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Company's Vision & Mission Statement

Vision

To be the leader in tyre technology by building the Company's image through quality improvement, competitive prices, customers' satisfaction and meeting social obligations.

Mission

- To endeavor to be the market leader by enhancing market share, consistently improving efficiency and the quality of our products.
- To offer quality products at competitive prices to customers.
- To improve performance in all operating areas, so that profitability increases thereby ensuring growth for the company and increasing return to the stakeholders.
- To create a conducive working environment leading to enhanced productivity, job satisfaction and personal development of our employees.
- To discharge its obligation to society and environment by contributing to social welfare and adopting environmental friendly practices and processes.

Company Profile

Board of Directors

Lt.Gen.(Retd) Ali Kuli Khan Khattak
Mr. Hussain Kuli Khan
Mr. Adnan Ahmed
Mr. Ahmad Kuli Khan Khattak
Mr. Atif Anwar
Mr. Mansur Khan
Mr. Manzoor Ahmed
Mr. Muhammad Kuli Khan Khattak
Mr. Raza Kuli Khan Khattak
Dr. Shaheen Kuli Khan Khattak

Chairman
Chief Executive

Chief Financial Officer / Company Secretary

Mr. Siraj A. Lawai

Board Audit Committee

Mr. Manzoor Ahmed
Mr. Adnan Ahmed
Mr. Ahmad Kuli Khan Khattak
Mr. Muhammad Kuli Khan Khattak

Chairman

HR & Remuneration Committee

Mr. Raza Kuli Khan Khattak
Mr. Ahmad Kuli Khan Khattak
Mr. Hussain Kuli Khan
Mr. Mansur Khan
Mr. Manzoor Ahmed

Chairman

Auditors

A.F.Ferguson & Co.
Chartered Accountants

Legal Advisor

Ahmed & Qazi Advocates & Legal Consultants

Share Registrar

Share Registrar Department
Customer Care & Service Centre
Central Depository Company of Pakistan Limited
CDC House 99-B, Block-B, S.M.C.H.S.,
Main Shahra-e-Faisal Karachi-74400
UAN No. : (92-21) 111 111 500
Tel : Customer Support Services (Toll Free) 0800-CDCPL (23275)
Fax: (92-21) 34326053, Email: info@cdcpak.com
Website: www.cdcpakistan.com

Major Bankers

Al-Baraka Bank Pakistan Limited
Askari Bank Limited
Bank Al-Falah Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
Industrial and Commercial Bank of China Limited
MCB Bank Limited
National Bank of Pakistan
Samba Bank Limited
The Bank of Punjab
United Bank Limited

Registered Office & Factory

H-23/2, Landhi Industrial Trading Estate,
Landhi, Karachi.
Phone : 021-35080172-81, 021-38020207-13
UAN : 021-111 487 487
Fax : 021-35081212, 021-35080171, 021-35084121
Website : www.generaltire.com.pk

Branch Offices

Lahore

Plot No. 20,
Shahrah-e-Fatima
Jinnah, Lahore.
Phone : 042-36308605-6
Fax : 042-36300108

Islamabad

Plot No. 189-A,
Korang Road,
Sector I-10/3,
Islamabad.
Phone : 051-4449955-6
Fax : 051-4440916

Multan

Plot No. 758-759/21,
Khanewal Road, Multan
Phone : 061-774407
Fax : 061-774408

Customer Care & Service Centre

Lahore

Plot No. 20,
Shahrah-e-Fatima
Jinnah, Lahore.
Phone : 042-36308605-6
Fax : 042-36308607

Chairman's Review

It is my privilege and pleasure in presenting to the members of The General Tyre and Rubber Company of Pakistan Limited, review on the performance of the Company for the financial year ended June 30, 2018.

The production and sales for the period under review, in term of kilos, increased by 18% when compared with the same period of last year. The net sales in value increased by 22% from Rs. 9.65 billion to Rs. 11.79 billion. During the year, the uplift of tyres by Original Equipment Manufacturers (OEMs) showed growth of 13% from last year. With the commissioning of the new mixing plant together with other ancillary machinery, the Company registered substantial growth of 31% in replacement market (RM) as compared to last year.

The gross profit for the year was Rs. 2.09 billion against Rs. 2.06 billion last year. Despite good sales performance, the gross profit has increased by 1% over last year due to increase in prices of certain raw materials, significant devaluation of Pak Rupee, additional depreciation and stiff competition. The Company has increased prices of tyres to partially offset increased costs which was essential due to increasing cost. The Company is facing competition from the undocumented sector, which is not paying its due share of duties and taxes. This restricts your Company's ability to fully recover raw material and other inflationary cost increases. The Company is in expansion phase resulting in additional depreciation, financial cost and other overheads of expansion. However, this was required to meet the future demand.

As a result of the factors mentioned above, profit after tax for the year ended June 30, 2018 is Rs. 716 million as compared to Rs. 881 million of previous year.

As reported in our last annual report that General Tyre took a major decision to implement Enterprise Resource Planning (ERP) system SAP for Company's Business Applications and MIS. The system went live from May 2017. In the start we faced some switch over issues from the old system to the new system, now SAP is fully functional. In line with global industry norm, full benefits would be reaped over a period of time.

Future Outlook

Due to boost in economic activity on account of CPEC and installation of new vehicle manufacturing plants, the company expects that demand of tyres will further increase. With the commissioning of the new mixing plant together with other ancillary machinery, the Company is better placed to cater OEMs and RM's additional demands. However, level playing field should be given to the documented sector, who is not only paying their due share of taxes and duties but also providing employment and contributing towards the economic growth of the country. The undocumented sector should be brought into the tax net and enforcement should be further strengthen to curb smuggling.

The board of directors has already given the approval to the Company's management to buy additional land as the existing site is nearing saturation point. However, due to substantial increase in the prices of industrial land, the management is in the process of evaluating various options and would take final action in due course after taking into account various factors.

The Company concluded a new Royalty Technical Service Agreement (RTSA) with Continental Tire the Americas, LLC on March 8, 2018, which is effective from January 1, 2018 for a period of seven years. The board takes this opportunity to thank our principal technical partner Messrs Continental for their continuous support and help in taking the Company to its present improved position.

Code of Corporate Governance

The Company keeps close co-ordination with the Securities and Exchange Commission of Pakistan and the Pakistan Stock Exchange and complies with the Code of Good Corporate Governance in letter and spirit.

Board Changes

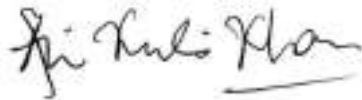
During the year Mr. Mahmood Kamal, a nominee of Pak Kuwait Investment Company Ltd., resigned and in his place Mr. Mansur Khan was nominated on the board. Mr. Mansur Khan was also the member of the board previously. The board records its appreciation for the valuable contributions made by the out-going member of the board and warmly welcomes Mr. Mansur Khan.

The board offers thanks to its bankers and financial institutions for providing support, as solicited.

The board also appreciates the dedicated services rendered by the employees and the management which is evidenced by the company's record performance and results achieved for the period under review.

The new agreement with workers union's Collective Bargaining Agent (CBA) for two years effective January 2018 was amicably agreed and signed. The relations with CBA remained cordial.

Lastly I would also like to thank all our OEM and replacement market customers for their patronage and loyalty to the Company's products.

A handwritten signature in black ink, appearing to read 'Ali Kuli Khan'.

LT.GEN. (RETD) ALI KULI KHAN KHATTAK
Chairman, Board of Directors

Karachi
August 17, 2018

بورڈ آف ڈائریکٹرز نے کمپنی کی انتظامیہ کو پہلے ہی اضافی زمین کی خریداری کی منظوری دے چکی ہے۔ موجودہ جگہ تقریباً استعمال میں ہے۔ تاہم صنعتی زمین کی قیمتوں میں بڑے اضافہ کی وجہ سے انتظامیہ مختلف آپشنز کا جائزہ لے رہی ہے۔ مختلف عوامل کو مد نظر رکھنے کے بعد انتظامیہ آخری فیصلہ کرے گی۔ کمپنی کا نیا رائٹ ٹیکنیکل سروس ایگریمنٹ (RTSA) کا ٹینیسیل دی امریکہ ایل ایل سی کے ساتھ 8 مارچ 2018 کو طے پایا ہے۔ جو کہ 1 جنوری 2018 سے سات سالوں کیلئے قابل عمل ہوگا۔ بورڈ اس موقع پر اپنے بڑے ٹیکنیکل پارٹنر میسرز کا ٹینیسیل کا شکریہ ادا کرتی ہے جنکی مسلسل مدد اور تعاون سے کمپنی اس مقام تک پہنچی ہے۔

ضابطہ برائے کاروباری نظم و نسق:

ہماری کمپنی کاروباری نظم و نسق کو بہت سنجیدگی سے لیتی ہے کمپنی کی سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور پاکستان شاؤ ایکسچینج کے ساتھ قریبی روابط ہیں، اور اچھے ضابطہ برائے کاروباری نظم و نسق کو اسکی پوری روح کے ساتھ تکمیل کرتی ہے۔

تبدیلی بورڈ:

اس سال جناب محمود کمال جو پاک کویت انویسٹمنٹ کمپنی لمیٹڈ کے نامزد ڈائریکٹر تھے اپنے عہدے سے مستعفی ہو گئے اور ان کی جگہ جناب منصور خان بورڈ میں شامل ہوئے۔ جناب منصور خان پہلے بھی ہمارے بورڈ کے ممبر رہ چکے ہیں۔ بورڈ مستعفی ہونے والے ممبر کی اہم خدمات کو سراہتا ہے اور جناب منصور خان کو تہہ دل سے خوش آمدید کہتا ہے۔

کمپنی کا بورڈ اپنے بینکرز اور فنانشیل انسٹیٹیوشنز کی قابل ذکر خدمات پر ان کا مشکور ہے۔ بورڈ اپنے ملازمین اور مینجمنٹ کی خدمات کو سراہتی ہے جن کی کاوشوں سے کمپنی کی بہتر کارکردگی اور تجزیاتی سال کے نتائج حاصل ہوئے ہیں۔

ورکرز یونین کے کلکٹیو بارگین ایجنٹ CBA دو سال کے نئے ایگریمنٹ میں باہمی رضامندی کے ساتھ داخل ہوا ہے جو کہ جنوری 2018 سے قابل عمل ہے۔ اور CBA کے ساتھ تعلقات خوشگوار رہے ہیں۔

اختتام میں اورینٹل ایکویپمنٹ مینوفیکچررز اور ریپلیسمنٹ مارکیٹ کسٹمرز کا شکریہ ادا کرتے ہیں جو کمپنی کی مصنوعات پر اعتماد اور حمایت کرتے ہیں۔

Ali Kuli Khan

لیفٹیننٹ جنرل (ریٹائرڈ) علی قلی خان خٹک

چیئر مین بورڈ آف ڈائریکٹرز

کراچی: 17 اگست 2018

چیز میں کا تجزیہ :

میں نہایت مسرت اور سعادت کے ساتھ جنرل ٹائر اینڈر بڑ کمپنی آف پاکستان لمیٹڈ کے ممبران کو کمپنی کی کارکردگی رپورٹ ختم ہونے والے سال 30 جون 2018 پیش کر رہا ہوں۔

پیداوار اور فروخت میں اس سال کلوگرام کے حساب سے 18 فیصد کا اضافہ پچھلے سال اسی دورانیے کے مقابلے میں ہوا ہے۔ خالص فروخت رقم میں 22 فیصد اضافہ کے ساتھ 9.65 ارب سے بڑھ کر 11.79 ارب روپے ہو گئی ہے۔ اس سال اورینٹل ایکسپو پمپٹ مینوفیکچررز کی ٹائروں کی فروخت میں پچھلے سال کے مقابلے میں 13 فیصد کا اضافہ ہوا ہے۔ نئے مکسنگ پلانٹ اور اس کے ساتھ ضروری مشینوں کی تنصیب کی وجہ سے ریپلیسمنٹ مارکیٹ میں پچھلے سال کے مقابلے میں 31 فیصد کا بڑا اضافہ ریکارڈ ہوا ہے۔

اس سال مجموعی منافع 2.09 ارب ہوا ہے جو کہ پچھلے سال 2.06 ارب روپے تھا مجموعی منافع میں فروخت کی اچھی کارکردگی کے باوجود پچھلے سال کے مقابلے میں 1 فیصد کا اضافہ ہوا ہے۔ جسکی وجہ مخصوص خام مال کی قیمتوں میں اضافہ، پاکستانی روپے کی قدر میں نمایاں کمی، اضافی فرسودگی اور سخت مقابلہ بازی ہے۔ کمپنی نے ٹائروں کی قیمتوں میں اضافہ کیا ہے جو ضروری تھا تاکہ جزوی طور پر اضافی لاگت کو کچھ کم کیا جاسکے کمپنی غیر دستاویزی حلقے کی طرف سے سخت مقابلے کا سامنا کر رہی ہے جو اپنے محصول اور ڈیویڈنڈ ادائیگیوں میں جھکی وجہ سے کمپنی کی صلاحیت مکمل طور پر خام مال اور افراط زر لاگت کی بحالی میں محدود ہے کمپنی توسیع کے مراحل میں ہے جسکی وجہ سے فرسودگی، سودی خرچ اور دوسرے اخراجات میں اضافہ ہے تاہم یہ توسیع مستقبل کی مانگ کو پورا کرنے کے لیے ضروری تھی۔

اوپر وضاحت کیے گئے عاملوں کی وجہ سے ٹیکس کے بعد منافع ختم ہونے والے سال 30 جون 2018 میں 716 ملین روپے ہوا جو کہ پچھلے سال 881 ملین روپے تھا۔

ہماری پچھلی سالانہ رپورٹ کے مطابق جنرل ٹائر نے کمپنی کے بزنس اپلیکیشن اور ایم۔آئی۔ایس کے لیے انٹرپرائز ریسورس پلاننگ (ERP) سسٹم SAP لگانے کا بڑا فیصلہ کیا تھا سسٹم مئی 2017 میں لائیو ہو گیا تھا۔ ابتداء میں ہمیں پرانے سسٹم سے نئے سسٹم میں منتقل ہونے میں مسائل کا سامنا کرنا پڑا لیکن اب SAP مکمل طریقے سے کام کر رہا ہے اور اس سے کچھ سالوں میں کمپنی عالمی معیار کے مطابق مکمل فائدہ اٹھائے گی۔

مستقبل کا نقطہ نظر

CPEC کی اقتصادی سرگرمی اور نیٹ ورک کی پیداواری پلانٹ کی تنصیب کی وجہ سے کمپنی توقع کرتی ہے کہ ٹائروں کی مانگ میں اضافہ ہوگا۔ نئے مکسنگ پلانٹ اور اس کے ساتھ ضروری مشینوں کی تنصیب کے ساتھ کمپنی بہتر طور پر اورینٹل ایکسپو پمپٹ مینوفیکچررز اور ریپلیسمنٹ مارکیٹ کی اضافی مانگ کو پورا کر سکتی ہے۔ تاہم دستاویزی شعبے والی کمپنیوں کو صحیح بنیادوں پر دیکھنا چاہیے جو کہ نہ صرف اپنے محصول اور ڈیویڈنڈ کے واجبات ادا کر رہے ہیں بلکہ روزگار مہیا کرنا اور ملک کی اقتصادی ترقی میں بھی اپنا کردار ادا کر رہے ہیں۔ غیر دستاویزی شعبے کو ٹیکس نیٹ میں لانا چاہیے اور اسمگلنگ کو روکنے کے لیے قانون کو نافذ کرنا چاہیے۔



The Journey

General Tyre produces tyres that go a long way, be it on a day to day journey or long distance road trips. Journeys are made remarkable with tyres that become your partners and that is what we excel at - bringing the best in every journey. With tyres being your vehicle's only contact with the road, it is where our stringent quality standard plays its part in bringing out the grip that ensures safety without compromising on comfort.

Directors' Report to the Shareholders

Your directors have pleasure in presenting the annual report and audited financial statements of the Company for the year ended June 30, 2018.

FINANCIAL RESULTS

Profit for the year after taxation
Other comprehensive loss
Unappropriated Profit brought forward

Appropriation

Dividend
Transfer to Reserve for Capital Expenditure
Unappropriated Profit carried forward

Earnings per share - basic and diluted

	2018	2017
	----- Rupees in '000 -----	
Profit for the year after taxation	715,551	881,397
Other comprehensive loss	(44,172)	(34,533)
Unappropriated Profit brought forward	2,198,673	2,351,809
	<u>2,870,052</u>	<u>3,198,673</u>
Dividend	(896,569)	-
Transfer to Reserve for Capital Expenditure	-	(1,000,000)
Unappropriated Profit carried forward	<u>1,973,483</u>	<u>2,198,673</u>
Earnings per share - basic and diluted	<u>Rs. 11.97</u>	<u>Rs. 14.75</u>

The board of directors has recommended 60% cash dividend and 70% bonus shares for the year ended June 30, 2018.

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

As required under the Code of Corporate Governance, the Directors are pleased to confirm that:

- The financial statements of the Company, prepared by the management, present fairly its state of affairs, the results of its operations, cash flows and the changes in equity.
- Proper books of account have been maintained by the Company.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and the accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of the financial statements.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the Listing Regulations.
- Key operating and financial data for the last 6 years have been included in the annual report.
- Information regarding outstanding taxes and levies is given in the notes to the financial statements.

- The value of investments made by the staff retirement funds as per their respective audited accounts are given below:

	<u>Value of Investment</u>	<u>Year ended:</u>
Provident Fund	Rs. 410.04 Million	June 30, 2017
Gratuity Fund	Rs. 131.13 Million	June 30, 2017

- No trading in the shares of the Company was carried out by the directors, CFO, Company Secretary, their spouses and minor children.

CORPORATE SOCIAL RESPONSIBILITY

The General Tyre and Rubber Company of Pakistan has the culture and history of undertaking social and philanthropic activities.

The Company regularly pays to Wakf-e-Kuli Khan Trust, a trust engaged in spreading of education in the under privileged class. During the current year the company has provided for Rs. 17.89 million as donation to Wakf-e-Kuli Khan. Additionally, during the year, the company also paid donations to The Citizen Foundation and certain other charitable organizations.

CONTRIBUTION TO NATIONAL EXCHEQUER

During the year the Company contributed Rs.3,214.99 million towards national excchequer by way of custom duties, income tax, sales tax, and other modes.

BOARD MEETINGS

During the year seven (7) meetings of the board of directors were held. Attendances by each director are as follows:

<u>S.No.</u>	<u>Name of Director</u>	<u>No of Meeting attended</u>
1.	Mr. Ahmad Kuli Khan Khattak	6
2.	Lt. Gen. (Retd) Ali Kuli Khan Khattak	7
3.	Mr. Adnan Ahmed	7
4.	Mr. Atif Anwar	7
5.	Mr. Hussain Kuli Khan (CEO)	7
6.	Mr. Mansur Khan*	6
7.	Mr. Manzoor Ahmed	7
8.	Mr. Mahmood Kamal**	1
9.	Mr. Muhammad Kuli Khan Khattak	4
10.	Mr. Raza Kuli Khan Khattak	6
11.	Dr. Shaheen Kuli Khan Khattak	4

* Appointed as director on September 21, 2017

** Resigned on September 11, 2017

Leave of absence was granted to the directors who could not attend some of the board meetings.

MANAGEMENT COMMITTEE

The Management Committee comprises of 5 senior members who meet and discuss significant business plans, issues and progress updates from their respective functions. Significant matters to be put forth to the board and its relevant committees as per the Code of Corporate Governance are also discussed for onward approval.

CHAIRMAN'S REVIEW

The directors of the Company endorse the contents of the chairman's review which covers plans and decisions for business along with future outlook.

HEALTH, SAFETY AND ENVIRONMENT

We strongly believe in maintaining the highest standards in health, safety and environment (HSE) to ensure the well-being of the people who works with as well as of the communities where we operate.

PATTERN OF SHAREHOLDING

A statement showing the pattern of holding of shares as at June 30, 2018 is attached.

AUDITORS

The present auditors, Messrs A.F. Ferguson & Co. Chartered Accountants, retire and being eligible, have offered themselves for re-appointment. The Board of Directors endorses recommendation of the Audit Committee for their re-appointment as the Auditors of the Company for the financial year ending June 30, 2019, at a mutually agreed fee.

SUBSEQUENT EVENTS

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

For and on behalf of the board of directors



Hussain Kuli Khan
Chief Executive

Karachi
August 17, 2018



Adnan Ahmed
Director

انتظامی کمیٹی۔

انتظامی کمیٹی پانچ سینئر ارکان پر مشتمل ہے جو اپنے فنکشنز کے اہم کاروباری منصوبہ جات، مسائل اور اپنے متعلقہ شعبوں میں ترقیاتی کاموں کا جائزہ لینے کے لیے تبادلہ خیال کرتے ہیں۔ اہم کاروباری عملداری کے اصول کے تحت بورڈ کے سامنے رکھا جاتا ہے۔ اور اسکو مزید منظوری کیلئے زیر بحث لایا جاتا ہے۔

چیرمین کا تجربہ۔

کمپنی کے ڈائریکٹر چیرمین کے تجربہ کی تصدیق کرتے ہیں جو کاروباری منصوبوں اور فیصلوں کی مستقبل کی عکاسی پر مشتمل ہے۔

شیر ہولڈنگ کا پیٹرن۔

کمپنی کی شیر ہولڈنگ کا پیٹرن 30 جون 2018 اس رپورٹ میں درج ہے۔

صحت، حفاظت اور ماحول۔

ہم اعلیٰ معیار کی صحت صفائی اور ماحول کو برقرار رکھنے پر زور یقین رکھتے ہیں۔ تاکہ جو کہ لوگ ہمارے ساتھ کام کرتے ہیں اور کمیونٹی جہاں ہم کاروبار کرتے ہیں انکی بہتری کو یقینی بناسکیں۔

آڈیٹرز۔

سکدوش ہونے والے آڈیٹرز میسرز اے۔ ایف۔ فرگوسن اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس نے اہل ہونے کی بنیاد پر خود کو دوبارہ تقرری کے لیے پیش کیا ہے، آڈٹ کمیٹی نے آڈیٹرز کی سال 2019 کے لیے دوبارہ تقرری کے لیے سفارش کی ہے، بورڈ آف ڈائریکٹرز نے اس کی سفارش باہمی رضامندی فیس کے تحت توثیق کی ہے۔

بعد کے واقعات۔

کمپنی کے مالیاتی سال کے اختتام سے اس رپورٹ کے پیش ہونے تک کمپنی کی مالیاتی حیثیت کو متاثر کرنی والی کوئی مادی تبدیلیاں یا معاہدے عمل میں نہیں آئے۔

بورڈ آف ڈائریکٹرز کی جانب سے

جناب حسین قلی خان

چیف ایگزیکٹو آفیسر

کراچی 17 اگست 2018

عبدنان احمد

ڈائریکٹر

- جاری و ساری منصوبوں اور امور کی انجام دہی کے لیے کمپنی کی صلاحیتوں پر کوئی شک نہیں۔
- فہرستی قوانین میں دی گئی تفصیل کے مطابق کاروباری عملداری کے بہترین طریقہ کار میں کسی قسم کا انحراف نہیں پایا گیا۔
- کمپنی کے اہم کارکردگی اور مالیاتی ڈیٹا کا پچھلے 6 سالوں کا خلاصہ رپورٹ میں دیا گیا ہے۔
- ٹیکس اور لیوی کے بارے میں مالیاتی کوشوارے کے نوٹ میں درج ہیں۔
- کمپنی کے ملازمین کے سرمایہ کفالت کی مالیت کے آڈٹڈ اکاؤنٹس 30 جون 2017 کے مطابق درج ذیل ہے۔
- پروڈنٹ فنڈ 410.04 ملین روپے
- گریجویٹ فنڈ 131.13 ملین روپے
- کمپنی کے ڈائریکٹرز، چیف فنانس افسر، اور کمپنی سیکریٹری اور ان کے فیملی ممبرز نے کمپنی کے حصص میں کوئی کاروبار نہیں کیا۔

کمپنی کی سماجی ذمہ داری -

جنرل ٹائر اینڈ ربر کمپنی آف پاکستان کی سماجی اور انسان دوست سرگرمیوں کی ایک تاریخ اور ثقافت ہے، جو ستم رسیدہ لوگوں کی سماجی ترقی کی جانب عزم کی عکاسی کرتی ہے۔ کمپنی وقف قلی خان ٹرسٹ کو جو کہ مستحق طبقہ کی تعلیم کو فروغ دینے میں مصروف عمل ہے باقائیدگی سے عطیہ دیتی ہے اس سال کمپنی نے 17.89 ملین روپے وقف قلی خان ٹرسٹ کو بطور عطیہ دیا ہے، اس کے علاوہ کمپنی نے سٹیزن فاؤنڈیشن سمیت مختلف ہسپتالوں اور فلاجی اداروں کو بطور عطیہ دیا ہے،

قومی خزانے میں شراکت -

- اس سال کمپنی نے اکٹم ٹیکس سیلز ٹیکس اور مختلف مدوں میں 3,214.99 ملین روپے قومی خزانے میں جمع کرائے ہیں۔

بورڈ میٹنگ -

اس سال کے دوران بورڈ آف ڈائریکٹرز کی سات (7) میٹنگز منعقد کی گئی، جسکی حاضری درج ذیل ہیں۔

نمبر شمار	ڈائریکٹرز	میٹنگز میں حاضری کی تعداد
1	جناب احمد قلی خان خٹک	6
2	لیفٹنٹ جنرل (ریٹائرڈ) علی قلی خان خٹک	7
3	جناب عدنان احمد	7
4	جناب عاطف انور	7
5	جناب حسین قلی خان (چیف ایگزیکٹو آفیسر)	7
6	جناب منصور خان*	6
7	جناب منظور احمد	7
8	جناب محمود کمال**	1
9	جناب محمد قلی خان خٹک	4
10	جناب رضا قلی خان خٹک	6
11	ڈاکٹر شاپین قلی خان خٹک	4

* 21 ستمبر 2017 کو بطور ڈائریکٹر بورڈ میں شامل ہوئے۔

** 11 ستمبر 2017 کو مستعفی ہوئے۔

جو ڈائریکٹر میٹنگز میں حاضری نہ ہو سکے ان کو عدم موجودگی کی چھٹی عطا کر دی گئی۔

ڈائریکٹرز رپورٹ برائے شیئر ہولڈرز۔

ختم ہونے والے سال 30 جون 2018

کمپنی کے ڈائریکٹرز نہایت مسرت کے ساتھ ختم ہونے والے سال 30 جون 2018 کے سالانہ آڈٹ مالیاتی گوشوارے پیش کرتے ہیں۔

مالیاتی نتائج۔

30 جون 2017	30 جون 2018	
----- (000 روپے میں) -----	-----	
881,397	715,551	منافع بعد از ٹیکس
(34,533)	(44,172)	دیگر جامع (خسارہ) برائے سال
2,351,809	2,198,673	غیر تقسیم شدہ منافع سال کے آغاز پر
3,198,673	2,870,052	متخلف کرنے کے لیے دستیاب منافع
		تصرفات
(1,000,000)	-	سرمایہ کاری کے اخراجات کیلئے ذخائر میں منتقلی
-	(896,569)	نقد تقسیم شدہ منافع
2,198,673	1,973,483	غیر متخلف شدہ منافع سال کے اختتام پر
=====	=====	
14.75 روپے	11.97 روپے	آمدنی فی شیئر بنیادی اور کمزور
=====	=====	

بورڈ آف ڈائریکٹرز نے 60% نقد ڈیویڈنڈ اور 70% بونس حصص ختم ہونے والے سال 30 جون 2018 کے لیے حتمی تقسیم کی سفارش کی ہے۔

ضابطہ برائے کاروباری نظم و نسق پر عمل درآمد۔

ضابطہ برائے کاروباری نظم و نسق کے مطابق ڈائریکٹرز مسرت کے ساتھ یقین دہانی کراتے ہیں کہ:

- کمپنی کی انتظامیہ کی جانب سے تیار کی جانے والی مالیاتی گوشوارے شفافیت کے ساتھ کمپنی کے فرد بقایا، فرد توازن، آپریشن کے نتائج، نقدی نقل و حرکت، اور ایکویٹی میں تبدیلیوں کو پیش کرتی ہے۔
- کمپنی حسابات کی کتب کو باقاعدہ برقرار رکھتی ہے۔
- مالیاتی گوشوارے کی تیاری کے لیے مناسب اکاؤنٹنگ پالیسیاں مسلسل لاگو کی جاتی ہیں اور اکاؤنٹنگ تخمینے، معقول اور دانشمندانہ فیصلوں پر مبنی ہوتے ہیں۔
- پاکستان میں لاگو ہونے والے انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز پر مالیاتی گوشواروں کی تیاری کی جاتی ہے۔
- اندرونی کنٹرول کا نظام بہترین انداز میں مرتب کیا گیا ہے اور ساتھ ساتھ اس کی باقاعدہ نگرانی کی جاتی ہے۔

The Tread

General Tyres Pakistan manufactures tyres that deliver quality. The technologically advanced and highly equipped manufacturing plants ensure that each tyre retains the design and features and is a masterpiece in itself. The tread of one tyre differs from another, this is what characterises the tyres and gives the desired grip. Every tyre has a different set of features, that are made to fit the vehicle kind to produce the best results. General Tyre Pakistan is the No.1 tyre manufacturing company owing to the standards of the products being produced.



Notice of Fifty-Fifth (55th) Annual General Meeting

Notice is hereby given that the Fifty-Fifth (55th) Annual General Meeting of The General Tyre & Rubber Company of Pakistan Limited (the "Company") will be held at the Institute of Chartered Accountants of Pakistan, Auditorium, Clifton, Karachi on Thursday, 18 October 2018 at 03:30 p.m., to transact the following business:

Ordinary Business

1. To confirm the minutes of Annual General Meeting held on Tuesday, 31 October 2017.
2. To receive, consider and adopt the Audited Financial Statements for the year ended 30 June 2018, together with Directors' and Auditors' Reports thereon.
3. To consider and approve payment of final cash dividend @ 60 % i.e., Rs. 6 per share, as recommended by the Directors.
4. To appoint auditors for the year ending 30 June 2019 and to fix their remuneration. The retiring auditors, Messrs. A. F. Ferguson & Co. Chartered Accountants, being eligible, have offered themselves for reappointment for the year ending 30 June 2019.
5. Any other business with the permission of the Chair.

Special Business:

6. To increase Authorized Share Capital from Rs. 750,000,000/- divided into 75,000,000 ordinary shares of Rs. 10/- each to Rs. 1,250,000,000/- divided into 125,000,000 ordinary share of Rs. 10/= each.
7. To consider and, if thought fit, to approve the following resolution as a Special Resolution, with or without amendments, to alter/amend (a) the Memorandum of Association (the "Memorandum"), and (b) the Articles of Association (the "Articles"), of the Company, appearing black-lined in the attached drafts of the Memorandum and Articles, in order to bring them in conformity with the provisions of the Companies Act, 2017 (the "Act").
8. To approve issue of bonus shares in the proportion of seven (7) shares for every ten (10) ordinary shares held i.e., 70%, subject to increase in authorized share capital by shareholders and other regulatory authorities.
9. Any other business with the permission of the Chair.

1. Alteration/Amendments of the Memorandum

- (1) Resolved, subject to confirmation of the Securities and Exchange Commission of Pakistan, that:

- (a) sub-Clause (1) of Clause 3 of the Memorandum be formed as the principal line of business, to read as follows:
- (i) The principal line of business of objects for which the Company shall be to, directly or indirectly, produce, manufacture, purchase, import or otherwise acquire, own, process, operate, develop, use, sell, lease, export, exchange, or otherwise dispose of or turn to account and generally to deal in, and to render any service in respect of, rubber, both natural and synthetic compounds thereof, substitutes therefor, substances having properties or uses similar thereto and articles produced in whole or in part therefrom, including without limitation tyres and tubes and accessories of all types and kind for automobiles, trucks, buses, tractors, aero planes, motor cycles and other vehicles, automobile brake and rubber and repair materials, transmission belting, vee belts, hoses of all sorts and foam rubber products, belts and mechanized goods, footwear and clothing, cotton, rayon or other fibrous materials and articles of which cotton rayon, or other fibrous materials are a component part, metals, rims and automotive parts and accessories, aircraft and parts and accessories therefor and, in general, goods, commodities and articles of whatsoever nature, and to establish, maintain and operate chemical, physical and other laboratories and to carry on chemical, physical and industrial research of every kind and character as may be necessary, useful or convenient in connection with any business of the Company and to produce, manufacture, construct, import, purchase or otherwise acquire, to own, process, develop, use, sell, lease, exchange, export or otherwise dispose of or turn to account and generally to deal in and with articles and substances invented or developed thereby.
- (b) sub-Clauses (2) to (52) of Clause 3 of the Memorandum in respect of the business of the Company, be deleted.
- (c) three (3) new sub-Clauses (ii), (iii) and (iv) in Clause 3 of the Memorandum be added, to read as follows:
- (ii) Except for the businesses mentioned in sub-clause (iii) hereunder, the Company may engage in all the lawful businesses and shall be authorized to take all necessary steps and actions in connection therewith and ancillary thereto.
- (iii) Notwithstanding anything contained in the foregoing sub-clauses of this clause nothing contained herein shall be construed as empowering the Company to undertake or indulge, directly or indirectly in the business of a Banking Company, Non-banking Finance Company (Mutual Fund, Leasing, Investment Company, Investment Advisor, Real Estate Investment Trust management company, Housing Finance Company, Venture Capital Company, Discounting Services, Microfinance or Microcredit business), Insurance Business, Modaraba management company, Stock Brokerage business, forex, real estate business, managing agency, business of providing the services of security guards or any other business restricted under any law for the time being in force or as may be specified by the Commission.
- (iv) It is hereby undertaken that the Company shall not:
- (a) engage in any of the business mentioned in sub-clause (iii) above or any unlawful operation;
- (b) launch multi-level marketing (MLM), Pyramid and Ponzi Schemes, or other related activities/ businesses or any lottery business;

- (c) engage in any of the permissible business unless the requisite approval, permission, consent or license is obtained from competent authority as may be required under any law for the time being in force.
- (d) the existing Clause 5 of the Memorandum be replaced to read as follows:
 - 5. The authorized share capital of the Company is Rs. 1,250,000,000 (Rupees one billion two hundred & fifty million only) divided into 125,000,000 (One hundred twenty-five million) ordinary shares of Rs. 10 (Rupees ten only) each.
- (e) the attached Revised Memorandum (Annexure 1), duly black-lined to highlight the amendments, be affirmed as the new Memorandum of Association of the Company.
- (f) the aforesaid alteration in the Memorandum of the Company shall be subject to any amendment, modification, addition or deletion as may be deemed appropriate by the authorized person or as may be suggested, directed and advised by the Commission which suggestion, direction and advice shall be deemed to have been approved as part of the passed Special Resolution without the need of the members to pass a fresh Special Resolution.

2. Alteration/Amendments of the Articles

A. Further Resolved that:

- (a) the Articles be replaced with the attached Revised Articles (Annexure 2), duly highlighted to show changes (the "Revised Articles").
 - (b) the Revised Articles be affirmed as the new Articles of Association of the Company.
- B. To authorize Chief Executive Officer and/ or Company Secretary of the Company to, singly, do all acts, deeds and things, take any and all necessary steps, to fulfill the legal, corporate and procedural formalities and file all necessary documents/ returns as deems necessary in this behalf and the matters ancillary thereto.

A copy of the Memorandum and Articles of Association, with the proposed changes duly highlighted, is attached.

A handwritten signature in black ink, appearing to read 'Siraj A. Lawai'.

Siraj A. Lawai
Company Secretary

Karachi
Dated: 18 September 2018

NOTES:

1. **Book closure of Final Cash Dividend and to attend AGM:**

The share transfer books of the Company shall remain closed from 09 October 2018 to 18 October 2018 (both days inclusive). Transfers received at the Company's share registrar, Share Registrar Department, Central Depository Company of Pakistan Limited. CDC House, 99-B, Block "B", S.M.C.H.S., Main Shahrah-e-Faisal, Karachi by close of business on 08 October 2018 will be considered in time for eligibility for final dividend and to attend the AGM.

2. **Book closure for Bonus Shares:**

For the purpose of entitlement of bonus shares, the share transfer books of the Company shall remain closed from 25 October 2018 to 02 November 2018 (both days inclusive). Transfers received at the Company's share registrar, Share Registrar Department, Central Depository Company of Pakistan Limited. CDC House, 99-B, Block "B", S.M.C.H.S., Main Shahrah-e-Faisal, Karachi by close of business on 24 October 2018 will be considered in time for the entitlement of Bonus Shares.

3. A member entitled to attend and vote at the Annual General Meeting is entitled to cast his/ her vote by proxy. Proxies must be deposited at the Company's Registered Office at H-23/2, Landhi Industrial Trading Estate, Landhi, Karachi no later than 48 hours before the time for holding the meeting.
4. Members are requested to notify change in their address, if any, immediately.
5. CDC Account Holders will further have to follow the under mentioned guidelines as laid down in Circular No. 1 of 2000 dated 26 January 2000 issued by the Securities and Exchange Commission of Pakistan.

Statement under Section 134 (3) of the Companies Act, 2017

1. The Company's Authorized Share Capital is being increased from Rs. 750,000,000 (Rupees seven hundred fifty million) to Rs. 1,250,000,000 (Rupees one billion two hundred fifty million). The following resolutions, with or without modifications, be passed as Special Resolutions:

RESOLVED

- a) That the Authorized Share Capital of the Company be increased from Rs. 750,000,000/- (Rupees seven hundred fifty million) to Rs. 1,250,000,000 (Rupees one billion two hundred fifty million) by creation of 50,000,000 ordinary shares of Rs. 10/- each. Such new shares shall rank pari passu with the existing shares.
- b) That in clause 5 of the Memorandum of Association the figures and words "750,000,000" "(Rupees seven hundred fifty million)" and "75,000,000" "(Seventy five million)" be substituted by the figures and words "1,250,000,000" "(Rupees one billion two hundred fifty million)" and "125,000,000" "(One hundred & twenty-five million)" respectively."

- c) That Article 3 of the Articles of Association be amended to read as follows:

The Capital of the Company is Rs. 1,250,000,000/- (Rupees one billion two hundred fifty million) divided into 125,000,000 (one hundreded and twenty-five million) shares of the nominal value of Rs. 10/- each.

2. The Directors have recommended issue of Bonus Shares in the proportion of seven (7) Bonus Shares for every ten (10) ordinary shares i.e. @ 70% held by the members on 24 October 2018. For this purpose, to approve capitalization of a sum of Rs. 418.399 million out of unappropriated profit and to pass, with or without modification, the following resolutions as Special Resolutions:

RESOLVED

- a) That a sum of Rs. 418.399 million out of unappropriated profit be capitalized and applied for the issue of ordinary shares of Rs. 10/- each as fully paid Bonus Shares to the members of the company whose names appear on the register of members as at the close of business on 24 October 2018 in the proportion of seven (7) Bonus Shares for every ten (10) ordinary shares held.
- b) That the members entitled to fractions of a share shall be given the sale proceeds of their fractional entitlement for which purpose the fractions shall be consolidated into whole shares and sold in the stock market.
- c) That the Chief Executive or Company Secretary of the Company be and are hereby singly authorized and empowered to give effect to the resolutions and to do or cause to be done all acts, deeds and things that may be necessary or required for issue, allotment and distribution of bonus shares.
- d) That the bonus shares so allotted shall rank pari passu in all respects with the existing shares except that they shall not qualify for final cash dividend declared for the year ended 30 June 2018. The Directors are interested in this business only to the extent of their entitlement to the Bonus Shares as shareholders/institutions represented them.

The Directors are intrested in this business only to the extent of their entitlement to the Bonus Shares as shareholders/institutions represented them.

NOTES:

A. For Attending the Meeting:

- i. In case of individuals, the account holder or sub-account holder and/ or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his/ her identity by showing his/ her original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.
- ii. In case of corporate entity, the Board of Directors' resolution/ power of attorney with specimen

signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

B. For Appointing Proxies:

- i. In case of individuals, the account holder or sub-account holder and/ or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.
 - ii. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
 - iii. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
 - iv. The proxy shall produce his/her original CNIC or original passport at the time of the meeting.
 - v. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.
6. The shareholders holding physical shares are also required to bring their original CNIC and/ or copy of CNIC of shareholder(s) of whom he/ she/ they hold Proxy(ies) without CNIC such shareholder(s) shall not be allowed to attend and/ or sign the Register of Shareholders/ Members at the AGM.

7. Deduction of Income Tax for Filer and Non-filer:

Please note that under Section 150 of the Income Tax Ordinance, 2001 prescribed withholding tax on dividend income to be deducted for 'Filer' and 'Non-Filer' shareholders @ 15% and 20% respectively. According to clarification received from Federal Board of Revenue (FBR) withholding tax will be determined separately on 'Filer/Non-Filer' status of Principal shareholder as well as Joint Holder(s) based on their shareholding proportions, in case of joint accounts.

In this regard, all shareholders who hold shares with joint shareholders, are requested to provide shareholding proportions of Principal shareholder and Joint Holder(s) in respect of shares held by them to our Share Registrar. The required information must reach to our Share Registrar by 15 October 2018, otherwise it will be assumed that the shares are equally held by Principal shareholder and Joint Holder(s).

Shareholders are also requested to please check and ensure Filer status from Active Taxpayers List (ATL) available at FBR website <http://www.fbr.gov.pk/> as well as ensure that their CNIC / Passport number has been recorded by the Participant / Investor Account Services or by Share Registrar (in case of physical shareholding). Corporate bodies (non-Individual shareholders) should ensure that their names and National Tax Numbers (NTN) are available in ATL at FBR website and recorded by respective Participant / Investor Account Services or in case of physical shareholding by Company's Share Registrar.

8. Transmission of Annual Financial Statements through Email/CD/USB/DVD or any other Media:

The Securities and Exchange Commission of Pakistan vide its S.R.O. 470(i)/2016 dated 31 May 2016 has allowed listed companies to transmit their audited annual accounts to shareholders through CD/DVD/USB instead of sending hard copy of the same to each shareholder. However, a shareholder may specifically request for a hard copy of annual audited accounts. In this regard, a standard request form has been placed on the website of the company for such shareholders to communicate their request for the hard copy of the annual audited accounts.

9. Statement of Unclaimed or Unpaid Amounts Under Section 244 of the Companies Act, 2017:

The Securities and Exchange Commission of Pakistan, pursuant to section 244 read with section 510 of the Companies Act 2017 (the "Act"), directs all Companies to submit a statement to the Commission through eServices portal (<https://eservices.secp.gov.pk/eServices/>) starting therein the number or amounts, as the case may be, which remain unclaimed or unpaid for a period of three years from the date it is due and payable in respect of shares of a company/ dividend and any other instrument or amount which remain unclaimed or unpaid, as may be specified.

Through this notice, the shareholders are intimated to contact with the Company for any unclaimed dividend/ shares within a period of seven days after publishing this notice to meet the compliance of SECP Direction #: 16 of 2017 dated 07 July 2017. List of Shareholders having unclaimed dividends/ shares are available on the Company's website www.gentipak.com.

The shareholders are requested to contact the Company on its registered address regarding any unclaimed dividends or undelivered shares (if any).

10. Availability of Audited Financial Statement on Company's Website:

The audited financial statements of the Company for the year ended 30 June 2018 have been made available on the Company's website www.gentipak.com, at least 21 days before the date of Annual General Meeting.

11. Transmission of Annual Financial Statements Through E-Mail:

Pursuant to the directions given by SECP vide SRO 787 (1)/ 2014 dated 8 September 2014, those shareholders who desire to receive Annual Financial Statements in future through email instead of receiving the same by Post are advised to give their formal consent along with their valid email address on a standard request form which is available at the Company's website i.e. www.gentipak.com and send the said form duly filled in and signed along with copy of his /her / its CNIC / Passport to the Company's Share Registrar. Please note that giving email address for receiving of Annual Financial Statements instead of receiving the same by post is optional, in case you do not wish to avail this facility please ignore this notice. Annual Financial Statements will be sent at your registered address, as per normal practice.

12. Deposit of Physical Shares into CDC Account:

The shareholders having physical shareholding may open CDC sub-account with any of the brokers or Investor Account directly with CDC to place their physical shares into script-less form. This will facilitate them in many ways including safe custody and sale of shares.

13. Form of Proxy for E-Voting:

The instrument of e-voting shall be deposited in advance in writing at least ten days before holding of general meeting at the registered office at H-23/2, Landhi Industrial Trading Estate, Landhi, Karachi of the company or through email at siraj.lawai@gentipak.com.

14. Video Conference Facility for Attending General Meetings:

With reference to the SECP'S Circular No. 10 of 2014 dated 21 May 2014 ("the circular"), members may avail video conference facility in Lahore and Islamabad, subject to fulfillment of the requirements and procedures of the Circular, mentioned below:

The members should provide their consent as per the following format and submit to the registered address of the Company, 10 days before holding of AGM.

Consent Form for Video Conference Facility

"I/ We, _____ of _____, being a member of The General Tyre and Rubber Company of Pakistan Limited, holder of _____ Account No. _____ hereby opt for video conference facility at _____ (geographical location).

Signature of Member

If the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 10 days prior to date of the meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city.

The Company will intimate members regarding venue of video conference facility at least 5 days before the date of Annual General Meeting along with complete information necessary to enable them to access such facility.

15. Mandatory Requirement of Bank Account Details for Electronic Credit of Dividend:

In accordance with Section 242 of the Companies Act, 2017, any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholder. Please note that giving bank mandate for dividend payments is mandatory and in order to comply with this regulatory requirement and to avail the facility of direct credit of dividend amount in your bank account, you are requested to please provide the information pertaining to Bank Account on the "Dividend Mandate Form" available on the website of the Company to your

respective CDC Participant/ CDC Investor Account Services (in case your shareholding is in Book Entry Form) or to our Share Registrar (in case your shareholding is in Physical Form).

Statement under Section 134(3) of the Companies Act, 2017

The following statement sets out the material facts pertaining to the Special Business to be transacted at the Annual General Meeting of Company to be held at the Institute of Chartered Accountants of Pakistan, Auditorium, Clifton, Karachi on Thursday, 18 October 2018 at 03:30 p.m.:

Alteration of the Memorandum of Association of the Company

An existing company is required to continue with its existing Memorandum and the Object Clause¹ in the Memorandum shall be considered as the principal line of business (Section 27(A)(iii)(a)). The "principal line of business" means "the business in which substantial assets are held or likely to be held or substantial revenue is earned or likely to be earned by a company, whichever is higher" (Section 26(1)(ii)).

Under the Companies Act, 2017 (the "Act"), a company may carry on or undertake any lawful business or activity and do any act or enter into any transaction being incidental and ancillary thereto which is necessary in attaining its business activities, however, the principal line of business of the Company shall be mentioned in the Memorandum of Association of the Company which shall always commensurate with name of the Company. The Company is, therefore, required to alter/amend its Memorandum of Association in compliance with Section 27 of the Act.

Alteration of the Articles of Association of the Company

In order to bring the Articles of Association in conformity with the provisions of the Act and "Table A" provided in the First Schedule to the Act, the Company is altering/amending its Articles of Association.

For the information of the Shareholders and their convenience, black-lined drafts of the Memorandum and Articles of Association, for comparison of the existing provisions of the Memorandum and Articles of the Company and the proposed amendments therein, are attached. These are also available for inspection from 10 a.m. to 4 p.m. on working days at the registered office of the Company.

None of the Directors of the Company have any personal interest in the aforesaid Special Resolutions except in their capacity as Shareholders or Directors of the Company.

ایشن میں ضرور ہونا چاہئے اور جسے ہمیشہ کمپنی کے نام کی مناسبت سے ہونا چاہئے۔ لہذا کمپنی کے لئے ضروری ہے کہ ایکٹ کے سیکشن 27 سے مطابقت کے لئے اپنے میمورنڈم آف ایسوسی ایشن میں تبدیلی/ترمیم کرے۔

کمپنی کے آرٹیکلز آف ایسوسی ایشن میں تبدیلی

کمپنی کے آرٹیکلز آف ایسوسی ایشن کو ایکٹ کی شقوں اور ایکٹ کے پہلے جدول میں فراہم کردہ ”ٹیبل A“ کے مطابق بنانے کے لئے کمپنی اپنے آرٹیکلز آف ایسوسی ایشن میں تبدیلی/ترمیم کر رہی ہے۔

شیئر ہولڈرز کو معلومات کی فراہمی اور ان کی سہولت کے لئے میمورنڈم اور آرٹیکلز آف ایسوسی ایشن کی دستاویزات، جن میں کمپنی کے موجودہ میمورنڈم اور آرٹیکلز اور ان میں مجوزہ ترامیم کو تقابلی جائزے کے لئے Black-lined کیا گیا ہے، منسلک کی جارہی ہیں۔ ان دستاویزات کا معائنہ کمپنی کے رجسٹرڈ دفتر میں کاروباری ایام میں صبح 10:00 بجے تا شام 04:00 بجے تک کیا جاسکتا ہے۔

کمپنی کے ڈائریکٹرز میں سے کسی کا مفاد مذکورہ بالا خصوصی قرارداد میں سوائے کمپنی کے حصص یافتگان یا ڈائریکٹرز کی حیثیت سے ان کی استعداد سے زیادہ نہیں ہے۔

14- اجلاس عام میں شرکت کے لئے ویڈیو کانفرنس کی سہولت

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے سرکل نمبر 10، 2014 تا ریخ 21 مئی 2014 کے مطابق ممبران سرکل کے ذیل میں بیان کردہ تقاضوں اور طریقہ کار کی تکمیل کی صورت میں لاہور اور اسلام آباد میں ویڈیو کانفرنس کی سہولت سے استفادہ کر سکتے ہیں:

ممبران مندرجہ ذیل طریقہ کار کے مطابق اپنی رضامندی سالانہ اجلاس عام سے 10 روز قبل کمپنی کے رجسٹرڈ پتے پر جمع کروائیں۔

ویڈیو کانفرنس کی سہولت کے لئے رضامندی کا فارم

”میں/ہم کے _____ بطور ممبر جنرل ٹائر اینڈ ربر کمپنی آف پاکستان، اکاؤنٹ نمبر _____، بذریعہ ہذا _____ (جغرافیائی مقام) ویڈیو کانفرنس کی سہولت کے لئے درخواست دیتے ہیں۔

ممبر کے دستخط

اگر کمپنی کو کسی جغرافیائی مقام پر رہائش پذیر شیئر ہولڈرز میں سے 10 فیصد یا زائد کی جانب سے اجلاس عام کی تاریخ سے 10 روز قبل ویڈیو کانفرنس کے ذریعے شرکت کے لئے رضامندی موصول ہو جاتی ہے، ایسی صورت میں کمپنی اس شہر میں ویڈیو کانفرنس کی سہولت کا انعقاد کرے گی، جس کا انحصار اس شہر میں اس سہولت کی دستیابی پر ہوگا۔ کمپنی سالانہ اجلاس عام سے کم از کم 05 دن قبل ممبران کو ویڈیو کانفرنس کی سہولت کے مقام اور اس سہولت تک رسائی کو یقینی بنانے کے لئے درکار تمام معلومات سے مکمل آگہی فراہم کرے گی۔

15- ویڈیو کنڈیکٹر ایکٹوٹیکسٹ کے لئے بینک اکاؤنٹ کی تفصیلات کا لازمی تقاضہ

کمپنیز ایکٹ 2017 کی شق 242 کے مطابق نقد کی صورت میں قابل ادائیگی ویڈیو کنڈیکٹر ایکٹوٹیکسٹ طریقے سے براہ راست اہل شیئر ہولڈرز کے مقررہ اکاؤنٹ میں ادا کیا جاسکتا ہے۔ براہ مہربانی نوٹ فرمائیں کہ ویڈیو کنڈیکٹر ادائیگی کے لئے بینک مینڈیٹ فراہم کرنا لازمی ہے اور اس تقاضے کی تکمیل اور اپنے بینک اکاؤنٹ میں براہ راست ویڈیو کنڈیکٹر ادائیگی کی سہولت کے حصول کے لئے آپ سے درخواست ہے کہ کمپنی کی ویب سائٹ پر دستیاب ”ویڈیو کنڈیکٹر مینڈیٹ فارم“ میں بینک اکاؤنٹ سے متعلق معلومات اپنے متعلقہ سی ڈی سی پارٹیشن/سی ڈی سی انویسٹر اکاؤنٹ سروسز (اگر آپ کی شیئر ہولڈنگ بک انٹری کی شکل میں ہے) یا ہمارے شیئر رجسٹرار (اگر آپ کی شیئر ہولڈنگ طبعی شکل میں ہے) کو فراہم کریں۔

کمپنیز ایکٹ، 2017 کے سیکشن (3) 134 کے تحت بیان

مندرجہ ذیل بیان اُس خصوصی کارروائی سے متعلق مادی حقائق پر مشتمل ہے جس پر کمپنی کے سالانہ اجلاس عام میں عمل درآمد کیا جائے گا۔ کمپنی کا سالانہ اجلاس عام انسٹیٹوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان، آڈیٹوریم، کلفٹن، کراچی میں جمعرات، 18 اکتوبر 2018، سہ پہر 03:30 بجے منعقد ہوگا۔

کمپنی کے میمورنڈم آف ایسوسی ایشن میں تبدیلی

ایک حقیقی وجود رکھنے والی کمپنی کے لئے لازم ہے کہ وہ اپنے موجودہ میمورنڈم کے ساتھ کام جاری رکھے اور میمورنڈم کی معروضی شق 1 (Object Clause) کو اس کی پرنسپل لائن آف بزنس تصور کیا جائے۔ (سیکشن (a)(iii)(A) 27)۔ ”پرنسپل لائن آف بزنس“ سے مراد ”ایسا بزنس جس میں کمپنیز کے حقیقی اثاثے رکھے جائیں یا رکھے جانے کا امکان ہو اور یا کمپنی کو حقیقی آمدنی حاصل ہو یا حاصل ہونے کا امکان ہو، ان میں سے جو بھی زیادہ ہو۔“ (سیکشن (ii)(1) 26)۔

کمپنیز ایکٹ، 2017 (“ایکٹ”) کے تحت ایک کمپنی کوئی بھی قانونی کاروبار یا سرگرمی جاری رکھ سکتی ہے یا کوئی ایسا کام کر سکتی ہے اور کسی بھی ایسے لین دین میں شامل ہو سکتی ہے جو اس کے لئے ضروری یا معاون ہو اور جو اس کی کاروباری سرگرمیوں کی تکمیل کے لئے ضروری ہو، تاہم کمپنی کی پرنسپل لائن آف بزنس کا ذکر اس کے میمورنڈم آف ایسوسی ایشن میں شامل ہوگا۔

گوشوارے طبعی شکل میں حاصل کرنے کے لئے درخواست دے سکتے ہیں۔ اس سلسلے میں کمپنی کی ویب سائٹ پر ایک معیاری درخواست فارم آویزاں کر دیا گیا ہے جس کے ذریعے شیئر ہولڈرز آڈٹ شدہ مالیاتی گوشوارے طبعی شکل میں حاصل کرنے کی درخواست دے سکتے ہیں۔

9- کمپنیز ایکٹ، 2017 کے سیکشن 244 کے تحت لادعوئی اور واجب الوصول رقم کا بیان

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے کمپنیز ایکٹ، 2017 ("ایکٹ") کے سیکشن 244، جسے سیکشن 510 کے ساتھ پڑھا جائے، کے تحت تمام کمپنیوں کو ای سرورسز پورٹل (<http://eservices.secp.gov.pk/eservices>) کے ذریعے کمیشن کو ایک بیان جمع کروانے کی ہدایت کی ہے جس میں ان رقم کی تعداد، جیسی بھی صورت میں ہو، جو واجب الادا اور قابل ادائیگی ہونے کی تاریخ سے تین سال کا عرصہ گزر جانے کے باوجود، لادعوئی اور واجب الوصول ہوں، چاہے وہ کمپنی کے حصص / ڈیویڈنڈ یا دیگر کسی انسٹرومنٹ کے سلسلے میں لادعوئی یا واجب الوصول ہوں، جیسے بھی تعین کیا جائے۔

بذریعہ نوٹس ہذا حصص یافتگان کو مطلع کیا جاتا ہے کہ وہ اپنے کسی بھی لادعوئی ڈیویڈنڈ / حصص کے لئے کمپنی سے اس اشتہار کی اشاعت کے سات دن کے اندر رابطہ کریں تاکہ سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی ہدایت نمبر: 16، 2017 تا تاریخ 07 جولائی، 2017 کی تعمیل ہو سکے۔ لادعوئی ڈیویڈنڈ / حصص رکھنے والے حصص یافتگان کی فہرست کمپنی کی ویب سائٹ www.gentipak.com پر دستیاب ہے۔

حصص یافتگان سے درخواست ہے کہ کسی بھی لادعوئی ڈیویڈنڈ، یا غیر ترسیل شدہ حصص (اگر کوئی ہوں) کے حصول کے لئے کمپنی کے رجسٹرڈ پتے پر رابطہ کریں۔

10- آڈٹ شدہ مالیاتی گوشواروں کی کمپنی کی ویب سائٹ پر دستیابی

30 جون، 2018 کو ختم ہونے والے سال کے لئے کمپنی کے آڈٹ شدہ مالیاتی گوشوارے کمپنی کی ویب سائٹ www.gentipak.com پر سالانہ اجلاس عام کے انعقاد کی تاریخ سے کم از کم 21 دن پہلے سے آویزاں کر دیئے جائیں گے۔

11- سالانہ مالیاتی گوشواروں کی ترسیل بذریعہ ای میل

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے سرکلر SRO 787(1)/2014 تا تاریخ 8 ستمبر 2014 کی ہدایات کے تحت وہ شیئر ہولڈرز جو مستقبل میں اپنے مالیاتی گوشوارے ڈاک کے بجائے ای میل کے ذریعے وصول کرنا چاہتے ہیں، ان سے درخواست ہے کہ وہ کمپنی کی ویب سائٹ www.gentipak.com پر دستیاب معیاری درخواست فارم میں اپنے فعال ای میل ایڈریس فراہم کر کے اپنی باقاعدہ رضامندی دیں اور یہ فارم مکمل طور پر پُر کر کے اپنے CNIC / پاسپورٹ کی نقل کے ساتھ کمپنی کے شیئر رجسٹرار کو ارسال کریں۔ یاد رہے کہ سالانہ مالیاتی گوشوارے ڈاک کے بجائے بذریعہ ای میل وصول کرنے کا آپشن اختیاری ہے۔ اگر آپ یہ سہولت حاصل نہیں کرنا چاہتے تو اس نوٹس کو نظر انداز کر دیں۔ سالانہ مالیاتی گوشوارے آپ کے رجسٹرڈ پتے پر معمول کے مطابق ارسال کئے جاتے رہیں گے۔

12- فزیکل شیئرز کو CDC اکاؤنٹ میں رکھنا

طبعی شکل میں شیئرز رکھنے والے شیئر ہولڈرز کسی بھی بروکر یا انویسٹر اکاؤنٹ سے سی ڈی سی میں براہ راست ذیلی اکاؤنٹ کھلوا کر طبعی شکل میں اپنے شیئرز کو اسکرپٹ لیس صورت میں رکھ سکتے ہیں۔ یہ عمل ان کے شیئرز کو محفوظ رکھنے اور ان کی فروخت میں معاون ہوگا۔

13- ای ووٹنگ کے لئے پراکسی فارم

ای ووٹنگ کے لئے انسٹرومنٹ تحریری شکل میں اجلاس عام کے انعقاد کی تاریخ سے 10 روز قبل کمپنی کے رجسٹرڈ دفتر H-23، لاندھی انڈسٹریل ٹریڈنگ اسٹیٹ، لاندھی، کراچی کے پتے پر یا بذریعہ ای میل siraj.lawai@gentipak.com پر موصول ہو جانا چاہئیں۔

(ii) کارپوریٹ ادارے کی صورت میں، اجلاس کے وقت بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی مع شخصی دستخط کے (تا وقتیکہ پہلے فراہم کی گئی ہو) پیش کرنا گی۔

ب۔ نمائندوں (Proxies) کی تقرری کے لئے:

(i) انفرادی صورت میں، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر اور یا / جن کی سیکورٹیز گروپ اکاؤنٹ میں ہوں اور ان کی رجسٹریشن کی تفصیلات قواعد و ضوابط کے مطابق اپ لوڈ ہوں، مندرجہ بالا شرائط کے مطابق پر کسی فارم جمع کرائیں گے۔

(ii) جن دو افراد سے پر کسی فارم کی تصدیق کروائی جائے گی ان کے نام، پتے اور CNIC نمبر فارم میں درج کیے جائیں گے۔

(iii) اصل مالکان کی CNIC یا پاسپورٹ کی مصدقہ نقول پر کسی فارم کے ساتھ منسلک کی جائیں گی۔

(iv) نامزد شخص کو اجلاس میں شرکت کے وقت اصل CNIC یا اصل پاسپورٹ مہیا کرنا ہوں گے۔

(v) کارپوریٹ اداروں کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی امیدوار کے شخصی دستخط کے ساتھ کمپنی کو پر کسی فارم کے ساتھ جمع کروانی ہوگی (تا وقتیکہ پہلے فراہم کی گئی ہو)۔

6- کمپنی کے تمام شیئرز ہولڈرز / ممبرز جن کے پاس کاغذی حالت میں شیئرز موجود ہیں، ان سے درخواست کی جاتی ہے کہ وہ اپنے یا جن کے وہ نمائندے ہیں، ان کے کارآمد CNIC اور NTN سرٹیفکیٹس کی کاپی لے کر آئیں۔ CNIC نہ ہونے کی صورت میں اجلاس کے وقت شیئرز ہولڈر کو اجلاس میں شرکت اور شیئرز ہولڈرز کے رجسٹر میں دستخط کرنے کی اجازت نہیں دی جائے گی۔

7- فاکرز اور نان فاکرز کے اکم ٹیکس کی کٹوتی

براہ مہربانی نوٹ فرمائیں کہ اکم ٹیکس آرڈیننس 2001 کی دفعہ 150 کے تحت اور فنانس ایکٹ 2017 مؤثر یکم جولائی 2017 کے مطابق اکم ٹیکس گوشوارے جمع کروانے والوں اور جمع نہ کروانے والوں کے لئے اکم ٹیکس کی کٹوتی کی شرح بالترتیب 15% اور 20% ہوگی۔ فیڈرل بورڈ آف ریونیو (ایف بی آر) کی جانب سے موصول ہونے والی وضاحت کے مطابق پرنسپل شیئرز ہولڈرز اور جوائنٹ شیئرز ہولڈرز کی اکم ٹیکس کی کٹوتی اکم ٹیکس گوشوارے جمع کروانے والوں اور جمع نہ کروانے والوں کی حیثیت سے کی جائے گی۔ جوائنٹ اکاؤنٹ کی صورت میں اس کی بنیاد شیئرز ہولڈنگ کے تناسب پر ہے۔

اس سلسلے میں جوائنٹ شیئرز ہولڈرز کے ساتھ شیئرز رکھنے والے تمام شیئرز ہولڈرز سے گزارش ہے کہ وہ اپنی ملکیت میں موجود شیئرز کی تعداد کے تناسب سے پرنسپل شیئرز ہولڈر اور جوائنٹ شیئرز ہولڈرز (ز) کی تفصیلات ہمارے شیئرز رجسٹر اکو فرام کریں۔ مطلوبہ معلومات ہمارے شیئرز رجسٹر اکو 27 اکتوبر 2017 تک موصول ہو جانی چاہئیں، بصورت دیگر یہ سمجھا جائے گا کہ پرنسپل شیئرز ہولڈر اور جوائنٹ شیئرز ہولڈرز (ز) شیئرز کی یکساں ملکیت کے حامل ہیں۔

شیئرز ہولڈرز سے درخواست ہے کہ وہ ایف بی آر کی ویب سائٹ <http://www.fbr.gov.pk> پر موجود ایکٹیو ٹیکس پیئر لسٹ (ATL) پر بطور فاکر اپنی حیثیت کے اندراج کو یقینی بنائیں اور اس بات کو بھی یقینی بنائیں کہ ان کا CNIC / پاسپورٹ نمبر پارٹیسپنٹ / انویسٹر اکاؤنٹ سروسز یا شیئرز رجسٹر (فزیکل شیئرز ہولڈنگ کی صورت میں) کے ریکارڈز میں موجود ہے۔ کاروباری ادارے (غیر انفرادی شیئرز ہولڈرز) اس بات کو یقینی بنائیں کہ ان کے نام اور نیشنل ٹیکس نمبر (NTN)، ایف بی آر کی ویب سائٹ پر دستیاب ایکٹیو پیئر لسٹ میں موجود ہوں اور متعلقہ پارٹیسپنٹ / انویسٹر اکاؤنٹ سروسز یا فزیکل شیئرز ہولڈنگ کی صورت میں کمپنی کے شیئرز رجسٹر کے ریکارڈز میں موجود ہیں۔

8- سالانہ مالیاتی گوشواروں کی ترسیل بذریعہ ای میل / سی ڈی / یو ایس بی / ڈی وی ڈی یا دیگر ذرائع مواصلات

سیکیورٹی اینڈ ایکسچینج کمیشن آف پاکستان نے اپنے سرکلر SRO 470(i) 2016 بتاریخ 31 مئی 2016 کے ذریعے لسٹڈ کمپنیوں کو اپنے آڈٹ شدہ سالانہ گوشوارے ہر شیئرز ہولڈر کو طبعی شکل میں ارسال کرنے کے بجائے بذریعہ CD/DVD/USB ارسال کرنے کی اجازت دی ہے تاہم شیئرز ہولڈر خصوصی طور پر آڈٹ شدہ سالانہ

قرار پایا:

- (a) یہ کہ کمپنی کے حصص کے سرمائے کو -10 روپے فی حصص کے 50,000,000 عمومی حصص کی پیداوار کے ذریعے -750,000,000 روپے (پچھتر کروڑ روپے) سے بڑھا کر -1,250,000,000 (ایک ارب 25 کروڑ روپے) کر دیا گیا ہے۔ یہ نئے حصص ہر لحاظ سے کمپنی کے موجودہ شیئرز کے مساوی ہوں گے۔
- (b) یہ کہ میمورنڈم آف ایسوسی ایشن کی شق 5 میں مذکور اعداد اور الفاظ 750,000,000 ("پچھتر کروڑ روپے") اور "75,000,000" ("سات کروڑ پچاس لاکھ روپے") کو بالترتیب 1,250,000,000 ("ایک ارب پچیس کروڑ روپے") اور 125,000,000 ("بارہ کروڑ پچیس لاکھ") سے بدل دیا جائے۔
- (c) یہ کہ آرٹیکلز آف ایسوسی ایشن کے آرٹیکل 3 کو تبدیل کر کے درج ذیل کے مطابق پڑھا جائے:
- کمپنی کا سرمایہ -1,250,000,000 روپے (ایک ارب پچیس کروڑ روپے) بحساب -10 روپے فی حصص کی رسمی قیمت کے 125,000,000 (بارہ کروڑ پچاس لاکھ) حصص ہے۔
- 2- کمپنی کے ڈائریکٹرز نے 24 اکتوبر، 2018 کو ممبران کی ملکیت میں موجود حصص پر ہر دس (10) عمومی حصص پر سات (7) بونس حصص یعنی 70 فیصد کے تناسب سے بونس حصص کے اجراء کی تجویز دی ہے۔ اس مقصد کے لئے کمپنی کے غیر تخصیصی منافع میں سے 418.399 ملین روپے کی رقم کی سرمایہ کاری کی منظوری دینا اور درج ذیل قرارداد کی ترمیم کے ساتھ یا بغیر ترمیم کے بطور خصوصی قرارداد منظوری دینا:

قرار پایا

- (a) یہ کہ کمپنی کے غیر تخصیصی منافع میں سے 418.399 ملین روپے کی سرمایہ کاری کی جارہی ہے اور -10 روپے فی حصص کے عمومی حصص بطور مکمل ادا شدہ بونس حصص کے ان ممبران کو جاری کئے جارہے ہیں جن کے نام 24 اکتوبر، 2018 کو دفتری اوقات کار کے اختتام تک ممبران کے رجسٹر میں شامل ہوں گے، اور ان حصص کا تناسب ان کی ملکیت میں موجود ہر (10) عمومی حصص کے تناسب سے سات (7) بونس حصص ہوگا۔
- (b) یہ کہ ممبران جو اپنی حصص کی ملکیت کے اعتبار سے حصص کے حصہ منقسمہ کے اہل ہیں، ان کو ان کے حصہ منقسمہ کی اہلیت کے اعتبار سے فروخت کا زر حاصل اس مقصد کے تحت دیا جائے گا تاکہ حصہ منقسمہ کو جمع کر کے ایک حصص میں تبدیل کیا جاسکے اور پاکستان اسٹاک ایکسچینج میں فروخت کیا جاسکے۔
- (c) یہ کہ بذریعہ ہڈ کمپنی کے چیف ایگزیکٹو ایگزیکیوٹو کی سیکریٹری کو انفرادی طور پر مندرجہ بالا قراردادوں پر عمل درآمد اور بونس حصص کے اجراء، تخصیص اور تقسیم کے لئے ضروری تمام اعمال، افعال اور اشیاء انجام دینے یا عمل درآمد کرنے کا مجاز قرار دیا جاتا ہے۔
- (d) یہ کہ مختص کئے گئے بونس حصص ہر لحاظ سے موجودہ حصص کے مساوی ہوں گے سوائے اس کے کہ وہ 30 جون، 2018 کو ختم ہونے والے سال کے لئے اعلان کردہ نقد حتمی نقد ڈیویڈنڈ کے اہل نہیں ہوں گے۔

ڈائریکٹرز کی اس کارروائی میں دلچسپی بطور حصص یافتگان/ان کے نمائندہ اداروں کی بونس حصص کی اہلیت کی حد تک ہے۔
نوٹس:

الف۔ اجلاس میں شرکت کرنے کے لئے:

- (i) انفرادی صورت میں، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر اور/یا جن کی سیکورٹیز گروپ اکاؤنٹ میں ہوں اور ان کی رجسٹریشن کی تفصیلات قواعد و ضوابط کے مطابق آپ لوڈ ہوں، کو اجلاس میں شرکت کے وقت اصل قومی شناختی کارڈ (CNIC) یا اصل پاسپورٹ دکھانا ہوگا۔

ب۔ کمپنی کے چیف ایگزیکٹو آفیسر اور/یا کمپنی سیکریٹری کو انفرادی طور پر ایسے تمام اقدامات، افعال اور امور کی انجام دہی کا مجاز قرار دیا جاتا ہے جو قانونی، کاروباری اور ضابطے کی کارروائیاں کرنے کے لئے ضروری ہوں اور اس سلسلے میں اور اس سے متعلقہ معاملات کے لئے تمام ضروری دستاویزات گوشواروں کی فائلنگ کا بھی مجاز قرار دیا جاتا ہے۔
باقاعدہ طور پر نشاندہی کردہ مجوزہ تبدیلیوں کے ساتھ میمورنڈم اور آرٹیکلز آف ایسوسی ایشن کی ایک نقل منسلک ہے۔

بحکم بورڈ



کراچی

18 ستمبر، 2018

سراج اے لوائی

کمپنی سیکریٹری

نوٹس:

1۔ حتمی نقد ڈیویڈنڈ اور سالانہ اجلاس عام میں شرکت کے لئے کھاتوں کی بندش

کمپنی کے شیئرز انسفر کے کھاتے 09 اکتوبر 2018 سے 18 اکتوبر 2018ء تک بند رہیں گے (دونوں ایام شامل ہیں)۔ 08 اکتوبر 2018 کو کاروباری اوقات کار کے اختتام تک ہمارے شیئر رجسٹرار کے شیئر رجسٹرار ڈپارٹمنٹ، سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ، سی ڈی سی ہاؤس، 99-B، بلاک B، ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی کو موصول ہونے والے لٹرانسفر حتمی نقد ڈیویڈنڈ کی ادائیگی اور سالانہ اجلاس عام میں شرکت کی اجازت کے لئے بروقت تصور کئے جائیں گے۔

2۔ بونس حصص کے لئے کھاتوں کی بندش

بونس حصص کی اہلیت کے تعین کے لئے کمپنی کے شیئرز انسفر کے کھاتے 25 اکتوبر 2018 سے 02 نومبر 2018ء تک بند رہیں گے (دونوں ایام شامل ہیں)۔ 24 اکتوبر 2018 کو کاروباری اوقات کار کے اختتام تک ہمارے شیئر رجسٹرار کے شیئر رجسٹرار ڈپارٹمنٹ، سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ، سی ڈی سی ہاؤس، 99-B، بلاک B، ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی کو موصول ہونے والے لٹرانسفر بونس حصص کی اہلیت کے لئے بروقت تصور کئے جائیں گے۔

3۔ سالانہ اجلاس میں حاضر ہونے اور ووٹ دینے کا حق دار کوئی بھی ممبر کسی دوسرے ممبر کو اجلاس میں حاضر ہونے اور ووٹ دینے کے لیے اپنی/اپنا نمائندہ مقرر کر سکتا ہے۔ نمائندے کا تقرر نامہ اجلاس سے کم از کم 48 گھنٹے پہلے کمپنی کے رجسٹرار آف 23/23-H لائنڈی انڈسٹریل ٹریڈنگ اسٹیٹ، لائنڈی، کراچی میں موصول ہو جانا چاہئے۔

4۔ ممبران سے درخواست ہے کہ اپنے پتے میں کسی بھی قسم کی تبدیلی سے کمپنی کو فوراً مطلع کریں۔

5۔ مزید برآں، سی ڈی سی اکاؤنٹ ہولڈرز کو سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے سرکلر 1 مجریہ 26 جنوری 2000 میں فراہم کردہ مندرجہ ذیل ہدایات کی پیروی کرنی ہوگی:

کمپنیز ایکٹ، 2017 کے سیکشن (3) 134 کے تحت بیان

1۔ کمپنی کا منظور کردہ حصص کا سرمایہ -/750,000,000 روپے (پچھتر کروڑ روپے) سے بڑھا کر -/1,250,000,000 روپے (ایک ارب پچیس کروڑ روپے) کر دیا گیا ہے۔ مندرجہ ذیل قراردادوں کو ترمیم کے ساتھ یا بغیر ترمیم کے بطور خصوصی قراردادوں کے منظور کرنا ہے:

میٹل، رمز اور آٹوموٹو پارٹس اور ایسیسریز، ایئر کرافٹ اور اس کے پارٹس اور ایسیسریز اور عمومی طور پر کسی بھی نوعیت کی چیزیں، اجناس تجارت اور اشیاء اور ہر قسم اور نوعیت کی کیمیکل، فزیکل اور انڈسٹریل ریسرچ کے لئے کیمیکل، فزیکل اور انڈسٹریل ریسرچ لیبارٹریز قائم کرے جو کمپنی کے کسی کاروبار کے سلسلے میں ضروری، مفید اور باسہولت ہوں، اور مجموعی طور پر ان آنجیکٹس سے ایجاد کردہ یا تیار کردہ اشیاء اور مصنوعات کی ملکیت، تکمیل، تیاری، استعمال، فروخت، لیز، تبادلے، برآمد یا بصورت دیگر فروخت یا نفع اٹھانے کے لئے پیداوار، تیاری، تعمیر، درآمد، خریداری یا بصورت دیگر حاصل کرے۔

(b) کمپنی کے کاروبار سے متعلق میمورنڈم کی شق کی ضمنی شقیں (2) تا (52) ہدف کی جاتی ہیں۔

(c) میمورنڈم کی شق 3 میں تین (3) نئی ضمنی شقیں (ii)، (iii) اور (iv) شامل کی جاتی ہیں، جنہیں درج ذیل کے مطابق پڑھا جائے:

(ii) ذیل میں بیان کردہ ضمنی شق (iii) میں مذکور کاروبار کے علاوہ کمپنی ہر قسم کے قانونی کاروبار میں حصہ لے سکتی ہے اور اس سلسلے میں اور اس مقصد کے لئے ضروری تمام اہم افعال اور اقدامات کرنے کی مجاز ہے۔

(iii) اس شق کی ضمنی شقوں میں اس سے قبل جو کچھ بھی موجود تھا، اس کے باوجود اس شق میں موجود کسی بھی مواد کا یہ مطلب نہیں سمجھا جائے گا کہ اس سے کمپنی کو براہ راست یا بالواسطہ کسی بینکنگ کمپنی، نان بینکنگ فنانس کمپنی (میوچل فنڈ، لیونگ، انوسٹمنٹ ایڈوائزر، ریل اسٹیٹ انوسٹمنٹ ٹرسٹ مینجمنٹ کمپنی، ہاؤسنگ فنانس کمپنی، ونچر کیپٹل کمپنی، ڈسٹریکٹنگ سروسز، مائیکرو فنانس یا مائیکرو کریڈٹ کاروبار)، انشورنس کاروبار، مضاربہ مینجمنٹ کمپنی، اسٹاک بروکر جیج کاروبار، فاریکس، ریل اسٹیٹ کاروبار، مینجنگ ایجنسی، سیکورٹی گارڈز کی فراہمی کاروبار یا دیگر کوئی کاروبار جو اس وقت نافذ العمل یا کمیشن کی جانب سے متعین کردہ مدت تک نافذ العمل کسی قانون کے تحت ممنوع ہو، کا کاروبار کرنے یا اس میں حصہ لینے کا مجاز سمجھا جائے گا۔

(iv) بذریعہ ہذا اقرار کیا جاتا ہے کہ کمپنی درج ذیل امور انجام نہیں دے گی:

(a) مذکور بالا ضمنی شق (iii) میں مذکور کسی کاروبار یا کسی غیر قانونی عمل میں ملوث ہونا

(b) ملٹی لیول مارکیٹنگ (MLM) شروع کرنا، Ponzi اور Pyramid اسکیمز یا ان سے متعلقہ دیگر سرگرمیوں/کاروبار یا کسی لائٹری کے کاروبار میں ملوث ہونا۔

(c) کسی بھی قابل منظوری کاروبار میں اس وقت تک شامل نہ ہونا جب تک موجودہ طور پر نافذ العمل کسی قانون کے تحت درکار مجاز اتھارٹی کی منظوری، اجازت، رضامندی یا لائسنس حاصل نہ کر لیا جائے۔

(d) میمورنڈم کی موجودہ شق 5 کو تبدیل کر کے درج ذیل کے مطابق پڑھا جائے:

5- کمپنی کا منظور کردہ حصص کا سرمایہ صرف -/1,250,000,000 (ایک ارب پچیس کروڑ روپے) بحساب -/10 روپے (صرف دس روپے) فی حصص کے 125,000,000 (12 کروڑ پچاس لاکھ) عمومی حصص ہے۔

(e) تصدیق کی جاتی ہے کہ منسلک نظر ثانی شدہ میمورنڈم (ضمیمہ 1)، جسے ترامیم کی نشاندہی کے لئے باقاعدہ Black-lined کیا گیا ہے، کمپنی کا نیا میمورنڈم آف ایسوسی ایشن ہے۔

(f) کمپنی کے میمورنڈم میں مذکور بالا ترامیم، کسی بھی ایسی ترامیم، تبدیلی، اضافے یا اخراج سے مشروط ہے جسے مجاز فرد مناسب سمجھے یا کمیشن جس کی تجویز، حکم یا ہدایت دے، اور اس تجویز، حکم یا ہدایت کو منظور شدہ خصوصی قرارداد کے حصے کے طور پر منظور تصور کیا جائے اور ممبران کے لئے ضروری نہیں ہوگا کہ وہ اس کے لئے ایک نئی خصوصی قرارداد منظور کریں۔

2- آرٹیکلز میں تبدیلی/ترمیم

الف۔ مزید قرار پایا کہ:

(a) کمپنی کے آرٹیکلز کو منسلک نظر ثانی شدہ آرٹیکلز (ضمیمہ 2) سے تبدیل کیا جاتا ہے، جس میں تبدیلیوں کی نشاندہی نمایاں کر کے کی گئی ہے ("نظر ثانی شدہ آرٹیکلز")۔

(b) تصدیق کی جاتی ہے کہ نظر ثانی شدہ آرٹیکلز کمپنی کے نئے آرٹیکلز آف ایسوسی ایشن ہیں۔

55 ویں سالانہ اجلاس عام کانولٹس

بذریعہ ہذا اطلاع دی جاتی ہے کہ جنرل ٹائر اینڈ ربر کمپنی آف پاکستان لمیٹڈ کا 55 واں سالانہ اجلاس عام بروز جمعرات 18 اکتوبر، 2018ء سے پہر 03:30 بجے بمقام انسٹیٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان، کانفرنس ہال، کلفٹن، کراچی منعقد ہوگا۔ جس میں درج ذیل کارروائی پر عمل درآمد ہوگا:

عمومی کارروائی

- 1- کمپنی کے سالانہ اجلاس عام منعقدہ جمعرات 31 اکتوبر، 2017 کی کارروائی کی تصدیق و توثیق۔
- 2- 30 جون، 2018 کو ختم ہونے والے سال کے آڈٹ شدہ اکاؤنٹس مع ڈائریکٹرز اور آڈیٹرز کی رپورٹ کی وصولی، ان پر غور و خوض اور منظوری۔
- 3- بورڈ آف ڈائریکٹرز کی تجویز کے مطابق -/6 روپے فی حصص یعنی 60% کے حساب سے حتمی نقد ڈیویڈنڈ کی ادائیگی پر غور و خوض اور اس کی منظوری۔
- 4- 30 جون 2019 کو ختم ہونے والے سال کے لیے کمپنی آڈیٹرز کی تقرری اور ان کے معاوضے کا تعین۔ بورڈ آف ڈائریکٹرز نے میسرز اے ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی تقرری کی تجویز دی ہے۔ جنہوں نے اہلیت کی بنیاد پر تقرری کے لئے اپنی خدمات پیش کی ہیں۔
- 5- اجلاس کے سربراہ کی اجازت سے کسی دیگر کارروائی پر غور و خوض۔

خصوصی کارروائی

- 6- کمپنی کے موجودہ حصص کے سرمائے کو -/750,000,000 روپے بحساب -/10 روپے فی حصص کے 75,000,000 حصص سے بڑھا کر -/1,250,000,000 روپے بحساب -/10 روپے فی حصص کے 125,000,000 حصص کرنے کی منظوری دینا۔
- 7- درج ذیل قرارداد پر ترمیم کے ساتھ یا بغیر ترمیم کے بطور خصوصی قرارداد غور و خوض اور اس کی منظوری دینا جس میں (a) کمپنی کے میمورنڈم آف ایسوسی ایشن ("میمورنڈم") اور (b) آرٹیکلز آف ایسوسی ایشن ("آرٹیکلز") جو میمورنڈم اور آرٹیکلز کے منسلک ڈرافٹ میں Black-lined ظاہر ہوں گے، میں تبدیلی/ترمیم کرنا درکار ہے تاکہ انہیں کمپنیز ایکٹ 2017 ("ایکٹ") کی شقوں کے مطابق بنایا جاسکے۔
- 8- ہر دس (10) عمومی حصص کے تناسب سے سات (7) بونس حصص یعنی 70 فیصد بونس حصص کے اجراء کی منظوری دینا، جو شیئر ہولڈرز اور دیگر ریگولیٹری اتھارٹیز کی جانب سے منظور کردہ حصص کے سرمائے میں اضافے سے مشروط ہے۔
- 9- اجلاس کے سربراہ کی اجازت سے کسی دیگر کارروائی پر غور و خوض کرنا۔

1- میمورنڈم میں تبدیلی/ترمیم

- (1) سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی تصدیق سے مشروط ہونے پر قرار پایا کہ:
- (a) میمورنڈم کی شق 3 کی ضمنی شق (1) کو بطور پرنسپل لائن آف بزنس وضع کرنا، جسے درج ذیل کے مطابق پڑھا جائے:
- (i) پرنسپل لائن آف بزنس برائے آنجیکشن جن سے کمپنی براہ راست یا بالواسطہ، پیداوار، تیاری، خریداری، درآمد کے ذریعے یا اس کے برعکس حصول، زیر ملکیت، تکمیل، چلائے، وضع کرے، استعمال کرے، فروخت کرے، لیز، برآمد، تبادلہ یا بصورت دیگر فروخت کرے یا نفع اٹھائے اور عمومی طور پر اس سے متعلق معاملات طے کرے اور اس سے متعلقہ خدمات فراہم کرے بشمول ان کے قدرتی اور صنعتی کمپائونڈز، اس کے متبادل، ایسے عناصر جو اس کی خصوصیات کے حامل ہوں یا اس کی جگہ استعمال ہوتے ہوں اور مکمل طور پر اس سے یا اس کے کچھ حصے سے تیار شدہ اشیاء، جس میں بغیر کسی حد کے ٹائرز اور ٹیوبس اور آٹوموبائلز، ٹرکوں، بسوں، ٹریکٹرز، ہوائی جہازوں، موٹر سائیکلوں اور دیگر گاڑیوں کے لئے ہر نوع اور ہر قسم کی ایسیسریز، آٹوموبائل بریک اور ربر اور ربر پیپرز میٹریلز، ٹرانسمیشن بیلٹنگ، وی (vee) بیلٹس، ہر قسم کے Hoses اور فوم ربر پروڈکٹس، بیلٹس اور میکانی اشیاء، جوتے اور کپڑے، روئی، مصنوعی ریشہ (Rayon) یا دیگر ریشہ دار میٹریلز اور ایسی اشیاء جو روئی، مصنوعی ریشہ یا دیگر ریشہ دار میٹریلز کے کچھ حصے پر مشتمل ہوں،

Financial Performance

Statement of Profit or Loss and other Comprehensive Income

Rupees in '000

YEAR	2018	2017	2016	2015	2014	2013
Net Sales	11,785,457	9,645,367	9,479,045	9,491,652	8,606,649	8,167,086
Cost Of Sales	9,699,779	7,589,305	7,157,029	7,553,193	7,011,584	6,838,301
Gross Profit	2,085,678	2,056,062	2,322,016	1,938,459	1,595,065	1,328,785
Profit from Operations	1,190,067	1,303,184	1,627,751	1,354,939	1,073,391	867,999
Other Income	74,141	63,675	65,177	65,567	118,304	68,357
Finance Cost	256,782	124,064	136,159	258,301	326,251	289,217
Profit Before Taxation	940,045	1,184,222	1,494,743	1,097,035	748,216	579,975
Taxation	224,494	302,825	462,456	364,180	234,475	184,374
Profit After Taxation	715,551	881,397	1,032,287	732,855	513,741	395,601
EBITDA	1,557,216	1,559,384	1,808,370	1,525,175	1,236,583	1,020,507

Statement of Financial Position

Rupees in '000

YEAR	2018	2017	2016	2015	2014	2013
Cash and Bank Balances	91,120	99,572	116,851	241,769	220,159	187,680
Stocks	3,324,857	2,074,728	1,570,594	1,456,593	1,999,156	1,788,330
Trade Debts	1,027,027	879,333	1,024,670	851,269	1,390,553	1,186,976
Current Assets	6,350,173	4,824,967	3,558,021	3,362,778	4,603,229	4,035,930
Operating Fixed Assets Cost	6,735,011	6,285,069	4,759,440	4,196,775	4,002,644	3,893,997
Investments in an Associated Company	15,363	10,114	6,019	3,321	2,924	1,848
Non Current Assets	4,335,922	3,777,919	3,254,488	1,985,287	1,959,935	1,969,812
Total Assets	10,686,095	8,602,886	6,812,509	5,348,065	6,563,164	6,005,742
Trade and other Payables	1,928,381	1,348,074	1,293,036	1,183,356	838,429	1,282,552
Current Liability	5,214,722	3,139,047	2,424,213	2,145,566	3,981,312	3,553,581
Long term Finances	1,247,285	1,018,583	920,276	383,334	100,000	166,667
Non Current Liability	1,900,177	1,667,453	1,438,774	844,352	550,862	658,651
Total Liabilities	7,114,899	4,806,500	3,862,987	2,989,918	4,532,174	4,212,232
Paid Up Capital	597,713	597,713	597,713	597,713	597,713	597,713
Reserve for Capital Expenditure	1,000,000	1,000,000	-	-	-	-
Unappropriated Profit	1,973,483	2,198,673	2,351,809	1,760,434	1,433,277	1,195,797
Total Equity	3,571,196	3,796,386	2,949,522	2,358,147	2,030,990	1,793,510

Statement of Cash Flow

Rupees in '000

YEAR	2018	2017	2016	2015	2014	2013
Cash Flow from Operating Activities	89,969	(31,532)	1,069,950	2,402,875	(326,815)	182,843
Cash Flow from Investing Activities	(916,934)	(774,138)	(1,437,288)	(187,291)	(132,006)	(341,790)
Cash Flow from Financing Activities	158,827	326,531	287,789	(680,233)	(490,261)	178,948

Financial Performance

Financial Performance-Profitability

YEAR		2018	2017	2016	2015	2014	2013
Gross Profit Margin	%	17.70	21.32	24.50	20.42	18.53	16.27
EBIT Margin	%	10.10	13.51	17.17	14.28	12.47	10.63
EBITDA Margin	%	13.21	16.17	19.08	16.07	14.37	12.50
Pre tax Margin	%	7.98	12.28	15.77	11.56	8.69	7.10
Net Profit Margin	%	6.07	9.14	10.89	7.72	5.97	4.84
Return on equity-before taxation	%	26.32	31.19	50.68	46.52	36.84	32.34
Return on equity-after taxation	%	20.04	23.22	35.00	31.08	25.30	22.06

Operating Performance/Liquidity

YEAR		2018	2017	2016	2015	2014	2013
Total Assets Turnover	Times	1.10	1.12	1.39	1.77	1.31	1.36
Non Current Assets Turnover	Times	2.72	2.55	2.91	4.78	4.39	4.15
Debtors Turnover	Times	12.36	10.13	10.11	8.47	6.68	7.64
Debtors Turnover	Days	31.81	33.28	39.46	32.74	58.97	53.05
Stock Turnover	Times	3.54	4.65	6.04	6.52	4.31	4.57
Stock Turnover	Days	102.97	78.51	60.48	56.01	84.78	79.92
Creditors Turnover	Times	5.92	5.75	5.78	7.47	6.61	5.01
Creditors Turnover	Days	61.65	63.51	63.15	48.85	55.21	72.80
Cash Operating Cycle	Days	73.13	48.28	36.79	39.90	88.55	60.17
Current ratio		1.22	1.54	1.47	1.57	1.16	1.14
Quick / acid test ratio		0.58	0.88	0.82	0.89	0.65	0.63

Capital Structure Analysis

YEAR		2018	2017	2016	2015	2014	2013
Breakup value / share PKR		59.75	63.52	49.35	39.45	33.98	30.01
Earning per share (pre tax) PKR		15.73	19.81	25.01	18.35	12.52	9.70
Earning per share (after tax) PKR		11.97	14.75	17.27	12.26	8.60	6.62

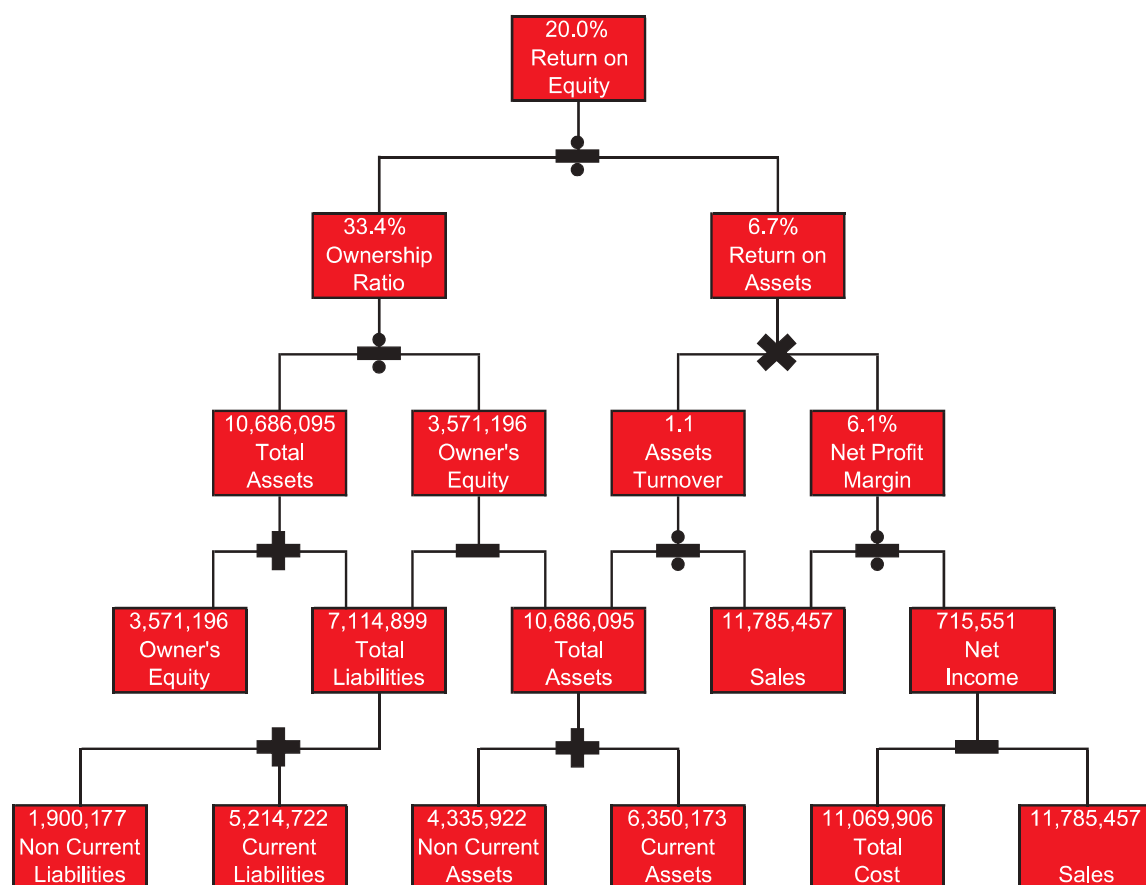
Debt Analysis

YEAR		2018	2017	2016	2015	2014	2013
Total Debt to Assets	%	67%	56%	57%	56%	69%	70%
Total Debt to Equity	%	199%	127%	131%	127%	223%	235%

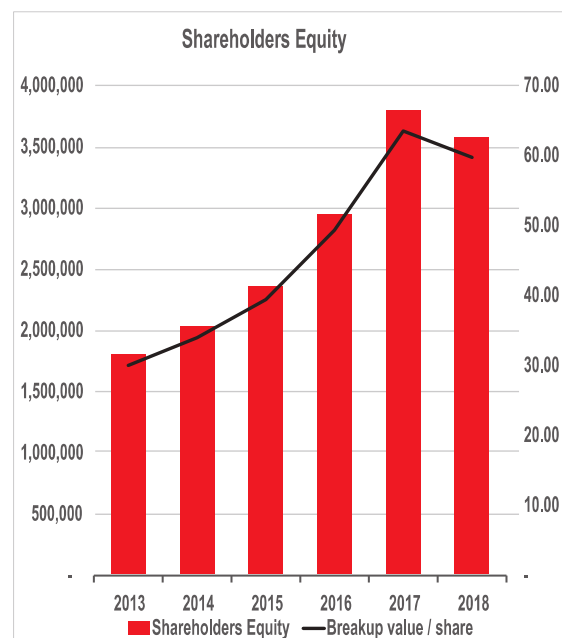
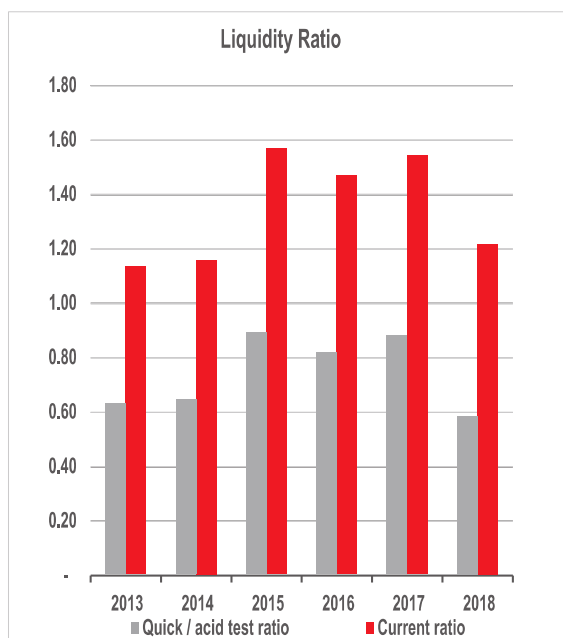
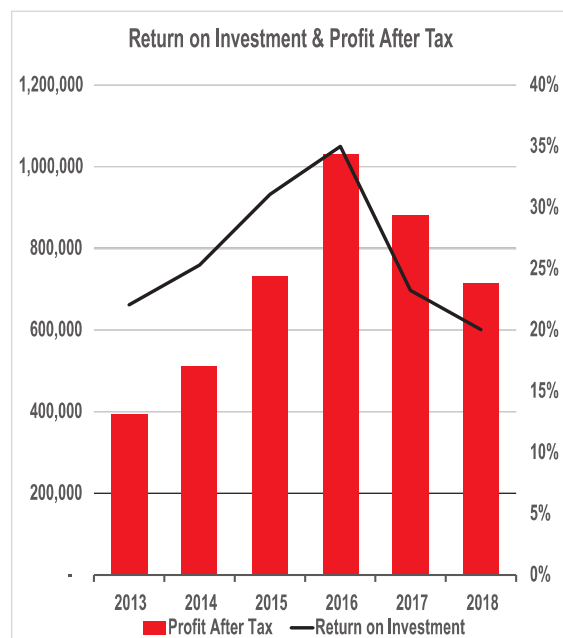
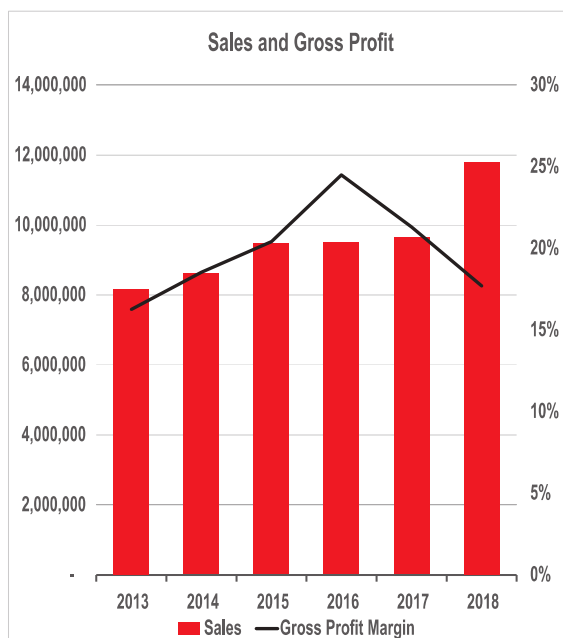
Distribution

YEAR		2018	2017	2016	2015	2014	2013
Dividend	%	60%	150%	0%	70%	65%	45%
Bonus	%	70%	0%	0%	0%	0%	0%

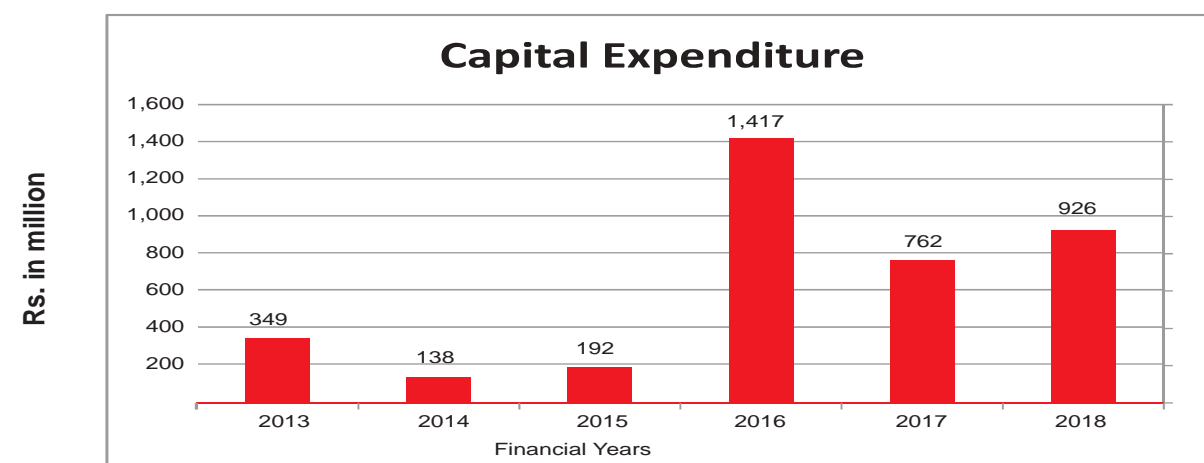
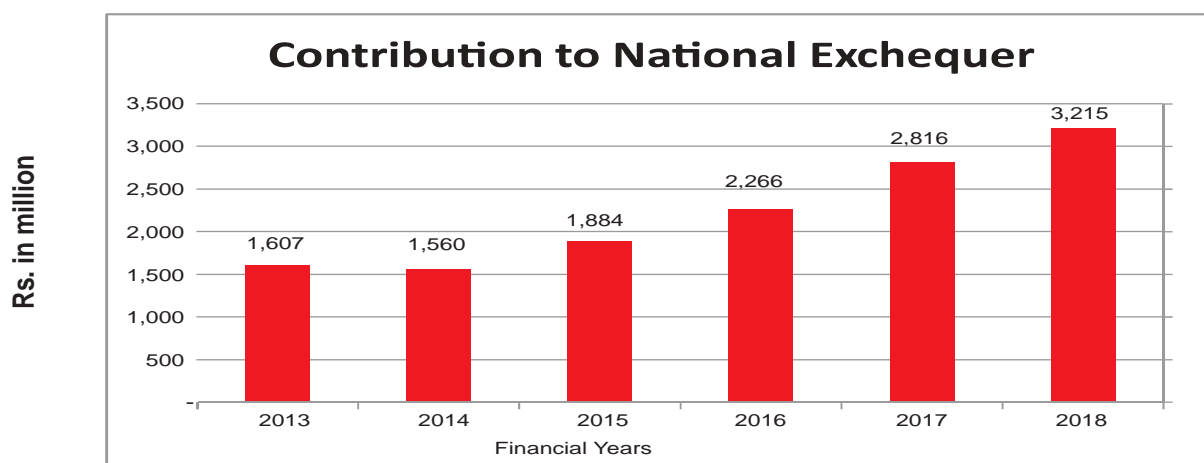
Dupont Analysis



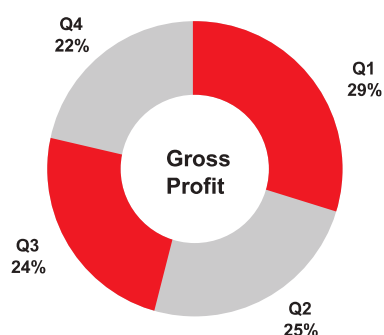
Graphical Presentation



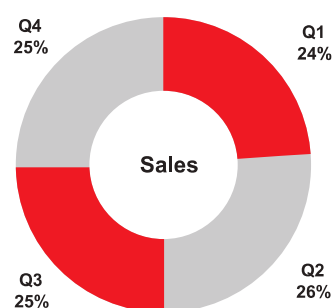
Graphical Presentation



Quarterly Performance Analysis



Total Gross Profit: 2,085,678



Total Sales: 11,785,457

Certifications

Standard	Description	Certified by	Certified since	License No.
ISO 9001 - 2015	Quality Management System	TUV-Austria International	2009	010131148
ISO 14001 - 2015	Environmental Management System	NQA Pakistan	2016	E 5843
OHSAS 18001 - 2007	Occupational Health and Safety Management System	NQA Pakistan	2016	H 3062



Statement of Value Addition

For the year ended June 30, 2018

	2018	2017
	----- Rupees in '000 -----	
<u>Value addition</u>		
Net sales including sales tax	13,890,757	11,379,614
Other income including share of profit of an associated company	80,901	61,930
Cost of materials and services	(7,995,188)	(6,239,882)
	<u>5,976,470</u>	<u>5,201,662</u>
<u>Value distribution</u>		
To Employees		
Salaries, wages, benefits and staff welfare	2,219,046	1,792,151
To Government		
Income tax	224,494	302,825
Sales tax	2,105,300	1,734,247
To Workers' fund		
Workers' profit participation fund	50,414	63,599
Workers' welfare fund	18,613	23,949
To Providers of Capital		
Dividend to shareholders	896,569	-
Mark up/ interest on borrowed money	256,782	124,064
To Society		
Donations	19,121	23,230
Retained for reinvestment & future growth		
Depreciation, Amortisation & retained profit	186,131	1,137,597
	<u>5,976,470</u>	<u>5,201,662</u>
Distribution		
Employees	37.14%	34.45%
Government	38.98%	39.16%
Workers fund	1.15%	1.68%
Providers of capital	19.30%	2.39%
Society	0.32%	0.45%
Retained for reinvestment & future growth	3.11%	21.87%
	<u>100.00%</u>	<u>100.00%</u>



The Performance

From motorcycle to tractor, General Tyre is the leading tyre manufacturer in Pakistan. Making the tyres that guarantee performance and longevity, we are proud makers of quality standard products that are especially suited to vehicles both national and international. Be it a heavy duty tractor tyre or a high durability passenger car tyre, General tyres perform efficiently in harshest of weather conditions overcoming the hazards brought by the roughness of road conditions.

Statement of Compliance with code of Corporate Governance

For the year ended June 30, 2018

This statement is being presented to comply with the Code of Corporate Governance contained in Regulation No. 5.19. of the Listing Regulations of Pakistan Stock Exchange (the "Code") for the period from July 1, 2017 to December 31, 2017 and the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the "Regulations") for the period from January 1, 2018 to June 30, 2018 for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the Code in the following manner:

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

- Male 8
- Female 1

- The Company encourages the representation of independent, non-executive directors and directors representing minority interests on its board of directors. At present the board includes:

Category	Names
Executive Director (1)	Mr. Hussain Kuli Khan
Non-Executive Directors (8)	Lt. Gen. (Retd) Ali Kuli Khan Khattak Mr. Raza Kuli Khan Khattak Mr. Ahmad Kuli Khan Khattak Dr. Shaheen Kuli Khan Khattak Mr. Muhammad Kuli Khan Khattak Mr. Mansur Khan Mr. Atif Anwar Mr. Adnan Ahmed Mr. Manzoor Ahmed (*)

(*) His term as an independent director concluded during the year ended June 30, 2018, and the company is in the process of addressing this matter.

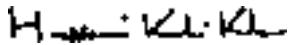
After completion of the aforementioned process the Audit and HR & remuneration committees shall be headed by the independent director.

- The Directors have confirmed that none of them is serving as a Director on the Board of more than seven listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).
- All the resident directors of the Company are registered as tax payers and none of them has defaulted in payment of any loan to a banking company, a Development Finance Institution (DFI) or a Non-Banking Finance Institution (NBFI) or, being a member of stock exchange, has been declared as a defaulter by that stock exchange.
- During the year one (1) casual vacancy occurred on the Board. This vacancy was filled up by the directors within the prescribed number of days.
- The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
- The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

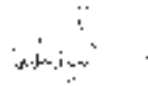
8. All powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms & conditions of employment of the CEO, other executive and non-executive directors, have been taken by the Board/ Shareholders.
9. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings to all the directors. The minutes of the meetings were appropriately recorded and circulated.
10. In accordance with the criteria specified in the Code, three (3) Directors of the Company have been exempted by SECP from the requirements of directors' training program as prescribed by the Code. Four (4) Directors are already Certified Directors. All the Directors are fully conversant with their duties and responsibilities.
11. The Board has approved the appointment of Chief Financial Officer (CFO), Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment.
12. The Directors' Report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
13. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.
14. The Directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
15. The Company has complied with all the corporate and financial reporting requirements of the Code and the Regulations.
16. The Board has formed an Audit Committee. It comprises four (4) members and all of them are non-executive directors.
17. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the Code. The terms of reference of the Committee have been formed, documented and advised to the Committee for compliance.
18. The Board has formed an HR and Remuneration Committee. It comprises five (5) members, of whom one (1) is Executive Director and four (4) members are non-executive directors.
19. The Board has set-up an effective Internal Audit Function manned by suitably qualified and experienced personnel who are conversant with the policies and procedures of the Company.
20. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review Programme of the Institute of Chartered Accountants of Pakistan (the "ICAP") and registered with the Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) Guidelines on Code of Ethics as adopted by the ICAP.
21. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

22. The 'closed period', prior to the announcement of interim/ final results, and business decisions, which may materially affect the market price of Company's securities, was determined and intimated to directors, employees and Pakistan Stock Exchange.
23. Material / price sensitive information has been disseminated among all market participants at once through Pakistan Stock Exchange.
24. The company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.
25. We confirm that all other material principles enshrined in the Code have also been complied with.

For and on behalf of the Board of Directors



Hussain Kuli Khan
Chief Executive Officer



Adnan Ahmed
Director

Karachi
17 August 2018



INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF THE GENERAL TYRE AND RUBBER COMPANY OF PAKISTAN LIMITED

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of The General Tyre and Rubber Company of Pakistan Limited (the Company) for the year ended June 30, 2018 in accordance with the requirements of regulation 40 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 noncompliance 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 and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. 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. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

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, 2018.

Signature

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
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A.F.FERGUSON & Co.

Further, we highlight non-compliance with the requirement of the Regulations as reflected in paragraph 2 of the Statement of Compliance which inter alia explains that the term of the independent director concluded during the year ended June 30, 2018 and the Company is in the process of addressing this matter.

A handwritten signature in blue ink, appearing to read 'A. Ferguson', followed by a horizontal flourish.

A. F. Ferguson & Co.,
Chartered Accountants
Karachi, September 18, 2018

2 of 2 pages



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE GENERAL TYRE AND RUBBER COMPANY OF PAKISTAN LIMITED**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of The General Tyre and Rubber Company of Pakistan Limited (the Company), which comprise the statement of financial position as at June 30, 2018, 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, 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 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, 2018 and of the profit and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. 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.

Ob

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
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Following are the Key Audit Matters:

S. No.	Key Audit Matters	How the matter was addressed in our audit
(i)	Companies Act, 2017 (Refer note 2.4 to the financial statements) The fourth schedule to the Companies Act, 2017 became applicable to the Company for the first time for the preparation of financial statements. As part of the transition requirements, management performed an analysis to identify differences between the previous and the current fourth schedule and as a result certain amendments relating to presentation and disclosures were made in the financial statements. In view of the various new disclosures prepared and presented in the financial statements, we considered this a key audit matter.	We reviewed and understood the requirements of the fourth schedule to the Companies Act, 2017. Our audit procedures included the following: <ul style="list-style-type: none">• Considered the management's process to identify the additional disclosures required in the Company's financial statements.• Obtained relevant underlying supports for the additional disclosures and assessed their appropriateness for the sufficient audit evidence.• Verified on test basis the supporting evidence for the additional disclosures and ensured appropriateness of the disclosures made.

off



(ii) **Contingent liabilities**

(Refer notes 14.1.3 to 14.1.6, 14.1.8 and 14.1.12 to the financial statements)

The Company has contingent liabilities in respect of income tax matters, which are pending adjudication before the taxation authorities and the court of law.

Contingencies require management to make judgments 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 required against such contingencies.

Due to significance of amounts involved, inherent uncertainties with respect to the outcome of matters and use of significant management judgments and estimates to assess the same including related financial impacts, we considered contingent liabilities relating to income tax (as referred in aforementioned notes) a key audit matter.

Our audit procedures amongst others included:

- Obtained and reviewed details of the pending tax matters and discussed the same with the Company's management.
- Circularised confirmations to the Company's external legal and tax counsels for their views on open tax assessments.
- Reviewed correspondence of the Company with the relevant authorities including judgments or orders passed by the competent authorities in relation to the issues involved or matters which have similarities with the issues involved.
- Involved internal tax professional to assess management's conclusion on contingent tax matters and to evaluate the consistency of such conclusions with the views of the management and external tax advisor engaged by the Company.
- Reviewed disclosures made in the financial statements in respect of such tax matters.

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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 the Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of the 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 judgement 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.

5 of 6 pages

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) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Other matter

The financial statements of the Company for the year ended June 30, 2017 were audited by another firm of Chartered Accountants whose report dated September 21, 2017, expressed an unmodified opinion thereon.

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


A. F. Ferguson & Co.,
Chartered Accountants
Karachi, September 18, 2018



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The Responsibility

With the ease of availability, satisfaction of driving and good value for money, General Tyres are able to deliver in all sectors of road transportation in Pakistan. We strive to produce tyres that are optimised for your ride and perform to meet your expectations. Today, there are tractors working in fields, trucks going uphill and cars speeding up on the roads, all these journeys have one thing in common, Our tyres. We have and we will continue excelling without compromising, to facilitate the economy and journeys countrywide with our products.



Statement of Financial Position

As at June 30, 2018

EQUITY AND LIABILITIES

SHARE CAPITAL AND RESERVES

		2018	2017
		----- Rupees in '000 -----	
Authorised capital		750,000	750,000
75,000,000 (2017: 75,000,000) ordinary shares of Rs 10 each	Note		
Issued, subscribed and paid-up share capital	4.1	597,713	597,713
Reserve for capital expenditure	4.2	1,000,000	1,000,000
Unappropriated profit		1,973,483	2,198,673
TOTAL EQUITY		3,571,196	3,796,386

LIABILITIES

NON CURRENT LIABILITIES

Long term finances	5	1,247,285	1,018,583
Staff benefits	6	373,221	308,417
Deferred taxation	7	270,320	330,982
Long term deposits from dealers	8	9,351	9,471
		1,900,177	1,667,453

CURRENT LIABILITIES

Current maturity of long term finances	5	471,298	438,717
Short term finances	9	946,187	157,736
Running finances under mark-up arrangements	10	1,742,566	1,082,880
Trade and other payables	11	1,928,381	1,348,074
Unclaimed dividend		14,034	8,147
Unpaid dividend		8,708	8,933
Accrued mark-up	12	58,848	57,460
Provisions	13	44,700	37,100
		5,214,722	3,139,047

TOTAL LIABILITIES

TOTAL EQUITY AND LIABILITIES

Contingencies and commitments	14		
		7,114,899	4,806,500
		10,686,095	8,602,886


Siraj A. Lawai
 Chief Financial Officer


Hussain Kuli Khan
 Chief Executive


Adnan Ahmed
 Director

Statement of Financial Position

As at June 30, 2018

ASSETS		2018	2017
	Note	----- Rupees in '000 -----	
NON CURRENT ASSETS			
Property, plant and equipment	15	4,247,309	3,669,151
Intangible assets	16	46,584	62,480
Investment in an associated company	17	15,363	10,114
Long term loans and advances	18	6,696	7,325
Long term deposits	19	19,970	28,849
		4,335,922	3,777,919
CURRENT ASSETS			
Stores and spares	20	596,494	489,293
Stocks	21	3,324,857	2,074,728
Trade debts	22	1,027,027	879,333
Loans and advances	23	254,497	310,247
Deposits and prepayments	24	102,605	66,317
Other receivables	25	279,671	264,397
Taxation - net		673,902	641,080
Cash and bank balances	26	91,120	99,572
		6,350,173	4,824,967
TOTAL ASSETS		10,686,095	8,602,886

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


Siraj A. Lawai
 Chief Financial Officer


Hussain Kuli Khan
 Chief Executive


Adnan Ahmed
 Director

Statement of Profit or Loss and other Comprehensive Income

For the year ended June 30, 2018

		2018	2017
		----- Rupees in '000 -----	
	Note		
Sales - net	27	11,785,457	9,645,367
Cost of sales	28	(9,699,779)	(7,589,305)
Gross profit		2,085,678	2,056,062
Administrative expenses	29	(322,390)	(249,535)
Distribution cost	30	(497,851)	(452,016)
Other income	31	74,141	63,675
Other expenses	32	(149,511)	(115,002)
Profit from operations		1,190,067	1,303,184
Finance cost	33	(256,782)	(124,064)
		933,285	1,179,120
Share of profit of an associated company	17	6,760	5,102
Profit before taxation		940,045	1,184,222
Taxation	34	(224,494)	(302,825)
Profit for the year		715,551	881,397
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Staff retirement gratuity remeasurement (net)	6.1.8	(63,103)	(49,333)
Impact of deferred tax		18,931	14,800
Total other comprehensive loss for the year - net of tax		(44,172)	(34,533)
Total comprehensive income for the year		671,379	846,864
		----- Rupees -----	
Earnings per share - basic and diluted	35	11.97	14.75

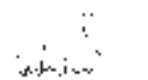
The annexed notes 1 to 47 form an integral part of these financial statements.



Siraj A. Lawai
Chief Financial Officer



Hussain Kuli Khan
Chief Executive



Adnan Ahmed
Director

Statement of Changes in Equity

For the year ended June 30, 2018

	Issued, subscribed and paid-up share capital	Capital reserve for capital expenditure	Unappro- priated profit	Total
----- Rupees in '000 -----				
Balance as at July 1, 2016	597,713	-	2,351,809	2,949,522
Transfer to reserve for capital expenditure		1,000,000	(1,000,000)	-
Total comprehensive income for the year ended June 30, 2017				
Profit for the year	-	-	881,397	881,397
Other comprehensive loss	-	-	(34,533)	(34,533)
	-	-	846,864	846,864
Balance as at June 30, 2017	597,713	1,000,000	2,198,673	3,796,386
Transaction with owners				
Final cash dividend @ 150% for the year ended June 30, 2017	-	-	(896,569)	(896,569)
Total comprehensive income for the year ended June 30, 2018				
Profit for the year	-	-	715,551	715,551
Other comprehensive loss	-	-	(44,172)	(44,172)
	-	-	671,379	671,379
Balance as at June 30, 2018	597,713	1,000,000	1,973,483	3,571,196

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


Siraj A. Lawai
 Chief Financial Officer


Hussain Kuli Khan
 Chief Executive


Adnan Ahmed
 Director

Statement of Cash Flows

For the year ended June 30, 2018

		2018	2017
		----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES	Note		
Cash generated from operations	36	733,792	911,131
Staff retirement gratuity paid		(65,466)	(42,108)
Compensated absences paid		(2,991)	(4,589)
Long term deposits from dealers - net		(120)	541
Finance cost paid		(255,394)	(99,533)
Taxes paid		(329,198)	(808,765)
Long term loans and advances - net		629	3,563
Long term deposits		8,443	3,818
Profit on bank deposits received		274	4,410
Net cash generated / (used in) from operating activities		89,969	(31,532)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(926,081)	(762,464)
Purchase of intangible assets		(8,464)	(28,884)
Proceeds from sale of operating fixed assets		16,100	16,203
Dividend received		1,511	1,007
Net cash used in investing activities		(916,934)	(774,138)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term finance - repaid		(438,717)	(149,483)
Long term finance - obtained		700,000	462,450
Short term finances - net		788,451	13,847
Dividend paid		(890,907)	(283)
Net cash generated from financing activities		158,827	326,531
Net decrease in cash and cash equivalents		(668,138)	(479,139)
Cash and cash equivalents - at beginning of the year		(983,308)	(504,169)
Cash and cash equivalents - at end of the year	37	(1,651,446)	(983,308)

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


Siraj A. Lawai
 Chief Financial Officer


Hussain Kuli Khan
 Chief Executive


Adnan Ahmed
 Director

Notes to and Forming part of the Financial Statements

For the year ended June 30, 2018

1. LEGAL STATUS AND OPERATIONS

- 1.1 The General Tyre and Rubber Company of Pakistan Limited (the Company) was incorporated in Pakistan on March 7, 1963 as a private limited company, under the Companies Act 1913, repealed and replaced by the Companies Ordinance, 1984 which in turn got replaced by the Companies Act 2017, and was subsequently converted into a public limited company. Its shares are quoted on Pakistan Stock Exchange. The registered office is situated at H - 23/2, Landhi Industrial Trading Estate, Landhi, Karachi with regional offices at Lahore, Multan and Islamabad. The Company is engaged in the manufacturing and trading of tyres and tubes for automobiles and motorcycles.

1.2 Summary of significant transactions and events affecting the Company's financial position and performance

All significant transactions and events that have affected the Company's statement of financial position and performance during the year have been adequately disclosed in the notes to these financial statements. For a detailed discussion about these significant transactions and events please refer to the Directors' report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of measurement

These financial statements have been prepared under the historical cost convention except as otherwise stated.

2.2 Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is the functional currency of the Company.

2.3 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 (IFRSs) issued by the International Accounting Standards Board as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

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

Notes to and Forming part of the Financial Statements

For the year ended June 30, 2018

2.4 New standards, amendments to approved accounting and reporting standards and new interpretations

a) Amendments to published approved accounting and reporting standards which were effective during the year ended June 30, 2018

- The fourth schedule to the Companies Act, 2017 became applicable to the Company for the first time for the preparation of these financial statements. The Companies Act, 2017 (including its fourth schedule) forms an integral part of the statutory financial reporting framework applicable to the Company and amongst others, prescribes the nature and content of disclosures in relation to various elements of the financial statements. Additional disclosures include but are not limited to, particulars of immovable assets of the Company (refer note 15.3), management assessment of sufficiency of tax provision in the financial statements (refer note 34.3), change in threshold for identification of executives (refer note 38), additional disclosure requirements for related parties (refer note 40) etc.
- Amendment to IAS 7 'Statement of cash flows': This amendment requires disclosure to explain changes in liabilities for which cash flows have been classified as financing activities in the statement of cash flows. In case other items are included within the reconciliation, the changes in liabilities arising from financing activities will be identified separately. A reconciliation of the opening to closing balance is not specifically required but instead the information can be provided in other ways. In the first year of adoption, comparative information need not be provided. This amendment has resulted in additional disclosures (i.e. note 5.5 and 9.3) in these financial statements.

The other amendments to published standards and interpretations that were mandatory for the Company's financial year ended June 30, 2018 are considered not to be relevant or to have any significant effect on the Company's financial reporting and therefore not disclosed in these financial statements.

b) Standards and amendments to published approved accounting and reporting standards that are not yet effective

There are certain new standards, amendments to the approved accounting and reporting standards and interpretations that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2018. However, these amendments and interpretations will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these financial statements. Further during the current year the Securities and Exchange Commission of Pakistan (the SECP) has adopted IFRS 9 'Financial Instruments', IFRS 15 'Revenue from Customers' and IFRS 16 'Leases'. IFRS 9 and IFRS 15 are applicable for the Company's financial reporting period beginning on July 1, 2018 while IFRS 16 is applicable for the reporting period beginning on July 1, 2019. At present, the impacts of application of these IFRSs on the Company's future financial statements are being assessed. Further, IFRS 17 'Insurance contracts' is yet to be adopted by the SECP.

Notes to and Forming part of the Financial Statements

For the year ended June 30, 2018

2.5 Staff retirement benefits

2.5.1 Defined benefit plans

The Company operates an approved funded gratuity scheme for its senior executive staff and an unfunded gratuity scheme for employees not covered by the funded gratuity scheme. The schemes define the amounts of benefit that an employee will receive on retirement subject to minimum qualifying period of service under the schemes. The amount of retirement benefits are usually dependent on one or more factors such as age, years of service and salary.

The liability recognised in the statement of financial position in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets (if any). The defined benefit obligation is calculated annually on the basis of actuarial valuation.

The actuarial valuations of both schemes are carried out by an independent expert, using the 'Projected Unit Credit Method' with the latest valuation being carried out as on June 30, 2018.

The amounts arising as a result of re-measurements are recognised in the Statement of other comprehensive income in the periods in which they occur. Past-service cost, if any, are recognised immediately in profit or loss.

2.5.2 Defined contribution plan

The Company also operates a recognised provident fund for its employees. Equal monthly contributions at the rate of 10% of basic salary are made to the provident fund both by the Company and employees.

2.5.3 Employee compensated absences

The liability in respect of compensated absences of employees is accounted for in period in which these are earned in terms of basic salary upto the reporting date. The provision is recognised on the basis of an actuarial valuation, which was conducted as on June 30, 2018.

2.6 Taxation

Current

Provision for current taxation is the amount computed on taxable income at the current rates of taxation or alternative corporate tax computed on accounting income or minimum tax on turnover, whichever is higher, and taxes paid / payable on final tax basis, after taking into account tax credit available, if any. The charge for the current tax also includes adjustments where necessary, relating to prior years which arise from the assessments made / finalised during the year.

Notes to and Forming part of the Financial Statements

For the year ended June 30, 2018

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of the taxable profit.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit shall be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date.

2.7 Trade and other payables

Liabilities for trade and other payables are carried at their amortised cost, which is approximate fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Company.

2.8 Property, plant and equipment

2.8.1 Operating fixed assets and depreciation thereon

Operating fixed assets other than leasehold land are stated at cost less accumulated depreciation and any identified impairment loss. Leasehold land is stated at cost. Cost of certain assets consists of historical cost and the related borrowing cost on loans utilised for the acquisition of those assets.

Depreciation is charged to income applying the straight line method whereby the cost of an asset less residual value is charged-off over its estimated useful life depending upon the class of assets. Depreciation is charged at rates stated in note 15.1.

Depreciation on additions is charged from the month following in which an asset is put to use and on deletions upto the month immediately preceding the deletion.

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each reporting date.

Items of property, plant and equipment individually costing Rs10,000 or less are charged to profit or loss as and when purchased.

Maintenance and normal repairs are charged to profit or loss as and when incurred. Major renewals and improvements which increase the assets' remaining useful economic life or the performance beyond the current estimated levels are capitalised and the assets so replaced, if any, are retired.

Notes to and Forming part of the Financial Statements

For the year ended June 30, 2018

Gains or losses on disposal or retirement of fixed assets are determined as the difference between the sale proceeds and the carrying amount of assets and are included in the profit or loss.

The Company assesses at each reporting date whether there is any indication that operating fixed assets may be impaired. If such an indication exists, the carrying amounts of the related assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amounts, assets are written down to their recoverable amounts and the resulting impairment loss is charged to the profit or loss. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

2.8.2 Capital work-in-progress

Capital work-in-progress is stated at cost less identified impairment loss, if any. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to specific assets as and when assets are available for use.

2.9 Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment losses, if any. Intangible assets are amortised using the straight line method over their estimated useful lives. Amortisation is charged at the rate stated in note 16.

Amortisation on additions is charged from the month following in which an asset is put to use and on deletions upto the month immediately preceding the deletion.

Useful lives of intangible assets are reviewed at each reporting date and adjusted if the impact of amortisation is significant.

2.10 Investment in associates

Associates are entities over which the Company has significant influence but not control. Investment in an associate is accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the Company's share of profit or loss of the investee after the date of acquisition. The Company's share of post acquisition profit or loss is recognised in the statement of profit or loss, and its share of post acquisition movements in other comprehensive income is recognised in other comprehensive income with the corresponding adjustment to the carrying amount of the investment.

When the Company's share of losses in an associate equals or exceeds its interest in the associate, the Company does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

Notes to and Forming part of the Financial Statements

For the year ended June 30, 2018

The Company determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

2.11 Stores and spares

Stores and spares are valued at lower of cost and estimated net realisable value. The cost of stores and spares is based on weighted average cost less provision for obsolescence, if any. Items in transit are valued at cost as accumulated upto the reporting date.

Provision for obsolete items, if any, is based on their condition as at the reporting date depending upon the management's judgement.

2.12 Stocks

Stocks are stated at the lower of cost and net realisable value. Cost in relation to raw materials and trading goods in hand is calculated on weighted average basis.

The cost of work-in-process and finished goods comprises of direct materials, labour and appropriate portion of production overheads.

Raw materials held in custom bonded warehouses and stock-in-transit are valued at cost accumulated upto the reporting date.

Claim tyres are valued at their estimated net realisable value.

Net realisable value is determined on the basis of the estimated selling price of the product in ordinary course of business less estimated cost of completion and estimated cost necessary to be incurred for its sale.

2.13 Trade debts and other receivables

Trade debts and other receivables are initially recognised at original invoice amount which is the fair value of consideration to be received in future and subsequently measured at cost as reduced by appropriate provision for receivables considered to be doubtful. A provision is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Provision is charged to profit or loss. Trade and other receivables considered irrecoverable are written-off.

2.14 Financial assets and financial liabilities

All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently remeasured to fair value, amortised cost or cost as the case may be. Any gain or loss on the recognition and de-recognition of the financial assets and liabilities is included in the profit or loss for the period in which it arises.

Notes to and Forming part of the Financial Statements

For the year ended June 30, 2018

Financial assets and financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the Company loses control of the contractual rights that comprise the financial asset. Financial liabilities are removed from the statement of financial position when the obligation is extinguished, discharged, cancelled or expired.

2.15 Off-setting of financial assets and financial liabilities

A financial asset and financial liability is off-set and the net amount is reported in the statement of financial position when there is a legally enforceable right to set-off the transaction and also there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counter party.

2.16 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and bank balances and running finance under mark-up arrangements.

2.17 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable and is reduced for allowances such as taxes, duties, sales returns, trade discounts and incentives. Revenue from different sources is recognised on the following basis:

- revenue from sale of goods is recorded on dispatch of goods to customers; and
- interest income is accrued on the time proportion basis by reference to the principal outstanding and applicable rate of return.

2.18 Borrowing costs

Borrowing and other related costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

Notes to and Forming part of the Financial Statements

For the year ended June 30, 2018

2.19 Foreign currency transactions and translation

Foreign currency transactions are recorded using the exchange rates ruling at the dates of the transactions. Monetary assets and liabilities in foreign currencies are translated into Pakistan Rupee using the exchange rate ruling at the reporting date. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and on translation of monetary assets and liabilities denominated in foreign currencies at reporting date are recognised in the profit or loss.

2.20 Warranty - tyre replacement allowance

Warranty expense is recognised in the year of sale on the basis of estimates of warranty claims to be received against those sales.

2.21 Provisions, contingent assets and contingent liabilities

Provisions are recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made. However, provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

Contingent assets are disclosed when there is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised until their realisation become virtually certain.

Contingent liabilities are disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by on occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company; or
- there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

2.22 Operating leases / Ijarah

Operating leases / Ijarah in which a significant portion of the risks and rewards of ownership are retained by the lessor / Muj'ir (lessor) are classified as operating leases / Ijarah. Payments made during the year are charged to the profit or loss on a straight-line basis over the period of the lease / Ijarah.

Notes to and Forming part of the Financial Statements

For the year ended June 30, 2018

2.23 Segment reporting

Segment information is presented on the same basis as that used for internal reporting purposes by the Chief Operating Decision Maker. The Chief Executive Officer has been identified as 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, the Company considers itself to be a single reportable segment.

2.24 Dividend and appropriation to reserves

Dividend and appropriation to reserves are recognised in the financial statements in the period in which these are approved.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with the approved accounting and reporting standards requires the use of certain critical accounting estimates. It also requires management to exercise judgements in the process of applying the Company's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Judgements made by management in application of the approved accounting and reporting standards that have significant effect on the financial statements and estimates with a significant risk of material adjustments in the next year are discussed in respective policy notes. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgements were exercised in application of accounting policies are as follows:

- (i) Provision for staff retirement benefits [note 2.5]
- (ii) Provision for taxation [note 2.6]
- (iii) Estimate of useful lives and residual values of property, plant & equipment and intangible assets [notes 2.8 and 2.9]
- (iv) Obsolete stores and spares [note 2.11]
- (v) Determination of net realisable value [note 2.11 and 2.12]
- (vi) Provision for doubtful debts [note 2.13]
- (vii) Provision for tyre replacement allowance [note 2.20]

Notes to and Forming part of the Financial Statements

For the year ended June 30, 2018

4. SHARE CAPITAL AND RESERVES

4.1 Issued, subscribed and paid-up share capital

2018	2017
----- Number of shares -----	
7,133,320	7,133,320
186,680	186,680
52,451,250	52,451,250
59,771,250	59,771,250

Ordinary shares of Rs 10 each fully paid in cash

Ordinary shares of Rs 10 each issued for consideration other than cash

Ordinary shares of Rs 10 each issued as fully paid bonus shares

2018	2017
----- Rupees in '000 -----	
71,333	71,333
1,867	1,867
524,513	524,513
597,713	597,713

4.1.1 Ordinary shares of the Company held by the related parties as at June 30

Bibojee Services (Private) Limited

Pakistan Kuwait Investment Company (Private) Limited

2018	2017
----- Number of shares -----	
16,608,712	16,608,712
17,931,292	17,931,292
34,540,004	34,540,004

4.2 Reserve for capital expenditure

The reserve has been established out of the unappropriated profit for capital expenditure.

5. LONG TERM FINANCES - Secured

Note

Term finance - from banking companies

Conventional

- Samba Bank Limited

- Askari Bank Limited - an associated company

- United Bank Limited

Shariah compliant - Faysal Bank Limited

2018	2017
----- Rupees in '000 -----	
150,000	250,000
525,000	700,000
700,000	-
343,583	507,300
1,718,583	1,457,300
(471,298)	(438,717)
1,247,285	1,018,583

Less: current maturity grouped under current liabilities

Notes to and Forming part of the Financial Statements

For the year ended June 30, 2018

- 5.1 This represents a term finance facility of Rs 400 million to finance capital expenditure and balancing, modernisation & replacement. The principal amount drawn is repayable in sixteen equal quarterly instalments. The repayments commenced after a grace period of one year from the date of disbursement (i.e. January 14, 2015). This finance facility carries mark-up at the rate of three months KIBOR plus 0.75% (2017: three months KIBOR plus 0.75%) per annum and is secured by way of first pari passu charge over stocks, receivables and plant & machinery of the Company to the extent of Rs 533.333 million.
- 5.2 This represents a term finance facility of Rs 700 million to finance the Company's on-going budgeted capital expenditure requirement. The principal amount was drawn in four tranches and is repayable in eight equal semi-annually instalments commenced from September 16, 2017. This finance facility carries mark-up at the rate of six months KIBOR plus 0.5% per annum (2017: six months KIBOR plus 0.5%) and is secured by way of first pari passu charge over all the present and future fixed assets (excluding land and building) and current assets of the Company to the extent of Rs 933.333 million.
- 5.3 This represents a term finance facility of Rs 700 million obtained during the year to finance capital expenditure. The principal amount drawn down is repayable in fourteen equal quarterly instalments to be commenced after a grace period of eighteen months from the date of disbursement (i.e. August 17, 2017). This finance facility carries mark-up at the rate of three months KIBOR plus 0.50% per annum and is secured by way of joint pari passu charge over stock, receivables and fixed assets (excluding land and building) of the Company to the extent of Rs 933.333 million.
- 5.4 This represents a musharaka facility of Rs 650 million for acquisition of boiler and mixing line with down steam equipment. The bank against the said facility had made payments to vendors / suppliers aggregating Rs 507.3 million in eight tranches of different amounts and each tranche is repayable in sixteen equal quarterly instalments on different dates commenced from February 20, 2017. This finance facility carries mark-up at the rate of three months KIBOR plus 0.75% per annum (2017: three months KIBOR plus 1.25%) and is secured by way of first joint pari passu hypothecation charge of Rs 650 million on overall assets of the Company.

- 5.5 Following are the changes in the long term finances:

	2018
	(Rupees in 000)
Opening balance	1,457,300
Add: Disbursement	700,000
Less: Repayments	(438,717)
Closing balance	<u>1,718,583</u>

Notes to and Forming part of the Financial Statements

For the year ended June 30, 2018

6. STAFF BENEFITS

	Note	2018	2017
		----- Rupees in '000 -----	
Staff retirement gratuity	6.1	326,946	268,931
Employees compensated absences	6.2	46,275	39,486
		373,221	308,417

6.1 Staff retirement gratuity

- 6.1.1 As stated in note 2.5.1, the Company operates an approved funded gratuity scheme for its senior executive staff and an unfunded gratuity scheme for employees not covered by the funded gratuity scheme.
- 6.1.2 Plan assets held in trust are governed by local regulations which mainly include Trust Act, 1882, the Companies Act, 2017, Income Tax Rules, 2002 and Rules under the Trust deed of the Plan. Responsibility for governance of the plan assets, including investment decisions and contributions schedules lies with the Board of Trustees. The Company appoints the trustees and all trustees are employees of the Company.
- 6.1.3 The latest actuarial valuations of the schemes as at June 30, 2018 were carried out by an independent expert, using the 'Projected Unit Credit Method'. Details of the schemes as per the actuarial valuations are as follows:

	Funded		Unfunded		Total	
	2018	2017	2018	2017	2018	2017
	----- Rupees in '000 -----					
6.1.4 Balance sheet reconciliation						
Present value of defined benefit obligation - note 6.1.5	199,384	176,373	329,560	285,624	528,944	461,997
Fair value of plan assets - note 6.1.6	(150,069)	(133,425)	-	-	(150,069)	(133,425)
Liability at end of the year	49,315	42,948	329,560	285,624	378,875	328,572
Payable within next twelve months	(13,351)	(23,491)	(38,578)	(36,150)	(51,929)	(59,641)
	35,964	19,457	290,982	249,474	326,946	268,931
6.1.5 Movement in the present value of defined benefit obligation						
Balance as at July 1,	176,373	158,416	285,624	246,481	461,997	404,897
Current service cost	10,801	6,916	18,198	14,162	28,999	21,078
Interest cost	13,480	10,970	21,578	18,400	35,058	29,370
Benefits paid	(25,024)	(41,258)	(22,519)	(10,599)	(47,543)	(51,857)
Re-measurement on obligation	14,477	33,821	35,956	24,688	50,433	58,509
Transferred to managerial cadre	9,277	7,508	(9,277)	(7,508)	-	-
Balance as at June 30,	199,384	176,373	329,560	285,624	528,944	461,997

Notes to and Forming part of the Financial Statements

For the year ended June 30, 2018

	Funded		Unfunded		Total	
	2018	2017	2018	2017	2018	2017
----- Rupees in '000 -----						
6.1.6 Movement in the fair value of plan assets						
Balance as at July 1,	133,425	124,711	-	-	133,425	124,711
Interest income	11,391	9,287	-	-	11,391	9,287
Contributions	42,947	31,509	-	-	42,947	31,509
Benefits paid	(25,024)	(41,258)	-	-	(25,024)	(41,258)
Re-measurement	(12,670)	9,176	-	-	(12,670)	9,176
Balance as at June 30,	150,069	133,425	-	-	150,069	133,425
6.1.7 Charge for the year						
Current service cost	10,801	6,916	18,198	14,162	28,999	21,078
Net interest cost	2,089	1,683	21,578	18,400	23,667	20,083
	12,890	8,599	39,776	32,562	52,666	41,161
6.1.8 Re-measurement recognised in other comprehensive income						
Re-measurement on obligation	14,477	33,821	35,956	24,688	50,433	58,509
Re-measurement of fair value of plan assets	12,670	(9,176)	-	-	12,670	(9,176)
	27,147	24,645	35,956	24,688	63,103	49,333
6.1.9 Net recognised liability						
Net liability at beginning of the year	42,948	33,705	285,624	246,481	328,572	280,186
Charge for the year	12,890	8,599	39,776	32,562	52,666	41,161
Benefits paid during the year	-	-	(22,519)	(10,599)	(22,519)	(10,599)
Contributions made during the year	(42,947)	(31,509)	-	-	(42,947)	(31,509)
Transferred to managerial cadre	9,277	7,508	(9,277)	(7,508)	-	-
Re-measurement recognised in other comprehensive income	27,147	24,645	35,956	24,688	63,103	49,333
Net liability as at June 30,	49,315	42,948	329,560	285,624	378,875	328,572
Payable within next twelve months	(13,351)	(23,491)	(38,578)	(36,150)	(51,929)	(59,641)
	35,964	19,457	290,982	249,474	326,946	268,931

Notes to and Forming part of the Financial Statements

For the year ended June 30, 2018

	Funded		Unfunded		Total	
	2018	2017	2018	2017	2018	2017
----- Rupees in '000 -----						
6.1.10 Plant assets comprise of:						
Debt instruments - Unquoted	108,938	52,578	-	-	108,938	52,578
Equity instruments - Quoted	36,782	37,897	-	-	36,782	37,897
Cash at bank	4,349	42,950	-	-	4,349	42,950
	150,069	133,425	-	-	150,069	133,425

	Funded		Unfunded	
	2018	2017	2018	2017
----- % per annum -----				
6.1.11 Actuarial assumptions used				
Discount rate	8.75	8.00	8.75	8.00
Expected rate of increase in future salaries	8.75	8.00	8.75	8.00
Demographic assumptions				
- Mortality rates (for death in service)	SLIC (2001-05)	SLIC (2001-05)	SLIC (2001-05)	SLIC (2001-05)
- Rates of employee turnover	Moderate	Moderate	Moderate	Moderate

6.1.12 Sensitivity analysis for actuarial assumptions

The sensitivity of the defined benefit obligation to changes in principal assumptions is as follows:

	Impact on define benefit obligation		
	Change in assumptions	Increase in assumptions	Decrease in assumptions
--- Rupees in '000 ---			
Discount rate	1.00%	120,287	183,650
Increase in future salaries	1.00%	185,576	118,057
Withdrawal rates	10.00%	149,716	150,430

Notes to and Forming part of the Financial Statements

For the year ended June 30, 2018

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and change in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of defined benefit obligation calculated with the project unit credit method at the end of reporting period) has been applied as when calculating the gratuity liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

6.1.13 Based on actuary's advice, the expected charge for the year ending June 30, 2019 amounts to Rs 13.758 million and Rs 46.097 million for funded and unfunded gratuity schemes respectively.

6.1.14 The weighted average duration of funded gratuity and un-funded gratuity is 4.34 years and 6.99 years respectively.

6.1.15 Description of the risks to the Company:

The defined benefit schemes exposes the Company to the following risks:

Mortality risks - The risk that the actual mortality experience is different. The effect depends on the beneficiaries' service/age distribution and the benefit.

Final salary risks - The risk that the final salary at the time of cessation of service is different than what was assumed. Since the benefit is calculated on the final salary, the benefit amount changes similarly.

Withdrawal risks - The risk of higher or lower withdrawal experience than assumed. The final effect could go way depending on the beneficiaries service/age distribution and the benefit.

6.1.16 Expected maturity analysis of undiscounted retirement benefit plans:

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
At June 30, 2018	----- Rupees in '000 -----				
Funded	60,496	15,729	58,308	182,979	317,512
Unfunded	37,554	34,638	83,824	577,803	733,819

Notes to and Forming part of the Financial Statements

For the year ended June 30, 2018

			2018	2017
			----- Rupees in '000 -----	
6.2	Employees compensated absences	Note		
	Balance as at June 30,	6.2.1	56,806	49,206
	Payable within next twelve months		(10,531)	(9,720)
			46,275	39,486
6.2.1	Movement in the account during the year is as follows:			
	Balance as at July 1,		49,206	44,674
	Provision for the year		10,591	9,121
			59,797	53,795
	Encashed during the year		(2,991)	(4,589)
	Balance as at June 30,		56,806	49,206
7.	DEFERRED TAXATION - Net			
	Credit / (debit) balances arising in respect of temporary differences relating to:			
	Taxable temporary difference			
	Accelerated tax depreciation		457,330	511,057
	Deductible temporary difference			
	Provision for doubtful debts		(8,721)	(8,113)
	Provision for doubtful custom duty rebates recoverable		(26,205)	(26,912)
	Provision for staff benefits		(101,918)	(98,571)
	Interest payable on custom duties		(8,681)	(8,980)
	Provisions for tyre replacement allowance, commission and allowances		(39,869)	(36,159)
	Others		(1,616)	(1,340)
			(187,010)	(180,075)
			270,320	330,982

8. LONG TERM DEPOSITS FROM DEALERS

These deposits are interest free and are not refundable during the subsistence of dealership and are utilised for the purpose of business as per the written agreements.

Notes to and Forming part of the Financial Statements

For the year ended June 30, 2018

9. SHORT TERM FINANCES - Secured

	Note	2018 ----- Rupees in '000 -----	2017
Conventional			
- Term Finance Loans	9.1	946,187	65,020
- FE - 25 Loans	9.2	-	92,716
		<u>946,187</u>	<u>157,736</u>

9.1 Short term finance facilities available from commercial banks aggregate Rs 1,000 million (2017: Rs 1,000 million) and are secured against pari passu charge over fixed assets, stocks and trade debts of the Company. The rates of mark-up of these facilities, during the year, ranged from 6.15% to 7.12% (2017: 6.18% to 7.50%) per annum. These facilities are expiring on various dates upto March 9, 2019.

9.2 FE-25 loan facilities aggregate Rs Nil (2017: Rs 2,270 million ranging from 2.00% to 2.50% per annum), available from various banks as sub-limits of funded and unfunded facilities.

9.3 Following are the changes in short term finances:

	2018 (Rupees in 000)
Opening balance	157,736
Add: Disbursements net of repayments	788,451
Closing balance	<u>946,187</u>

10. RUNNING FINANCES UNDER MARK-UP ARRANGEMENTS - Secured

	2018 ----- Rupees in '000 -----	2017
Conventional	<u>1,742,566</u>	<u>1,082,880</u>

10.1 The Company has arranged running finance facilities from various banks on mark-up basis to the extent of Rs 4,025 million (2017: Rs 4,225 million). The rates of mark-up on these arrangements, during the year, ranged from 6.39% to 7.92% (2017: 6.37% to 8.01%) per annum. These finance facilities are secured against pari passu charge over fixed assets, stocks and trade debts of the Company and are expiring on various dates by December 31, 2018.

The maximum available aggregate limit for utilisation of facilities for short term finances and running finances is Rs 5,025 million (2017: Rs 5,225 million).

10.2 The facilities for opening letters of credit and guarantees as at June 30, 2018 aggregated Rs 3,700 million (2017: Rs 3,500 million) of which the amount remained unutilised at the year-end was Rs 1,824 million (2017: Rs 1,964 million).

10.3 The year end balance includes Rs 59.908 million (2017: Rs 80.355 million) payable to Askari Bank Limited - an associated company.

Notes to and Forming part of the Financial Statements

For the year ended June 30, 2018

11. TRADE AND OTHER PAYABLES

		2018	2017
	Note	----- Rupees in '000 -----	
Trade creditors	11.1	187,693	109,859
Bills payable	11.2	678,359	203,700
Accrued expenses	11.3	672,037	553,102
Royalty technical service fee payable		182,913	42,946
Advances from customers	11.4	54,181	146,066
Staff provident fund payable		4,592	766
Staff retirement gratuity	6.1.4	51,929	59,641
Short term deposits		1,114	968
Workers' profits participation fund	11.5	414	63,599
Workers' welfare fund		18,832	24,168
Payable to Waqf-e-Kuli Khan		17,889	56,196
Retention money		-	550
Interest payable on custom duties	11.6 & 11.7	29,933	29,933
Stamp duty payable		500	22,140
Others	11.8	27,995	34,440
		<u>1,928,381</u>	<u>1,348,074</u>

11.1 Include creditors of Rs Nil (2017: Rs 8.513 million) pertaining to related parties.

11.2 Include bills payable of Rs Nil (2017: Rs 2.235 million) pertaining to related parties.

11.3 Include Rs 183.766 (2017: Rs 128.477 million) and Rs 23.567 million (2017: Rs 22.753 million) pertaining to Gas Infrastructure Development Cess and key management personal respectively.

11.4 These represent advances from customers against sale of tyres and tubes and carry no mark-up. These include following advances from related parties:

	2018	2017
	----- Rupees in '000 -----	
Gandhara Nissan Limited	266	221
Gandhara Industries Limited	-	15
Sui Northern Gas Pipelines Limited	-	336
Gandhara DF (Private) Limited	392	-
	<u>658</u>	<u>572</u>

Notes to and Forming part of the Financial Statements

For the year ended June 30, 2018

11.5	Workers' profits participation fund	Note	2018	2017
			----- Rupees in '000 -----	
	Balance as at July 1,		63,599	80,276
	Interest on funds utilised in the Company's business	33	3,280	60
	Allocation for the year	32	50,414	63,599
			53,694	63,659
	Payments made during the year		(116,879)	(80,336)
	Balance as at June 30,		414	63,599

- 11.6 The Company had deferred the recognition of import levies relating to the plant and machinery imported under a finance lease arrangement with Islamic Development Bank (IDB), Jeddah as these were not payable by the Company until the ownership of the subject plant and machinery was transferred in the Company's name. The Federal Board of Revenue (FBR) had imposed a condition that interest at the prevailing bank rate shall be payable on the import levies deferred till the date such levies are paid.

During the year ended June 30, 2001 the Appraisalment Collectorate, Custom House, Karachi (ACCH) issued a final notice to the Company to deposit all outstanding dues amounting to Rs 208.323 million being interest on custom duties including surcharge and delayed surcharge calculated upto March 31, 2001. In reply the Company had filed an application with the High Court of Sindh to vacate the said charge of interest.

The High Court of Sindh, during year ended June 30, 2005, dismissed the petition filed by the Company. ACCH issued another final notice to the Company to deposit all outstanding dues amounting to Rs 294.907 million being interest on custom duties including surcharge and delayed surcharge calculated upto May 15, 2005. The Company filed an appeal with the Supreme Court of Pakistan against the decision of the High Court of Sindh.

However, during the year ended June 30, 2006, the Company also filed an application for alternate dispute resolution with the Supreme Court of Pakistan.

The Alternate Dispute Resolution Committee (ADRC), during year ended June 30, 2007, recommended that the Company shall be liable to interest on late payment of principal amounting to Rs 111.547 million and surcharge on late payment of principal amounting to Rs 2.983 million, however, the Company shall not be liable to surcharge on late payment of interest. The FBR accepted the recommendations of the ADRC except for the waiver of surcharge on the late payment of interest.

Notes to and Forming part of the Financial Statements

For the year ended June 30, 2018

Further, during the year ended June 30, 2008, the FBR accepted all the recommendations made by the ADRC and instructed the Company to pay Rs 114.530 million on account of interest on custom duties including surcharge thereon. The Company's pending refund claims upto that time amounting to Rs 20.195 million had also been processed and adjusted by the ACCH. During that year, the Company also made a partial payment amounting to Rs 40 million in respect of the FBR's demand based on ADRC recommendations. During the year ended June 30, 2009, the Company made a further partial payment amounting to Rs 20 million in respect of the FBR's demand.

The FBR, during the year ended June 30, 2011, adjusted an amount of Rs 4.402 million against outstanding interest and customs duties which resulted in the reduction of liability towards the FBR from Rs 34.335 million to Rs 29.933 million.

11.7 During the year ended June 30, 2001 an amount of Rs 5 million was paid by the Company under protest on account of interest on import levies. Further, refunds of custom duty rebates amounting to Rs 4.923 million and Rs 4.070 million were adjusted by the customs authorities during the year ended June 30, 2000 and 2001 respectively against their demand of interest on import levies referred to in note 11.6 above. The management is of the view that the above adjustments aggregating Rs 13.993 million will be made against the amount of interest payable on custom duties, as more fully explained in note 11.6 above. However, pending a formal adjustment order, the amount of Rs 13.993 million is shown receivable as 'Current account balances with statutory authorities' (note 24).

11.8 Other liabilities include vehicle deposits under the Company's vehicle policy aggregating Rs 16.044 million (2017: Rs 10.632 million).

12. ACCRUED MARK-UP

	Note	2018 ----- Rupees in '000 -----	2017 ----- Rupees in '000 -----
Mark-up accrued on:			
- long term finances		18,417	43,952
- short term finances		11,892	1,403
- running finances	12.1	28,539	12,105
		<u>58,848</u>	<u>57,460</u>

12.1 Includes mark-up amounting to Rs 12.581 million (2017: Rs 13.295 million) due to Askari Bank Limited - an associated company.

13. PROVISIONS

	Note	2018 ----- Rupees in '000 -----	2017 ----- Rupees in '000 -----
Tyre replacement allowance	13.1	<u>44,700</u>	<u>37,100</u>

Notes to and Forming part of the Financial Statements

For the year ended June 30, 2018

13.1	Provision for tyre replacement allowance	Note	2018	2017
			----- Rupees in '000 -----	
	Balance as at July 1		37,100	30,600
	Charge for the year	13.1.1 & 28.1	62,402	49,356
			99,502	79,956
	Claims paid / adjusted		(54,802)	(42,856)
	Balance as at June 30		44,700	37,100

13.1.1 This represents provision on account of tyre replacement claims expected to be received by the Company in the coming years.

14. CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

14.1.1 The Central Excise and Taxation Department had issued a demand notice for payment of sales tax of Rs 16.775 million. This represents sales tax levied on agricultural tyres supplied to approved assembly plants which were otherwise exempt under SRO.553(I)/94 dated June 9, 1994 as amended vide SRO.555(I)/94 dated June 9, 1994 during the period from July 1994 to September 1995. The Company filed an appeal with the Collector, Central Excise and Land Customs (Appeals) on November 25, 1997 which was rejected. The Company filed an appeal against that order before the Customs, Central Excise and Sales Tax Appellate Tribunal which had stayed the recovery of sales tax from the Company, subject to the condition that the Company furnishes an indemnity bond to the satisfaction of the Collector of Sales Tax. Accordingly, the Company furnished the indemnity bond dated March 18, 1998 of Rs 16.775 million.

The Company also filed an application No. B&CA/2.020/01/97 dated November 25, 1997 with the Collector of Sales Tax (East), Karachi for grant of exemption from sales tax in terms of section 65 of the Sales Tax Act, 1990. However, the FBR on finalisation of the report by the Collector of Sales Tax and Central Excise (East), rejected the Company's application through letter No. C No. 1/52-STT/97 dated July 19, 2000. The Company filed a constitutional petition No.1939/2000 against the decision of the FBR in the High Court of Sindh under article 199 of the Constitution of Pakistan, 1973 which was dismissed.

The Collector of Sales Tax and Central Excise (East), Karachi had adjusted refund claims filed by the Company aggregating Rs 12.823 million against the aforementioned demand notice upto the year ended June 30, 2002. The Company, during the year ended June 30, 2004, deposited the remaining balance of Rs 3.952 million as 'payment under protest'.

Notes to and Forming part of the Financial Statements

For the year ended June 30, 2018

However, during the year ended June 30, 2006, the Customs, Excise and Sales Tax Appellate Tribunal allowed the Company's appeal and set aside the order of the Collector of Customs, Sales Tax and Central Excise (Appeals). The Collector of Customs, Sales Tax and Central Excise (Appeals), during year ended June 30, 2007, filed a request for rectification of error before the Custom, Excise and Sales Tax Appellate Tribunal.

During the year ended June 30, 2016, all verification proceedings were completed; however, Commissioner Inland Revenue rejected the Company's application for refund being time barred as application was filed after one year from the date of Appellate Tribunal Inland Revenue order. The Company has applied to the FBR for condonation of time limit under section 74 and is hopeful that refund of Rs 16.775 million would be realised which is included in sales tax under protest (note 25).

- 14.1.2 Certain claims have been filed against the Company in respect of employees' matters for an aggregate amount which approximate to Rs 6.804 million (2017: Rs 6.180 million). These cases are pending in various labour courts, appellate tribunals and High Court of Sindh. The management is confident that the outcome of these cases will be in the Company's favour.
- 14.1.3 Additional Commissioner Inland Revenue (ACIR) through its order dated June 29, 2013 has made various additions and adjustment to the Company's taxable income for the tax year 2012. These adjustments / additions are (i) restriction of adjustment of minimum tax against normal income Rs 65.130 million; (ii) allocation of worker's profit participation fund between presumptive tax regime and normal tax regime Rs 0.240 million; (iii) expenses added back on account of cash payments Rs 1.087 million; (iv) added back exchange loss on commercial imports and royalty Rs 0.286 million and Rs 3.8 million; and (v) reversal of some portion of royalty payment and bad debts written-off Rs 110.47 million . The Company filed appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] against the abovementioned order. CIR(A) in the order confirmed the above mentioned additions made by ACIR except for reversal of some portion of royalty as mentioned in point (v) above. As a result of aforementioned adjustment / disallowances a demand of Rs 41.468 million has been issued and has been adjusted against the refunds of the Company.

The Company has filed appeal before the Appellate Tribunal Inland Revenue (ATIR) against the order of CIR(A); which is pending for hearing. Provision has not been made in these financial statements against aforementioned demand as the management of the Company, based on the advice of its legal counsel handling the subject cases, is of the opinion that matters shall be decided in the Company's favour.

Notes to and Forming part of the Financial Statements

For the year ended June 30, 2018

14.1.4 ACIR, during the year ended June 30, 2014, passed various orders under section 122(5A) of the Income Tax Ordinance, 2001 for tax years 2008, 2009, 2010 and 2011. The additions have been made to taxable income on account of royalty & technical services and respective federal excise duties on royalty & technical services claimed by the Company amounting to Rs 42.293 million. The Company filed appeals before CIR(A) and these appeals have been decided in favour of the Company. However, the FBR has filed appeals before the ATIR against the above orders of CIR(A); which are pending for hearing. The management of the Company, based on its discussion with tax and legal consultants, is confident that its submissions shall be accepted and no demand will be raised against the Company.

14.1.5 Tax authorities passed orders under sections 161 / 205 of the Income Tax Ordinance, 2001 in respect of monitoring of withholding of taxes for tax years 2010, 2012, 2013 & 2014 and issued demands of Rs 11.889 million, Rs 3.212 million, Rs 16.164 million and Rs 20.060 million respectively on the premise that requisite tax was not withheld by the Company at the time of making payments against various expenses. These demands include Rs 1.551 million, Rs 0.985 million, Rs 5.256 million and Rs 3.401 million default surcharge under section 205 of the Income Tax Ordinance, 2001.

The Company filed appeals with the CIR(A) against the impugned orders. CIR(A) confirmed the orders passed by the tax authority, however, reduced the demand of tax year 2012 by Rs 0.203 million. The Company filed appeals before the ATIR against the orders of CIR(A) which were decided against the Company. The Company is in process of filing references to the High Court against the order of ATIR.

Further, the Company has deposited Rs 59.375 million against abovementioned demands and has recognised this in other receivables (note 25) as 'Income tax paid under protest'. The management expects a favourable outcome of the abovementioned legal proceedings.

14.1.6 Tax authorities passed an order under sections 161 / 205 of the Income Tax Ordinance, 2001 in respect of monitoring of withholding of taxes for the tax year 2015 and issued demand of Rs 29.675 million (including default surcharge and penalty) on the premise that requisite tax was not withheld by the Company at the time of making payments against incentive to dealers and advertising and publicity.

The Company filed appeals before the CIR(A) against the impugned order. Hearing of the appeal has been conducted however decision of appeal is pending. Further, the Company has deposited Rs 20.663 million against abovementioned demand and has recognised this in other receivables (note 25) as 'Income tax paid under protest'. The management expects a favourable outcome of the abovementioned legal proceedings.

Notes to and Forming part of the Financial Statements

For the year ended June 30, 2018

- 14.1.7 Section 5A of the Income Tax Ordinance 2001, imposes a tax @ 10% on reserves of a company that exceeds amount of its share capital in case company derives profit but doesn't distribute cash dividend. The Company has filed suit for declaration and permanent injunction before the High Court of Sindh challenging the vires of the above said section. The High Court of Sindh passed an interim order restraining the defendant from taking any coercive action against the Company. The case is pending adjudication.

Based on legal advisor's opinion, management expects a favourable outcome of the abovementioned case; therefore no provision for tax on undistributed reserves has been made in these financial statements.

- 14.1.8 Deputy Commissioner Inland Revenue (DCIR) through its order dated June 14, 2017 has made various additions and adjustment to the Company's taxable income for the tax year 2016 and issued a demand of Rs 216.732 million. These adjustments / additions are (i) partial disallowance of royalty expense; (ii) disallowance of WWF paid to Sindh Revenue Board under the Sindh WWF Act, 2014; (iii) addition on account of difference in fair market value of certain vehicle disposed off; and (iv) added back certain expenses on account of non deduction of withholding tax. (v) Charged tax at the rate of 10% under section 5A of the Ordinance amounting to Rs. 175.409 million on undistributed reserves.

The Company has filed appeal before the CIR(A) against the abovementioned order which is pending for hearing. Further, the Company has obtained a stay order from High Court of Sindh (note 14.1.7) regarding the imposition of tax on undistributed reserves.

Further, the Company has deposited Rs 41.323 million against abovementioned demand and has recognised this in other receivables as 'Income tax paid under protest'. The management expects a favourable outcome of the abovementioned legal proceedings.

- 14.1.9 The Company in response to the requirements of S.R.O. 655(I)/2007 has paid the special exercise duty amounting to Rs 12.203 million during the period from July 2007 to October 2010 however, the Company had inadvertently failed to adjust this duty against the input tax. The Company has filed various applications to the FBR for adjustment of the abovementioned payment (note 25).

The FBR through its letter C.No. 2(2)ST&FE/Cond/2014 dated December 16, 2015 rejected the applications. The Company has filed an appeal before the High Court of Sindh for condonation of time which is pending for hearing. The management of the Company, based on its discussion with tax and legal consultants, is confident that its submissions shall be accepted and no demand will be raised against the Company.

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- 14.1.10 During the year the Company has filed an appeal before ATIR against order dated June 7, 2017 issued by Commissioner Inland Revenue (Appeals - I) whereby the Company pleaded that the further tax amounting to Rs 156.020 million cannot be levied since the supplies were already subject to extra tax. The Company based on the advise of its legal counsel is anticipating favourable outcome and therefore no provision has been recognised in these financial statements.
- 14.1.11 During the year the Company has received an order from DCIR dated March 7, 2018 whereby DCIR disallowed adjustment of input tax on goods and services amounting to Rs 64.353 million along with default surcharge calculated upon the time of payment and penalty. The Company has paid Rs 17.928 million (sales tax under protest note 25) to obtain stay against the aforementioned demand order. The case has been heard and reserved by the Commissioner Inland Revenue - Appeals. The Company based on the advise of its legal counsel is anticipating favourable outcome and therefore no provision has been recognised in these financial statements.
- 14.1.12 ACIR through its order dated January 15, 2018 has made various additions and adjustment to the Company's taxable income for the tax year 2017. These adjustments / additions are (i) partial disallowance of royalty expense amounting to Rs 105.664 million; (ii) addition of Rs 4.426 million on account of non-deduction of tax u/s 156 from incentives to dealers; (iii) addition of Rs 0.839 million on account of difference in fair market value of certain vehicle disposed off; (iv) addition of Rs 15.235 million on account of payment made in cash above threshold limit; (v) disallowance of expenses claimed under the head compensated absences amounting to Rs 4.532 million; (vi) disallowance of finance cost of Rs 2.442 million on account of interest free loan to employees; and (vii) disallowance of deductible allowance of WWF claimed of Rs 24.012 million having paid to the Sindh Revenue Board. As a result of aforementioned adjustment / disallowances a demand of Rs 53.45 million has been issued and has been adjusted against the refunds of the Company. The Company has filed appeal before the CIR(A) against the abovementioned order, which is pending adjudication. The Company based on the advise of its legal counsel is anticipating favourable outcome and therefore no provision has been recognised in these financial statements.

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For the year ended June 30, 2018

		2018	2017
		----- Rupees in '000 -----	
	Note		
14.1.13 Guarantees issued by commercial banks on behalf of the Company		233,138	343,470
14.1.14 Post dated cheques issued to the Collector of Customs against duty on imported plant & machinery, raw materials and stores & spares		124,773	91,843
14.2 Commitments			
14.2.1 Commitments in respect of:			
- letters of credit for capital expenditure		661,483	312,550
- letters of credit for purchase of raw materials and stores & spares		721,368	880,158
- purchase orders issued to local suppliers for capital expenditure		139,600	141,600
- sales contracts entered into by the Company		2,508	76,043
- tentative schedules for supply of tyres		2,439,188	2,620,164
- indemnity bond	14.1.1	16,775	16,775
14.2.2 The Company has entered into Ijarah arrangements for plant & machinery and vehicles with a commercial bank. Aggregate commitments for these Ijarah arrangements as at June 30, are as follows:			
	Note	2018	2017
		----- Rupees in '000 -----	
Not later than 1 year		11,181	43,401
Over 1 year and no later than 5 years		3,003	15,024
		14,184	58,425
15. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	15.1	3,728,209	3,590,980
Capital work-in-progress	15.7	519,100	78,171
		4,247,309	3,669,151

Notes to and Forming part of the Financial Statements

For the year ended June 30, 2018

15.1 Operating fixed assets

	Leasehold land	Buildings on leasehold land	Electrical installations	Plant and machinery	Boilers and accessories	Laboratory equipment	Moulds	Vehicles	Furniture and fixtures	Factory and office equipment	Computer equipment	Total
Rupees in '000												
At July 1, 2016												
Cost	555	393,655	123,566	3,320,963	201,077	40,591	305,054	150,622	36,246	155,396	31,715	4,759,440
Accumulated depreciation	-	217,707	89,416	1,695,424	51,144	31,717	172,996	72,581	17,435	91,790	26,112	2,466,322
Accumulated impairment	-	-	-	691	-	-	363	-	-	-	-	1,054
Net book value	555	175,948	34,150	1,624,848	149,933	8,874	131,695	78,041	18,811	63,606	5,603	2,292,064
Year ended June 30, 2017												
Additions / Transfers from CWIP	38,897	402,174	48,497	831,576	68,872	55,315	41,645	18,366	5,563	13,740	36,283	1,560,928
Written-off	-	87	-	4,479	2	27	21	-	4,169	2,224	104	11,113
- cost	-	(60)	-	(4,170)	(2)	(27)	(21)	-	(4,132)	(2,223)	(93)	(10,728)
- accumulated depreciation	-	27	-	309	-	-	-	-	37	1	11	385
Disposals	-	-	-	13,311	-	-	5,549	5,261	-	-	65	24,186
- cost	-	-	-	(13,284)	-	-	(180)	(2,612)	-	-	(64)	(16,140)
- accumulated depreciation	-	-	-	27	-	-	5,369	2,649	-	-	1	8,046
Depreciation charge (note 15.4)	-	16,629	7,136	138,708	18,538	1,801	21,817	23,831	2,628	16,006	6,487	253,581
Closing net book value	39,452	561,466	75,511	2,317,380	200,267	62,388	146,154	69,927	21,709	61,339	35,387	3,590,980
At June 30, 2017												
Cost	39,452	795,742	172,063	4,134,749	269,947	95,879	341,129	163,727	37,640	166,912	67,829	6,285,069
Accumulated depreciation	-	234,276	96,552	1,816,678	69,680	33,491	194,612	93,800	15,931	105,573	32,442	2,693,035
Accumulated impairment	-	-	-	691	-	-	363	-	-	-	-	1,054
Net book value	39,452	561,466	75,511	2,317,380	200,267	62,388	146,154	69,927	21,709	61,339	35,387	3,590,980
Year ended June 30, 2018												
Transfers from CWIP	-	33,189	1,499	263,553	38,824	1,030	50,078	53,245	3,148	38,316	2,270	485,152
Disposals	-	500	-	11,013	1,824	-	8,344	12,464	-	1,065	-	35,210
- cost	-	(450)	-	(7,599)	(1,824)	-	(8,344)	(10,846)	-	(1,013)	-	(30,076)
- accumulated depreciation	-	50	-	3,414	-	-	-	1,618	-	52	-	5,134
Depreciation charge (note 15.4)	-	37,532	10,262	178,186	24,221	9,990	24,727	24,772	3,424	18,610	11,065	342,789
Closing net book value	39,452	557,073	66,748	2,399,333	214,870	53,428	171,505	96,782	21,433	80,993	26,592	3,728,209
At June 30, 2018												
Cost	39,452	828,431	173,562	4,387,289	306,947	96,909	382,863	204,508	40,788	204,163	70,099	6,735,011
Accumulated depreciation	-	271,358	106,814	1,987,265	92,077	43,481	210,995	107,726	19,355	123,170	43,507	3,005,748
Accumulated impairment	-	-	-	691	-	-	363	-	-	-	-	1,054
Net book value	39,452	557,073	66,748	2,399,333	214,870	53,428	171,505	96,782	21,433	80,993	26,592	3,728,209
Depreciation rate (% per annum)		5	10	5	10	15	10	20	10	15	25	

Notes to and Forming part of the Financial Statements

For the year ended June 30, 2018

15.2 Cost of items of operating fixed assets that are fully depreciated amounted to Rs 1,162.625 million (2017: Rs 1,012.575 million).

15.3 Particulars of immovable property (i.e. land and building) in the name of the Company are as follows:

Location	Usage of immovable property	Total Area (In Square Meter)	Covered Area (In Square Meter)
a) H - 23/2, Landhi Industrial Trading Estate, Landhi, Karachi	Manufacturing facility	101,000	77,000
b) Plot # B / 30 - B SITE Area Sukkur	Warehouse facility	11,700	6,000

15.4 Depreciation charge has been allocated as follows:

	Note	2018 ----- Rupees in '000 -----	2017
Cost of goods manufactured	28.1	322,494	236,062
Administrative expenses	29	14,023	9,816
Distribution cost	30	6,272	7,703
		<u>342,789</u>	<u>253,581</u>

15.5 Borrowing cost amounting Rs Nil (2017: Rs 22.895 million at the rates ranging from 7.27% to 8.25% per annum) has been capitalised in the cost of plant and machinery.

15.6 The details of operating fixed assets disposed-off during the year having net book value exceeding Rs 500,000 each are as follows:

Particulars of assets	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (Loss)	Mode of disposal	Sold to
----- Rupees in '000 -----							
Vehicles							
Suzuki Cultus	1,204	241	963	953	(10)	Company policy	Mr. Mohammad Akhter
Suzuki Cultus	1,034	379	655	732	77	Company policy	Mr. Moiz Sarwar
	<u>2,238</u>	<u>620</u>	<u>1,618</u>	<u>1,685</u>	<u>67</u>		
Plant and Machinery							
Rotary Tyre Building Drum*	1,368	750	618	6	(612)	Tender	Muhammad Zubair Traders
Air Compressor	2,873	2,006	867	7,739	6,872	Insurance Claim	IGI Insurance Limited
	<u>4,241</u>	<u>2,756</u>	<u>1,485</u>	<u>7,745</u>	<u>6,260</u>		
June 30, 2018	<u>6,479</u>	<u>3,376</u>	<u>3,103</u>	<u>9,430</u>	<u>6,327</u>		
June 30, 2017	<u>11,114</u>	<u>10,729</u>	<u>385</u>	<u>5</u>	<u>(380)</u>		

*The rotary tyre building drum was in obsolete condition

Notes to and Forming part of the Financial Statements

For the year ended June 30, 2018

15.7 Capital work-in-progress

	As at July 1, 2016	Additions	Transfers	As at June 30, 2017
----- Rupees in '000 -----				
Buildings	359,714	56,860	402,174	14,400
Electrical installations	19,818	29,395	48,497	716
Plant and machinery	467,675	403,220	831,576	39,319
Boilers and accessories	-	80,042	68,872	11,170
Laboratory equipment	-	55,315	55,315	-
Moulds	-	52,783	41,645	11,138
Vehicles	6,653	11,713	18,366	-
Furniture and fixtures	-	8,532	5,563	2,969
Factory and office equipment	1,534	12,755	13,740	549
Computer equipment	23,516	12,952	36,283	185
	<u>878,910</u>	<u>723,567</u>	<u>1,522,031</u>	<u>80,446</u>
Provision for a doubtful advance				(2,275)
				<u>78,171</u>

	As at July 1, 2017	Additions	Transfers	As at June 30, 2018
----- Rupees in '000 -----				
Buildings	14,400	92,211	33,189	73,422
Electrical installations	716	1,983	1,499	1,200
Plant and machinery	39,319	621,478	263,553	397,244
Boilers and accessories	11,170	49,887	38,824	22,233
Laboratory equipment	-	1,030	1,030	-
Moulds	11,138	39,109	50,078	169
Vehicles	-	75,667	53,245	22,422
Furniture and fixtures	2,969	4,290	3,148	4,111
Factory and office equipment	549	38,341	38,316	574
Computer equipment	185	2,085	2,270	-
	<u>80,446</u>	<u>926,081</u>	<u>485,152</u>	<u>521,375</u>
Provision for a doubtful advance				(2,275)
				<u>519,100</u>

15.7.1 Capital work in progress includes Rs 111.356 million (2017: Rs 50.760 million) representing advance payments made to suppliers for procurement of operating fixed assets.

Notes to and Forming part of the Financial Statements

For the year ended June 30, 2018

16. INTANGIBLE ASSETS

	2018	2017
	----- Rupees in '000 -----	
Net book value as at June 30,	46,584	62,480

Software licenses & implementation cost

16.1 Reconciliation of carrying amount at beginning and end of the year

Cost

	2018	2017
	----- Rupees in '000 -----	
At July 1	69,285	13,190
Additions during the year	8,464	59,660
Write off	-	(3,565)
At June 30	77,749	69,285
Accumulated amortisation		
At July 1	6,805	7,751
Amortisation charge	24,360	2,619
Write off	-	(3,565)
At June 30	31,165	6,805
Net book value	46,584	62,480
Amortisation rate(% per annum)	33.33	33.33

16.2 Amortisation charge has been allocated as follows:

Cost of goods manufactured	28.1	269	1,098
Administrative expenses	29	24,091	1,081
Distribution cost	30	-	440
		24,360	2,619

17. INVESTMENT IN AN ASSOCIATED COMPANY - Quoted

Ghandhara Industries Limited - Equity accounted investment

Balance at beginning of the year	10,114	6,019
Share of profit	6,760	5,102
Dividend received	(1,511)	(1,007)
Balance at end of the year	15,363	10,114

Notes to and Forming part of the Financial Statements

For the year ended June 30, 2018

- 17.1 Investment in Ghandhara Industries Limited (GIL) represents 100,700 (2017: 100,700) fully paid ordinary shares of Rs 10 each representing 0.473% (2017: 0.473%) of its issued, subscribed and paid-up share capital as at June 30, 2018. GIL was incorporated on February 23, 1963 and its shares are quoted on Pakistan Stock Exchange. The principal activity of GIL is the assembly, progressive manufacturing and sale of Isuzu trucks and buses.
- 17.2 The Company considers GIL as its associate and follows equity accounting as it has significant influence over GIL based on common directorship.
- 17.3 The summary of financial information / reconciliation of GIL as of March 31, 2018 is as follows:

	Un-Audited As at March 31, 2018	Un-Audited As at March 31, 2017
--- Rupees in '000 ---		
Summarised statement of financial position		
Non current assets	2,442,009	2,054,638
Current assets	8,251,850	6,224,700
	10,693,859	8,279,338
Non current liabilities	90,875	128,875
Current liabilities	5,969,984	4,627,242
	6,060,859	4,756,117
Net assets	4,633,000	3,523,221
Reconciliation to carrying amount		
Opening net assets	3,523,221	2,657,524
Net revaluation during the year	-	209,529
Profit for the year	1,430,699	869,566
Other comprehensive loss	(1,354)	(354)
Dividend paid	(319,566)	(213,044)
Closing net assets	4,633,000	3,523,221
Company's share (Percentage)	0.473%	0.473%
Company's share	21,914	16,665
Pre-acquisition profits	(6,551)	(6,551)
Carrying amount of investment	15,363	10,114

Notes to and Forming part of the Financial Statements

For the year ended June 30, 2018

Summarised profit or loss

	Nine months period ended	
	March 31, 2018	March 31, 2017
	--- Rupees in '000 ---	
Revenue	11,565,648	6,235,963
Profit before tax	1,750,083	902,247
Profit after tax	1,262,398	627,713

17.4 The above figures are based on unaudited condensed interim financial information of GIL for the nine months period ended March 31, 2018. The latest financial statements of GIL as at June 30, 2018 are not presently available. Accordingly, results of operations of first three quarters of financial year 2018 and last quarter of financial year 2017 have been considered.

17.5 The market value of investment as at June 30, 2018 was Rs 71.164 million (2017: Rs 65.466 million).

18. LONG TERM LOANS AND ADVANCES

Considered good - secured

Note

Loans and advances due from:

		2018	2017
		----- Rupees in '000 -----	
- executives	18.1 & 18.2	1,841	3,455
- other employees	18.1	10,038	9,208
		11,879	12,663
Less: amounts recoverable within one year and grouped under current assets			
- executives		936	1,801
- other employees		4,247	3,537
	23	5,183	5,338
		6,696	7,325

18.1 These represent interest free loans and advances provided to executives and other employees as per the terms of employment. Loans are provided for purchase of motor vehicles and advances for furnishing of house. Loans are repayable and advances are amortisable over a period of two to five years by way of monthly instalments. These are secured against respective motor vehicles and employees' vested retirement benefits.

18.2 Reconciliation of carrying amount of loans and advances to executives

	2018	2017
	----- Rupees in '000 -----	
Balance as at July 1,	3,455	4,213
Disbursements	1,500	2,240
	4,955	6,453
Repayments	(3,114)	(2,998)
Balance as at June 30,	1,841	3,455

Notes to and Forming part of the Financial Statements

For the year ended June 30, 2018

- 18.3 The maximum aggregate amount outstanding at the end of any month during the year ended June 30, 2018 from executives against loans and advances aggregated Rs 2.038 million (2017: Rs 5.549 million).
- 18.4 Advances to executives include an amount of Rs 0.111 million (2017: Rs 0.278 million) provided to the Chief Executive of the Company as furniture advance in accordance with his terms of employment and in accordance with requirements of Companies Act 2017.
- 18.5 The carrying values of these loans and advances are neither past due nor impaired. The credit quality of these financial assets can be assessed with reference to no default in recent history.
- 18.6 Long term loans have been carried at cost as the effect of carrying these balances at amortised cost would not be material in the overall context of these financial statements.

19. LONG TERM DEPOSITS

	Note	2018	2017
		----- Rupees in '000 -----	
Considered good - unsecured and interest-free			
Security deposits for:			
- utilities		6,687	6,673
- ijarah		11,784	21,665
- others		1,935	511
		20,406	28,849
Provision for doubtful deposit		(436)	-
		19,970	28,849

20. STORES AND SPARES

- in hand		584,402	489,293
- in transit		12,092	-
		596,494	489,293

21. STOCKS

Raw materials			
- in hand		1,929,457	1,492,732
- in transit		473,151	-
	28.3	2,402,608	1,492,732
Work-in-process	28.1	179,905	117,897
Finished goods			
- in hand	21.1	714,448	464,099
- in transit		27,896	-
	28	742,344	464,099
		3,324,857	2,074,728

Notes to and Forming part of the Financial Statements

For the year ended June 30, 2018

21.1 Finished goods include items costing Rs 169.890 million (2017: Rs 34.352 million) which are stated at their net realisable values aggregating Rs 121.607 million (2017: Rs 24.575 million). The aggregate amount charged to profit or loss in respect of stocks written down to their net realisable value is Rs 48.283 million (2017: Rs 9.777 million).

21.2 All operating fixed assets (excluding land and building) and current assets of the Company upto a maximum amount of Rs 10,640 million (2017: Rs 10,640 million) are under hypothecation / pledge charge as security for long term, short term and running finance facilities (notes 5, 9 and 10).

22. TRADE DEBTS - Unsecured

	Note	2018	2017
		----- Rupees in '000 -----	
Consider good			
Associated Companies			
Gandhara Industries Limited		6,920	29,968
Gandhara DF (Private) Limited		-	1,340
Gammon Pakistan Limited		-	52
Others		1,020,107	847,973
Considered doubtful - others		30,071	27,044
		1,057,098	906,377
Provision for doubtful debts	22.1	(30,071)	(27,044)
		1,027,027	879,333
22.1 Provision for doubtful debts			
Balance as at July 1,		27,044	19,716
Provision made during the year	29	11,200	9,073
Amount reversed during the year	31	(8,173)	(1,745)
Balance as at June 30,		30,071	27,044

22.2 The maximum aggregate amount of receivable due from related parties at the end of any month during the year was Rs 103.680 million (2017: Rs 70.918 million).

22.3 As at June 30, 2018, trade receivables of Rs 38.591 million (2017: Rs 44.247 million) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

Notes to and Forming part of the Financial Statements

For the year ended June 30, 2018

	Associated Companies		Others	
	2018	2017	2018	2017
	--- Rupees in '000 ---		--- Rupees in '000 ---	
0 to 30 days	6,920	16,218	980,832	612,840
31 to 180 days	-	15,142	30,849	226,797
181 to 360 days	-	-	16,851	16,671
Over one year	-	-	21,646	18,709
	6,920	31,360	1,050,178	875,017
Provision for doubtful debts	-	-	(30,071)	(27,044)
	6,920	31,360	1,020,107	847,973

23. LOANS AND ADVANCES - Considered good

Secured

Current portion of long term loans and advances

Note

2018 2017
----- Rupees in '000 -----

Unsecured

Loans and advances due from:

- executives
- other employees

23.1

Advances due from:

- executives
- other employees
- suppliers, contractors and others

5,183	5,338
450	3,016
44,482	40,169
44,932	43,185
-	1,044
267	202
204,115	260,478
204,382	261,724
254,497	310,247

23.1 These represent interest free festival loans, general loans, special loans, salary advance and Eid advance provided to executives and other employees in accordance with Company's policy and have maturities upto twelve months.

23.2 The maximum aggregate amount outstanding at the end of any month during the year ended June 30, 2018 from executives against short term loans and advances aggregated Rs 1.316 million (2017: Rs 3.203 million).

Notes to and Forming part of the Financial Statements

For the year ended June 30, 2018

24. DEPOSITS AND PREPAYMENTS

Considered good and unsecured

	Note	2018 ----- Rupees in '000 -----	2017
Trade deposits - interest free		16,609	21,465
Call deposit receipts	24.1	58,458	19,586
Prepayments		13,545	11,273
Current account balances with statutory authorities	11.7	13,993	13,993
		<u>102,605</u>	<u>66,317</u>

- 24.1 These represent interest free call deposit receipts issued from a commercial bank in favour of respective Commandants of various Spares Depots of Pakistan Army against supply of tyres.

25. OTHER RECEIVABLES - Unsecured

	Note	2018 ----- Rupees in '000 -----	2017
Export benefit receivable (duty drawback)		658	658
Provision for doubtful export benefit receivable		(658)	(658)
		-	-
Sales tax under protest	14.1.1	34,703	16,775
Custom duty rebates recoverable		89,705	89,705
Provision for custom duty rebates recoverable		(89,705)	(89,705)
		-	-
Sales tax - net		84,891	134,795
Margin and deposits against bank guarantees		11,114	13,027
Income tax paid under protest (note 14.1.5, 14.1.6 & 14.1.8)		121,361	91,210
Others		29,139	10,127
Provision for doubtful receivables		(1,537)	(1,537)
		27,602	8,590
		<u>279,671</u>	<u>264,397</u>

26. CASH AND BANK BALANCES

With banks in:			
- current accounts	26.1	53,065	41,835
- deposit account	26.2	8,171	5,019
		61,236	46,854
Cash and cheques in-hand		29,884	52,718
		<u>91,120</u>	<u>99,572</u>

- 26.1 Include Rs 0.589 million (2017: Rs 0.779 million) placed with islamic saving account.

Notes to and Forming part of the Financial Statements

For the year ended June 30, 2018

- 26.2 Deposit account is held with Askari Bank Limited - an associated company and it carries mark-up at the rate of 4.50% (2017: 3.75%) per annum.

27. SALES - Net

	Note	2018 ----- Rupees in '000 -----	2017
Own manufactured goods			
Local		13,838,456	11,452,094
Export		32,158	-
Trading goods		268,366	255,241
		14,138,980	11,707,335
Less:			
- sales tax		2,105,300	1,734,247
- discounts		145,874	195,665
- Commission and allowances		102,349	132,056
		2,353,523	2,061,968
		11,785,457	9,645,367

28. COST OF SALES

Opening stock of finished goods		464,099	203,526
Cost of goods manufactured	28.1	9,560,628	7,464,761
Finished goods purchased		234,373	182,999
Royalty technical service fee	28.2	183,023	202,118
		9,978,024	7,849,878
Closing stock of finished goods	21	(742,344)	(464,099)
		9,699,779	7,589,305

Notes to and Forming part of the Financial Statements

For the year ended June 30, 2018

			2018	2017
			----- Rupees in '000 -----	
28.1	Cost of goods manufactured	Note		
	Opening work-in-process		117,897	162,244
	Raw materials consumed	28.3	5,783,099	4,343,879
	Stores and spares consumed		467,907	340,708
	Salaries, wages and benefits	28.4	1,834,398	1,465,051
	Travelling, conveyance and entertainment		8,861	9,197
	Vehicles running expenses		25,714	22,907
	Legal and professional charges		7,947	7,966
	Power and fuel		841,352	714,754
	Rent, rates and taxes		24,251	17,934
	Ijarah rentals		29,043	57,791
	Insurance		20,508	18,658
	Repairs and maintenance		76,520	39,755
	Tyre replacement allowance	13.1	62,402	49,356
	Depreciation	15.4	322,494	236,062
	Amortisation	16.2	269	1,098
	Printing and stationery		2,802	1,853
	Postage and telephone		2,873	2,780
	Transportation		101,491	80,411
	Other manufacturing expenses		10,705	10,254
			9,740,533	7,582,658
	Closing work-in-process	21	(179,905)	(117,897)
			9,560,628	7,464,761

28.2 The royalty technical service fee pertains to royalty paid to Continental Tire The Americas, LLC with registered address 1830 MacMillan Park Drive Fort Mill, South Carolina 29707, United States of America.

			2018	2017
			----- Rupees in '000 -----	
28.3	Raw materials consumed	Note		
	Opening stock		1,492,732	1,204,824
	Purchases during the year		6,692,975	4,631,787
			8,185,707	5,836,611
	Closing stock	21	(2,402,608)	(1,492,732)
			5,783,099	4,343,879

Notes to and Forming part of the Financial Statements

For the year ended June 30, 2018

28.4 Salaries, wages and benefits include Rs 37.681 million (2017: Rs 30.107 million) and Rs 14.222 million (2017: Rs 13.187 million) in respect of staff retirement benefits gratuity and provident fund respectively.

29. ADMINISTRATIVE EXPENSES

	Note	2018 ----- Rupees in '000 -----	2017
Salaries and benefits	29.1	213,930	179,425
Travelling and conveyance		5,076	6,268
Vehicles running expenses		5,518	4,142
Legal and professional charges		7,439	7,898
Auditors' remuneration	29.2	3,050	1,960
Rent, rates and taxes		102	102
Insurance		867	2,689
Repairs and maintenance		831	357
Depreciation	15.4	14,023	9,816
Amortisation	16.2	24,091	1,081
Printing and stationery		957	903
Postage and telephone		862	899
Ijarah rentals		2,940	3,330
Provision for doubtful debts	22.1	11,200	9,073
Computer expenses		12,307	9,321
Directors' fee	29.3	12,800	9,400
Other expenses		6,397	2,871
		<u>322,390</u>	<u>249,535</u>

29.1 Salaries and benefits include Rs 8.073 million (2017: Rs 5.189 million) and Rs 5.456 million (2017: Rs 4.540 million) in respect of staff retirement benefits gratuity and provident fund respectively.

	Note	2018 ----- Rupees in '000 -----	2017
29.2 Auditors' remuneration		A. F. Ferguson & Co.	ShineWing Hameed Chaudhri & Co.
Statutory audit fee		1,500	1,500
Audit of provident fund		-	100
Others	29.2.1	1,300	110
Out-of-pocket expenses		250	250
		<u>1,550</u>	<u>460</u>
		<u>3,050</u>	<u>1,960</u>

Notes to and Forming part of the Financial Statements

For the year ended June 30, 2018

29.2.1 The amount for the year ended June 30, 2018 represented fee for engagement performed in connection with stock count exercise for certain months.

29.3 Directors' fee

Aggregate amount charged in these financial statements amounting to Rs 11.3 million (2017: Rs 8.2 million) for meeting fee is to eleven (2017: eleven) non executive directors.

30. DISTRIBUTION COST	Note	2018	2017
		----- Rupees in '000 -----	
Salaries and benefits	30.1	170,718	147,675
Travelling, conveyance and entertainment		27,570	22,754
Vehicle running expenses		6,014	5,362
Legal and professional charges		161	35
Advertisement and sales promotion		96,829	95,988
Rent, rates and taxes		22,122	21,055
Ijarah rentals		5,279	5,992
Insurance		955	786
Repairs and maintenance		1,121	3,631
Depreciation	15.4	6,272	7,703
Amortisation	16.2	-	440
Printing and stationery		669	690
Postage and telephone		2,432	2,919
Freight and insurance		151,868	119,652
Gas and electricity		1,923	1,675
Others		3,918	15,659
		<u>497,851</u>	<u>452,016</u>

30.1 Salaries and benefits include Rs 6.912 million (2017: Rs 5.864 million) and Rs 2.804 million (2017: Rs 2.574 million) in respect of staff retirement benefits gratuity and provident fund respectively.

31. OTHER INCOME

Income from financial assets

Profit on bank deposits - conventional bank

Income from other than financial assets

Sale of scrap net of sales tax

Gain on sale of operating fixed assets

Reversal of provision for doubtful debts

Others

Note	2018	2017
	----- Rupees in '000 -----	
	274	4,410
	53,859	47,767
	10,966	7,774
22.1	8,173	1,745
31.1	869	1,979
	<u>74,141</u>	<u>63,675</u>

31.1 These represent interest free income from various sources.

Notes to and Forming part of the Financial Statements

For the year ended June 30, 2018

32. OTHER EXPENSES	Note	2018	2017
		----- Rupees in '000 -----	
Workers' profit participation fund	11.5	50,414	63,599
Workers' welfare fund			
- current year		18,832	24,168
- prior year		(219)	(219)
		18,613	23,949
Exchange loss - net		61,363	4,224
Donations	32.1	19,121	23,230
		149,511	115,002

32.1 Donations exceeding Rs 500,000 made to a single party during the year are as follows:

Donee	Address	2018	2017
----- Rupees in '000 -----			
Waqf-e-Kuli Khan (note 32.1.1)	2nd Floor, Gammon House, 400-2, Chour Chowk, Peshawar Road, Rawalpindi.	17,889	22,071
The Citizens Foundation	Plot No. 20, Sector 14, Near Brookes Chowrangi, Korangi Industrial Area, Karachi.	1,000	-
		18,889	22,071

32.1.1 Lt. Gen. (Retd.) Ali Kuli Khan Khattak, Chairman of the Company and Mr. Raza Kuli Khan Khattak, Director of the Company are trustees of Waqf-e-Kuli Khan.

33. FINANCE COST	Note	2018	2017
		----- Rupees in '000 -----	
Mark-up on:			
- long term finances		123,533	73,427
- short term finances		20,735	4,504
- running finances		103,762	40,040
Interest on workers' profit participation fund	11.5	3,280	60
Bank charges and guarantee commission		5,472	6,033
		256,782	124,064

Notes to and Forming part of the Financial Statements

For the year ended June 30, 2018

34. TAXATION

Current

- for the year
- for prior years

Deferred tax

2018	2017
----- Rupees in '000 -----	
258,438	179,738
7,787	9,586
266,225	189,324
(41,731)	113,501
224,494	302,825

- 34.1 The tax on the Company's profit before tax differs from the theoretical amount that would arise using the Company's applicable tax rate as follows:

	2018	2017
	----- Rupees in '000 -----	
Profit before taxation	940,045	1,184,222
Tax at the applicable rate of 30% (2017: 31%)	282,014	367,109
Tax effect of:		
- impact of tax credits	(45,793)	(73,704)
- impact of change in tax rate	(24,466)	(1,286)
- income chargeable at lower rate / exempt income	2,337	1,456
- income assessed under Final Tax Regime	(9,072)	(6,823)
- expenses that are not allowed in determining taxable income	(16,043)	(19,709)
	(93,037)	(100,066)
Super tax	27,730	26,196
	(65,307)	(73,870)
Effect of prior years' tax	7,787	9,586
	224,494	302,825

- 34.2 Section 5A of the Income Tax Ordinance, 2001 imposes tax at the rate of 7.5% on every public company other than a scheduled bank or modaraba, that derives profits for tax year but does not distribute 40% of accounting profit either through cash dividend or issuance of bonus shares within six months of the end of said tax year.

The Board of Directors in its meeting held on August 17, 2018 has distributed sufficient cash dividend for the year ended June 30, 2018 (refer note 46) which complies with the above stated requirement. Accordingly, no provision for tax on undistributed profits has been recognised in these financial statements for the year ended June 30, 2018.

- 34.3 In the management's opinion, sufficient tax provision has been made in the Company's financial statements. Comparison of tax provision as per the financial statements viz-a-viz tax assessment for last three years is as follows:

Notes to and Forming part of the Financial Statements

For the year ended June 30, 2018

	2017	2016	2015
	----- Rupees in '000-----		
Tax assessed as per most recent tax assessment	240,975	661,282	381,372
Provision in accounts for income tax	187,525	444,550	381,372
The difference between tax assessed and tax provision are explained in note 14.1.7, 14.1.8 and 14.1.12.			
35. EARNINGS PER SHARE			
	2018	2017	
	----- Rupees in '000 -----		
35.1 Basic earnings per share			
Profit after taxation	715,551	881,397	
	-- Number of shares --		
Weighted average number of ordinary shares	59,771,250	59,771,250	
	----- Rupees -----		
Earnings per share	11.97	14.75	
35.2 Diluted earnings per share			
There are no dilutive potential ordinary shares outstanding as at June 30, 2018 and 2017.			
36. CASH GENERATED FROM OPERATIONS			
	Note	2018	2017
		----- Rupees in '000 -----	
Profit before taxation		940,045	1,184,222
Adjustments for non-cash charges and other items			
Depreciation		342,789	253,581
Amortisation		24,360	2,619
Provision for staff retirement gratuity		52,666	41,161
Charge of employees compensated absences		10,591	9,121
Provision for doubtful debts charge - net		3,027	7,328
Profit on bank deposits		(274)	(4,410)
Gain on sale of operating fixed assets		(10,966)	(7,774)
Provision for doubtful deposit		436	-
Finance cost		256,782	124,064
Share of profit of an associated company		(6,760)	(5,102)
Working capital changes	36.1	(878,904)	(693,679)
		733,792	911,131

Notes to and Forming part of the Financial Statements

For the year ended June 30, 2018

36.1 Working capital changes

(increase) / decrease in current assets:

	2018	2017
	----- Rupees in '000 -----	
- Stores and spares	(107,201)	7,259
- Stocks	(1,250,129)	(504,134)
- Trade debts	(150,721)	138,009
- Loans and advances	55,750	(208,773)
- Deposits and prepayments	(36,288)	(187)
- Other receivables	14,877	(104,286)
	(1,473,712)	(672,112)

Increase / (decrease) in current liabilities:

- Trade and other payables	587,208	(28,067)
- Provisions	7,600	6,500
	594,808	(21,567)
	(878,904)	(693,679)

37. CASH AND CASH EQUIVALENTS

For the purpose of statement of cash flows, cash and cash equivalents comprise of following:

	Note	2018	2017
		----- Rupees in '000 -----	
Running finances under mark-up arrangements	10	(1,742,566)	(1,082,880)
Cash and bank balances	26	91,120	99,572
		(1,651,446)	(983,308)

38. REMUNERATION OF THE CHIEF EXECUTIVE AND EXECUTIVES

The aggregate amount charged in these financial statements for the year for remuneration, including certain benefits to the Chief Executive and other executives of the Company is as follows:

Notes to and Forming part of the Financial Statements

For the year ended June 30, 2018

	Chief Executive		Executives	
	2018	2017	2018	2017*
	----- Rupees in '000 -----			
Managerial remuneration and allowances	38,462	32,420	143,867	119,811
Meeting fee	1,500	1,200	-	-
Bonus	10,006	9,492	34,697	24,649
Company's contribution to provident fund and gratuity scheme	4,346	3,503	13,072	8,651
Medical	300	259	13,889	9,574
Leave passage	3,335	-	4,918	5,131
Others	1,334	1,271	16,678	14,540
	<u>59,283</u>	<u>48,145</u>	<u>227,121</u>	<u>182,356</u>
Number of persons	<u>1</u>	<u>1</u>	<u>29</u>	<u>25</u>

* Comparatives have been amended to reflect changes in the definition of executive as per the Companies Act, 2017.

- 38.1 The Chief Executive and some of the executives are provided with free use of Company maintained cars.

39. PLANT CAPACITY AND ACTUAL PRODUCTION		2018	2017
	Note	--- Number of units ---	
Capacity: Tyre sets		<u>3,558,862</u>	<u>3,407,100</u>
Production: Tyre sets	39.1	<u>2,632,877</u>	<u>2,307,124</u>

- 39.1 Actual production was sufficient to meet the demand.

40. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties comprise of associated companies, directors of the Company, companies in which directors are interested, staff retirement benefit funds, key management personnel and close members of the families of the directors and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties are shown under long term finances (note 5), staff benefits (note 6), running finances under mark-up arrangements (note 10), trade and other payables (note 11), accrued mark-up (note 12), investment in an associated company (note 17), long term loans and advances (note 18.4), trade debts (note 22), loans and advances (note 23), deposits and prepayments (note 24) and cash and bank balances (note 26).

Notes to and Forming part of the Financial Statements

For the year ended June 30, 2018

Significant transactions with related parties are as follows:

Name	Nature of relationship	Basis of relationship	Aggregate % of shareholding in the Company	Nature of transactions	2018	2017
					--- Rupees in '000 ---	
Ghandhara Industries Limited	Associated company	Common director	N/A	Sales	334,240	273,090
				Services rendered	32	450
				Truck purchased	1,975	-
				Dividend received	1,511	1,007
Ghandhara Nissan Limited	Associated company	Common director	N/A	Sales	92	44,115
Ghandhara DF (Private) Limited	Associated company	Common director	N/A	Sales	32,434	13,420
Bibojee Services (Private) Limited	Associated company	Common director	27.79	Dividend paid	249,131	-
				Rent	1,602	1,296
Sui Northern Gas Pipelines Limited	Associated company	Common director	N/A	Sales	11,894	41,032
Gammon Pakistan Limited	Associated company	Common director	N/A	Sales	-	52
				Construction services obtained	-	30,262
				Insurance premium	-	872
Pak Kuwait Takaful Company Limited	Associated company	Common director	N/A			
Wackenhut Pakistan (Private) Limited	Associated company	Common director	N/A	Service charges	496	2,929
Askari Bank Limited	Associated company	Common director	N/A	Mark-up on long term and running finances	50,004	44,112
				Profit earned	274	249
Pakistan Kuwait Investment Company (Private) Limited	Associated company	Common director	30.00	Dividend paid	268,969	-

Notes to and Forming part of the Financial Statements

For the year ended June 30, 2018

Name	Nature of relationship	Basis of relationship	Aggregate % of shareholding in the Company	Nature of transactions	2018	2017
--- Rupees in '000 ---						
Janana De Malucho Textile Mills Limited	Associated company	Common director	N/A	Re-imbursment of expenses	-	90
Siemens Pakistan Engineering Company Limited	Associated company	Common director	N/A	Advance for supply of computers and related equipment	-	1,881
				Software licenses purchased	23,392	17,803
				Services rendered	-	6,564
				Purchase of stores and spares	4,041	24,909
Waqf-e-Kuli Khan	Associated undertaking	Common director	N/A	Donation	17,889	22,071
Key management personnel	Key management personnel	Employees		Sale of fixed assets	-	1,000
				Disbursement / repayment of long term loan	Refer note 18	
Key management personnel	Key management personnel	Director	N/A	Dividend paid	11,022	-
Staff provident fund	Employees fund	Employee benefit scheme	N/A	Contributions made	22,482	20,301
Staff gratuity schemes	Employees fund	Employee benefit scheme	N/A		Refer note 6.1	

41. PROVIDENT FUND RELATED DISCLOSURES

41.1 The following information is based on un-audited financial statements of the Fund for the year ended June 30, 2018:

	2018 Un-Audited	2017 Audited
--- Rupees in '000 ---		
Size of the Fund - Total Assets	427,051	444,909
Cost of investments made	418,527	432,127
Percentage of investments made	98.00%	97.13%
Fair value of investments	408,989	422,483

Notes to and Forming part of the Financial Statements

For the year ended June 30, 2018

41.2 Break-up of the investments is as follows:

	2018	2017	2018	2017
	----- Percentage -----		--- Rupees in '000 ---	
Special accounts in scheduled banks	69.08	24.97	282,507	105,484
Debt securities	-	8.01	-	33,841
Government securities	4.42	24.36	18,080	102,931
Listed securities	26.50	30.45	108,402	128,650
Mutual funds - units	-	12.21	-	51,577

41.3 The investments out of the provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

42. FINANCIAL INSTRUMENTS

42.1 Financial risk factors

The Company has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk (including foreign exchange risk, interest rate risk and price risk).

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies. The Company's overall risk management program focuses on providing maximum return to shareholders.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risk and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

(a) Credit risk

Credit risk represents the risk of accounting loss being caused if counterparty fails to perform as contracted or discharge an obligation. Credit risk mainly arises from loans & advances, deposits, trade debts, other receivables and balances with banks. Out of the total financial assets aggregating Rs 1,308.711 million (2017: Rs 1,126.270 million) as detailed in note 42.3 below, those that are subject to credit risk aggregate to Rs 1,307.176 million (2017: Rs 1,125.350 million).

Notes to and Forming part of the Financial Statements

For the year ended June 30, 2018

The maximum exposure to credit risk at the end of the reporting period is as follows:

	2018	2017
	----- Rupees in '000 -----	
Long term loans and advances	6,696	7,325
Long term deposits	19,970	28,849
Trade debts	1,027,027	879,333
Loans and advances	50,115	48,523
Deposits	75,067	41,051
Other receivables	38,716	21,617
Bank balances	89,585	98,652
	<u>1,307,176</u>	<u>1,125,350</u>

Financial assets credit risk primarily exists in cash and cash equivalents and credit exposure to Original Equipment Manufacturers, Replacement Market Dealers and Government Institutions, including outstanding receivables and committed transactions. The Company does not have significant exposure to any individual counterparty. To reduce exposure to credit risk with respect to trade debts the Company has developed a formal approval process whereby credit limits are applied to its customers. The management also continuously monitors the credit exposure towards the customers and makes provision against those balances considered doubtful of recovery. To mitigate the risk, the Company has a system of assigning credit limits to its customers based on an evaluation of customers profile and payment history. Outstanding customer receivables are regularly monitored. Where considered necessary, advance payments are obtained from certain parties.

The maximum exposure to credit risk for trade debts by type of counter party as at reporting date is as follows:

	2018	2017
	----- Rupees in '000 -----	
Original equipment manufacturers	384,474	580,478
Government institutions	21,794	22,345
Replacement market	650,830	303,554
	<u>1,057,098</u>	<u>906,377</u>
Provision for doubtful debts	(30,071)	(27,044)
	<u>1,027,027</u>	<u>879,333</u>

All the trade debts at the reporting date represent domestic parties.

Notes to and Forming part of the Financial Statements

For the year ended June 30, 2018

The Company monitors the credit quality of its bank balances with reference to historical performance of such assets and available external credit ratings. The bank balances aggregating Rs 61.236 million placed with banks have a short term credit rating of at least A1+. Accordingly, management does not expect any counter party to fail in meeting their obligation.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows:

	Carrying amount	Contractual cash flows	Maturity upto one year	Maturity between one and two years	Maturity above three years
----- Rupees in '000 -----					
June 30, 2018					
Long term finances	1,718,583	1,960,249	585,492	1,086,059	288,698
Long term deposits from dealers	9,351	9,351	-	-	9,351
Short term finances	946,187	958,079	958,079	-	-
Running finances	1,742,566	1,742,566	1,742,566	-	-
Trade and other payables	1,928,381	1,928,381	1,928,381	-	-
Unclaimed dividend	14,034	14,034	14,034	-	-
Unpaid dividend	8,708	8,708	8,708	-	-
Accrued mark-up	58,848	58,848	58,848	-	-
	<u>6,426,658</u>	<u>6,680,216</u>	<u>5,296,108</u>	<u>1,086,059</u>	<u>298,049</u>

Notes to and Forming part of the Financial Statements

For the year ended June 30, 2018

	Carrying amount	Contractual cash flows	Maturity upto one year	Maturity between one and two years	Maturity above three years
	----- Rupees in '000 -----				
June 30, 2017					
Long term finances	1,457,300	1,639,814	525,969	495,980	617,865
Long term deposits from dealers	9,471	9,471	-	-	9,471
Short term finances	157,736	159,245	159,245	-	-
Running finances	1,082,880	1,082,880	1,082,880	-	-
Trade and other payables	1,348,074	1,348,074	1,348,074	-	-
Unclaimed dividend	8,147	8,147	8,147	-	-
Unpaid dividend	8,933	8,933	8,933	-	-
Accrued mark-up	57,460	57,460	57,460	-	-
	<u>4,130,001</u>	<u>4,314,024</u>	<u>3,190,708</u>	<u>495,980</u>	<u>627,336</u>

The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up rates effective as at June 30, 2018.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign exchange risk

Foreign exchange risk represents the risk that the fair values or future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates.

The Company is exposed to foreign exchange risk on import of raw materials, plant and machinery, stores and spares and export of goods denominated in U.S. Dollar and Euro. The Company's exposure to foreign exchange risk at the reporting date is as follows:

Notes to and Forming part of the Financial Statements

For the year ended June 30, 2018

	June 30, 2018			June 30, 2017		
	Rupees	U.S.\$	Euro	Rupees	U.S.\$	Euro
	----- in '000 -----			----- in '000 -----		
Trade and other payables	678,359	5,494	73	203,700	1,920	17

The following significant exchange rates have been applied:

	Reporting date rate	
	2018	2017
U.S. Dollar to Rupee	121.60	105.00
Euro to Rupee	141.57	120.10

At June 30, 2018, if Rupee had strengthened / weakened by 10% against U.S. Dollar and Euro with all other variables held constant, profit before taxation for the year would have been higher / lower by the amount shown below mainly as a result of foreign exchange gain / loss on translation of denominated financial currency balances.

Effect on profit before taxation for the year:

	2018	2017
	----- Rupees in '000 -----	
U.S. Dollar to Rupee	66,807	20,160
Euro to Rupee	1,033	204
	<u>67,840</u>	<u>20,364</u>

(d) Interest rate risk

Interest rate risk represents the risk that the fair values or future cash flows of financial instruments will fluctuate because of change in market interest rates.

Majority of the interest rate risk of the Company arises from short & long term borrowings from banks and mark-up bearing deposits held with a bank. Borrowings at variable interest rates expose the Company to cash flow interest rate risk and deposits with banks at fixed interest rates give rise to fair value interest rate risk. At June 30, 2018, the interest rate profile of the Company's significant financial instruments is as follows:

	2018	2017
	----- Rupees in '000 -----	
Fixed rate instruments		
Financial assets	<u>8,171</u>	<u>5,019</u>
Variable rate instruments		
Financial liabilities	<u>4,407,336</u>	<u>2,697,916</u>

Notes to and Forming part of the Financial Statements

For the year ended June 30, 2018

At June 30, 2018, if the interest rate on the Company's borrowings had been higher / lower by 100 basis point with all other variables held constant, profit before tax for the year would have been lower / higher by Rs 44.073 million (2017: Rs 26.979 million) mainly as a result of higher / lower interest expense.

Price risk

Price risk represents the risk that the fair values or future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from foreign exchange risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors effecting all similar financial instruments traded in the market. The Company is not exposed to other price risk as it does not hold any price sensitive instruments.

42.2 Fair value measurement of financial instruments

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. Underlying the definition of fair value is the presumption that the Company is going concern and there is no intention or requirement to curtail materially the scale of its operation or to undertake a transaction on adverse terms.

The estimated fair value of all financial assets and liabilities is considered not significantly different from book values as the items are either short - term in nature or periodically re-priced.

International Financial Reporting Standard 13, 'Financial Instruments : Disclosure' 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 (that is, as prices) or indirectly (that is, derived from prices) [Level 2].
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) [Level 3].

Currently there are no financial assets or financial liabilities which are measured at their fair value in the statement of financial position.

Notes to and Forming part of the Financial Statements

For the year ended June 30, 2018

42.3 Financial instruments by category

Financial assets as per the statement of financial position

Loans and receivables

Long term loans and advances

Long term deposits

Trade debts

Loans and advances

Deposits

Other receivables

Cash and bank balances

2018	2017
----- Rupees in '000 -----	

6,696	7,325
19,970	28,849
1,027,027	879,333
50,115	48,523
75,067	41,051
38,716	21,617
91,120	99,572
1,308,711	1,126,270

Financial liabilities as per the statement of financial position

Financial liabilities at amortised cost

Long term finances

Long term deposits from dealers

Short term finances

Running finances under mark-up arrangements

Trade and other payables

Unclaimed dividend

Unpaid dividend

Accrued mark-up

1,718,583	1,457,300
9,351	9,471
946,187	157,736
1,742,566	1,082,880
1,792,908	1,108,479
14,034	8,147
8,708	8,933
58,848	57,460
6,291,185	3,890,406

43. CAPITAL RISK MANAGEMENT

The Company's prime objective when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders, 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 and / or issue new shares.

There was no change to the Company's approach to capital management during the year and the Company is not subject to externally imposed capital requirements except for the maintenance of debt to equity ratio under the financing agreements.

Notes to and Forming part of the Financial Statements

For the year ended June 30, 2018

44. ENTITY- WIDE INFORMATION

These financial statements have been prepared on the basis of single reportable segment.

44.1 Information about products and customers

The Company markets and sells tyre and tubes for automobiles and motorcycles. The principal classes of customers of the Company's product are Original Equipment Manufacturers, Replacement Market, Government Institutions and Exports. These principal classes of customers accounted for the following percentages of sales:

	2018 %	2017 %
Original equipment manufacturers	62.19	64.65
Replacement market	35.12	31.80
Government institutions	2.47	3.55
Exports	0.22	-
	<u>100.00</u>	<u>100.00</u>

44.2 Information about geographical areas

All non-current assets of the Company as at June 30, 2018 are located in Pakistan.

44.3 Information about major customers

Sales to four original equipment manufacturers aggregating Rs 4,598.881 million (2017: Rs 4,650.488 million) account for 39.02% (2017: 48.21%) of net sales.

45. NUMBER OF EMPLOYEES

The total and average number of employees during the year and as at June 30, 2018 and 2017 respectively are as follows:

	2018 No of employees	2017 No of employees
Average number of factory employees during the year	981	933
Average number of other employees during the year	161	152
Number of factory employees as at June 30	985	968
Number of other employees as at June 30	158	159

Notes to and Forming part of the Financial Statements

For the year ended June 30, 2018

46. NON-ADJUSTING EVENT AFTER YEAR END DATE

The Board of Directors of the Company in its meeting held on August 17, 2018 has proposed final cash and bonus dividend of Rs 6 and Rs 7 per share, amounting to Rs 358.628 and Rs 418.399 million respectively for the year ended June 30, 2018. The dividend is subject to the approval of members at the annual general meeting. The effect of such dividend shall be accounted for in the financial statements for the year ending June 30, 2019.

47. GENERAL

- 47.1 These financial statements were authorised for issue on August 17, 2018 by the Board of Directors of the Company.
- 47.2 Figures have been rounded off to the nearest thousand of rupees, unless otherwise stated.
- 47.3 Corresponding figures have been reclassified wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of comparison in accordance with the accounting and reporting standards as applicable in Pakistan.



Siraj A. Lawai
Chief Financial Officer



Hussain Kuli Khan
Chief Executive



Adnan Ahmed
Director

Pattern of Shareholding

As at June 30, 2018

# of Shareholders	Shareholding Slab		Total Shares Held
821	1	to 100	37,290
904	101	to 500	282,954
446	501	to 1000	391,380
746	1001	to 5000	1,742,090
162	5001	to 10000	1,237,563
57	10001	to 15000	722,177
36	15001	to 20000	652,009
15	20001	to 25000	357,212
24	25001	to 30000	668,699
7	30001	to 35000	230,448
13	35001	to 40000	492,894
5	40001	to 45000	211,862
5	45001	to 50000	245,425
1	50001	to 55000	51,000
1	55001	to 60000	60,000
3	60001	to 65000	188,800
2	65001	to 70000	133,010
2	70001	to 75000	141,600
1	75001	to 80000	80,000
3	80001	to 85000	248,861
1	85001	to 90000	89,500
1	90001	to 95000	93,300
2	95001	to 100000	192,000
1	105001	to 110000	109,600
3	115001	to 120000	354,496
2	120001	to 125000	246,442
2	125001	to 130000	256,100
1	135001	to 140000	135,600
2	145001	to 150000	298,764
2	150001	to 155000	303,700
1	165001	to 170000	169,300
1	170001	to 175000	172,200
2	195001	to 200000	399,100
1	205001	to 210000	207,500
1	220001	to 225000	222,400
2	230001	to 235000	461,482
1	235001	to 240000	238,493
2	240001	to 245000	481,518
1	340001	to 345000	344,301
2	360001	to 365000	727,800
1	500001	to 505000	500,800
1	740001	to 745000	743,000
1	820001	to 825000	822,500
1	935001	to 940000	936,100
1	965001	to 970000	965,900
1	1250001	to 1255000	1,252,600
1	2205001	to 2210000	2,206,600
1	2855001	to 2860000	2,856,676
1	3470001	to 3475000	3,474,800
1	14400001	to 14405000	14,402,112
1	17930001	to 17935000	17,931,292
3,296			59,771,250

Categories of Shareholders

As at June 30, 2018

Categories of Shareholders	Shareholders	Shares Held	Percentage
DIRECTORS AND THEIR SPOUSE(S) AND MINOR CHILDREN			
LT. GEN (R) ALI KULI KHAN KHATTAK	1	238,493	0.40
MR. RAZA KULI KHAN KHATTAK	1	240,418	0.40
MR. AHMAD KULI KHAN KHATAK	1	14,900	0.02
MR. AHMAD KULI KHAN KHATTAK	1	121,442	0.20
DR. SHAHEEN KULI KHAN KHATTAK	1	119,248	0.20
MR. MANSUR KHAN	1	50	0.00
MR. ATIF ANWAR	1	50	0.00
MR. HUSSAIN KULI KHAN	1	100	0.00
ASSOCIATED COMPANIES, UNDERTAKINGS AND RELATED PARTIES			
BIBOJEE SERVICES (PVT) LIMITED	2	16,608,712	27.79
PAKISTAN KUWAIT INVESTMENT CO. (PVT) LTD.	1	17,931,292	30.00
EXECUTIVES	-	-	-
PUBLIC SECTOR COMPANIES AND CORPORATIONS	4	416,126	0.70
BANKS, DEVELOPMENT FINANCE INSTITUTIONS, NON-BANKING FINANCE COMPANIES, INSURANCE COMPANIES, TAKAFUL, MODARABAS AND PENSION FUNDS	20	5,591,651	9.36
MUTUAL FUNDS			
CDC - TRUSTEE DAWOOD ISLAMIC FUND	1	10,000	0.02
CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND	1	150,200	0.25
CDC - TRUSTEE FIRST CAPITAL MUTUAL FUND	1	15,200	0.03
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	1	2,856,676	4.78
CDC - TRUSTEE MCB PAKISTAN STOCK MARKET FUND	1	222,400	0.37
CDC - TRUSTEE ALHAMRA ISLAMIC STOCK FUND	1	169,300	0.28
CDC - TRUSTEE AKD OPPORTUNITY FUND	1	23,700	0.04
MCBFSL - TRUSTEE ABL ISLAMIC STOCK FUND	1	20,800	0.03
CDC - TRUSTEE ABL ISLAMIC PENSION FUND - EQUITY SUB FUND	1	2,100	0.00
CDC - TRUSTEE ABL PENSION FUND - EQUITY SUB FUND	1	2,500	0.00
MCBFSL TRUSTEE ABL ISLAMIC DEDICATED STOCK FUND	1	35,400	0.06
CDC - TRUSTEE FIRST DAWOOD MUTUAL FUND	1	1,500	0.00
CDC - TRUSTEE MEEZAN ISLAMIC FUND	1	109,600	0.18
CDC - TRUSTEE MEEZAN TAHAFUZZ PENSION FUND - EQUITY SUB FUND	1	62,500	0.10
CDC - TRUSTEE AL-AMEEN ISLAMIC RET. SAV. FUND-EQUITY SUB FUND	1	89,500	0.15
CDC - TRUSTEE UBL RETIREMENT SAVINGS FUND - EQUITY SUB FUND	1	33,700	0.06
CDC - TRUSTEE NIT ISLAMIC EQUITY FUND	1	135,600	0.23
CDC - TRUSTEE - MEEZAN DEDICATED EQUITY FUND	1	25,000	0.04
MCBFSL - TRUSTEE AKD ISLAMIC STOCK FUND	1	20,000	0.03
GENERAL PUBLIC			
A. LOCAL	3,164	11,523,522	19.28
B. FOREIGN	2	11,100	0.02
FOREIGN COMPANIES	7	774,941	1.30
OTHERS	69	2,193,529	3.67
TOTALS	3,296	59,771,250	100.00
Share holders holding 5% or more		Share held	Percentage
PAKISTAN KUWAIT INVESTMENT CO. (PVT) LTD.		17,931,292	30.00
BIBOJEE SERVICES (PVT) LIMITED		16,608,712	27.79
EFU LIFE ASSURANCE LTD		3,474,800	5.81

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Form of Proxy

The Company Secretary
The General Tyre and Rubber Company
of Pakistan Limited
H-23/2, Landhi Industrial Trading Estate
Landhi, Karachi

Please quote:
No. of Shares held-----

Folio No. -----
CDC Part. ID -----
A/C/Sub A/C No. -----

I/We-----
of ----- Member(s) of The General Tyre and Rubber Company of Pakistan Limited do hereby
appoint -----
-
of ----- or failing him -----
-
of ----- as proxy in my/ our behalf at the Fifty-fifth (55th) Annual General Meeting of the Company
to be held at the Institute of Chartered Accountants of Pakistan Auditorium, Clifton, Karachi on Thursday,
18 October 2018, at 03:30 p.m. and at any adjournment thereof.

Signature on
Revenue Stamp
of Rs.5/=

Signature of Shareholder -----

Name of Shareholder -----

Witnesses:

Signature-----

Name -----

NIC/ Passport No. -----

Signature -----

Name -----

NIC/Passport No.-----

نیابتی فارم

کمپنی سیکریٹری

دی جنرل ٹائر اینڈ ربر کمپنی آف پاکستان لمیٹڈ،

H-23/2، لاندھی انڈسٹریل ٹریڈنگ اسٹیٹ،

لاندھی کراچی۔

میں/ہم _____ برائے _____
جنرل ٹائر اینڈ ربر کمپنی آف پاکستان لمیٹڈ بذریعہ ہذا _____ کو اور اس کی عدم موجودگی میں
_____ کو میری/ہماری غیر موجودگی میں کمپنی کے جمعرات 18 اکتوبر 2018ء سے پہر 03:30 بجے بمقام
انسٹیٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان کلفٹن، کراچی میں منعقد ہونے والے 55 واں سالانہ اجلاس عام میں دینے کا اہل قرار دیتا ہوں/دیتے ہیں۔

5 روپے کے ریونیو

اسٹیپ پر دستخط

_____ حصص یافتہ کے دستخط:

_____ حصص یافتہ کا نام:

گواہان:

_____ دستخط _____ دستخط

_____ نام _____ نام

_____ این آئی سی/ پاسپورٹ نمبر _____ این آئی سی/ پاسپورٹ نمبر