DIRECTORS' REPORT

The directors of your company are pleased to present the 24th Annual Report along with the audited accounts of the Company for the year ended 30th June 2015:

BUSINESS OVERVIEW:

Improved law and order position in the country has started affecting positively on the business activities. Having major market share of Auto Rickshaw in Karachi, the company enjoyed benefit from the improved situation and registered a growth in its sales volume. The tractor industry has also performed very well during the period under review and achieved nearly 42% growth in production volume. Consequent to this, the company received substantial orders of tractor wheel rims which helped in improving the profitability of the company.

FINANCIAL RESULTS:

	2015 (Rupees)	2014 (Rupe es)
Profit before taxation	99,655,475	87,627,820
Provision for taxation	25,972,571	27,186,547
Profit after taxation	73,682,904	60,441,273
Other comprehensive income /(loss) for the year	(3,084,998)	123,497
Un appropriated Profit brought forward	384,570,265	359,950,231
Profit available for appropriation	455,168,171	420,515,001
Appropriations:		
Interim Cash dividend @ 10% (2014:10%)	17,972,368	17,972,368
Proposed Final Cash Dividend @ 10% (2014: 10%)	17,972,368	17,972,368
He specialists of	35.944.736	35.944,736
Un appropriated profit carried forward	419,223,435	384,570,265

Sales Revenue:

The overall net sales revenue of the Company has increased by 17.47% from Rupees 2,105.85 million to Rupees 2,473.66 million during the period under review. Segment wise: The net sales of Auto Rickshaws has increased from Rupees 1,849.48 million to Rupees 2,014.83 million reflecting a growth of 8.94%, the net sales of automotive parts has increased by 78.13 % from Rupees 250.39 million to Rupees 446.00 million. The net sales of home appliances has increased from Rupees 5.97 million to Rupees 12.82 million compared with the corresponding period of last year.

The Auto Rickshaw is facing a tough competition in the market and the company has to put great emphasis on this business segment not only to maintain its existing sales volume but also to increase its market share. The results are fruitful so far.

The sale of tractor wheel rims has shown a substantial growth during the period under review due to placement of increased orders by the tractor assemblers. The tractor industry has performed very well compared with the previous year due to resolution of sales tax issue.

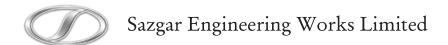
The sale of home appliances has increased due to increase in sales volume of air conditioners and micro wave oven under brand name "Whirlpool".

Gross Profit:

Company's gross profit has increased from Rupees 208.54 million to Rupees 234.21 million showing an increase of Rupees 25.67 million compared with the corresponding period of last year. The gross profit ratio has declined from 9.90% to 9.47% due to increase in input costs.

Operating Expenses:

The operating expenses are normal in line with increase in sales volume of the company except the advertisement expenses which were incurred by the company to target the prospective customers.



Profit Before Taxation:

Company's profit before taxation has increased from Rupees 87.63 million to Rupees 99.66 million showing an increase of Rupees 12.03 million compared with the corresponding period of last year.

Earnings Per Share:

The Earnings per share of Rs. 4.10 for the current year is greater than the last corresponding year of Rs. 3.36 showing the increase in profits available for distribution to shareholders.

Production:

During the year, the Company produced 13,713 units of Auto Rickshaws compared with 13,414 units produced during the corresponding year of last year reflecting a 2.23% rise in production.

Whereas the production of wheel rim was 85,328 compared with 51,722 during the same corresponding period of last year showing an increase of 64.97%.

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.

DIVIDEND:

The Board of Directors, at their meeting held on August 24, 2015, has recommended a final Cash Dividend of Rupee 1.00 per share i.e. 10% making total of 20% (2014: 20%) including interim dividend of 10% already paid (2014: 10%) subject to the approval of shareholders in the forth coming 24th Annual General Meeting of the Company.

FUTURE OUTLOOK:

4-Stroke Auto Rickshaw:

Your company is constantly improving the quality of Auto Rickshaws to make them more safe, comfortable and price competitive for the customers. Research and development of new products in automobile will continue to fulfil the customers' needs. The process of enhancement in marketing, sales and after sales network will remain intact to access the new areas.

Honourable Sindh Court, subsequent to the period under review, ordered the Sindh Government for taking strict action against the illegal motorcycle rickshaw running in the province of Sindh. The Government action may result in increase in demand of Auto Rickshaws in Karachi and other major cities of Sindh.

It is hoped that the Government will continue its efforts for improving the law and order situation and making the country more business friendly in the coming year.

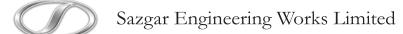
By the Grace of Almighty Allah, your company foresees better results in this segment of business in the coming period provided there is not happening of any political uncertainty in the country.

Automotive Parts:

The tractor industry is regaining its momentum of growth and hopefully it will perform favourably in the future periods. Your company expects significant orders of tractor wheel rims during the year to come.

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.



The company is committed to provide financial support and healthy working environment to its employees. The financial support is provided in form of medical facilities, food, transport facility, their personal needs etc. Each year two employees are sent to perform Hajj on company's expense.

Safety of workers during operation and their health is imperative for the progress of the company. The company is committed to take all measures for the safety and health of the employees. Sports activities play an important role in physical and mental health of the society. To keep company's workers fit and healthy, the company is continuously holding sports activities among the employees which have been very helpful in increasing the efficiency of the employees in addition to the physical fitness.

Workers are provided training for the right use of the machinery with special focus on electrical items. However, any machinery if used with negligence can be harmful for the operator. In case of accident first aid facility has been available in the factory and to meet emergency, transport is present in factory 24-hours.

The workers are provided clean filtered drinking water which helps them to save from various diseases.

The company has given donations of Rs. 160,000/-during the period under review to the institutions that provide free of cost education and health facilities to the poor people of the society.

The company is committed to help the special persons by employing and making them a respectable and useful citizen of the country. Presently company has seven special persons on its payroll.

The company is serving the society by producing and selling the product, 4-stroke Auto Rickshaw, at fair price which is a good source of livelihood for the poor people of the society. It is also helping in protecting environment and various diseases due to its lower carbon emission. For the safety of the users like driver and passengers, constant improvements are being made in the product. Strict quality controls are in place at every stage of

production and PDI to ensure delivery of best vehicle to the customers.

For the protection of environment, wastages and scraps are properly managed and disposed off. Company's production scrap is also used as input material for making new products and in this way does not pollute the environment.

The company does not do business with those people who are likely to harm the company's reputation, for example, the people who intentionally and continually violate the law. The law may include taxation, corporate, local environmental, labour laws etc.

The company is also contributing in development and technical training of workforce through the courses which are announced by Technical Education & Vocational Training Authority (TEVTA) Punjab.

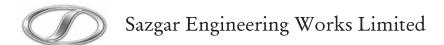
CONTRIBUTION TO NATIONAL EXCHEQUER:

Being a responsible citizen, your company made a contribution of Rs. 569.01 Million to national exchequer in form of income tax, sales tax, custom duties and excise as compared to 475.65 million during last financial year.

COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE:

The directors of your company are pleased to state that your Company is in compliance with the provisions of Code of Corporate Governance as are applicable for the current year. The various statements, as required by the Code, are given below:

- 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;
- Internal Control System
 The system of internal control is sound in design and has been effectively implemented and is being monitored continuously. The review will continue in future for the improvement in controls;
- 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 detailed in the listing regulations wherever applicable to the Company for the year ended June 30, 2015.
- Financial Data of Last Years Key operating and financial data of last six years is annexed as per annexure "A"

Dividend The Board has recommended a final Cash Dividend @10% making total of 20% for the year under review including interim dividend of 10% already paid.

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

Significant Plans and Decisions The Company is looking for continuous diversification in automobile sector in order to add more products into production line and to cope with the diversification set up more production facilities.

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 web site.

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:

	Board	Audit Committee	HR&R Committee
Total Meetings Held	4	5	1
Meetings Attended by the	Directors		
Mr. Mian Asad Hameed	4	N/A	N/A
Mr. Mian Zafar Hameed	4	5	N/A
Mr. Saeed Iqbal Khan	4	N/A	1
Mr. Mian Muhammad Ali Hameed	4	5	N/A
Mrs. Saira Asad Hameed	3	N/A	N/A
Mr. Ahsan Ejaz	1	2	-
Mrs. Amina Humza Wazir	4	N/A	1
Mr. Muhammad Suleyman Khan (Resigned)	1	1	1

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

Directors' Training Programs during the year: One director of the company, Mr. Ahsan Ejaz has acquired the certification under Director Training Program from The University of Lahore.

Pattern of Shareholding: The pattern of shareholding is annexed as per annexure "B" and "B/1".

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:

	Purchase	Sale
Mr. Mian Zafar Hameed	-	90,838
Mr. Ahsan Eiaz	1.000	_



There was no other reported transaction of sale or purchase of shares of the company by Executives, Company Secretary, Chief Financial Officer and their spouses or minor children during the period under review.

CHANGE IN BOARD AND COMMITTEES:

During the year Mr. Muhammad Suleyman Khan resigned from directorship of the company. Mr. Ahsan Ejaz joined the board as his successor. The Board welcome Mr. Ahsan Ejaz and thank to Mr. Muhammad Suleyman Khan for his support and contribution in the progress of the company.

Consequent to the change in board, necessary changes were made in the Board Committees.

BOARD'S PERFORMANCE EVALUATION:

The board has put in place a mechanism for the evaluation of board's own performance on annual basis.

Lahore: August 24, 2015

AUDITORS:

The present auditors retire and being eligible offers themselves for reappointment.

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, financial institutions and other stakeholders for their continued support to the Company.

For and on behalf of the Board

MIAN ASAD HAMEED CHIEF EXECUTIVE

A. Illam I