	KIBOR PLUS 1.10%	-Paripassu charge over fixed assets of Rs. 185.00 million. -Paripassu charge over current assets of Rs. 110.00 million.
		2021	135.00	-	135.00	90 Days	KIBOR PLUS 1.10%	-Personal guarantees of some of the directors.
11.7	Habib Metro Bank Limited - Murabaha Arrangement (sublimit of Note no. 11.2.5)	2022	150.00	-	150.00	120 Days	KIBOR PLUS 1.10%	-Paripassu charge over fixed assets of Rs. 267.00 million. -Paripassu charge over current assets of Rs. 200.00 million.
		2021	150.00	-	150.00	120 Days	KIBOR PLUS 1.10%	-Personal guarantees of some of the directors.
11.8	Faysal Bank Limited - Islamic Banking (sublimit of Note no. 11.2.6)	2022	200.00	190.00	10.00	120 Days	KIBOR PLUS 1.00%	-Paripassu charge over fixed assets of Rs. 534.00 million. -Paripassu charge over current assets of Rs. 200.00 million. -Personal guarantees of some of the directors.
		2021	100.00	-	100.00	120 Days	KIBOR PLUS 1.00%	-Paripassu charge over fixed assets of Rs. 133.00 million. -Paripassu charge over current assets of Rs. 100.00 million, -Personal guarantees of some of the directors.
11.9	Askari Bank Limited - Islamic Banking (sublimit of Note no. 11.2.7)	2022	300.00	264.91	35.09	120 Days	KIBOR PLUS 1.25%	-Paripassu charge over fixed assets of Rs. 400.00 million. -Paripassu charge over current assets of Rs. 300.00 million.
		2021	NIL	NIL	NIL	NIL	NIL	-Personal guarantees of some of the directors. NIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

			June 30, 2022 Rupees	June 30, 2021 Rupees
11.10	Workers' Profit Participation Fund	Note		
	Balance at beginning of the year		5,543,487	2,233,024
	Charged during the year	31	13,889,528	5,543,487
			19,433,015	7,776,511
	Payment made during the year		(5,543,487)	(2,233,024)
			13,889,528	5,543,487
11.11	Workers' Welfare Fund			
	Balance at beginning of the year		646,361	832,730
	Charged during the year		-	646,361
	Adjustment for prior years		-	44,557
	Charged to statement of Profit or loss	31	-	690,918
			646,361	1,523,648
	Payment made during the year			(877,287)
			646,361	646,361
12	PROFIT ACCRUED ON LOANS AND OTHER PAYABLES			
	Short term borrowings - secured		7,293,751	90,181
	Long term borrowings - secured		25,873,353	8,907,883
	Profit on Murabaha Payable		1,668,519	-
			34,835,623	8,998,064
13	SHORT TERM BORROWINGS - SECURED			
	Running Musharakah arrangements - Islamic Banking			
	Habib Bank Limited	13.1	-	12,427,912
	Askari Bank Limited	13.2	-	-
	United Bank Limited	13.3	119,728,307	50,571,110
	Meezan Bank Limited	13.4	-	56,410,350
	Allied Bank Limited	13.5	43,147,253	270,236
	Istisna arrangements - Islamic Banking			
	Meezan Bank Limited	13.6	-	-
	Dubai Islamic Bank Pakistan Limited	13.7	-	-
			162,875,560	119,679,608

NOTE	FINANCIAL INSTITUTIONS NAME / FACILITY TYPE	FOR THE YEAR ENDED JUNE 30,	SUB-LIMIT OF NOTE NO.	TOTAL FACILITY	UTILIZED FACILITY	UN-UTILIZED FACILITY	RATE OF PROFIT	SECURITY
IN MILLION								
13.1	Habib Bank Limited - Islamic Banking - Running Musharakah Arrangements	2022	11.4	160.00	-	160.00	KIBOR PLUS 1.10%	-Paripassu charge over fixed assets of Rs. 214.00 million. -Paripassu charge over current assets of Rs. 160.00 million. -Personal guarantees of some of the directors.
		2021	11.4	160.00	12.43	147.57	KIBOR PLUS 1.10%	-Paripassu charge over fixed assets of Rs. 334.00 million. -Paripassu charge over current assets of Rs. 250.00 million. -Personal guarantees of some of the directors.
13.2	Askari Bank Limited - Islamic Banking - Running Musharakah Arrangements	2022	11.9	100.00	-	100.00	KIBOR PLUS 1.25%	-Paripassu charge over fixed assets of Rs. 400.00 million. -Paripassu charge over current assets of Rs. 300.00 million. -Personal guarantees of some of the directors.
		2021	11.9	NIL	NIL	NIL	NIL	NIL
13.3	United Bank Limited - Ameen Islamic Banking - Running Musharakah Arrangements	2022	11.5	280.00	119.73	160.27	KIBOR PLUS 1.10%	-Paripassu charge over fixed assets of Rs. 467.00 million. -Paripassu charge over current assets of Rs. 350.00 million. -Personal guarantees of some of the directors.
		2021	11.5	200.00	50.57	149.43	KIBOR PLUS 1.10%	-Paripassu charge over fixed assets of Rs. 467.00 million. -Paripassu charge over current assets of Rs. 350.00 million. -Personal guarantees of some of the directors.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

NOTE	FINANCIAL INSTITUTIONS NAME / FACILITY TYPE	FOR THE YEAR ENDED JUNE 30,	SUB-LIMIT OF NOTE NO.	TOTAL FACILITY	UTILIZED FACILITY	UN-UTILIZED FACILITY	RATE OF PROFIT	SECURITY
					IN MILLION			
13.4	Meezan Bank Limited - Running Musharakah Arrangements	2022	11.3	60.00	-	60.00	KIBOR PLUS 1.25%	-Paripassu charge over fixed assets of Rs. 268.00 million.
		2021	11.3	60.00	56.41	3.59	KIBOR PLUS 1.25%	-Paripassu charge over current assets of Rs. 200.00 million. -Personal guarantees of some of the directors.
13.5	Allied Bank Limited - Business Running Musharakah Arrangements	2022	11.6	45.00	43.15	1.85	KIBOR PLUS 1.10%	-Paripassu charge over fixed assets of Rs. 185.00 million.
		2021	11.6	45.00	0.27	44.73	KIBOR PLUS 1.10%	-Paripassu charge over current assets of Rs. 110.00 million. -Personal guarantees of some of the directors.
13.6	Meezan Bank Limited - Istisna Arrangement	2022	11.3	40.00	-	40.00	KIBOR PLUS 1.25%	-Paripassu charge over fixed assets of Rs. 268.00 million.
		2021	11.3	40.00	-	40.00	KIBOR PLUS 1.25%	-Paripassu charge over current assets of Rs. 200.00 million. -Personal guarantees of some of the directors.
13.7	Dubai Islamic Bank Pakistan Limited - Istisna cum Wakala Arrangement	2022	11.2.8	300.00	-	300.00	KIBOR PLUS 1.10%	-Paripassu charge over fixed assets of Rs. 400.00 million.
		2021	11.2.8	NIL	NIL	NIL	NIL	-Paripassu charge over current assets of Rs. 300.00 million. -Personal guarantees of some of the directors.

14 CURRENT PORTION OF NON CURRENT LIABILITIES

Diminishing Musharakah - Islamic banking
Deferred Revenue

Note

7
10

June 30, 2022	June 30, 2021
Rupees	Rupees
193,145,163	134,125,605
1,996,177	-
195,141,340	134,125,605

15 CONTINGENCIES AND COMMITMENTS

15.1 Contingencies

15.1.1 The Director General (HQ)/Adjudicating Officer of Punjab Employees Social Security Institution (PESSI) has passed an order against the company and sustained the demand created by Deputy Director (Admin) of Rs. 6,547,688/- as on June 12, 2019. The company filed an appeal against the said order before The Honorable Labour Court, Lahore and has been granted a stay order. The appeal is still pending. In the opinion of the legal advisor, favorable outcome of the appeal is expected, hence no provision is made in these financial statements.

15.1.2 The Sindh Revenue Board (SRB) retrospectively restored sales tax on renting of immovable property services vide Sindh Sales Tax on Services (Amendment) Act, 2018, therefore Landlord of Company's Karachi office has claimed sales tax on rent services of Rs. 257,064/- for the tax year 2016, 2017 and 2018. The Company has challenged the law by filing a writ petition in Honorable Sindh High Court, Karachi and has been granted a stay order as on December 31, 2018. In the opinion of the lawyer, the outcome of the case is expected in favour of the company, hence no provision is made in these financial statements.

15.1.3 ACIR initiated proceedings under section 122 (5A) of Income Tax Ordinance 2001 for tax year 2017 and created a tax demand of Rs. 11,385,589/- as on September 26, 2018. The company filed an appeal against this order with CIR (Appeals) and got a relief of Rs. 5,745,964/- with the directions to OIR for verification of certain matters. However the DCIR filed an appeal before the ATIR against the order of CIR(A), on the other hand the company also filed an appeal before the ATIR as on April 14, 2021. The proceedings of ATIR are still pending. In the opinion of tax consultant, favorable outcome of the appeals is expected, hence no provision is made in these financial statements.

15.1.4 ACIR initiated proceedings under section 3(1A) of Sales Tax Act 1990 for tax period July-Sep 2015 and created sales tax demand of Rs. 9,392,789/- as on June 06, 2016. The company filed an appeal against this order with CIR (A) and CIR (A) vacated the order of ACIR. However ACIR filed an appeal with ATIR, appeal is still pending. In the opinion of tax consultant, favorable outcome is expected, hence no provision is made in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

- 15.1.5** DCIR initiated proceedings under section 122 (5A) for tax year 2009 and created a tax demand of Rs. 5,440,062/- as on March 31, 2015. The company filed an appeal against this order with CIR (Appeals) and got relief up to Rs.5,318,163. For remaining tax demand of Rs. 121,899/-, company file an appeal with ATIR. Further, the DCIR has also filed an appeal with ATIR against the Relief of Rs. 5,318,163/- given by the CIR (A). In the opinion of tax consultant, favorable outcomes of the appeals are expected, hence no provision is made in these financial statements.
- 15.1.6** During the year, ATIR decided the case against the company for the tax year 2013 of Rs. 2,479,693/- as on November 11, 2021. The company filed a Reference Petition before the Honorable Lahore High Court, Lahore on February 01, 2022. The said petition is pending before the Honorable Court. In the opinion of the lawyer, favorable outcome of the appeal is expected, hence no provision is made in these financial statements.
- 15.1.7** DCIR passed an order under section 11 (2) of Sales Tax Act, 1990 for the tax period from July-2011 to June-2012 and created a demand of Rs. 192,568,536/- as on May 30, 2018, . The company filed an appeal against this order with CIR (Appeals). The CIR (Appeals) has remand back the case to DCIR with upheld amount of Rs. 2,223,033. The Company filed an appeal with ATIR against the decision of CIR (Appeals) for the upheld amount and decision of remand back. In the opinion of the tax consultant, favorable outcome of the appeal is expected, hence no provision is made in these financial statements.
- 15.1.8** DCIR passed an order under section 11 (2) of Sales Tax Act, 1990 for the tax period from July-2013 to June-2014 and created a demand of Rs. 7,418,949/- as on September 28, 2017. The company filed an appeal against this order with CIR (Appeals) and got a relief of Rs. 5,340,120/- as on April 30, 2021. For remaining tax demand of Rs. 2,078,829/-, company filed an appeal before ATIR as on June 29, 2021. The appeal is still pending and in the opinion of the tax consultant, favorable outcome of the appeal is expected, hence no provision is made in these financial statements.
- 15.1.9** Additional Commissioner Inland Revenue (ACIR) initiated proceedings under section 122(5A) of Income Tax Ordinance 2001 for tax year 2018 and created a tax demand of Rs. 8,848,110/- as on February 06, 2020, The Company filed an appeal before the Commissioner Inland Revenue Appeal CIR(A) and got a relief of Rs. 4,264,240/-. However the DCIR filed an appeal before the ATIR against the order of CIR(A) on the other hand, the company also filed an appeal before the ATIR as on April 14, 2020. The proceedings of ATIR are still pending. In the opinion of tax consultant, favorable outcome of the appeals is expected, hence no provision is made in these financial statements.
- 15.1.10** DCIR initiated proceedings under section 161/205 of Income Tax Ordinance 2001 for tax year 2017 and created a tax demand of Rs. 33,952,716/- as on March 30, 2019, The Company filed an appeal against this order with CIR (A) and CIR (A) deleted the order of DCIR as on June 25, 2019. However DCIR filed an appeal with ATIR against the order of CIR (A) as on August 27, 2019, proceedings are still pending. In the opinion of tax consultant, favorable outcome of the appeal is expected, hence no provision is made in these financial statements.
- 15.1.11** The Company has filed Writ Petition in Lahore High Court, Lahore (LHC) against the illegal selection by the Commissioner Inland Revenue for the audit of sales tax affairs for tax year 2017 under section 25 of Sales Tax Act 1990. Which was rejected by the honourable Court. The Company filed an Intera Court Appeal (ICA) before honourable Lahore High Court, Lahore and honourable Court has granted an interim relief to the Company and restrained the Commissioner Inland Revenue to pass a final order till the decision of appeal as on January 21, 2020. The case is still pending. In the opinion of the lawyer, outcome of this case will be in favour of the company.
- 15.1.12** DCIR initiated proceedings under section 122(5A) of Income Tax Ordinance 2001 for tax year 2016 and created a tax demand of Rs. 273,476,590/- as on February 28, 2022. The Company filed an appeal against this order with CIR (A) as on March 25, 2022. Proceedings are still pending. In the opinion of tax consultant, favorable outcome of the appeal is expected, hence no provision is made in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

15.1.13 A group of persons in rickshaw market Karachi deposited a sum of Rs. 10.93 Million unilaterally in the Company's bank account for the purchase of auto rickshaw without any authorization from the Company. The company filed a suit in Honorable Sindh High Court, Karachi (SHC) against these persons as on September 24, 2019. Instead of appearing in the Honorable Sindh High Court, Karachi, they filed nine civil suits against the Company for the declaration, cancellation, recovery and damages amounting to Rs. 109.43 Million. The cases are still pending. In the opinion of the lawyer, these claims are frivolous and the outcome of these cases will be in favour of the company. Therefore, The Company has not made any provision for this amount in these financial statements.

15.1.14 Federal Board of Revenue issued SRO 845(I)/2021 dated June 30, 2021 in which Additional Custom Duty (ACD) was imposed on import of our four Wheels CKD kits. The matter was discussed in detail with the lawyer and decided to challenge the legality of the SRO. Therefore, the company filed writ petitions in Honorable Lahore High Court, Lahore and Honorable Sindh High Court, Karachi and obtained stay orders. The cases are still pending. In the opinion of lawyer, favorable outcome of the cases is expected, hence no provision of Rs. 7.10 Million is made in these financial statements.

15.1.15 The company has challenged the legality and constitutionality of section 5 (A) of Income Tax Ordinance 2001 by filing a Constitutional petition in the Lahore High Court, Lahore as on July 03, 2018. During the previous years, the FBR brought various amendments in the Income Tax Ordinance, 2001 relating applicability of section 5A, which has material bearing on our case. Therefore, the matter was discussed in detail with the lawyer and it was decided that with the permission of Honorable Court the present Writ Petition to be withdrawn and file a fresh Writ Petition before the LHC. Therefore, the company intends to file a fresh Writ petition on the subject matter. In the opinion of the lawyer, favorable outcome of the petition is expected, hence no provision of Rs.19.10 Million relating to tax year 2018 is made in these financial statements.

15.2 Commitments

15.2.1 Commitments in respect of outstanding letters of credit for raw material amount to Rs. 2232.26 Million (June 30, 2021: Rs. 145.93 Million).

15.2.2 Commitments in respect of capital expenditures amount to Rs. 70.78 Million (June 30, 2021: Rs. 93.69 Million) and bank guarantee of Rs. 5.37 Million (June 30, 2021: Nil).

16 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets - Tangible
Capital work in progress
Advance for purchase of land

16.1

16.3

June 30, 2022	June 30, 2021
Rupees	Rupees
1,746,923,699	344,171,829
799,326,424	1,454,249,214
94,000,000	46,000,000
2,640,250,123	1,844,421,043

16.1 OPERATING FIXED ASSETS - Tangible

2022									Rupees
Particulars	Cost			Rate %	Depreciation				W.D.V. as at 30-06-2022
	As at 01-07-2021	Additions/ (Deletions)	As at 30-06-2022		As at 01-07-2021	For the Year	Adjustment / Disposal	As at 30-06-2022	
Freehold land	195,551,940	-	195,551,940	-	-	-	-	-	195,551,940
Building and Civil Works on freehold land	88,273,401	402,835,059	491,108,460	5 to 10	64,526,517	35,877,081	-	100,403,598	390,704,862
Building and Civil Works on leasehold land	2,509,800	-	2,509,800	10	1,114,239	139,556	-	1,253,795	1,256,005
Plant and Machinery	224,418,657	1,037,850,092	1,262,268,749	10	159,344,500	93,069,507	-	252,414,007	1,009,854,742
Electric Fittings	9,189,359	102,000	9,291,359	10	6,775,928	243,893	-	7,019,821	2,271,538
Furniture and Fittings	3,617,267	2,601,085	6,218,352	10	2,006,413	232,818	-	2,239,231	3,979,121
Office Equipment	8,971,777	3,838,695	12,810,472	10	3,963,003	653,393	-	4,616,396	8,194,076
Electric Installations	6,557,854	47,996,487	54,554,341	10	2,810,297	4,193,063	-	7,003,360	47,550,981
Vehicles	97,544,393	57,380,100 (5,465,000)	149,459,493	20	51,921,722	14,164,257	- (4,186,921)	61,899,058	87,560,435
Total 2022	636,634,447	1,552,603,518 (5,465,000)	2,183,772,965		292,462,619	148,573,568	- (4,186,921)	436,849,266	1,746,923,699

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

Particulars	2021								Rupees
	Cost			Rate %	Depreciation				W.D.V. as at 30-06-2021
	As at 01-07-2020	Additions/ (Deletions)	As at 30-06-2021		As at 01-07-2020	For the Year	Adjustment	As at 30-06-2021	
Freehold land	195,551,940	-	195,551,940	-	-	-	-	-	195,551,940
Building and Civil Works on freehold land	88,273,401	-	88,273,401	5 to 10	61,966,567	2,559,950	-	64,526,517	23,746,884
Building and Civil Works on leasehold land	2,509,800	-	2,509,800	10	959,177	155,062	-	1,114,239	1,395,561
Plant and Machinery	223,053,657	1,365,000	224,418,657	10	152,154,131	7,190,369	-	159,344,500	65,074,157
Electric Fittings	9,189,359	-	9,189,359	10	6,507,769	268,159	-	6,775,928	2,413,431
Furniture and Fittings	3,617,267	-	3,617,267	10	1,827,429	178,984	-	2,006,413	1,610,854
Office Equipment	7,765,877	1,205,900	8,971,777	10	3,482,741	480,262	-	3,963,003	5,008,774
Electric Installations	6,148,250	409,604	6,557,854	10	2,422,961	387,336	-	2,810,297	3,747,557
Vehicles	71,500,461	28,572,932 (2,529,000)	97,544,393	20	42,492,317	10,577,336	- (1,147,931)	51,921,722	45,622,671
Total 2021	607,610,011	31,553,436 (2,529,000)	636,634,447		271,813,091	21,797,458	- (1,147,931)	292,462,619	344,171,829

16.2 Depreciation for the year has been allocated as follows:

Cost of sales

Distribution and marketing costs

Administrative expenses

Note

	June 30, 2022	June 30, 2021
	Rupees	Rupees
	135,054,371	11,710,336
	7,033,514	4,929,647
	6,485,683	5,157,475
	148,573,568	21,797,458

16.3 CAPITAL WORK-IN-PROGRESS

Tangible

Plant and machinery

Opening balance

Additions made during the year

Transferred to operating fixed assets

16.4

1,006,200,367	552,356,939
792,789,002	453,843,428
1,798,989,369	1,006,200,367
1,033,375,092	-
765,614,277	1,006,200,367

Civil works

Opening balance

Additions made during the year

Transferred to operating fixed assets

448,048,847	429,837,696
33,712,147	18,211,151
481,760,994	448,048,847
448,048,847	-
33,712,147	448,048,847

Intangible

Opening balance

Additions made during the year

Transferred to Intangible Assets

-	341,251
-	-
-	341,251
-	341,251
-	-
799,326,424	1,454,249,214

16.4 This includes borrowing cost related to the Plant and Machinery amounting to Rs. 17.96 million (2021: 16.32 million) using rate ranging between 8.89% - 16.65% (2021: 5.00% - 11.98%) per annum.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

16.5 Particulars of Company's Immovable Fixed Assets:

SR No.	PARTICULARS	LOCATION	NATURE	AREA OF LAND (In Acres)
1	Manufacturing Facility of Three Wheeler, Appliances and Automotive Parts	18 K.M Raiwind Road, Lahore.	OWNED	5.46
2	Four Wheeler Manufacturing Facility	Mouza Bhai Kot, Near Tablighi Ijtama, Raiwind, Lahore	OWNED	36.92
3	Warranty Center, Karachi	B-66, State Avenue S.I.T.E, Karachi	LEASED	0.36

16.6 The detail of property, plant and equipment disposed off during the year is as follows:

Particulars	Cost	Net Book Value	Sale Price	Gain / (Loss)	Mode of Disposal	Particulars of Purchaser
Rupees						
Suzuki Wagon R	1,004,000	259,720	1,205,000	945,280	Negotiation	Mr. Mazhar Hassan, Dak Khana Bhabhra Par Masso, Tehsil Pindi Bhattian District Hafizabad.
Suzuki Wagon R	1,004,000	247,017	1,240,000	992,983	Negotiation	Mr. Muhammad Waheed, House # 5, St, # 16, Mohallah Hamoon Shah Park New Mozang, Lahore.
Suzuki Wagon R	1,004,000	251,861	1,240,000	988,139	Negotiation	Mr. Humair Saeed, House # 58-A, Lalazar Colony Phase II, Lahore.
Suzuki Swift	1,463,000	399,663	1,650,000	1,250,337	Negotiation	Mr. Arshad Mahmood, 89 Sultan Town, Lahore (Executive)
Suzuki Cultus	990,000	119,819	700,000	580,181	Negotiation	Mr. Arshad Mahmood, 89 Sultan Town, Lahore (Executive)
June 30, 2022	5,465,000	1,278,079	6,035,000	4,756,920		
June 30, 2021	2,529,000	1,381,069	2,300,000	918,931		

17 INTANGIBLE ASSETS

Particulars	(Rupees)						
	Cost			Amortization			Book Value as at 30-06-2022
	As at 01-07-2021	Additions/ (deletion)	As at 30-06-2022	As at 01-07-2021	For the Year	As at 30-06-2022	
Intangible Assets	4,699,173	-	4,699,173	4,316,482	98,067	4,414,549	284,624
Jun-22	4,699,173	-	4,699,173	4,316,482	98,067	4,414,549	284,624
Jun-21	4,357,922	341,251	4,699,173	4,280,978	35,504	4,316,482	382,691

17.1 Intangible assets include cost incurred on patents, copyrights, trade marks and designs.

17.2 The amortization cost is included in cost of sales.

Note	June 30, 2022 Rupees	June 30, 2021 Rupees
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18 LONG TERM LOANS AND ADVANCES - SECURED

Loans and advances - considered good, to:

Executives	12,800,425	11,663,925
Non-Executives	58,563,022	46,565,491
	71,363,447	58,229,416
Less: Amount due within twelve months, shown under current portion of loans and advances	23 49,610,469	29,270,353
	21,752,978	28,959,063

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

Reconciliation of carrying amount of loans and advances to executives and non-executives:

	Opening balance as at July 01, 2021	Disbursements / Transfer	Repayments / Transfer	Closing Balance as at June 30, 2022
Executives	11,663,925	5,626,333	4,489,833	12,800,425
Non-Executives	46,565,491	36,513,045	24,515,514	58,563,022
June 30, 2022	58,229,416	42,139,378	29,005,347	71,363,447
June 30, 2021	42,479,293	37,074,515	21,324,392	58,229,416

These loans and advances have been granted under staff loan and advances policy to facilitate the employees for meeting household payments. These are secured against the gratuity payable to employees. These are interest free loans which are repayable within 2 to 2.5 years. The maximum amount of loan outstanding to executives at the end of any month during the year was Rs. 12,073,925 (2021: Rs. 11,663,925). Receivable from executives of the Company does not include any amount receivable from Directors or Chief Executive. The carrying values of these loans are neither past due nor impaired. The credit quality of these financial assets can be assessed with reference to no default in recent history. Any outstanding loan due from an employee at the time of leaving the service of the Company is adjustable against final settlement of gratuity. Long term loans have been carried at cost as the effect of carrying these balances at amortised cost is not considered to be material.

	June 30, 2022	June 30, 2021
Note	Rupees	Rupees

19 LONG TERM DEPOSITS

Deposit with Pakistan Steel Mill	400,000	400,000
Utilities and others	5,471,855	3,645,855
	5,871,855	4,045,855

19.1 Long term deposits are given in the normal course of business and do not carry any interest or mark-up.

20 STORES, SPARES AND LOOSE TOOLS

Stores	7,064,888	2,927,767
Spares	390,150	303,032
Loose tools	65,280	47,490
	7,520,318	3,278,289

21 STOCK-IN-TRADE

Raw materials and components	1,273,643,999	563,749,293
Work-in-process	57,165,012	31,392,103
Finished goods	421,456,575	232,678,793
Less:		
Provision for slow moving items	21.1 (10,450,102)	(9,922,842)
	1,741,815,484	817,897,347

21.1 Provision for slow moving items

Balance at the beginning of the year	9,922,842	9,922,842
Charged during the year	28 527,260	-
Balance at the closing of the year	10,450,102	9,922,842

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

	Note	June 30, 2022 Rupees	June 30, 2021 Rupees
22 TRADE DEBTS - Unsecured	22.1	179,841,812	116,923,695
22.1 Classification:			
Considered Good		179,841,812	116,923,695
Considered Doubtful		5,070,487	9,596,805
		184,912,299	126,520,500
Less: Provision for expected credit losses	22.2	(5,070,487)	(9,596,805)
		179,841,812	116,923,695
22.2 Provision for Expected Credit losses (ECL)			
Balance at the beginning of the year		9,596,805	9,641,805
Reversal during the year	22.2.1	(4,526,318)	(45,000)
Balance at the closing of the year		5,070,487	9,596,805
22.2.1 Amount recovered during the year.			
23 LOANS & ADVANCES			
Advances - considered good			
- Current portion of loans and advances	18	49,610,469	29,270,353
- To employees for incurring business expenses		82,954	-
- To suppliers-unsecured		4,219,253	1,741,863
		53,912,676	31,012,216
23.1 These amount given in the normal course of business and do not carry any interest or mark-up.			
24 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
Contract securities		400,000	400,000
Prepaid expenses		2,278,653	1,609,413
Letter of credit margin		60,887,550	1,497,480,558
Letter of credit in process		387,480,352	126,498,000
		451,046,555	1,625,987,971
24.1 These amount given in the normal course of business and do not carry any interest or mark-up.			
25 OTHER RECEIVABLES			
Advance income tax - net		118,611,936	101,176,791
Advance Sales tax		83,399,240	14,246,838
		202,011,176	115,423,629
26 CASH AND BANK BALANCES			
Cash in hand		459,079	538,204
Balance with banks			
In current accounts - Conventional banking		8,393,988	2,185,523
In current accounts - Islamic banking		32,736,723	10,201
In saving accounts - Islamic banking	26.1	131,452,689	12,243,164
		173,042,479	14,977,092
26.1 This carry profit at the rates ranging from 6.25% to 12.00% (June 30, 2021: From 3.08% to 6.50%) per annum.			
27 SALES - NET			
Gross sales	27.1	12,497,460,390	5,263,914,714
Less: Sales tax		1,773,321,217	699,041,868
Federal Excise Duty		133,304,763	-
Sales returns		316,617,214	433,768,212
Commission		226,099,309	97,503,626
		2,449,342,503	1,230,313,706
		10,048,117,887	4,033,601,008
27.1 This includes Rs. 56.20 million (June 30, 2021: Rs. 66.24 million) on account of export sales.			
27.2 The disaggregation of revenue is disclosed in note no.40 of these financial statements.			

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

	Note	June 30, 2022 Rupees	June 30, 2021 Rupees
28 COST OF SALES			
Raw materials and components consumed		6,079,161,474	3,059,606,140
Salaries, wages and other benefits	28.1	497,745,376	357,626,465
Stores, spares and loose tools consumed		64,905,703	60,409,523
Power and fuel charges		177,131,927	87,404,341
Repair and maintenance		113,009,241	75,595,616
Other expenses		14,642,720	15,319,374
Provision for slow moving items	21.1	527,260	-
Depreciation	16.2	135,054,371	11,710,336
Amortization	17	98,067	35,504
		7,082,276,139	3,667,707,299
Opening work-in-process		31,392,103	30,553,475
		7,113,668,242	3,698,260,774
Closing work-in-process		57,165,012	31,392,103
Cost of goods manufactured		7,056,503,230	3,666,868,671
Opening finished goods		232,678,793	222,905,224
		7,289,182,023	3,889,773,895
Cost of finished goods purchased during the year		2,513,546,568	9,782,237
		9,802,728,591	3,899,556,132
Closing finished goods		421,456,575	232,678,793
		9,381,272,016	3,666,877,339

28.1 Salaries, wages and other benefits include Rs.40,050,882 (June 30, 2021: Rs. 32,595,611) in respect of retirement benefits.

29 DISTRIBUTION AND MARKETING COSTS

Salaries and other benefits	29.1	41,694,811	34,266,533
Freight, octroi and others		96,121,270	61,083,095
Traveling & conveyance		9,637,991	7,723,666
Packing material consumed		8,027,071	8,285,472
Advertisement and sale promotion		32,215,174	3,410,780
Insurance		790,901	784,266
Rent Expenses	29.2	4,907,945	4,888,754
After sales service		1,846,092	1,287,460
Printing & Stationery		303,420	217,131
Depreciation	16.2	7,033,514	4,929,647
		202,578,189	126,876,804

29.1 Salaries and other benefits include Rs. 2,640,336 (June 30,2021: Rs. 996,519) in respect of retirement benefits.

29.2 This represents short term lease rentals.

30 ADMINISTRATIVE EXPENSES

Salaries and other benefits	30.1	98,617,101	80,289,491
Electricity, gas and water charges		416,637	359,887
Communication expenses		9,209,950	6,747,229
Vehicle running expenses		7,956,668	6,649,360
Legal and professional		2,920,000	4,914,825
Traveling and conveyance		253,977	537,450
Fee and subscription		5,671,653	7,390,902
Insurance		611,854	334,495
Rent, rates and taxes	30.2	1,765,679	1,737,773
Printing and stationery		6,145,962	4,349,178
Entertainment		4,697,262	2,266,091
Office supplies		949,664	569,111
Miscellaneous expenses		2,414,223	1,066,526
Depreciation	16.2	6,485,683	5,157,475
		148,116,313	122,369,793

30.1 Salaries and other benefits include Rs. 11,345,167 (June 30, 2021: Rs. 8,251,728) in respect of retirement benefits.

30.2 This includes short term lease rentals.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

	Note	June 30, 2022 Rupees	June 30, 2021 Rupees
31 OTHER OPERATING EXPENSES			
Tax Consultancy Services		2,093,700	2,147,750
Auditors' remuneration	31.1	1,190,000	1,041,500
Contribution towards:			
Workers' profit participation fund	11.10	13,889,528	5,543,487
Workers' welfare fund	11.11	-	690,918
		17,173,228	9,423,655
31.1 Auditors remuneration			
H.Y.K & Co.			
Statutory audit		950,000	810,000
Half yearly review		180,000	171,500
Workers' Profit Participation Fund audit		20,000	20,000
Certificate fee		40,000	40,000
		1,190,000	1,041,500
		1,190,000	1,041,500
32 OTHER INCOME			
Income from financial assets			
Profit from Islamic banking deposits		6,314,044	15,051,839
Exchange Gain		315,824	518,724
Income from non Financial Assets			
Gain on sale of fixed asset		4,756,920	918,931
Reversal of provision for doubtful Debts		4,526,318	45,000
Miscellaneous Income		2,439,354	1,077,699
		18,352,460	17,612,193
33 FINANCE COST			
Profit on:			
Long term finances - Islamic banking		35,142,248	26,536,964
Short term borrowings - secured - Islamic Banking		11,640,456	316,030
Profit on Murabaha - Islamic Banking		8,911,582	-
Less: Amortization of Deferred Grant	9	(5,140,433)	(8,712,002)
Interest on Workers' Profit Participation Fund		448,467	155,330
Financial charges on lease - Islamic Banking		1,936,090	1,790,988
Bank charges and others		939,618	1,098,297
		53,878,028	21,185,607
34 TAXATION			
Current			
For the Year	34.1	270,198,736	62,459,491
Prior Year	34.2	(748,867)	(513,509)
Deferred			
For the Year		(123,836,824)	(33,261,301)
	34.4	145,613,045	28,684,681

34.1 The Company computes tax expense based on the generally accepted interpretation of the tax laws to ensure that the sufficient provision for the purpose of taxation is available. Provision for the current year has been made on the basis of Minimum tax charge under section 113 and final tax regime under Income Tax Ordinance, 2001. The management is confident that sufficient future taxable profits would be available against which minimum tax can be utilized.

34.2 This amount relates to adjustment of provision for taxation of previous year.

34.3 The income tax assessments of the company have been finalized up to tax year 2021, except as mentioned in note

15.1. The Provision for taxation is considered adequate to discharge the expected liability for current year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

			June 30, 2022 Rupees	June 30, 2021 Rupees
34.4	Tax charge reconciliation	Note		
	Profit before taxation		263,452,573	104,480,003
	Tax charge on accounting profit at applicable tax rate 29% (29%: 2021) as per Income Tax Ordinance, 2001		76,401,246	30,299,201
	Tax effect of amounts that are:			
	- allowable deductions for tax purposes		(100,102,894)	(923,137)
	Tax effect of profit attributable to presumptive income		(57,153,701)	(759,469)
	Effect of presumptive tax		158,545,356	705,173
	Tax effect due to reversal of prior year's WWF		-	12,922
	Tax Credit for Investment		-	(136,500)
	Adjustment of prior year taxation		(748,867)	(513,509)
	carryforward tax losses		68,671,905	-
	Taxation for the year		145,613,045	28,684,681
35	EARNINGS PER SHARE - BASIC AND DILUTED			
	Basic earnings per share			
	Profit after taxation for the year	Rupees	117,839,528	75,795,322
	Weighted average number of ordinary shares outstanding during the year	Number	60,445,964	60,445,964 Restated
	Basic earnings per share - Rupees	Rupees 35.1	1.95	1.25
35.1	During the year, the company issued 13,949,069 (June 30, 2021: Rs. 10,730,053) bonus shares therefore the earning per share for the year ended June 30, 2021 has been restated.			
35.2	Diluted earnings per share			
	A diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at June 30, 2022 and June 30, 2021 which would have any effect on earning per share if the option to convert is exercised.			
36	CASH GENERATED FROM OPERATIONS			
	Profit before taxation		263,452,573	104,480,003
	Adjustment for non cash charges and other items:			
	Depreciation	16.2	148,573,568	21,797,458
	Amortization	17	98,067	35,504
	Provision of staff retirement gratuity	8.1.4	54,036,385	41,843,858
	Workers' Profit Participation Fund	31	13,889,528	5,543,487
	Workers' Welfare Fund	31	-	646,361
	Finance cost	33	53,878,028	21,185,607
	Other income	32	(18,352,460)	(17,612,193)
			252,123,116	73,440,082
			515,575,689	177,920,085
	Working capital changes	36.1	580,888,732	(133,411,200)
	Decrease / (Increase) in long term loans and advances		7,206,085	(1,468,910)
	Cash generated from operations		1,103,670,506	43,039,975

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

	Note	June 30, 2022 Rupees	June 30, 2021 Rupees
36.1 Working capital changes			
(Increase)/decrease in current assets			
Store, spares and loose tools		(4,242,029)	2,003,643
Stock-in-trade		(923,918,137)	(157,787,020)
Trade debts		(58,391,799)	5,718,557
Loans and advances		(22,900,460)	(14,910,295)
Trade deposits and short term prepayments		1,174,941,416	(1,559,739,833)
Other receivables		-	2,050,373
Increase in current liabilities			
Trade and other payables		415,399,741	1,589,253,375
		580,888,732	(133,411,200)

37 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include:

Cash and bank balances	26	173,042,479	14,977,092
		173,042,479	14,977,092

38 TRANSACTIONS WITH RELATED PARTIES

The related party comprises of non-executive directors and key management personnel and other executives. The detail of related party transactions is given below:

Non-Executive Director (s)

Meeting fee	995,000	920,000
Others	50,000	150,000
Sale of goods	13,733,000	-

Key Management Personnel

Remuneration, Allowances and benefits	77,396,561	67,159,290
Sale of operating fixed assets	519,482	-

Other Executives

Remuneration, Allowances and benefits	6,120,000	5,025,000
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39 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in these financial statements for the year for remuneration, including certain benefits to the Chief Executive, Directors and Other Executives of the Company are as follows:

	(Rupees)									
Particulars	Chief Executive		Executive Directors		Non Executive Directors		Executives		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Managerial Remuneration	29,766,000	27,088,387	19,957,350	18,161,532	-	-	106,040,400	77,715,234	155,763,750	122,965,153
Bonus / Leave encashment / Others	605,000	1,155,000	405,625	774,375	-	-	8,741,553	4,277,400	9,752,178	6,206,775
Meeting Fee	-	-	-	-	1,045,000	920,000	-	-	1,045,000	920,000
Total	30,371,000	28,243,387	20,362,975	18,935,907	1,045,000	920,000	114,781,953	81,992,634	166,560,928	130,091,928
Number of persons	1	1	2	2	6	6	30	22	39	31

The Chief Executive, executive directors and some of the executives of the company are also provided with company maintained car for official and personal use.

40 SEGMENT REPORTING

Management monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM). Segment performance is generally evaluated based on certain key performance indicators including business volume and gross profit.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

The management has determined the operating segments and segment wise assets and liabilities based on the reports reviewed by the CODM that are used to make strategic and business decisions.

40.1 AUTO-RICKSHAW

This segment relates to the sale of auto-rickshaw assembled by the company.

40.2 AUTOMOTIVE PARTS

This segment relates to the sale of automotive parts manufactured by the company.

40.3 HOUSEHOLD APPLIANCES

This segment relates to the sale of household appliances imported by the Company.

40.4 AUTOMOBILES - FOUR WHEELER

This segment relates to the sale of four wheeler automobiles imported and locally assembled by the company.

	Auto rickshaw		Automotive parts		Household appliances		Automobiles - Four Wheeler		Total	
	2022 Rupees	2021 Rupees	2022 Rupees	2021 Rupees	2022 Rupees	2021 Rupees	2022 Rupees	2021 Rupees	2022 Rupees	2021 Rupees
Segment revenue -Net	3,825,209,283	3,286,430,204	755,018,437	721,228,858	1,348,200	3,664,169	5,466,541,967	22,277,777	10,048,117,887	4,033,601,008
Segment operating results	142,621,708	148,766,850	11,782,307	29,761,569	20,040	598,947	158,443,613	(64,839,543)	312,867,669	114,287,822
Segment assets	1,616,936,567	955,779,718	410,352,894	332,032,257	7,351,902	9,725,235	3,193,839,327	3,218,661,158	5,228,480,690	4,516,198,368
Unallocated assets	-	-	-	-	-	-	-	-	427,637,522	142,041,831
Total assets									5,656,118,211	4,658,240,199
Segment liabilities	935,931,234	717,909,391	102,064,142	53,943,370	-	-	2,607,305,570	1,449,700,000	3,645,300,947	2,221,552,761
Unallocated liabilities	-	-	-	-	-	-	-	-	56,858,067	596,825,663
Total liabilities									3,702,159,014	2,818,388,424
Capital expenditure	8,875,000	17,900,504	-	-	-	-	888,805,728	485,707,511	897,680,728	503,608,015
Depreciation and amortization	16,623,525	16,514,745	2,841,542	4,713,037	4,384	5,480	129,202,184	599,700		
Non-cash charges other than depreciation and amortization	27,609,608	26,393,447	12,455,841	11,907,181	25,214	24,104	14,472,982	3,519,126		
Primary Geographical Markets Revenue										
Pakistan	3,769,006,033	3,220,189,352	755,018,437	721,228,858	1,348,200	3,664,169	5,466,541,967	22,277,777	9,991,914,637	3,967,360,156
Japan	13,219,374	8,362,595	-	-	-	-	-	-	13,219,374	8,362,595
Afghanistan	5,042,125	24,227,687	-	-	-	-	-	-	5,042,125	24,227,687
Ethiopia	29,691,065	10,826,140	-	-	-	-	-	-	29,691,065	10,826,140
Others	8,250,686	22,824,430	-	-	-	-	-	-	8,250,686	22,824,430

40.5 99.44% (2021: 98.36%) of the gross sales of the Company are made to customers located in Pakistan.

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

40.7 The Company's customer base is diverse with no single customer accounting for more than 10% of sales. The automotive parts sales is mainly related to Millat tractors Limited and Al Ghazi Tractors Limited.

41 FINANCIAL RISK MANAGEMENT

41.1 Financial risk factors and risk management framework

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

Risk management is carried out by the Company's management under policies approved by the BOD. The Company's management evaluates and hedges financial risks based on principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and liquidity risk, provided by the BOD. All treasury related transactions are carried out within the parameters of these policies.

The Company's overall risk management procedures to minimise the potential adverse effects of financial market on the Company's performance are as follows:

a) Market risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market prices. Market risk comprises of three types of risk: Currency risk, interest rate risk and price risk.

i Currency risk

Currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The company is exposed to currency risk on import of raw materials and finished goods being denominated in US dollars and Chinese Yuan (CNY). The Company's exposure to foreign currency risk for US Dollars and Chinese Yuan (CNY) are on account of outstanding letter of credits of Rs. 2303.04 million (June 30, 2021: Rs. 1257.63 million).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

As at June 30, 2022, if the Rupee had weakened/strengthened by 5% against the USD and CNY with all other variables held constant, the impact on post tax profit for the year would have been Rs. 16.47 million (2021: Rs 7.73 million) lower, mainly as a result of exchange losses/gains on translation of USD denominated financial instruments.

II Interest / profit rate Risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest / profit rates. Financial liabilities include balance of Rs. 868.40 Million (June 30, 2021: Rs. 549.20 Million) which is subject to interest / profit rate risk.

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 statement of profit or loss. Therefore a change in interest rates at the reporting date would not affect statement of profit or loss.

Cash Flow Sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date, with all other variables remaining constant, the net income for the year would have been lower or higher by Rs. 8.684 million (2021: Rs. 5.492 million).

III Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (Other than those arising from interest/profit risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. At present, the company is not exposed to price risk as there are no investments in marketable securities.

IV Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to equity price risk since there are no direct investments in equity instruments traded in the market at the reporting date. The Company is also not exposed to commodity price risk since it does not hold any financial instrument based on commodity prices.

b) Liquidity risk

Liquidity risk reflects an enterprise's inability in raising funds to meet commitments. The company follows an effective cash management planning policy to ensure availability of funds and to take appropriate measures for new requirements.

The following are the contractual maturities of financial liabilities, including estimated interest payments.

	JUNE - 2022						(Rupees)
	Carrying Amount	Contractual Cash Flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Long term loan	703,529,041	894,372,748	149,566,596	135,546,589	249,802,316	359,457,246	-
Trade and other payables	2,441,473,041	2,441,473,041	2,441,473,041	-	-	-	-
Mark-up & profit accrued on loans and other payables	34,835,623	34,835,623	34,835,623	-	-	-	-
Short term borrowing	162,875,560	162,875,560	162,875,560	-	-	-	-
	3,342,713,265	3,533,556,972	2,788,750,820	135,546,589	249,802,316	359,457,246	-
	JUNE - 2021						(Rupees)
	Carrying Amount	Contractual Cash Flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Long term loan	429,524,268	498,151,503	84,020,948	161,205,892	91,879,745	161,044,918	-
Trade and other payables	1,976,660,913	1,976,660,913	1,976,660,913	-	-	-	-
Mark-up & profit accrued on loans and other payables	8,998,064	8,998,064	8,998,064	-	-	-	-
Short term borrowing	119,679,608	119,679,608	119,679,608	-	-	-	-
	2,534,862,853	2,603,490,088	2,189,359,533	161,205,892	91,879,745	161,044,918	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

c) Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties failed completely to perform as contracted. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Note	June 30, 2022 Rupees	June 30, 2021 Rupees
FINANCIAL ASSETS			
Long term deposits	19	5,871,855	4,045,855
Trade debts - Considered Good	22	179,841,812	116,923,695
Loans and advances	18 & 23	75,665,654	59,971,279
Trade deposits	24	451,046,555	1,625,987,971
Cash and bank balances	26	173,042,479	14,977,092
		885,468,355	1,821,905,892

The maximum exposure to credit risk for trade debts on geographical basis:

Pakistan	179,841,812	116,923,695
	179,841,812	116,923,695

The maximum exposure to credit risk for trade debts at the reporting date by type of parties was:

Institutional Customers	-	-
Corporate customers	142,903,105	105,744,187
Dealers & customers	36,938,707	11,179,508
	179,841,812	116,923,695

	June 30, 2022 Rupees	June 30, 2021 Rupees
The aging of trade debts at the reporting date was:		
Not past due	169,350,415	82,648,109
Past Due 0-30 days	6,375,323	22,824,613
Past due 31-120 days	-	-
Past due more than 120 days	4,116,074	11,450,973
	179,841,812	116,923,695

The trade debts provision for ECL has been disclosed in note 22.2 of these financial statements.

d) Foreign exchange risk management

Foreign currency risk arises mainly where payable exist due to transactions with foreign undertakings. Payable exposed to foreign currency risks are identified as either creditors or bills payable. The Company considers hedging if it is feasible.

41.2 Capital Risk Management

The Company's objective when managing capital is to safe guard the company's ability to continue as a going concern so that it can provide returns for shareholders and benefits for other stakeholders; and to maintain a strong capital base to support the sustained development of its business. The company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the company may adjust the amount of dividend paid to shareholders or issue new shares. As at June 30, 2022 and 2021, the Company had surplus reserves to meet its requirements.

Consistent with others in the industry and the requirements of the lenders, the Company monitors the capital structure on the basis of gearing ratio. This ratio is calculated as net debt divided by total equity (as shown in the statement of financial position). Net debt is calculated as total borrowings (including current and non-current borrowings) less cash and bank balances and liquid investments.

Borrowings	866,404,601	549,203,876
Less: Cash and cash equivalents	173,042,479	14,977,092
Net debt	693,362,122	534,226,784
Total equity	1,953,959,197	1,839,851,775

The Company is not exposed to any externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

41.3 Fair value of financial instruments

The carrying value of all the financial instruments i.e. financial assets and liabilities reflected in the financial statements approximate their fair values. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. International Financial Reporting Standard 13, 'Fair Value Measurements' requires the company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value hierarchy has the following levels:

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

The level in the fair value hierarchy within which the fair value measurement is categorized in its entirety shall be determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. Currently there are no financial assets or financial liabilities which are measured at their fair value in the statement of financial position.

42 PLANT CAPACITY AND ACTUAL PRODUCTION

Installed Capacity

Auto rickshaw - three wheeler (8 hours single shift basis)

Automobiles - Four wheeler (8 hours single shift basis)

June 30, 2022	June 30, 2021
Numbers	Numbers
20,000	20,000
24,000	-

Automotive parts

The capacity of the plant and machinery relating to automotive parts is indeterminable due to the versatility of production.

Actual Production

Auto Rickshaw

Four Wheeler

Automotive Parts

Wheel Rims

16,002	15,806
474	-
70,966	97,066

Under utilization of capacity was due to lower demand during the year.

43 NUMBER OF EMPLOYEES

Number of permanent employees at the year end

Average number of permanent employees during the year

1,117	979
1,039	922

44 DISCLOSURE REQUIREMENT FOR THE COMPANIES LISTED ON ISLAMIC INDEX

As per the requirements of the fourth schedule to the Companies Act, 2017, shariah compliant companies and the companies listed on Islamic Index shall disclose the following:

44.1 Loans/advances obtained as per Islamic mode	Disclosed in Note no. 7, 11, 13
44.2 Shariah compliant bank deposits/bank balances	Disclosed in Note no. 26.
44.3 Profit earned from shariah compliant bank deposits/bank balances	Disclosed in Note no. 32.
44.4 Revenue earned from a shariah compliant business segment	Disclosed in Note no. 27.
44.5 Gain/loss or dividend earned from shariah compliant investments	No investment made during the year.
44.6 Exchange gain earned from actual currency	Disclosed in Note no. 32.
44.7 Profit paid on Islamic mode of financing	Disclosed in Note no. 33.
44.8 Relationship with shariah compliant banks	Disclosed in Note no. 7, 11, 13, 26
44.9 Profits earned or interest paid on any conventional loan or advance.	No profit earned or interest paid to any conventional bank during the year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

45 CORRESPONDING FIGURES

Corresponding figures are re-arranged, wherever necessary, for the purpose of comparison. However, no such significant re-arrangements have been made in these financial statements except the following;


Reclassified From	Reclassified To	Nature	June 30, 2022	June 30, 2021
			Rupees	Rupees
Trade and other payables	Workers' Profit Participation Fund	Provision of Expenses	13,889,528	5,543,487
Trade and other payables	Workers' Welfare Fund	Provision of Expenses	-	646,361
Trade and other payables	Workers' Welfare Fund Paid	Payment of Expenses	-	(832,730)

46 DATE OF AUTHORIZATION FOR ISSUE:

The Board of Directors of the Company has authorized these financial statements for issue on September 28, 2022.

47 GENERAL

The figures have been rounded off to the nearest rupees.


Mian Asad Hameed
Chief Executive


SAEED IQBAL KHAN
DIRECTOR


MUHAMMAD ATIF RAO
CHIEF FINANCIAL OFFICER

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 31st Annual General Meeting of **Sazgar Engineering Works Limited** will be held at All Seasons Wedding & Banquet Hall, Lala Zar Commercial Market, Thokar Niaz Baig, Opp Yasir Broast, 0.5 KM-Raiwind Road, Lahore on Wednesday, October 26, 2022 at 11:15 A.M. to transact the following businesses:

ORDINARY BUSINESSES:

1. To receive, consider and adopt the Audited Annual Financial Statements of the Company for the year ended 30th June, 2022 together with the Directors' Report, Auditors' Report and Chairperson's Review Report.
2. To appoint Auditors and to fix their remuneration for the year ending June 30, 2023. The present auditors M/s H.Y.K & Co. Chartered Accountants, retire and being eligible, offer themselves for re-appointment. The Audit Committee and the Board of Directors have recommended their re-appointment.

By order of the Board



Arshad Mahmood
(Company Secretary)

Lahore
October 05, 2022

Notes:

- a. The share transfer books of the company will remain closed from October 20, 2022 to October 26, 2022 (both days inclusive). Transfers received in order at the share registrar office M/s Corp Tec Associates (Pvt.) Ltd., 503-E, Johar Town, Lahore at the close of business on 19th October, 2022 will be treated in time for entitlement to attend the Annual General Meeting.
 - b. A member entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend the meeting and vote for his/her behalf. Proxies in order to be effective must be received at the Share Registrar Office duly stamped and signed not less than 48 hours (working days only) before the time of holding of the meeting.
- CDC Account Holders will further have to follow the guidelines as laid down in Circular 1 dated January 26, 2000 issued by Securities and Exchange Commission of Pakistan for attending the meeting and appointment of proxies.**
- c. Members are requested to promptly communicate the change in their addresses, if any, to the Company's share registrar.
 - d. In accordance with the provision of section 223 (7) of the Companies Act 2017, the financial statements and reports of the Company for the year ended June 30, 2022 have been placed on the Company's web site www.sazgarautos.com for the information of shareholders.
 - e. Pursuant to the provisions of the Companies Act, 2017, members can avail video conference facility to participate in this Annual General Meeting provided that the Company receives consent from the members holding in aggregate 10% or more shareholding, residing in a city, at least seven (7)

days prior to the date of meeting. Subject to the fulfillment of the above conditions, members shall be informed of the venue along with complete information necessary to access the facility. Format of request form has been placed on the Company's website.

- f. Pursuant to the Securities and Exchange Commission of Pakistan's notification S.R.O 470(I)/2016 dated 31 May, 2016, the shareholders of the Company in EOGM of the Company held on 18th March 2017 had accorded their consent for transmission of annual reports including audited annual financial statements, notices of annual general meetings and other information contained therein of the Company through CD or DVD or USB instead of transmitting the same in hard copies. Accordingly, the Company has sent its Annual Report 2022 in the form of CD. The shareholders who wish to receive hard copy of the Annual Report 2022 may send their requests to the Company Secretary / Share Registrar as per the Standard Request Form which is available on the website of the Company. The Company will supply hard copies of the aforesaid document to the shareholders free of cost, within one week of such request. The shareholders who intend to receive the annual report including the notice of meeting through e-mail are requested to provide their written consent on the Standard Request Form available on the Company's website.

- g. The members may attend the AGM online through ZOOM, by following the below guidelines:

(i) The member shall get himself/herself registered by sending his/her request to the Company at e-mail ID company.secretary@sazgarautos.com as per Standard Request Form available on the Company's website (www.sazgarautos.com) or can send his/her request to the Company Secretary at 88-Ali Town, Thokar Niaz, Baig, Raiwind Road, Lahore, along with a legible copy of CNIC not later than October 18, 2022.

(ii) Zoom Link shall be sent by the Company only on email ID or Mobile/Whatsapp Number mentioned in Standard Request Form.

(iii) Members may send their comments / suggestions on any of the agenda item to Company Secretary on email ID; company.secretary@sazgarautos.com or whatsapp no. 0321 8469016 not later than October 18, 2022.

- h. As per Section 72 of the Companies Act, 2017 every existing company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of the Act i.e. May 30, 2017.

The Physical Shareholders having physical shareholding are encouraged to open CDC Investor Account with CDC or CDC Sub- Account with any of the brokers to place their physical shares into Script less form.

- i. In case the Poll is demanded by the shareholders under section 143 of the Companies Act, 2017, the Company shall consider Postal Balloting facility for voting, under the Companies (Postal Ballot) Regulations, 2018.

تشکیل نیابت داری

میں / ہم _____
 ساکن _____
 بحیثیت رکن (ممبر) سازگار انجینئرنگ ورکس لمیٹڈ
 مقرر کرتا / کرتی ہوں / کرتے ہیں مسماۃ _____
 ساکن _____
 کو یا ان کی غیر حاضری میں مسماۃ _____
 ساکن _____

جو کہ خود بھی سازگار انجینئرنگ ورکس لمیٹڈ کا / کے رکن ہے کہ وہ بطور میرا / ہمارا اختیار نامہ سازگار انجینئرنگ ورکس لمیٹڈ کے اکتیسواں سالانہ اجلاس عام میں جو بروز بدھ 26 اکتوبر 2022 کو دن 11:15 بجے آل سیزن ویڈنگ اینڈ بینکھٹ ہال لالہ زار کمرشل مارکیٹ ٹھوکر نیاں بیگ بریکس یا سر بروسٹ 0.5 کلومیٹر رانیونڈ روڈ لاہور میں منعقد ہو رہا ہے۔ یا اسکے ملتوی شدہ اجلاس میں شرکت کرے اور وہ میری / ہماری جگہ میری / ہماری طرف سے حق رائے دہی استعمال کرے۔

مورخہ _____ 2022 کو میرے / ہمارے دستخط سے جاری ہو۔

فولیو نمبر	سی ڈی سی شرکت کنندہ I.D نمبر	سی ڈی سی / ذیلی کھاتہ نمبر	حصص کی تعداد
			پانچ روپے کی رسیدی ٹکٹ پر دستخط

گواہ نمبر ۱	گواہ نمبر ۲
دستخط _____	دستخط _____
نام _____	نام _____
کمپیوٹرائزڈ قومی شناختی کارڈ نمبر _____	کمپیوٹرائزڈ قومی شناختی کارڈ نمبر _____
پتہ _____	پتہ _____

نوٹ

1. پراکسی کے لئے کمپنی کا رکن ہونا ضروری ہے۔
2. دستخط کی مماثلت کمپنی میں رجسٹرڈ نمونہ دستخط کے ساتھ ہونا ضروری ہے۔
3. اگر پراکسی اسی رکن کی طرف جاری کی گئی ہے جس کے / کی حصص مندرجہ ذیل پراکسی کمپنی آف پاکستان لمیٹڈ میں جمع ہیں۔ تو پراکسی کے ہمراہ ممبر کا I.D نمبر اور CDC اکاؤنٹ / ذیلی اکاؤنٹ نمبر بشمول تصدیق شدہ کمپیوٹرائزڈ شناختی کارڈ یا مالک اشغالی کے پاسپورٹ کی فوٹو کاپی لانا لازمی ہے۔ کارپوریٹ ارکان کے نمائندہ ارکان اس مقصد کیلئے درکار دستاویزات ساتھ لے کر آئیں۔
4. پراکسی اجلاس کے وقت اپنا اصل کمپیوٹرائزڈ شناختی کارڈ یا اصل پاسپورٹ مہیا کرے گا / گی۔
5. مناسب طور پر مکمل شدہ پراکسی کے دستاویز اجلاس سے کم از کم 48 گھنٹے قبل کمپنی کے شیئر رجسٹرار آفس کو موصول ہو جانے چاہئیں۔

FORM OF PROXY

I / We _____
of _____
a member of **SAZGAR ENGINEERING WORKS LIMITED**
hereby appoint Mr. / Mrs. / Ms. _____
of _____
or failing him Mr. / Mrs. / Ms. _____
of _____

Who is / are also member/s of **Sazgar Engineering Works Limited** to act as my / our proxy and to vote for me/us and on my/our behalf at the 31st Annual General Meeting of the shareholders of the Company to be held on Wednesday October 26th, 2022 at 11:15 A.M. at All Seasons Wedding & Banquet Hall, Lala Zar Commercial Market, Thokar Niaz Baig, Opp Yasir Broast, 0.5 KM Raiwind Road, Lahore and at any adjournment thereof.

Signed this _____ day of _____ 2022

Folio No.	CDC Participant ID No.	CDC Account/ Sub-Account No.	No. of shares held	Signature over Revenue Stamp of Rupees 5/-

Witness 1

Signature _____
Name _____
CNIC No. _____
Address _____

Witness 2

Signature _____
Name _____
CNIC No. _____
Address _____

Notes:

- The proxy must be a member of the Company.
- The signature must tally with the specimen signature/s registered with the Company.
- If a proxy is granted by a member who has deposited his/her shares in Central Depository Company of Pakistan Limited, the proxy must be accompanied with participant's ID number and CDC account/sub-account number alongwith attested photocopies of Computerized National Identity Card or the Passport of the beneficial owner. Representatives of corporate members should bring the documents required for such purpose.
- The proxy shall produce his / her original (CNIC) or original passport at the time of the meeting.
- The instrument of Proxy properly completed should be deposited at the Share Registrar Office of the Company not less than 48 hours before the time of holding the meeting.



SAZGAR

Sazgar Engineering Works Limited

Head Office: 88 – Ali Town, Thokar Niaz Baig, Raiwind Road, Lahore, Pakistan

☎ +92-42-35291573 - 74 , 042-35297861 - 62 📠 042-35297863

✉ info@sazgarautos.com 🌐 www.sazgarautos.com 📺 sazgarautos