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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 our 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 enhance productivity and continue discharging its obligation and environment by contributing to social welfare and adopting environmental friendly practices and processes to serve the society.

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

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

Company Secretary

Mr. Khawer Hayat

Chief Financial Officer

Mr. Siraj A. Lawai

Board Audit Committee*

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

HR & Remuneration Committee*

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

Auditors

A.F. Ferguson & Co.
Chartered Accountants

Legal Advisor

Ahmed & Qazi Advocates & Legal Consultants

Share Registrar

CDC Share Registrar Services 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

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.gentipak.com

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
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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

* Sequence of names in alphabetical order

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, 2019.

The overall economic slowdown, significant devaluation of Pak Rupee and rising interest rate have impacted local manufacturing industry in general and auto industry in particular. Due to this, the overall demand for automobiles and auto parts have been affected. Your Company's net sales in value decreased by 11% from Rs. 11.79 billion to Rs. 10.49 billion. During the year, sales were depressed because of above mentioned factors and also due to impact of restriction on non-filer to purchase vehicles, lower offtake by farm and truck segment and plant shutdown by some of the OEMs resulting in lower sales. The sales to OEM was lower mainly due to lower offtake by Truck / Bus and tractor's OEMs as compared to last year, which was partially offset by increased focus on replacement market (RM) sales, which grew in double digit and improved export sales.

The gross profit for the year was Rs. 1.59 billion against Rs. 2.09 billion last year. Decrease in gross profit from last year is mainly due to significant devaluation of Pak Rupee, increase in utility prices, increase in prices of certain raw materials and other manufacturing cost. The Company has increased prices of tyres to offset the impact of increased costs. However, the Company is facing competition from the undocumented sector, which is not paying their due share of duties and taxes, which restricts your Company's ability to fully recover the impact of devaluation, raw material and other inflationary cost increases. The Company has made significant investment in CAPEX resulting in additional depreciation, financial cost and other overheads of expansion. However, this was made to meet the anticipated future demand.

Due to devaluation of Rupee, the Company incurred exchange loss of Rs. 108 million for the year. The finance cost for the year under review was Rs. 585 million mainly due to increased investment in Capex and to meet working capital requirements. Since June 2018, SBP has increased discount rate by 575 basis points resulting in increase in the borrowing cost of the Company.

In the budget, the Government has retrospectively reduced the tax credit on BMR from 10% to 5% for the year 2019 resulted in increase in effective income tax rate. From next year there will be no tax credit on BMR. This step is very discouraging for further investment by the manufacturing companies.

As a result of the factors mentioned above, profit after tax for the year ended June 30, 2019 is Rs. 123 million as compared to Rs. 716 million of last year.

Future Outlook

Devaluation of Rupee and rising interest rate has impacted your Company. It is expected that major adjustment in exchange and interest rates have already been done. Stability in these two variables alongwith revival of economic activity are key factors for future profitability of your Company.

The Company is striving to maintain its sales volumes, improve profitability and go for leaner production. Export market is also being expanded and during the year, export sales were Rs. 100 million, grew by 3.1 times as compared with last year. Your Company is working hard to tap export market potential.

The devaluation of Rupee has resulted in increase in prices of imported tyres as well, which should ideally support local tyre manufacturers. However, the Company is facing stiff competition from the undocumented sector. This restricts the Company's ability to fully recover the impact of cost increase. We urge the Government to provide a level playing field to the documented sector, which is not only paying their due share of taxes and duties but also saving precious foreign exchange and providing employment. The undocumented sector should brought into the tax net and under invoicing and smuggling should be eliminated.

Recently, Government has shown its eagerness to curb smuggling, which is a positive sign. However, more steps are required to be taken on ground to curb smuggling, which is expected to bode well for the local industry.

Despite increasingly difficult economic situation and competitive pressures, the long term growth potential of the business is positive. Your Company is in close coordination with new auto players which would be helpful for future volume growth.

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 position.

Code of Corporate Governance

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

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 in difficult economic time.

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



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

Karachi
August 29, 2019

چیرمین کا تجزیہ

میں نہایت مسرت اور سعادت کے ساتھ جنرل ٹائر اینڈ ربر کمپنی آف پاکستان لمیٹڈ کے ممبران کو کمپنی کی کارکردگی رپورٹ ختم ہونے والے سال 30 جون 2019 پیش کر رہا ہوں۔

مجموعی طور پر معاشی سرگرمی میں کمی، پاکستانی روپے کی قدر میں نمایاں کمی، اور شرح سود میں بڑھتے ہوئے اضافہ نے عمومی طور پر مقامی مینوفیکچرنگ صنعت کو اور بالخصوص گاڑی بنانے والی صنعت کو متاثر کیا ہے۔ اس کی وجہ سے گاڑیوں اور اس کے پارٹس کی مجموعی طلب کو متاثر کیا ہے۔ آپ کی کمپنی کی خالص فروخت رقم (Rs.) میں 11 فیصد کمی کے ساتھ 11.79 بلین روپے سے 10.49 بلین روپے ہو گئی۔

اس سال فروخت میں کمی اوپر دیئے گئے عوامل کے علاوہ نان فائلرز کی گاڑیوں کی خریداری میں پابندی، فارم اور ٹرک کے ٹائروں میں کمی، کچھ OEMs کے پلانٹ کا معینہ مدت کے لیے بند ہونا بھی شامل ہے۔ OEMs کی فروخت میں کمی کی بڑی وجہ ٹرک/بس اور ٹریکٹرز کی فروخت میں پچھلے سال کے مقابلے میں کمی ہوئی (Replacement Market (RM کی فروخت میں اضافہ نے کسی حد تک نقصان کی تلافی کی ہے جس سے RM کی فروخت دگنے ہند سے میں داخل ہو گئی اور ایکسپورٹ کی فروخت میں بھی بہتری ہوئی۔

اس سال کل منافع 1.59 بلین روپے جو پچھلے سال 2.09 بلین روپے تھا۔ کل منافع میں پچھلے سال سے کمی کی بڑی وجہ پاکستانی روپے کی قدر میں بڑی کمی، پوٹیلٹی کی قیمتوں میں اضافہ، خام مال کی قیمتوں میں اضافہ، اور دوسرے پیداواری لاگت میں اضافہ ہے۔ اس کے اثرات کو کم کرنے کے لیے کمپنی نے اپنے ٹائروں کی قیمتوں میں اضافہ کیا ہے تاہم کمپنی کو غیر دستاویزی شعبے سے مقابلے کا سامنا ہے جو اپنے محصول اور ڈیوٹیز کا واجب الادا حصہ ادا نہیں کر رہے ہیں اور یہ کمپنی کو پاکستانی روپے کی قدر میں نمایاں کمی، مہنگائی کے سبب خام مال اور دیگر اخراجات میں اضافے کی مکمل محصولی میں رکاوٹ کا باعث ہے۔ کمپنی نے پلانٹ اور مشینریز میں بڑی سرمایہ کاری کی ہے جسکی وجہ سے فرسودگی (Depreciation Expenses)، فنانس لاگت (Finance Cost)، اور دوسرے بالائے سر لاگت (Overhead cost) میں اضافہ ہوا۔ تاہم یہ سرمایہ کاری مستقبل کے متوقع طلب کو پورا کرنے کے لئے کی گئی۔

روپے کی قدر میں کمی کی وجہ سے اس دورانیے میں کمپنی کا تبادلے کا خسارہ 108 ملین روپے ہوا۔ فنانس کے اخراجات اس تجزیاتی دورانیہ میں 585 ملین روپے تھے جسکی بڑی وجہ پلانٹ اور مشینریز میں سرمایہ کاری اور کاروبار کو چلانے کیلئے سرمایہ کی ضرورت کو پورا کرنا تھا۔ جولائی 2018 سے اسٹیٹ بینک آف پاکستان نے ڈسکاؤنٹ ریٹ میں 575 بیسس پوائنٹس کا اضافہ کیا جسکے نتیجے میں قرضوں کے حصول کی لاگت میں اضافہ ہوا ہے۔

اس بجٹ میں گورنمنٹ نے گذشتہ سال 2019 کے لیے (BMR) پرنکس کریڈٹ 10 فیصد سے کم کر کے 5 فیصد کر دیا ہے جسکے نتیجے میں انکم ٹیکس کی شرح میں موثر اضافہ ہوا۔ اگلے سال سے (BMR) پر کوئی ٹیکس کریڈٹ نہیں ہے۔ اس اقدام سے مینوفیکچرنگ کمپنیوں کی مزید سرمایہ کاری کی حوصلہ شکنی ہوئی ہے۔

اس ختم ہونے والے سال 30 جون 2019 میں منافع بعد از محصول اوپر دیئے گئے عوامل کی وجہ سے 123 ملین روپے رہا۔

مستقبل کے امکانات:

روپے کی قدر میں کمی اور شرح سود میں اضافہ نے کمپنی کو متاثر کیا ہے۔ یہ توقع کی جاتی ہے کہ تبادلے اور شرح سود میں بڑی ایڈجسٹمنٹ پہلے ہی ہو چکی ہیں۔ ان دونوں متغیر (Variables) میں توازن اور معاشی سرگرمی میں استحکام، کمپنی کے مستقبل کے منافع کیلئے کلیدی عوامل ہیں۔

کمپنی اپنے فروخت کے حجم اور منافع میں اضافہ کو مستحکم کرنے اور پیداواری لاگت میں کمی کو بہتر کرنے کیلئے کوششیں کر رہی ہے۔ ایکسپورٹ مارکیٹ کو بھی پھیلا یا جا رہا ہے اس سال ایکسپورٹ کی فروخت 100 ملین روپے تھی جو پچھلے سال کے مقابلے میں 3.1 گنا بڑھ گئی۔ آپ کی کمپنی ایکسپورٹ مارکیٹ کی استعداد کو بڑھانے کے لیے سخت محنت کر رہی ہے۔

روپے کی قدر میں کمی کے نتیجے میں درآمدی ٹائروں کی قیمتوں میں اضافہ ہوا ہے مثالی طور پر اس سے مقامی ٹائر مینوفیکچررز کو مدد ملنی چاہیے۔ تاہم کمپنی کو غیر دستاویزی شعبے سے سخت مقابلے کا سامنا ہے۔ جو کہ کمپنی کو لاگت میں اضافہ کی مکمل محصولی میں رکاوٹ کا باعث ہے۔ ہم گورنمنٹ سے گزارش کرتے ہیں کہ دستاویزی شعبے کے ساتھ انصاف سے کام لینا چاہیے جو نہ صرف اپنے واجب الادا محصول اور ڈیوٹیز ادا کر رہے ہیں بلکہ قیمتی زر مبادلہ بھی بچا رہے ہیں اور روزگار فراہم کر رہے ہیں۔ غیر دستاویزی شعبے کو ٹیکس نیٹ میں شامل کرنا چاہیے اور انڈرانوائسنگ اور اسمگلنگ کو روکنے کے لیے مزید سخت قوانین نافذ کرنے چاہیے۔

حال ہی میں گورنمنٹ نے اسمگلنگ کو کم کرنے کی طرف توجہ مبذول کی ہے جو کہ ایک مثبت علامت ہے۔ تاہم اسمگلنگ کو کم کرنے کیلئے مزید اقدامات اٹھانے کی ضرورت ہے جو مقامی صنعتوں کیلئے اچھی توقعات کا باعث بنے۔

مشکل معاشی حالات اور مسابقتی دباؤ میں اضافے کے باوجود طویل مدتی کاروبار میں ترقی کی نمونہ ہے۔ آپ کی کمپنی نئی گاڑیاں بنانے والی کمپنیوں کے ساتھ قریبی رابطے میں ہے جو مستقبل کے حجم میں اضافہ کیلئے مددگار ہوگا۔

بورڈ اس موقع پر اپنے بڑے ٹیکنیکل پارٹنر میسرز کاٹھینٹل 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 کے سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور پاکستان سٹاک ایکسچینج کے ساتھ قریبی روابط ہیں، اور اچھے ضابطہ برائے کاروباری نظم و نسق کو اسکی پوری روح کے ساتھ تعمیل کرتی ہے۔

بورڈ اپنے بینکرز اور مالیاتی اداروں کی ممکنہ مدد فراہم کرنے پر شکریہ ادا کرتا ہے۔

بورڈ اپنے ملازمین اور انتظامیہ کو ان مشکل معاشی حالات میں سرشار خدمات فراہم کرنے پر سراہتا ہے۔

میں اُن تمام اور بچنل ایکسپنٹ مینوفیکچررز اور ریلیسمنٹ مارکیٹ کسٹمرز کا شکریہ ادا کرتا ہوں جو کمپنی کی مصنوعات پر اعتماد اور حمایت کرتے ہیں۔

Ali Gul Khan

لیفٹیننٹ جنرل (ریٹائرڈ) علی قلی خان خٹک

چیرمین بورڈ آف ڈائریکٹرز

کراچی: 29 اگست 2019

An aerial photograph of a winding asphalt road that curves through a dense, lush green forest. The road has a central grassy median. Several vehicles are visible on the road, including a blue car at the top left, a white car, a black car, a white truck, a blue truck, and a large white semi-truck at the bottom. The trees are thick and vibrant green, creating a canopy over the road.

SAFETY

The safety of our customers comes first. As the leading tyre manufacturing company in Pakistan, General Tyre offers a product portfolio which has been manufactured to meet the needs of drivers and international safety standards. From motorcycles to trucks, from cars to tractors, each tyre guarantees you a hassle free, secure and easy driving experience. The roughest roads and difficult journeys become safe, sound and memorable with your reliable and constant companion.

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, 2019.

	2019	2018
	----- Rupees in 000-----	
Operating results		
Profit for the year after taxation	122,876	715,551
Other comprehensive profit/(loss)	5,338	(44,172)
Unappropriated profit brought forward	1,973,483	2,198,673
	2,101,697	2,870,052
Appropriation		
Dividend-Cash	(358,628)	(896,569)
Bonus	(418,399)	-
Unappropriated profit carried forward	1,324,670	1,973,483
		(Restated)*
Earnings per share – basic and diluted	Rs. 1.21	Rs. 7.04

* Based on enhanced share capital.

The Board of Directors has recommended 20% bonus shares for the year ended June 30, 2019.

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

The Directors confirm the compliance with Corporate and Financial Reporting Framework of the Securities and Exchange Commission of Pakistan and Code of Corporate Governance for the followings matters:

- The financial statements prepared by the management of the Company, fairly present its state of affairs, the results of its operations, cash flows and changes in equity.
- Company has maintained proper books of account.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgements.
- International Financial Reporting Standards, as applicable in Pakistan, have been duly followed in preparation of the financial statements.
- There has been no material departure, other than disclosed, if any, from the best practices of Corporate Governance, as detailed in the Regulations of Rule Book of Pakistan Stock Exchange Limited.
- 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.
- 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:

	Value of Investment	Year ended
Provident Fund	Rs. 372.204 Million	June 30, 2018
Gratuity Fund	Rs. 147.113 Million	June 30, 2018

- 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 Limited 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 Rs. 3.1 million as donation to Wakf-e-Kuli Khan. Additionally, during the year, the Company also paid donations to The Citizen Foundation.

CONTRIBUTION TO NATIONAL EXCHEQUER:

During the year the Company contributed Rs.2,965.84 million towards national excchequer by way of Custom duties, Income tax, Sales tax, and other modes.

BOARD MEETINGS

During the year, six (6) meetings of the Board of Directors were held. Attendance of each Director are as follows:

S. No.	Name of Director *	No. of Meetings Attended
1.	Mr. Ahmad Kuli Khan Khattak	5
2.	Lt. Gen. (Retd) Ali Kuli Khan Khattak	6
3.	Mr. Adnan Ahmed	6
4.	Mr. Atif Anwar	6
5.	Mr. Hussain Kuli Khan (CEO)	6
6.	Mr. Mansur Khan	4
7.	Mr. Manzoor Ahmed	6
8.	Mr. Muhammad Kuli Khan Khattak	4
9.	Mr. Raza Kuli Khan Khattak	5
10.	Dr. Shaheen Kuli Khan Khattak	5

* Sequence of names in alphabetical order

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, 2019 is attached.

AUDITORS

The present Auditors, Messrs. A. F. Ferguson & Co., Chartered Accountants, being eligible, offered themselves for re-appointment. The audit committee has recommended their re-appointment as auditors of the Company for the year ending June 30, 2020.

SUBSEQUENT EVENTS

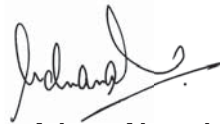
No material changes or commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company and the date of this report.

For and on behalf of the Board of Directors



Hussain Kuli Khan
Chief Executive

Karachi
August 29, 2019



Adnan Ahmed
Director

صحت، حفاظت اور ماحول۔

ہم اعلیٰ معیار کی صحت صفائی اور ماحول کو برقرار رکھنے پر پُر 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 30 جون 2020 کے لیے دوبارہ تقرری کے لیے سفارش کی ہے، بورڈ آف ڈائریکٹرز نے اس سفارش کی 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 کرنے والی کوئی مادی تبدیلیاں یا معاہدے عمل میں نہیں آئے۔

بورڈ آف ڈائریکٹرز کی جانب سے



جناب حسین قلی خان

چیف ایگزیکٹو آفیسر

کراچی: 29 اگست 2019



عدنان احمد

ڈائریکٹر

شیر ہولڈرز کے لیے ڈائریکٹر رپورٹ

ختم ہونے والے سال 30 جون 2019

کمپنی کے ڈائریکٹر نہایت مسرت کے ساتھ ختم ہونے والے سال 30 جون 2019 کے سالانہ آڈٹ مالیاتی گوشوارے پیش کرتے ہیں۔

مالیاتی نتائج۔

سال کا اختتام	سال کا اختتام
30 جون 2019	30 جون 2018
----- (’000 روپے میں) -----	
122,876	715,551
5,338	(44,172)
1,973,483	2,198,673
2,101,697	2,870,052
(358,628)	(896,569)
(418,399)	-
1,324,670	1,973,483
=====	=====
1.21 روپے	7.04 روپے
=====	=====

منافع بعد از ٹیکس

دیگر جامع (خسارہ) برائے سال

غیر تقسیم شدہ منافع سال کے آغاز پر

مختص کرنے کے لیے دستیاب منافع

تصرفات

نقد تقسیم شدہ منافع

بونس حصص

غیر مختص شدہ منافع سال کے اختتام پر

آمدنی فی شیر بنیادی اور کمزور

بورڈ آف ڈائریکٹرز نے 20% بونس حصص ختم ہونے والی سال 30 جون 2019 کے لیے حتیٰ تقسیم کی سفارش کی ہے۔

کارپوریٹ اور فنانشیل رپورٹنگ فریم ورک۔

مندرجہ ذیل ضابطہ برائے کاروباری نظم و نسق، اور سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے کارپوریٹ اینڈ فنانشیل رپورٹنگ فریم ورک 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 بھائی، 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 تخمینوں، معقول اور دانشمند فیصلوں پر مبنی ہوتے ہیں۔

- پاکستان میں لاگو ہونے والے انٹرنیشنل فنانشیل رپورٹنگ اسٹینڈرڈز پر مالیاتی گوشواروں کی تیاری کی جاتی ہے۔

- پاکستان اسٹاک ایکسچینج لمیٹڈ کے فہرستی قوانین میں دی گئی تفصیل کے مطابق کاروباری عملداری کے بہترین طریقہ کار میں افشاء کے علاوہ کسی قسم کا کوئی انحراف نہیں پایا گیا۔

- اندرونی کنٹرول کا نظام بہترین انداز میں مرتب کیا گیا ہے اور ساتھ ساتھ اس کی باقاعدہ نگرانی کی جاتی ہے۔

- جاری و ساری منصوبوں اور امور کی انجام دہی کے لیے کمپنی کی بہترین صلاحیتوں پر کوئی شک نہیں کیا جاسکتا۔

- کمپنی کے اہم کارکردگی اور مالیاتی ڈیٹا کا پچھلے 6 سالوں کا خلاصہ رپورٹ میں دیا گیا ہے۔

- ٹیکس اور لیوی کے بارے میں معلومات مالیاتی گوشوارے کے نوٹ میں درج ہیں۔

- کمپنی کے ملازمین کے سرمایہ کفالت کی مالیت کے آڈٹ اکاؤنٹس 30 جون 2018 کے مطابق درج ذیل ہے۔

- پروڈونٹ فنڈ 372.204 ملین روپے

- گریجویٹ فنڈ 147.113 ملین روپے

- کمپنی کے ڈائریکٹرز، چیف فنانشیل آفیسر، اور کمپنی سکیورٹی اور اسکے فیملی ممبرز نے کمپنی کے حصص میں کوئی کاروبار نہیں کیا۔

کمپنی کی سماجی ذمہ داری۔

جنرل نائز اینڈ ریز کمپنی آف پاکستان کی سماجی اور انسان دوست سرگرمیوں کی ایک تاریخ اور ثقافت ہے، جو ختم 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 باقاعدگی سے عطیہ دیتی ہے اس سال کمپنی نے 3.1 ملین روپے وقف قلی خان ٹرسٹ کو بطور عطیہ دیا ہے، اس کے علاوہ کمپنی نے سٹیزن فاؤنڈیشن کو بھی عطیہ دیا ہے،

- اس سال کمپنی نے انکم ٹیکس، سیلز ٹیکس اور مختلف مدوں میں 2,965.84 ملین روپے قومی خزانے میں جمع کرائے ہیں۔

بورڈ میٹنگ۔

اس سال کے دوران بورڈ آف ڈائریکٹرز کی چھ (6) میٹنگز منعقد کی گئی، جسکی حاضری درج ذیل ہیں۔

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

* نمبر شمار حروف تہجی کے مطابق ترتیب دیئے گئے ہیں۔

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۔

چیمبر مین کا تجربہ۔

کمپنی کے ڈائریکٹرز چیمبر مین 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 2019 اس رپورٹ میں درج ہے۔



RELIABILITY

Tyres are an integral part of the travelling experience. General Tyre has created a benchmark of reliability in the market over the past decades. As the leading tyre manufacturing company in the country, we are proud to be the choice of every Pakistani for their vehicle. We ensure consistent high performance, supreme quality and strong reliability for every product we make.

Notice of Fifty- Sixth (56th) Annual General Meeting

Notice is hereby given that the Fifty-Sixth (56th) Annual General Meeting of The General Tyre & Rubber Company of Pakistan Limited ("Company") will be held at the Institute of Chartered Accountants of Pakistan, Auditorium, Clifton, Karachi on Monday, October 28, 2019 at 12:00 Noon, to transact the following business:

Ordinary Business

1. To confirm the minutes of Annual General Meeting held on Thursday, October 18, 2018.
2. To receive, consider and adopt the Audited Financial Statements for the year ended June 30, 2019, together with Directors' and Auditors' Reports thereon.
3. To consider, and if thought fit, to approve as recommended by the Board of Directors, the issue of bonus shares in the proportion of one (1) share for every five (5) ordinary shares held i.e., 20% and pass the following resolution:

"RESOLVED that

- a) A sum of Rs. 203.222 million out of unappropriated profit be capitalized and applied towards 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 October 21, 2019 in the proportion of one (1) Bonus Share for every five (5) ordinary shares held i.e., 20% as recommended by the Board of Directors.

"FURTHER RESOLVED that

- a) All fractions of Bonus Shares shall be consolidated and disposed off in the stock market and to pay the proceeds of sale when realized to a charitable institution.
 - b) The Chief Executive or Company Secretary of the Company be and are hereby singly authorised 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.
 - c) The bonus shares so allotted shall rank pari passu in all respects with the existing shares except for cash dividend, if any, approved before approval of these bonus shares."
- The Directors are interested in this business only to the extent of their entitlement to the Bonus Shares as shareholders/institutions represented them.
4. To appoint auditors for the year ending June 30, 2020 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 June 30, 2020.
 5. Any other business with the permission of the Chair.

By Order of the Board



Khawer Hayat
Company Secretary

Karachi
Dated: September 15, 2019

NOTES:

1. The share transfer books of the Company shall remain closed from October 22, 2019 to October 28, 2019 (both days inclusive). Transfers received at the Company's share registrar, CDC Share Registrar Services Limited ("CDCSRSL"), CDC House, 99-B, Block "B", S.M.C.H.S., Main Shahrah-e-Faisal, Karachi by close of business on October 21, 2019, will be considered in time for eligibility for any entitlements and to attend the AGM.
2. 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 not later than forty-eight hours before the time for holding the meeting.
3. Members are requested to notify change in their address, if any, immediately.
4. 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.

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.
5. 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.

6. Deduction of Income Tax:

Please note that under Section 150 of the Income Tax Ordinance, 2001 prescribed that the withholding tax on dividend income to be deducted @ 15% for persons whose name appear in Active Taxpayer List (ATL) and whereas the tax rate for the persons not appearing in ATL shall increase by 100%.

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, CDCSRSL by October 24, 2019, 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.

7. 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 its 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.

8. 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 or through CDCSRSL regarding unclaimed dividends or undelivered shares (if any).

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

The audited financial statements of the Company for the year ended June 30, 2019 have been made available on the Company's website www.gentipak.com, at least 21 days before the date of Annual General Meeting.

10. 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.

11. Deposit of Physical Shares into CDC Account:

The shareholders having physical shareholding may open CDC sub-account with any of the brokers or preferably directly through Investor Account with CDC to place their physical shares into script-less form.

12. Form of Proxy for E-Voting:

Members can also exercise their right of E-voting subject to the requirements of Section 143 – 145 of the Companies Act 2017 and the applicable clauses of the Companies (Postal Ballot) Regulations 2018.

13. 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, 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.

14. 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).

4۔ 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:

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۔

(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 ہوں 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 آپ 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 ہوگا۔

(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)۔

5۔ 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 لئے لکرائیں۔ 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۔

6۔ انکم ٹیکس کی کوٹی

براہ مہربانی نوٹ فرمائیں کہ انکم ٹیکس آرڈیننس 2001 کی دفعہ 150 کے تحت واضح کیا گیا ہے کہ ایسے افراد جن کے نام ایف بی آر کی ایکٹیو ٹیکس پیپرز لسٹ (ATL) میں موجود ہیں ان کے لئے انکم ٹیکس کی کوٹی کی شرح 15% ہے جبکہ وہ افراد جن کے نام ایکٹیو ٹیکس پیپرز لسٹ میں شامل نہیں ان کے انکم ٹیکس میں 100 فیصد اضافہ ہو جائے گا۔

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 کی تفصیلات ہمارے شیئرز رجسٹر کو فراہم کریں۔ مطلوبہ معلومات ہمارے شیئرز رجسٹر کو 24 اکتوبر 2019 تک موصول ہو جانی چاہئیں، بصورت دیگر یہ سمجھا جائے گا کہ پرنسپل شیئرز ہولڈر اور جوائنٹ شیئرز ہولڈرز 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 پیپرز لسٹ (ATL) پر بطور فانکر اپنی حیثیت کے اندراج کو یقینی بنائیں اور اس بات کو بھی یقینی بنائیں کہ ان کا CNIC/پاسپورٹ نمبر، پارٹیسیپنٹ/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 ٹیکس پیپرز لسٹ (ATL) میں موجود ہوں اور متعلقہ پارٹیسیپنٹ/انویسٹر اکاؤنٹ سروسز یا فزیکل شیئرز ہولڈنگ کی صورت میں کمپنی کے شیئرز رجسٹر کے ریکارڈز میں بھی موجود ہوں۔

7۔ 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 ہولڈرز خصوصی طور پر آڈٹ شدہ سالانہ 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 شیئرز ہولڈرز آڈٹ شدہ مالیاتی گوشوارے طبعی شکل میں حاصل کرنے کی درخواست دے سکتے ہیں۔

8۔ 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 سروسز 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 سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی ہدایت نمبر: 16، 2017 بتاریخ 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۔

9۔ آڈٹ شدہ مالیاتی گوشواروں کی کمپنی کی ویب سائٹ پر دستیابی

30 جون، 2019 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۔

10۔ سالانہ مالیاتی گوشواروں کی ترسیل بذریعہ ای میل

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے سرکلر SRO 787(1)/2014 مورخہ 8 ستمبر 2014 کی ہدایات کے تحت وہ شیئرز 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 شیئرز رجسٹر 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۔

11۔ فزیکل شیئرز کو CDC اکاؤنٹ میں رکھنا

طبعی شکل میں شیئرز رکھنے والے شیئرز ہولڈرز کسی بھی بروکر سے سی ڈی سی ذیلی اکاؤنٹ کھلوا کر یا ترجیحاً 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۔

12۔ ای وونگ کے لئے پر کسی فارم

ممبران کمپنیز ایکٹ 2017 کے سیکشن 143-145 کے تقاضوں اور کمپنیز (پوسٹل بیٹ) ریگولیشنز، 2018 کی قابل اطلاق شقوں کے مطابق اپنا ای۔ وونگ کا حق استعمال کر سکتے ہیں۔

13۔ اجلاس عام میں شرکت کے لئے ویڈیو کانفرنس کی سہولت

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے سرکلر نمبر 10، 2014 بتاریخ 21 مئی 2014 (سرکلر) کے مطابق ممبران سرکلر کے ذیل میں بیان کردہ تقاضوں اور طریقہ کار کی تعمیل 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 ٹائز اینڈ ربر کمپنی آف پاکستان لمیٹڈ، 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 شیئرز 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۔

14۔ ڈیویڈنڈ کی الیکٹرونک ترسیل کے لئے بینک اکاؤنٹ کی تفصیلات کا لازمی تقاضہ

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

56 ویں سالانہ اجلاس عام کانٹس

بذریعہ ہذا اطلاع دی جاتی ہے کہ جنرل ٹائز اینڈ ربر کمپنی آف پاکستان لمیٹڈ ("کمپنی") کا 56 واں سالانہ اجلاس عام بروز پیر 28 اکتوبر، 2019 دوپہر 12:00 بجے بمقام انسٹیٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان، آڈیٹوریم، کراچی منعقد ہوگا جس میں درج ذیل کارروائی پر عمل درآمد ہوگا:

عمومی کارروائی

- 1- کمپنی کے سالانہ اجلاس عام منعقدہ جمعرات 18 اکتوبر، 2018 کی کارروائی کی تصدیق و توثیق۔
- 2- 30 جون، 2019 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 پانچ (5) عمومی حصص کے تناسب سے ایک عمومی حصص یعنی 20 فیصد کے حساب سے بونس حصص کے اجراء پر غور و خوض اور اس کی منظوری دینا اور مندرجہ ذیل قرارداد منظور کرنا:

”قرارداد کیا کہ

(a) بورڈ آف ڈائریکٹرز کی تجویز کے مطابق کمپنی کے غیر تخصیصی منافع میں سے 203.222 ملین روپے کی رقم -10 روپے فی حصص کے عمومی حصص بطور مکمل ادا کردہ بونس حصص کے اجراء کے لئے استعمال کی جائے گی اور یہ بونس حصص ہر پانچ (5) عمومی حصص کے لئے ایک (1) بونس حصص یعنی 20% کے تناسب سے کمپنی کے ان ممبران کو جاری کئے جائیں گے جن کے نام 21 اکتوبر، 2019 کو کاروباری اوقات کار کے اختتام تک ممبران کے رجسٹر پر موجود ہوں گے۔

”مزید قرارداد کیا کہ

- (a) بونس حصص کے تمام حصص کو باہم ضم کر کے مکمل حصص میں تبدیل کیا جائے گا اور اسٹاک مارکیٹ میں فروخت کیا جائے گا، اور ان سے حاصل ہونے والی رقم کسی فلاحی تنظیم کو دے دی جائے گی۔
- (b) کمپنی کے چیف ایگزیکٹو یا کمپنی سیکریٹری کو بذریعہ ہذا انفرادی طور پر اس قرارداد پر عمل درآمد کروانے اور تمام افعال، اقدامات اور اشیاء کی انجام دہی یا ان پر عمل درآمد کروانے کا مجاز اور مختار قرار دیا جاتا ہے جو بونس حصص کے اجراء، تخصیص اور تقسیم کے لئے ضروری یا مطلوب ہوں۔
- (c) مخصوص کردہ بونس حصص ہر اعتبار سے جاری کردہ موجودہ حصص کے مساوی سمجھے جائیں گے، ماسوائے اس نقد ڈیویڈنڈ کے، اگر کوئی ہو، جو ان بونس حصص کی منظوری سے قبل منظور کیا جائے۔“

کمپنی کے ڈائریکٹرز کی اس کارروائی میں دلچسپی محض بونس شیئرز کے حصص یافتگان کے طور پر ان کی اہلیت، ادارے کے نمائندگان کی حیثیت تک ہے۔

- 4- 30 جون 2020 کو ختم ہونے والے سال کے لئے کمپنی آڈیٹرز کی تقرری اور ان کے معاوضے کا تعین۔ بورڈ آف ڈائریکٹرز نے میسرز ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی تقرری کی تجویز دی ہے جنہوں نے اہلیت کی بنیاد پر 30 جون 2020 کو ختم ہونے والے سال کے لئے اپنی خدمات پیش کی ہیں۔

- 5- اجلاس کے سربراہ کی اجازت سے کسی دیگر کارروائی پر غور و خوض۔

بحکم بورڈ

Shaukat Ali

خاور حیات

کمپنی سیکریٹری

نوٹس:

- 1- کمپنی کے شیئر ٹرانسفر کے کھاتے 22 اکتوبر 2019 سے 28 اکتوبر 2019 تک بند رہیں گے (دونوں ایام شامل ہیں)۔ 21 اکتوبر 2019 کو کاروباری اوقات کار کے اختتام تک کمپنی کے شیئر رجسٹرار، سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ ("CDCSRSL") سی ڈی سی ہاؤس، B-99، بلاک B، ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی کو موصول ہونے والے ٹرانسفر حتمی نقد ڈیویڈنڈ کی ادائیگی اور سالانہ اجلاس عام میں شرکت کی اجازت کے لئے بروقت تصور کئے جائیں گے۔
- 2- 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 رجسٹرڈ آفس H-23/2 لانڈھی انڈسٹریل ٹریڈنگ اسٹیٹ، لانڈھی، کراچی میں موصول ہو جانا چاہئے۔
- 3- ممبران سے درخواست ہے کہ اپنے پتے میں کسی بھی قسم کی تبدیلی سے کمپنی کو فوراً مطلع کریں۔

Financial Performance

Statement of Profit or Loss and other Comprehensive Income

Rupees in '000

YEAR	2019	2018	2017	2016	2015	2014
Net Sales	10,486,282	11,785,457	9,645,367	9,479,045	9,491,652	8,606,649
Cost Of Sales	8,896,798	9,699,779	7,589,305	7,157,029	7,553,193	7,011,584
Gross Profit	1,589,484	2,085,678	2,056,062	2,322,016	1,938,459	1,595,065
Profit from Operations	836,370	1,190,067	1,303,184	1,627,751	1,354,939	1,073,391
Other Income	69,939	74,141	63,675	65,177	65,567	118,304
Finance Cost	585,032	256,782	124,064	136,159	258,301	326,251
Profit Before Taxation	253,637	940,045	1,184,222	1,494,743	1,097,035	748,216
Taxation	130,761	224,494	302,825	462,456	364,180	234,475
Profit After Taxation	122,876	715,551	881,397	1,032,287	732,855	513,741
EBITDA	1,242,183	1,557,216	1,559,384	1,808,370	1,525,175	1,236,583

Statement of Financial Position

Rupees in '000

YEAR	2019	2018	2017	2016	2015	2014
Cash and Bank Balances	155,931	91,120	99,572	116,851	241,769	220,159
Stocks	3,721,748	3,324,857	2,074,728	1,570,594	1,456,593	1,999,156
Trade Debts	1,237,309	1,027,027	879,333	1,024,670	851,269	1,390,553
Current Assets	7,278,420	6,350,173	4,824,967	3,558,021	3,362,778	4,603,229
Operating Fixed Assets Cost	7,811,482	6,735,011	6,285,069	4,759,440	4,196,775	4,002,644
Investments in an Associated Company	16,091	15,363	10,114	6,019	3,321	2,924
Non Current Assets	5,196,632	4,335,922	3,777,919	3,254,488	1,985,287	1,959,935
Total Assets	12,475,052	10,686,095	8,602,886	6,812,509	5,348,065	6,563,164
Trade and other Payables	1,783,757	1,928,381	1,348,074	1,293,036	1,183,356	838,429
Current Liability	7,468,539	5,214,722	3,139,047	2,424,213	2,145,566	3,981,312
Long term Finances	1,020,748	1,247,285	1,018,583	920,276	383,334	100,000
Non Current Liability	1,665,731	1,900,177	1,667,453	1,438,774	844,352	550,862
Total Liabilities	9,134,270	7,114,899	4,806,500	3,862,987	2,989,918	4,532,174
Paid Up Capital*	1,016,112	1,016,112	597,713	597,713	597,713	597,713
Reserve for Capital Expenditure	1,000,000	1,000,000	1,000,000	-	-	-
Unappropriated Profit	1,324,670	1,555,084	2,198,673	2,351,809	1,760,434	1,433,277
Total Equity	3,340,782	3,571,196	3,796,386	2,949,522	2,358,147	2,030,990

Statement of Cash Flow

Rupees in '000

YEAR	2019	2018	2017	2016	2015	2014
Cash Flow from Operating Activities	(409,565)	89,969	(31,532)	1,069,950	2,402,875	(326,815)
Cash Flow from Investing Activities	(1,263,612)	(916,934)	(774,138)	(1,437,288)	(187,291)	(132,006)
Cash Flow from Financing Activities	(45,631)	158,827	326,531	287,789	(680,233)	(490,261)

Financial Performance-Profitability

YEAR	2019	2018	2017	2016	2015	2014
Gross Profit Margin	15.16	17.70	21.32	24.50	20.42	18.53
EBIT Margin	7.98	10.10	13.51	17.17	14.28	12.47
EBITDA Margin	11.85	13.21	16.17	19.08	16.07	14.37
Pre tax Margin	2.42	7.98	12.28	15.77	11.56	8.69
Net Profit Margin	1.17	6.07	9.14	10.89	7.72	5.97
Return on equity-before taxation	7.59	26.32	31.19	50.68	46.52	36.84
Return on equity-after taxation	3.68	20.04	23.22	35.00	31.08	25.30

*Based on enhanced share capital for 2018

Financial Performance

Operating Performance/Liquidity

YEAR		2019	2018	2017	2016	2015	2014
Total Assets Turnover	Times	0.84	1.10	1.12	1.39	1.77	1.31
Non Current Assets Turnover	Times	2.02	2.72	2.55	2.91	4.78	4.39
Debtors Turnover	Times	9.26	12.36	10.13	10.11	8.47	6.68
Debtors Turnover	Days	43	32	33	39	33	59
Stock Turnover	Times	2.82	3.54	4.65	6.04	6.52	4.31
Stock Turnover	Days	130	103	79	60	56	85
Creditors Turnover	Times	4.79	5.92	5.75	5.78	7.47	6.61
Creditors Turnover	Days	76	62	64	63	49	55
Cash Operating Cycle	Days	96	73	48	37	40	89
Current ratio		0.97	1.22	1.54	1.47	1.57	1.16
Quick / acid test ratio		0.48	0.58	0.88	0.82	0.89	0.65

Capital Structure Analysis

YEAR		2019	2018*	2017	2016	2015	2014
Breakup value / share	PKR	32.88	35.15	63.52	49.35	39.45	33.98
Earning per share (pre tax)	PKR	2.50	9.25	19.81	25.01	18.35	12.52
Earning per share (after tax)	PKR	1.21	7.04	14.75	17.27	12.26	8.60

Debt Analysis

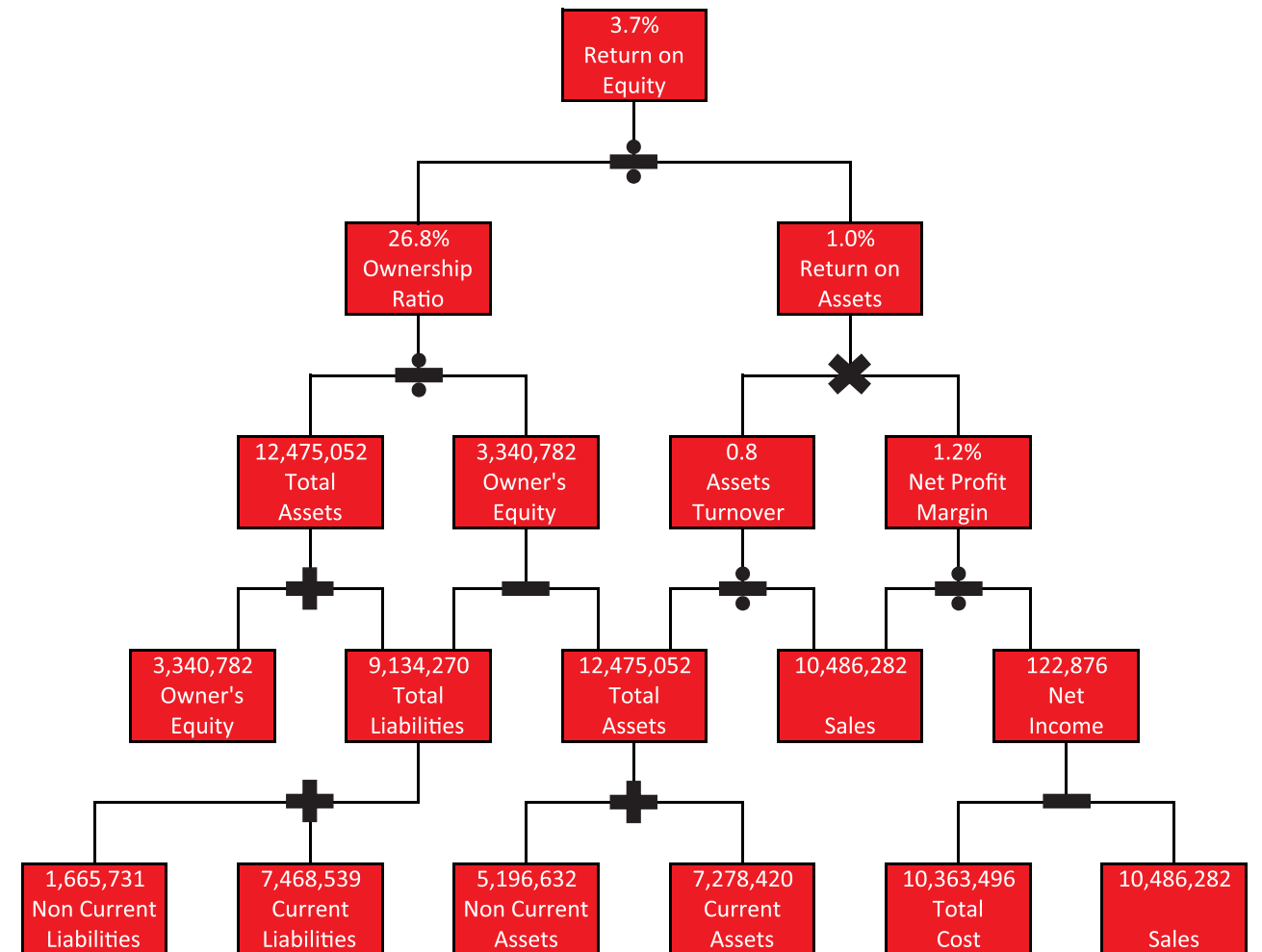
YEAR		2019	2018	2017	2016	2015	2014
Total Debt to Assets	%	73%	67%	56%	57%	56%	69%
Total Debt to Equity	%	273%	199%	127%	131%	127%	223%

Distribution

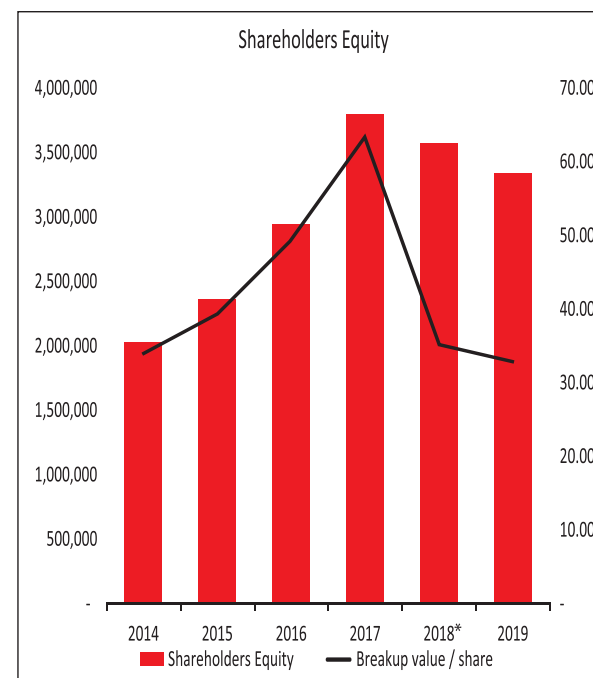
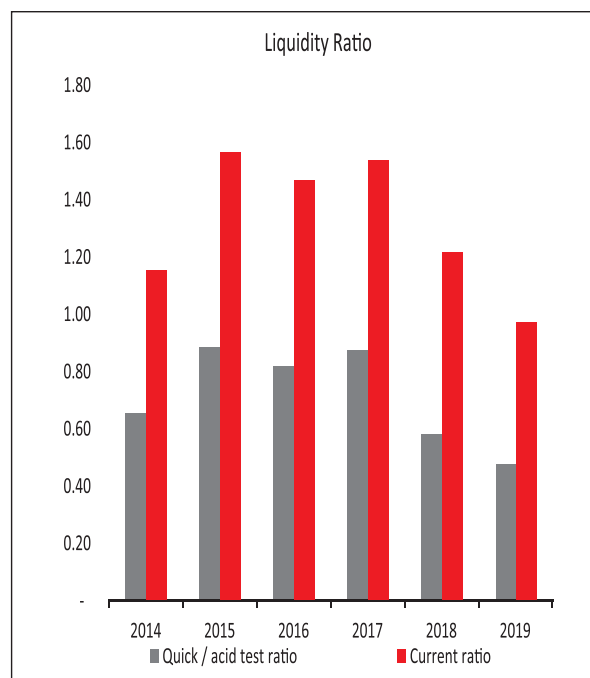
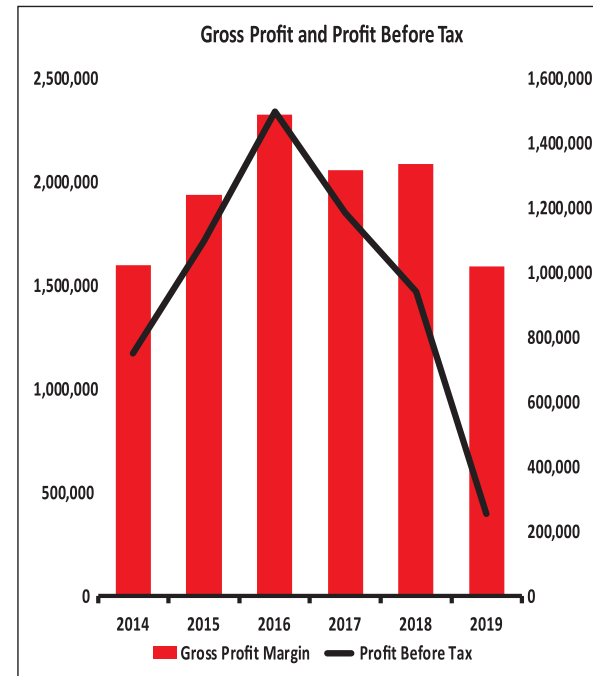
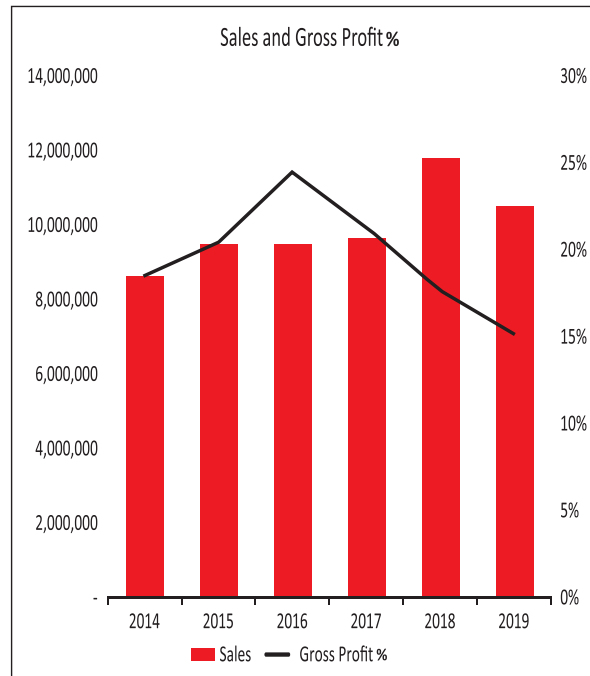
YEAR		2019	2018	2017	2016	2015	2014
Dividend	%	0%	60%	150%	0%	70%	65%
Bonus	%	20%	70%	0%	0%	0%	0%

*Based on enhanced share capital for 2018

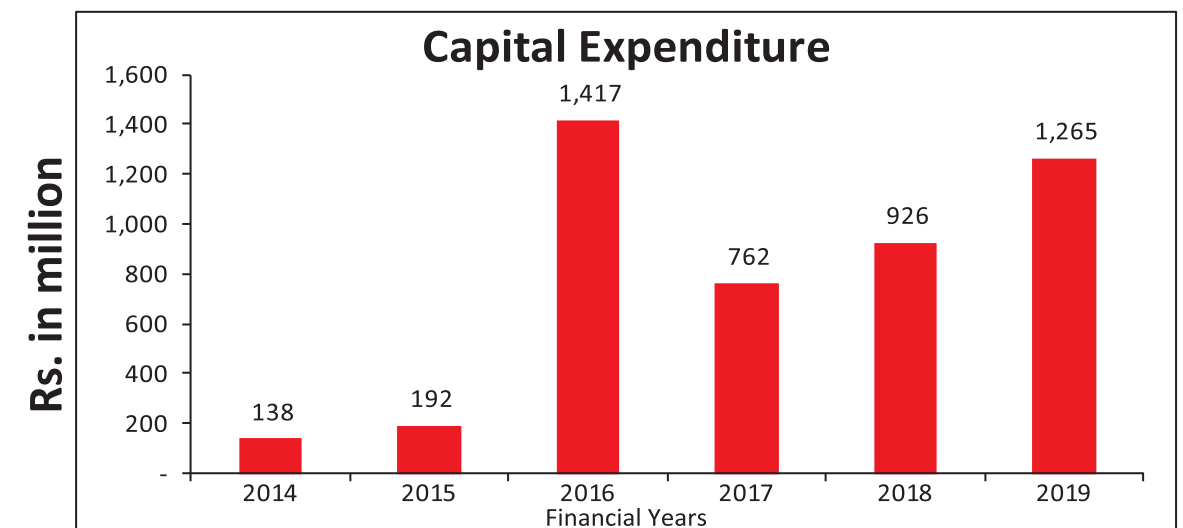
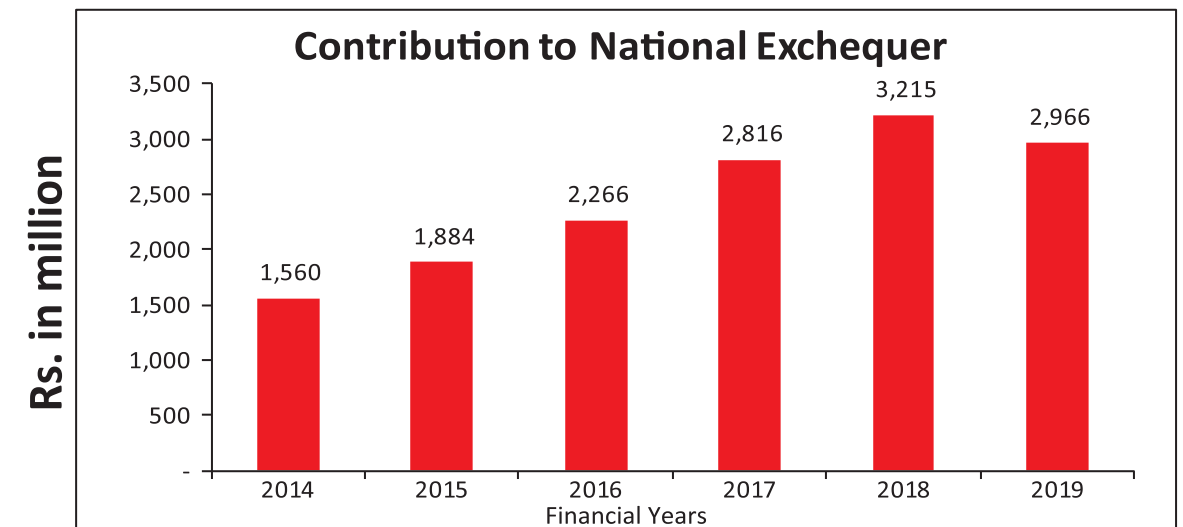
Dupont Analysis



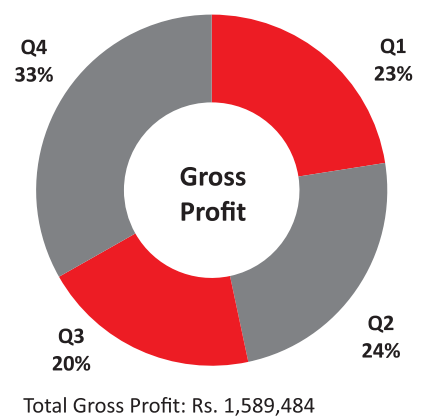
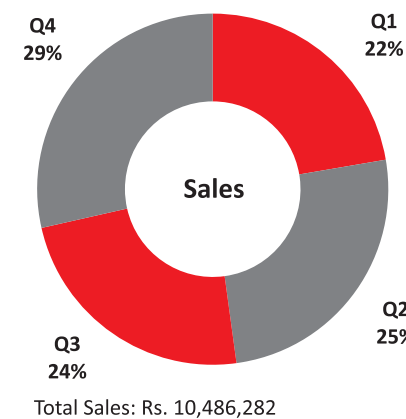
Graphical Presentation



Graphical Presentation



Quarterly Performance Analysis



Certifications

Standard	Description	Certified by	Certified since	License No.
ISO 9001 - 2015	Quality Management System	NQA Pakistan	2006	67893
ISO 14001 - 2015	Environmental Management System	NQA Pakistan	2016	E 5843
ISO 45001 - 2018	Occupational Health and Safety Management System	NQA Pakistan	2016	H 3062



Statement of Value Addition

For the year ended June 30, 2019

Value addition

Net sales including sales tax
Other income including share of profit of an associated company
Cost of materials and services

Value distribution

To Employees

Salaries, wages, benefits and staff welfare

To Government

Income tax
Sales tax

To Workers' fund

Workers' profit participation fund
Workers' welfare fund

To Providers of Capital

Dividend to shareholders
Mark up/ interest on borrowed money

To Society

Donations

Retained for reinvestment

Depreciation, Amortisation & retained profit

Distribution

Employees
Government
Workers funds
Providers of capital
Society
Retained for reinvestment

2019	2018
----- Rupees in 000-----	
12,371,308	13,890,757
72,238	80,901
(7,186,813)	(7,995,188)
5,256,733	5,976,470
2,103,967	2,219,046
130,761	224,494
1,885,026	2,105,300
13,604	50,414
5,184	18,613
358,628	896,569
585,032	256,782
4,470	19,121
170,061	186,131
5,256,733	5,976,470
40.01%	37.14%
38.35%	38.98%
0.36%	1.15%
17.95%	19.30%
0.09%	0.32%
3.24%	3.11%
100.00%	100.00%

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Statement of Compliance with Code of Corporate Governance

For the year ended June 30, 2019

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

1. The total number of directors are ten (10) as per the following:

a. Male	9
b. Female	1

2. The composition of the Board is as follows:

Category	Names
Executive Director (1)	Mr. Hussain Kuli Khan
Non Executive Directors (9)	Lt.Gen.(Retd) Ali Kuli Khan Khattak 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

(*) 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 on more than five listed companies, including the Company (excluding the listed subsidiaries of listed holding companies where applicable), except for one of the directors, holding directorship of more than five listed companies. However, Securities and Exchange Commission of Pakistan has given dispensation to him in this regard.
- 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.
- All powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ Shareholders as empowered by the relevant provisions of the Act and these Regulations.
- The meetings of the Board were presided over by the Chairman. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of the meeting of Board.
- The Board of Directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9. The Board has arranged Directors' Training program for the following:

- Mr. Atif Anwar
- Mr. Adnan Ahmed
- Dr. Shaheen Kuli Khan Khattak

After the above training, as of June 30, 2019, all Directors have either obtained certification under the Directors' Training Program or have obtained exemption from the Directors' Training Program.

- During the year no fresh appointment of Chief Financial Officer (CFO) and Head of Internal Audit was made. During the year, the Company Secretary resigned so related work was assigned to CFO, till the time suitable candidate is selected. Subsequent to the year end the Board has approved the appointment of the Company Secretary.
- CFO and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
- The Board has formed following committees comprising of members given below:

- Audit Committee

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

- HR and Remuneration Committee

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

- The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
- The frequency of meetings of the committees were as per following:

Audit Committee	Quarterly
HR and Remuneration Committee	Quarterly
- The Board has set-up an effective internal audit function which comprises of professionals who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
- 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 ("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.
- The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
- We confirm that all other requirements of the Regulations have been complied with.

For and on behalf of the Board of Directors



LT.GEN. (RETD) ALI KULI KHAN KHATTAK
Chairman
Karachi
August 29, 2019

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, 2019 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 non compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

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

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions 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.



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
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

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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, 2019.

Further, we highlight non-compliances with the requirements of the Regulations as reflected in points 2 & 10 of the Statement of Compliance which inter alia explain that the term of the independent director concluded during the year ended June 30, 2018 and the Chief Financial Officer is holding office of the Company Secretary. The Company is in the process of addressing the matter relating to the independent director. The board of directors has appointed the Company Secretary subsequent to June 30, 2019.


A. F. Ferguson & Co
Chartered Accountants

Karachi, September 24, 2019

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, 2019, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2019 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Qb

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
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Following is the Key audit matter:

S. No.	Key audit matter	How the matter was addressed in our audit
(i)	<p>Contingent liabilities</p> <p>(Refer notes 14.1.3, 14.1.4, 14.1.5, 14.1.6, 14.1.8, 14.1.10, 14.1.11 and 14.1.12 to the financial statements)</p> <p>The Company has disclosed various contingent liabilities in respect of income tax matters, which are pending adjudication before the taxation authorities and the courts of law.</p> <p>Contingencies require management to make judgements and estimates in relation to the interpretation of laws, statutory rules, regulations and the probability of outcome and financial impact, if any, on the Company for disclosure and recognition and measurement of any provision that may be required against such contingencies.</p> <p>Due to significance of the amounts involved, inherent uncertainties with respect to the outcome of matters and use of significant management judgements 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.</p>	<p>Our audit procedures amongst others included:</p> <ul style="list-style-type: none"> 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 judgements and orders passed by 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.

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.

Qb

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

9/6

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

- proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- the statement of financial position, the statement of 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;
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

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


A. F. Ferguson & Co
Chartered Accountants

Karachi

Date: September 24, 2019

QUALITY

Being the top tyre manufacturer in Pakistan, quality assurance is crucial for us. Over the years, General Tyre has built a strong reputation for using high grade materials to help deliver an exceptional driving experience. It has acquired ISO certifications such as 9001, 14001 & 18001 respectively.



Statement of Financial Position

As at June 30, 2019

	Note	2019 ----- Rupees in '000 -----	2018
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital 125,000,000 (2018: 75,000,000) ordinary shares of Rs 10 each		1,250,000	750,000
Issued, subscribed and paid-up share capital	4.1	1,016,112	597,713
Reserve for capital expenditure	4.2	1,000,000	1,000,000
Unappropriated profit		1,324,670	1,973,483
TOTAL EQUITY		3,340,782	3,571,196
LIABILITIES			
NON CURRENT LIABILITIES			
Long term finances	5	1,020,748	1,247,285
Staff benefits	6	336,229	373,221
Deferred taxation	7	299,403	270,320
Long term deposits from dealers	8	9,351	9,351
		1,665,731	1,900,177
CURRENT LIABILITIES			
Current maturity of long term finances	5	608,223	471,298
Short term finances	9	1,350,000	946,187
Running finances under mark-up arrangements	10	3,526,185	1,742,566
Trade and other payables	11	1,783,757	1,928,381
Unclaimed dividend		12,897	14,034
Unpaid dividend		8,641	8,708
Accrued mark-up	12	130,836	58,848
Provisions	13	48,000	44,700
		7,468,539	5,214,722
TOTAL LIABILITIES		9,134,270	7,114,899
TOTAL EQUITY AND LIABILITIES		12,475,052	10,686,095
Contingencies and commitments	14		

Siraj A. Lawai
Chief Financial Officer

Hussain Kuli Khan
Chief Executive

Adnan Ahmed
Director

Statement of Financial Position

As at June 30, 2019

	Note	2019 ----- Rupees in '000 -----	2018
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	15	5,127,169	4,247,309
Intangible assets	16	26,562	46,584
Investment in an associated company	17	16,091	15,363
Long term loans and advances	18	6,860	6,696
Long term deposits	19	19,950	19,970
		5,196,632	4,335,922
CURRENT ASSETS			
Stores and spares	20	659,566	596,494
Stocks	21	3,721,748	3,324,857
Trade debts	22	1,237,309	1,027,027
Loans and advances	23	174,359	254,497
Deposits and prepayments	24	67,228	102,605
Other receivables	25	202,594	279,671
Taxation - net		1,059,685	673,902
Cash and bank balances	26	155,931	91,120
		7,278,420	6,350,173
TOTAL ASSETS		12,475,052	10,686,095

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, 2019

	Note	2019 ----- Rupees in '000 -----	2018
Sales - net	27	10,486,282	11,785,457
Cost of sales	28	(8,896,798)	(9,699,779)
Gross profit		1,589,484	2,085,678
Administrative expenses	29	(296,870)	(322,390)
Distribution cost	30	(395,422)	(497,851)
Other income	31	69,939	74,141
Other expenses	32	(130,761)	(149,511)
Profit from operations		836,370	1,190,067
Finance cost	33	(585,032)	(256,782)
		251,338	933,285
Share of profit of an associated company	17	2,299	6,760
Profit before taxation		253,637	940,045
Taxation	34	(130,761)	(224,494)
Profit for the year		122,876	715,551
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Staff retirement gratuity remeasurement - net	6.1.8	7,518	(63,103)
Impact of deferred tax		(2,180)	18,931
Total other comprehensive income / (loss) for the year - net of tax		5,338	(44,172)
Total comprehensive income for the year		128,214	671,379
		----- Rupees -----	
		(Restated)	
Earnings per share - basic and diluted	35	1.21	7.04

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, 2019

	Issued, subscribed and paid-up share capital	Capital Reserve Reserve for capital expenditure	Revenue reserve Unappropriated profit	Total
	----- Rupees in '000 -----			
Balance as at July 1, 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
Transaction with owners				
Final cash dividend @ Rs 6 per share for the year ended June 30, 2018	-	-	(358,628)	(358,628)
Bonus share issue for the year ended June 30, 2018 @ 70% i.e. 7 shares for every 10 shares	418,399	-	(418,399)	-
Total comprehensive income for the year ended June 30, 2019				
Profit for the year	-	-	122,876	122,876
Other comprehensive income	-	-	5,338	5,338
	-	-	128,214	128,214
Balance as at June 30, 2019	1,016,112	1,000,000	1,324,670	3,340,782

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, 2019

	Note	2019 ----- Rupees in '000 -----	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	36	673,466	733,792
Staff retirement gratuity paid		(71,638)	(65,466)
Compensated absences paid		(9,370)	(2,991)
Long term deposits from dealers - net		-	(120)
Finance cost paid		(513,044)	(255,394)
Taxes paid		(489,641)	(329,198)
Long term loans and advances - net		(164)	629
Long term deposits		20	8,443
Profit on bank deposits received		806	274
Net cash (used in) / generated from operating activities		(409,565)	89,969
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(1,265,381)	(926,081)
Purchase of intangible assets		(4,204)	(8,464)
Proceeds from sale of operating fixed assets		4,402	16,100
Dividend received		1,571	1,511
Net cash used in investing activities		(1,263,612)	(916,934)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term finance - repaid		(446,298)	(438,717)
Long term finance - obtained		356,686	700,000
Short term finances - net		403,813	788,451
Dividend paid		(359,832)	(890,907)
Net cash (used in) / generated from financing activities		(45,631)	158,827
Net decrease in cash and cash equivalents		(1,718,808)	(668,138)
Cash and cash equivalents - at beginning of the year		(1,651,446)	(983,308)
Cash and cash equivalents - at end of the year	37	(3,370,254)	(1,651,446)

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, 2019

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 Limited. 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

Summary of significant transactions and events that have affected the Company's financial position and performance during the year is as follows:

- Capital expenditure amounting to Rs 1,265.381 million was made in connection with the plant's balancing, modernisation and replacement activities. (note 15.6)
- The current tax charge has been calculated under the minimum tax regime of the Income Tax Ordinance, 2001, due to the reduced profit for the year and higher tax depreciation charge on recent capital expenditure. However, based on the expectation of sufficient future taxable profits, related deferred tax asset amounting to Rs 123.209 million on account of such minimum tax has been recorded (note 7).
- Additional short term and running finances were availed to manage the working capital requirements (notes 9 and 10).

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.

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

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.

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

(a) New standards, amendments and interpretation to published accounting and reporting standards which became effective during the year ended June 30, 2019

There were certain amendments and interpretations to accounting and reporting standards which became mandatory for the Company's annual accounting period which began on July 1, 2018. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been detailed in these financial statements.

In addition to the above, the following two new standards became applicable to the Company effective July 1, 2018:

- IFRS 9 'Financial instruments' – This standard replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. It also includes an expected credit losses model that replaces the incurred loss impairment model included in IAS 39. On July 1, 2018 (the date of initial application of IFRS 9), the Company's management assessed which business models apply to the financial assets held by the Company and has classified its financial instruments into the appropriate IFRS 9 categories (i.e. mainly financial assets previously classified as 'loans and receivables' have now been classified as 'amortised cost').
- IFRS 15 'Revenue from contracts with customers' – This standard introduces a single five-step model for revenue recognition with a comprehensive framework based on core principle that an entity should recognise revenue representing the transfer of promised goods or services under separate performance obligations under the contract to customer at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. IFRS 15 replaces the previous revenue standards: IAS 18 Revenue, IAS 11 Construction Contracts, and the related interpretations on revenue recognition.

The changes laid down by these standards do not have any significant impact on these financial statements of the Company. However, related changes to the accounting policies have been made in these financial statements.

(b) New standards and amendments to published accounting and reporting standards that are not yet effective

The following standards, amendments and interpretations with respect to the accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

Standard or Interpretation	Effective date (annual periods beginning on or after)
- IFRS 9 – Prepayment Features with Negative Compensation – (Amendments)	January 1, 2019
- IFRS 16 - Leases	January 1, 2019
- IAS 19 - Plan Amendment, Curtailment or Settlement (Amendments)	January 1, 2019
- IAS 28 - Long-term Interests in Associates and Joint Ventures – (Amendments)	January 1, 2019
- IFRIC 23 - Uncertainty over Income Tax Treatments	January 1, 2019
- IAS 1 – Presentation of Financial Statements (Amendments)	January 1, 2020
- IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors (Amendments)	January 1, 2020
- IFRS 17 - Insurance Contracts	January 1, 2021

The above standards and amendments are not expected to have any material impact on the Company's financial statements in the period of initial application, except for IFRS 16 for which the Company is in the process of finalising its assessment.

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'.

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

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

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.

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 credits 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.

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 the month in which an asset is put to use and on deletions upto the month immediately preceding the deletion.

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

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 Rs 10,000 or less are charged to the profit or loss as and when purchased.

Maintenance and normal repairs are charged to the 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.

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 the 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 statement of 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 16.1.

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 profit or loss, and its share of post acquisition movements in other comprehensive income is recognised in the 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.

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.

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

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 recognised initially at the amount of consideration that is unconditional, unless they contain significant financing component in which case such are recognised at fair value. The Company holds the trade debts with the objective of collecting the contractual cash flows and therefore measures the trade debts subsequently at amortised cost using the effective interest method.

2.14 Financial assets and financial liabilities

Financial Assets

(i) Amortised Cost

Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognised directly in profit or loss.

(ii) Fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

(iii) Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income or assets that are designated at fair value through profit or loss using fair value option, are measured at fair value through profit or loss. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognised in the profit or loss in the period in which it arises.

Equity instrument financial assets are measured at fair value at and subsequent to initial recognition. Changes in fair value of these financial assets are normally recognised in the profit or loss. Dividends from such investments continue to be recognised in profit or loss when the Company's right to receive payment is established. Where an election is made to present fair value gains and losses on equity instruments in other comprehensive income there is no subsequent reclassification of fair value gains and losses to the profit or loss following the derecognition of the investment.

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 derecognition of the financial assets and liabilities is included in the profit or loss for the period in which it arises.

Financial assets are derecognised when the Company loses control of the contractual rights that comprise the financial asset. Assets or liabilities that are not contractual in nature and that are created as a result of statutory requirements imposed by the Government are not the financial instruments of the Company.

Financial Liabilities

Financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised cost are initially measured at fair value less transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are recognised as expense in the profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective yield method.

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

2.15 Offsetting

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.

2.16 Impairment

(a) Financial assets

The Company assesses on a forward looking basis, the expected credit losses associated with its financial assets. The Company applies the simplified approach to recognise lifetime expected credit losses for trade debts.

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

The Company recognises in the profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

(b) Non-Financial assets

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognised as an expense in the profit or loss. The recoverable amount is the higher of an asset's fair value less cost of disposal and value-in-use. Value-in-use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

An impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.17 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.

2.18 Revenue recognition

(a) Sale of goods

Revenue is recognised when or as performance obligations are satisfied by transferring control of a promised goods or service to a customer, and control either transfers over time or at a point in time. Revenue is measured at fair value of the consideration received or receivable, excluding discounts, rebates and government levies.

(b) Dividend income is recognised when the right to receive such payment is established.

(c) Interest income is accrued on the time proportion basis with reference to the principal outstanding and applicable rate of return.

2.19 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.

2.20 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.

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

2.21 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.

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

2.23 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.

2.24 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 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.

2.25 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.

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

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 2.12]
- (vi) Estimation of expected credit losses for trade receivables [note 2.16]
- (vii) Provision for tyre replacement allowance [note 2.21]

4. SHARE CAPITAL AND RESERVES

4.1 Issued, subscribed and paid-up share capital

2019	2018		2019	2018
Number of Share			----- Rupees in '000 -----	
7,133,320	7,133,320	Ordinary shares of Rs 10 each fully paid in cash	71,333	71,333
186,680	186,680	Ordinary shares of Rs 10 each issued for consideration other than cash	1,867	1,867
94,291,125	52,451,250	Ordinary shares of Rs 10 each issued as fully paid bonus shares	942,912	524,513
101,611,125	59,771,250		1,016,112	597,713

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

Bibojee Services (Private) Limited	28,234,810	16,608,712
Pakistan Kuwait Investment Company (Private) Limited	30,483,196	17,931,292
	58,718,006	34,540,004

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

4.1.2 During the year 41,839,875 bonus shares were issued (i.e. 7 bonus shares for every 10 shares held) by the Company.

4.2 Reserve for capital expenditure

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

5. LONG TERM FINANCES - Secured

Term finance - from banking companies

Conventional (note 5.1, 5.2, 5.3 & 5.4)

Shariah compliant (note 5.5)

2019	2018
----- Rupees in '000 -----	
1,449,105	1,375,000
179,866	343,583
1,628,971	1,718,583
(608,223)	(471,298)
1,020,748	1,247,285

Less: current maturity grouped under current liabilities

- 5.1 The Company obtained a term finance facility with a bank for an amount 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% 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 In order to finance the Company's on-going budgeted capital expenditure requirement, the Company obtained a term finance facility of Rs 700 million. The principal amount was drawn in four tranches and is repayable in eight equal semi-annually instalments which commenced from September 16, 2017. This finance facility carries mark-up at the rate of six months KIBOR plus 0.5% per annum 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 includes a term finance facility of Rs 700 million obtained to finance capital expenditure. The principal amount drawn down is repayable in fourteen equal quarterly instalments which 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 In order to finance the Company's on-going budgeted capital expenditure requirement, the Company obtained a term finance facility of Rs 850 million. The principal amount drawn down is upto Rs 356.68 million and an additional amount is intended to be drawn during the financial year 2020. The first tranche of loan is repayable in fourteen equal quarterly instalments after a grace period of one and a half year from the date of disbursement (i.e. May 3, 2019). This finance facility carries mark-up at the rate of three months KIBOR plus 0.50% per annum and is secured by way of first registered joint pari passu hypothecation charge of Rs 1,133.33 million over all the present and future fixed assets (excluding land and building) and current assets of the Company.

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

5.5 The Company obtained a Musharika facility of Rs 650 million for the acquisition of boiler and mixing line with down stream 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 and is secured by way of first joint pari passu hypothecation charge of Rs 300 million on overall assets of the Company.

5.6 Following are the changes in the long term finances:

		2019	2018
Note		----- Rupees in '000 -----	
Opening balance		1,718,583	1,457,300
Add: Disbursement		356,686	700,000
Less: Repayments		(446,298)	(438,717)
Closing balance		1,628,971	1,718,583
6. STAFF BENEFITS			
Staff retirement gratuity	6.1	288,442	326,946
Employees compensated absences	6.2	47,787	46,275
		336,229	373,221

6.1 Staff retirement gratuity

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 the 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, 2019 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:

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

6.1.4 Balance sheet reconciliation

Present value of defined

benefit obligation - note 6.1.5

Fair value of plan assets - note 6.1.6

Liability at end of the year

Payable within next twelve months

6.1.5 Movement in the present value

of defined benefit obligation

Balance at the beginning of the year

Current service cost

Interest cost

Benefits paid

Re-measurement on obligation

Transferred to managerial cadre

Balance as at June 30,

6.1.6 Movement in the fair value of plan assets

Balance at the beginning of the year

Interest income

Contributions

Benefits paid

Re-measurement

Balance as at June 30,

	Funded		Unfunded		Total	
	2019	2018	2019	2018	2019	2018
	----- Rupees in '000 -----					
Present value of defined benefit obligation - note 6.1.5	164,584	199,384	329,135	329,560	493,719	528,944
Fair value of plan assets - note 6.1.6	(130,995)	(150,069)	-	-	(130,995)	(150,069)
Liability at end of the year	33,589	49,315	329,135	329,560	362,724	378,875
Payable within next twelve months	(34,755)	(13,351)	(39,527)	(38,578)	(74,282)	(51,929)
	(1,166)	35,964	289,608	290,982	288,442	326,946
6.1.5 Movement in the present value of defined benefit obligation						
Balance at the beginning of the year	199,384	176,373	329,560	285,624	528,944	461,997
Current service cost	11,981	10,801	22,367	18,198	34,348	28,999
Interest cost	13,247	13,480	27,668	21,578	40,915	35,058
Benefits paid	(69,280)	(25,024)	(22,324)	(22,519)	(91,604)	(47,543)
Re-measurement on obligation	4,874	14,477	(23,758)	35,956	(18,884)	50,433
Transferred to managerial cadre	4,378	9,277	(4,378)	(9,277)	-	-
Balance as at June 30,	164,584	199,384	329,135	329,560	493,719	528,944
6.1.6 Movement in the fair value of plan assets						
Balance at the beginning of the year	150,069	133,425	-	-	150,069	133,425
Interest income	12,258	11,391	-	-	12,258	11,391
Contributions	49,314	42,947	-	-	49,314	42,947
Benefits paid	(69,280)	(25,024)	-	-	(69,280)	(25,024)
Re-measurement	(11,366)	(12,670)	-	-	(11,366)	(12,670)
Balance as at June 30,	130,995	150,069	-	-	130,995	150,069

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

	Funded		Unfunded		Total	
	2019	2018	2019	2018	2019	2018
	----- Rupees in '000 -----					
6.1.7 Charge for the year						
Current service cost	11,981	10,801	22,367	18,198	34,348	28,999
Net interest cost	989	2,089	27,668	21,578	28,657	23,667
	12,970	12,890	50,035	39,776	63,005	52,666
6.1.8 Re-measurement recognised in other comprehensive income						
Re-measurement on obligation	4,874	14,477	(23,758)	35,956	(18,884)	50,433
Re-measurement of fair value of plan assets	11,366	12,670	-	-	11,366	12,670
	16,240	27,147	(23,758)	35,956	(7,518)	63,103
6.1.9 Net recognised liability						
Net liability at beginning of the year	49,315	42,948	329,560	285,624	378,875	328,572
Charge for the year	12,970	12,890	50,035	39,776	63,005	52,666
Benefits paid during the year	-	-	(22,324)	(22,519)	(22,324)	(22,519)
Contributions made during the year	(49,314)	(42,947)	-	-	(49,314)	(42,947)
Transferred to managerial cadre	4,378	9,277	(4,378)	(9,277)	-	-
Re-measurement recognised in other comprehensive income	16,240	27,147	(23,758)	35,956	(7,518)	63,103
Net liability as at June 30,	33,589	49,315	329,135	329,560	362,724	378,875
Payable within next twelve months	(34,755)	(13,351)	(39,527)	(38,578)	(74,282)	(51,929)
	(1,166)	35,964	289,608	290,982	288,442	326,946
6.1.10 Plan assets comprise of:						
Debt instruments - Unquoted	-	108,938	-	-	-	108,938
Equity instruments - Quoted	26,618	36,782	-	-	26,618	36,782
Cash at bank	104,378	4,349	-	-	104,378	4,349
	130,996	150,069	-	-	130,996	150,069

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

	Funded		Unfunded	
	2019	2018	2019	2018
	----- % per annum -----			
6.1.11 Actuarial assumptions used				
Discount rate	14.25	8.75	14.25	8.75
Expected rate of increase in future salaries	14.25	8.75	14.25	8.75
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 defined benefit obligation		
	Change in assumptions	Increase in assumptions	Decrease in assumptions
	--- Rupees in '000 ---		
Discount rate	1.00%	(28,598)	32,051
Future salaries	1.00%	34,267	(31,065)
Withdrawal rates	10.00%	(410)	417

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, 2020 amounts to Rs 14.969 million and Rs 64.115 million for funded and unfunded gratuity schemes respectively.

6.1.14 The weighted average duration of funded gratuity and un-funded gratuity is 5.14 years and 6.64 years respectively.

6.1.15 Description of the risks to the Company:

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

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

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 any way depending on the beneficiaries service/age distribution and the benefit.

Asset volatility - The plan liabilities are calculated using a discount rate set with reference to corporate bond yields; if plan assets underperform this yield, this will create a deficit. The Fund believes that due to the long-term nature of the plan liabilities and the strength of the Company's support, the current investment strategy manages this risk adequately.

6.2 Employees compensated absences

Balance at the end of the year
Payable within next twelve months

Note	2019 ----- Rupees in '000 -----	2018 ----- Rupees in '000 -----
6.2.1	54,723 (6,936) 47,787	56,806 (10,531) 46,275

6.2.1 Movement in the account during the year is as follows:

Balance at the beginning of the year
Provision for the year

Encashed during the year
Balance at the end of the year

56,806	49,206
7,287	10,591
64,093	59,797
(9,370)	(2,991)
54,723	56,806

7. DEFERRED TAXATION - Net

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

Taxable temporary difference

Accelerated tax depreciation

Deductible temporary difference

Provision for doubtful debts
Provision for doubtful custom duty rebates recoverable
Provision for staff benefits
Interest payable on custom duties
Provisions for commission and allowances
Minimum tax
Others

594,889	457,330
(11,855)	(8,721)
(26,205)	(26,205)
(111,319)	(101,918)
(8,681)	(8,681)
(13,920)	(39,869)
(123,209)	-
(297)	(1,616)
(295,486)	(187,010)
299,403	270,320

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

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.

9. SHORT TERM FINANCES - Secured

Conventional
- Term Finance Loans

Note	2019 ----- Rupees in '000 -----	2018 ----- Rupees in '000 -----
9.1	1,350,000 1,350,000	946,187 946,187

9.1 Short term finance facilities available from commercial banks aggregate Rs 1,950 million (2018: 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 as at the year ended June 30, 2019 ranged from KIBOR plus 0.2% to KIBOR plus 0.5% per annum. These facilities are expiring on various dates upto October 24, 2019.

9.2 Following are the changes in short term finances:

	2019 ----- Rupees in '000 -----	2018 ----- Rupees in '000 -----
Opening balance	946,187	157,736
Add: Disbursements net of repayments	403,813	788,451
Closing balance	1,350,000	946,187

10. RUNNING FINANCES UNDER MARK-UP ARRANGEMENTS - Secured

Conventional
Shariah Compliant

2,878,828	1,742,566
647,357	-
3,526,185	1,742,566

10.1 The Company has arranged running finance facilities from various banks on mark-up basis to the extent of Rs 4,500 million (2018: Rs 4,025 million). The rates of mark-up on these arrangements as at the year ended June 30, 2019 ranged from KIBOR plus 0.35% to KIBOR plus 1% 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, 2019.

The maximum available aggregate limit for utilisation of facilities for short term finances and running finances is Rs 6,450 million (2018: Rs 5,025 million).

10.2 The facilities for opening letters of credit and guarantees as at June 30, 2019 aggregated Rs 4,200 million (2018: Rs 3,700 million) of which the amount remained unutilised at the year-end was Rs 2,534.3 million (2018: Rs 1,824 million).

10.3 The year end balance includes Rs 387.697 million (2018: Rs 59.908 million) payable to Askari Bank Limited - an associated company.

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

11. TRADE AND OTHER PAYABLES

	Note	2019 ----- Rupees in '000 -----	2018
Trade creditors		201,215	187,693
Bills payable		761,848	678,359
Accrued expenses	11.1	578,270	672,037
Royalty fee payable		36,190	182,913
Advances from customers	11.2	59,373	54,181
Staff provident fund payable		4,316	4,592
Staff retirement gratuity	6.1.4	74,282	51,929
Short term deposits		1,261	1,114
Workers' profits participation fund	11.3	3,604	414
Workers' welfare fund		5,237	18,832
Payable to Waqf-e-Kuli Khan		3,070	17,889
Interest payable on custom duties	11.4 & 11.5	29,933	29,933
Stamp duty payable		488	500
Others	11.6	24,670	27,995
		1,783,757	1,928,381

11.1 Include Rs 205.984 million (2018: Rs 183.766 million) and Rs 14.749 million (2018: Rs 23.567 million) pertaining to Gas Infrastructure Development Cess and key management personnel respectively.

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

	Note	2019 ----- Rupees in '000 -----	2018
Ghandhara Nissan Limited		3	266
Sui Northern Gas Pipelines Limited		4	-
Ghandhara DF (Private) Limited		-	392
Gandhara Industries Limited		4	-
		11	658
11.3 Workers' profits participation fund			
Balance at the beginning of the year		414	63,599
Interest on funds utilised in the Company's business	33	41	3,280
Allocation for the year	32	13,604	50,414
		13,645	53,694
Payments made during the year		(10,455)	(116,879)
Balance as at June 30,		3,604	414

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

11.4 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 Appraisement 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.

During the year ended June 30, 2006, the Company filed an application for alternate dispute resolution with the Alternate Dispute Resolution Committee on the direction of the Supreme Court of Pakistan.

The 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.

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.

11.5 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 11.4. 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 11.4. 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).

11.6 Other liabilities include vehicle deposits under the Company's vehicle policy aggregating Rs 17.366 million (2018: Rs 16.044 million).

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

12. ACCRUED MARK-UP

	Note	2019 ----- Rupees in '000 -----	2018
Mark-up accrued on:			
- long term finances		32,022	18,417
- short term finances		16,435	11,892
- running finances	12.1	82,379	28,539
		<u>130,836</u>	<u>58,848</u>

12.1 Include mark-up amounting to Rs 11.645 million (2018: Rs 12.581 million) due to Askari Bank Limited - an associated company.

13. PROVISIONS

	Note	2019 ----- Rupees in '000 -----	2018
Tyre replacement allowance	13.1	48,000	44,700
13.1 Provision for tyre replacement allowance			
Balance at the beginning of the year		44,700	37,100
Charge for the year	13.1.1 & 28.1	51,924	62,402
		96,624	99,502
Claims paid / adjusted		(48,624)	(54,802)
Balance as at June 30		<u>48,000</u>	<u>44,700</u>

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.

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

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'.

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. The aggregate exposure of the Company under these claims amounts approximately to Rs 7.684 million (2018: Rs 6.804 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 certain additions and adjustment to the Company's taxable income for the tax year 2012.

The Company filed appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] against the abovementioned order. CIR(A) in the order confirmed the additions made by ACIR except for the reversal of some portion of disallowed expense mentioned above. As a result of aforementioned adjustment / disallowances a demand of Rs 41.468 million has been issued and 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.

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. Through these orders, 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.

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

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 and 2014 and issued demand of Rs 11.889 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 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. The Company filed appeals before the ATIR against the orders of CIR(A) which were decided against the Company. The Company has filed 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 2013 and 2015 and issued demands of Rs 16.165 and Rs 29.675 million respectively (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.

14.1.7 Section 5A of the Income Tax Ordinance 2001, imposes a tax @ 10% on reserves of a company that exceed amount of its share capital in case company derives profit but does not 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 made certain 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 included Rs 175.409 million in respect of tax charged at the rate of 10% under section 5A of the Income Tax Ordinance, 2001 on undistributed reserves.

The department created a net tax demand of Rs 41.323 million as the Company had already obtained a stay order from High Court of Sindh (note 14.1.7) on the imposition of tax on undistributed reserves. The Company filed an appeal before the CIR(A) against the abovementioned order. CIR(A) confirmed the additions made by the assessing officer. The Company has filed an appeal before the appellate tribunal against the order of CIR(A), however, hearing in this appeal is pending.

The Company has also deposited Rs 41.323 million against abovementioned demand and has recognised this in other receivables as 'Income tax paid under protest' (note 25). The management expects a favourable outcome of the abovementioned legal proceedings.

Notes to and Forming Part of the Financial Statements

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14.1.9 The Company in response to the requirements of S.R.O. 655(I)/2007 paid the special excise 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.

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.

14.1.10 ACIR through its order dated January 15, 2018 made certain additions and adjustment to the Company's taxable income for the tax year 2017 and raised a demand of Rs 53.45 million which was adjusted against the refunds of the Company. The Company filed an appeal before the CIR(A) against the abovementioned order and CIR(A) through an order dated November 29, 2018 confirmed all of the adjustments made by the ACIR except for the disallowed finance cost amounting to Rs 2.442 million. The Company has filed an appeal before ATIR against the order made by CIR(A), the decision of which is pending.

The department has also filed an appeal before ATIR against the allowance made by the CIR(A) of the above mentioned finance cost, the decision of which is also pending.

The CIR selected the Company for audit under section 177 of the Income Tax Ordinance, 2001 for the tax year 2017. The department has made further amendment of assessment to the tax year 2017 and made certain additions / adjustments to the taxable income.

On the basis of the additions / adjustments, a demand of Rs 1.271 million was raised. The Company has filed a rectification application to the concerned officer as the Company believes that the department has overstated the taxable income by Rs 90 million, however, the same is currently pending.

Further, the Company has filed appeal before CIR(A) against the above order but the order was confirmed by the CIR(A). The Company has now filed an appeal before ATIR against the order of the CIR(A), however, the appeal is pending for hearing. The Company, based on the advice of its counsel is of the view that it has a fair chance of success in the appeal.

14.1.11 DCIR through its order dated July 2, 2019 made certain additions / adjustments to the Company's taxable income for the tax year 2018 and issued a demand of Rs 98.926 million, which was adjusted against the refunds of the Company.

The Company is in the process of filing an appeal to CIR(A) against the order made by the DCIR.

14.1.12 CIR(A) through its order dated December 12, 2018 confirmed certain additions to the Company's taxable income for the tax year 2006, previously made by DCIR through its order under section 221 and section 122(1) of the Income Tax Ordinance, 2001, whereby, the DCIR had raised a demand of Rs 32.612 million which was adjusted from the refunds of the Company.

The Company has filed an appeal before ATIR against the order of the CIR(A) which is pending for hearing.

14.1.13 The tax authorities issued notices under section 176 of the Income Tax Ordinance, 2001 in respect of short deduction of tax on the basis of sales tax returns filed for the tax years 2016 and 2017 amounting to Rs 7.961 million and Rs 69.629 million respectively. The Company has furnished the reconciliation and other required details to the concerned officer, however, no further response has been received from the tax department till date.

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

14.1.14 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 63.248 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.

14.1.15 During the year the Company filed two appeals before ATIR against orders dated December 18, 2018 and October 9, 2018 whereby CIR(A) upheld sales tax demands amounting to Rs 66.243 million and 154.545 million respectively, against the Company which in view of the management cannot be levied since the supplies were subject to extra tax and export sales. The Company, based on the advice of its tax consultant is expecting a favourable outcome and therefore no provision has been recognised in these financial statements.

14.1.16 On July 2, 2019, the Company received an order from the DCIR wherein the DCIR made a total demand of Rs 234.033 million along with penalty and default surcharge for the tax periods from July 2016 to June 2018 in respect of inadmissible input tax, short payment of further tax and sales tax withholding claimed by the Company.

The Company in consultation with its counsel is in the process of filing an appeal to CIR(A) and is also expecting the eventual outcome to be in favour of the Company.

	Note	2019 ----- Rupees in '000 -----	2018 ----- Rupees in '000 -----
14.1.17 Guarantees issued by commercial banks on behalf of the Company		288,321	233,138
14.1.18 Post dated cheques issued to the Collector of Customs against duty on imported plant & machinery, raw materials and stores & spares		80,547	124,773
14.2 Commitments			
14.2.1 Commitments in respect of:			
- letters of credit for capital expenditure		559,389	661,483
- letters of credit for purchase of raw materials and stores & spares		830,087	721,368
- purchase orders issued to local suppliers for capital expenditure		55,713	139,600
- sales contracts entered into by the Company		27,329	2,508
- tentative schedules for supply of tyres		1,906,727	2,439,188
- 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:

	2019 ----- Rupees in '000 -----	2018 ----- Rupees in '000 -----
Not later than 1 year	2,518	11,181
Over 1 year and not later than 5 years	-	3,003
	2,518	14,184

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

Note	2019 ----- Rupees in '000 -----	2018 ----- Rupees in '000 -----
15.1	4,431,955	3,728,209
15.6	695,214	519,100
	5,127,169	4,247,309

15. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	15.1	4,431,955	3,728,209
Capital work-in-progress	15.6	695,214	519,100
		5,127,169	4,247,309

15.1 Operating fixed assetst

At July 1, 2017

	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
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	38,316	3,148	2,270	485,152
Disposals												
- cost	-	500	-	11,013	1,824	-	8,344	12,464	-	1,065	-	35,210
- accumulated depreciation	-	(450)	-	(7,599)	(1,824)	-	(8,344)	(10,846)	-	(1,013)	-	(30,076)
Depreciation charge (note 15.4)	-	50	-	3,414	-	-	-	1,618	-	52	-	5,134
Closing net book value	39,452	557,073	66,748	2,399,333	214,870	53,428	171,505	96,782	56,601	45,825	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	75,956	168,995	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	56,601	45,825	26,592	3,728,209

Year ended June 30, 2019

Transfers from CWIP	-	59,374	23,877	727,802	109,459	-	95,372	54,916	2,001	12,845	3,621	1,089,267
Disposals												
- cost	-	-	-	972	-	-	840	10,557	-	-	427	12,796
- accumulated depreciation	-	-	-	(972)	-	-	(840)	(6,674)	-	-	(376)	(8,862)
Depreciation charge (note 15.4)	-	-	-	-	-	-	-	3,883	-	-	51	3,934
Closing net book value	39,452	579,361	80,937	2,931,396	294,895	43,445	237,337	113,876	54,965	37,251	18,840	4,431,955

At June 30, 2019

Cost	39,452	887,805	197,439	5,114,119	416,406	96,909	477,395	248,867	77,957	181,840	73,293	7,811,482
Accumulated depreciation	-	308,444	116,502	2,181,832	121,511	53,464	239,695	134,991	22,992	144,589	54,453	3,378,473
Accumulated impairment	-	-	-	691	-	-	363	-	-	-	-	1,054
Net book value	39,452	579,361	80,937	2,931,396	294,895	43,445	237,337	113,876	54,965	37,251	18,840	4,431,955

Depreciation rate (% per annum)	5	10	5	10	15	10	20	10	15	25
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Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

15.2 Cost of items of operating fixed assets that are fully depreciated amounted to Rs 1,321.087 million (2018: Rs 1,162.625 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	2019 ----- Rupees in '000 -----	2018 ----- Rupees in '000 -----
Cost of goods manufactured	28.1	352,962	322,494
Administrative expenses	29	20,233	14,023
Distribution cost	30	8,392	6,272
		381,587	342,789

15.5 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							
Toyota Corolla	1,952	976	976	1,009	33	Company policy	Mr. Farhan Ahmed (ex-employee)
Honda City	1,809	874	935	1,116	181	Company policy	Mr. Nusratullah (ex-employee)
Suzuki Cultus	1,129	376	753	847	94	Company policy	Syed Hasan Javed, Esq. (ex-employee)
Honda City	1,522	888	634	304	(330)	Company policy	Mr. Tahir Akhter (ex-employee)
Toyota Corolla	1,953	1,367	586	391	(195)	Company policy	Mr. Zubair A. Mufti (ex-employee)
June 30, 2019	8,365	4,481	3,884	3,667	(217)		
June 30, 2018	6,479	3,376	3,103	9,430	6,327		

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

15.6 Capital work-in-progress

	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
Factory and office equipment	2,969	4,290	3,148	4,111
Furniture and fixtures	549	38,341	38,316	574
Computer equipment	185	2,085	2,270	-
	80,446	926,081	485,152	521,375
Provision for a doubtful advance				(2,275)
				519,100

	As at July 1, 2018	Additions	Transfers	As at June 30, 2019
----- Rupees in '000 -----				
Buildings	73,422	135,819	59,374	149,867
Electrical installations	1,200	23,018	23,877	341
Plant and machinery	397,244	865,975	727,802	535,417
Boilers and accessories	22,233	87,390	109,459	164
Moulds	169	95,207	95,372	4
Vehicles	22,422	32,941	54,916	447
Factory and office equipment	4,111	19,983	12,845	11,249
Furniture and fixtures	574	1,427	2,001	-
Computer equipment	-	3,621	3,621	-
	521,375	1,265,381	1,089,267	697,489
Provision for a doubtful advance				(2,275)
				695,214

15.6.1 Capital work in progress includes Rs 147.642 million (2018: Rs 111.356 million) representing advance payments made to suppliers for procurement of operating fixed assets.

16. INTANGIBLE ASSETS

	Note	2019 ----- Rupees in '000 -----	2018 ----- Rupees in '000 -----
Net book value as at June 30,	16.1	26,562	46,584

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

		Software licenses & implementation cost	
		2019	2018
		----- Rupees in '000 -----	
		Note	
16.1 Reconciliation of carrying amount at beginning and end of the year			
Cost			
At the beginning of the year		77,749	69,285
Additions during the year		4,204	8,464
At June 30		81,953	77,749
Accumulated amortisation			
At the beginning of the year		31,165	6,805
Amortisation charge	16.2	24,226	24,360
At June 30		55,391	31,165
Net book value		26,562	46,584
Amortisation rate (% per annum)		33.33	33.33
16.2 Amortisation charge has been allocated as follows:			
Cost of goods manufactured	28.1	576	269
Administrative expenses	29	23,650	24,091
		24,226	24,360
17. INVESTMENT IN AN ASSOCIATED COMPANY - Quoted			
Ghandhara Industries Limited			
- Equity accounted investment			
Balance at beginning of the year		15,363	10,114
Share of profit		2,299	6,760
Dividend received		(1,571)	(1,511)
Balance at end of the year		16,091	15,363
17.1 Investment in Ghandhara Industries Limited (GIL) represents 201,400 (2018: 100,700) fully paid ordinary shares of Rs 10 each representing 0.473% (2018: 0.473%) of its issued, subscribed and paid-up share capital as at June 30, 2019. 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. During the year, the Company received 100,700 bonus shares from GIL.			
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, 2019 is as follows:			

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

	Un-Audited As at	
	March 31, 2019	March 31, 2018
--- Rupees in '000 ---		
Summarised statement of financial position		
Non current assets	2,832,197	2,442,009
Current assets	14,162,135	8,251,850
	16,994,332	10,693,859
Non current liabilities	134,807	90,875
Current liabilities	12,072,893	5,969,984
	12,207,700	6,060,859
Net assets	4,786,632	4,633,000
Reconciliation to carrying amount		
Opening net assets	4,633,000	3,523,221
Profit for the year	494,874	1,430,699
Other comprehensive loss	(8,893)	(1,354)
Dividend paid	(332,349)	(319,566)
Closing net assets	4,786,632	4,633,000
Company's share (Percentage)	0.473%	0.473%
Company's share	22,642	21,914
Pre-acquisition profits	(6,551)	(6,551)
Carrying amount of investment	16,091	15,363
Summarised profit or loss		
Revenue	10,742,910	11,565,648
Profit before tax	372,478	1,750,083
Profit after tax	394,852	1,262,398
17.4 The above figures are based on unaudited condensed interim financial information of GIL for the nine months period ended March 31, 2019. The latest financial statements of GIL as at June 30, 2019 are not presently available. Accordingly, results of operations of first three quarters of financial year 2019 and last quarter of financial year 2018 have been considered.		
17.5 The market value of investment as at June 30, 2019 was Rs 17.596 million (2018: Rs 71.164 million).		

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

18. LONG TERM LOANS AND ADVANCES

	Note	2019 ----- Rupees in '000 -----	2018 ----- Rupees in '000 -----
Considered good - secured			
Loans and advances due from:			
- executives	18.1 & 18.2	2,120	1,841
- other employees	18.1	10,288	10,038
		12,408	11,879
Less: amounts recoverable within one year and grouped under current assets			
- executives		1,090	936
- other employees		4,458	4,247
	23	5,548	5,183
		6,860	6,696

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

	2019 ----- Rupees in '000 -----	2018 ----- Rupees in '000 -----
Balance at the beginning of the year	1,841	3,455
Disbursements	1,742	1,500
	3,583	4,955
Repayments	(1,463)	(3,114)
Balance as at June 30,	2,120	1,841

18.3 The maximum aggregate amount outstanding at the end of any month during the year ended June 30, 2019 from executives against loans and advances aggregated Rs 3.583 million (2018: Rs 2.038 million).

18.4 Advances to executives include an amount of Rs 0.485 million (2018: Rs 0.111 million) provided to the Chief Executive of the Company as furniture advance in accordance with his terms of employment and in accordance with the requirements of the 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.

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

19. LONG TERM DEPOSITS

	Note	2019 ----- Rupees in '000 -----	2018 ----- Rupees in '000 -----
Considered good - unsecured and interest-free			
Security deposits for:			
- utilities		16,155	6,687
- ljarah		2,296	11,784
- others		1,935	1,935
		20,386	20,406
Provision for doubtful deposit		(436)	(436)
		19,950	19,970

20. STORES AND SPARES

- in hand		638,206	584,402
- in transit		21,360	12,092
		659,566	596,494

21. STOCKS

Raw materials			
- in hand		1,478,193	1,929,457
- in transit		373,518	473,151
	28.3	1,851,711	2,402,608
Work-in-process	28.1	194,266	179,905
Finished goods			
- in hand	21.1	1,675,771	714,448
- in transit		-	27,896
	28	1,675,771	742,344
		3,721,748	3,324,857

21.1 Finished goods include items costing Rs 95.924 million (2018: Rs 169.890 million) which are stated at their net realisable values aggregating Rs 67.512 million (2018: Rs 121.607 million). The aggregate amount charged to profit or loss in respect of stocks written down to their net realisable value is Rs 28.412 million (2018: Rs 48.283 million).

21.2 All operating fixed assets (excluding land and building) and current assets of the Company upto a maximum amount of Rs 13,041 million (2018: 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).

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

22. TRADE DEBTS - Unsecured

	Note	2019 ----- Rupees in '000 -----	2018 ----- Rupees in '000 -----
Consider good			
Associated Companies			
Gandhara Industries Limited		13,641	6,920
Gammon Pakistan Limited		32	-
		13,673	6,920
Others		1,223,636	1,020,107
Considered doubtful - others		40,881	30,071
		1,278,190	1,057,098
Provision for doubtful debts	22.1	(40,881)	(30,071)
		1,237,309	1,027,027
22.1 Provision for doubtful debts			
Balance at the beginning of the year		30,071	27,044
Provision made during the year	29	15,652	11,200
Amount reversed during the year	22.4 & 31	(4,842)	(8,173)
Balance at the end of the year		40,881	30,071

22.2 The maximum aggregate amount due from related parties at the end of any month during the year was Rs 70.006 million (2018: Rs 103.680 million).

22.3 As at June 30, 2019, trade receivables of Rs 45.023 million (2018: Rs 38.591 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:

	Associated Companies		Others	
	2019	2018	2019	2018
	----- Rupees in '000 -----		----- Rupees in '000 -----	
0 to 30 days	3,256	6,920	1,067,049	980,832
31 to 60 days	10,385	-	104,285	15,019
61 to 180 days	-	-	48,192	15,830
181 to 360 days	32	-	8,252	16,851
Over one year	-	-	36,739	21,646
	13,673	6,920	1,264,517	1,050,178
Provision for doubtful debts	-	-	(40,881)	(30,071)
	13,673	6,920	1,223,636	1,020,107

22.4 This reversal has been made because of subsequent receipt of the respective amount.

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

23. LOANS AND ADVANCES - Considered good

	Note	2019 ----- Rupees in '000 -----	2018 ----- Rupees in '000 -----
Secured			
Current portion of long term loans and advances	18	5,548	5,183
Unsecured			
Loans and advances due from:			
- executives		-	450
- other employees		28,104	44,482
	23.1	28,104	44,932
Advances due from:			
- other employees		323	267
- suppliers, contractors and others		140,384	204,115
		140,707	204,382
		174,359	254,497

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.

24. DEPOSITS AND PREPAYMENTS

	Note	2019 ----- Rupees in '000 -----	2018 ----- Rupees in '000 -----
Considered good and unsecured			
Trade deposits - interest free		9,018	16,609
Call deposit receipts	24.1	30,686	58,458
Prepayments		13,531	13,545
Current account balances with statutory authorities	11.5	13,993	13,993
		67,228	102,605

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.

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

	Note	2019 ----- Rupees in '000 -----	2018
25. OTHER RECEIVABLES - Unsecured			
Export benefit receivable (duty drawback)		658	658
Provision for doubtful export benefit receivable		(658)	(658)
Sales tax under protest	14.1.1 & 14.1.14	34,703	34,703
Custom duty rebates recoverable		89,705	89,705
Provision for custom duty rebates recoverable		(89,705)	(89,705)
Sales tax - net		14,168	84,891
Margin and deposits against bank guarantees		8,900	11,114
Income tax paid under protest (notes 14.1.5, 14.1.6 & 14.1.8)		121,361	121,361
Others		24,999	29,139
Provision for doubtful receivables		(1,537)	(1,537)
		23,462	27,602
		202,594	279,671
26. CASH AND BANK BALANCES			
With banks in:			
- current accounts	26.1	146,169	53,065
- deposit account	26.2	7,362	8,171
		153,531	61,236
Cash and cheques in-hand		2,400	29,884
		155,931	91,120

26.1 Include Rs 0.469 million (2018: Rs 0.589 million) placed with Islamic saving account.

26.2 Deposit account is held with Askari Bank Limited - an associated company and it carries mark-up at the rate of 10.25% (2018: 4.5%) per annum.

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

	Note	2019 ----- Rupees in '000 -----	2018
27. SALES - Net			
Manufactured goods			
Local		12,319,844	13,838,456
Export		99,950	32,158
		12,419,794	13,870,614
Trading goods		202,732	268,366
		12,622,526	14,138,980
Less:			
- sales tax		1,885,026	2,105,300
- discounts		137,517	145,874
- commission and allowances		113,701	102,349
		2,136,244	2,353,523
		10,486,282	11,785,457
28. COST OF SALES			
Opening stock of finished goods		742,344	464,099
Cost of goods manufactured	28.1	9,719,876	9,743,651
Finished goods purchased		110,349	234,373
		9,830,225	9,978,024
Closing stock of finished goods	21	(1,675,771)	(742,344)
		8,896,798	9,699,779
28.1 Cost of goods manufactured			
Opening work-in-process		179,905	117,897
Raw materials consumed	28.3	5,948,543	5,783,099
Stores and spares consumed		322,612	467,907
Salaries, wages and benefits	28.4	1,775,601	1,834,398
Royalty fee	28.2	130,944	183,023
Travelling, conveyance and entertainment		6,093	8,861
Vehicles running expenses		28,252	25,714
Legal and professional charges		5,473	7,947
Power and fuel		810,043	841,352
Rent, rates and taxes		58,517	24,251
Ijarah rentals		7,984	29,043
Insurance		26,801	20,508
Repairs and maintenance		81,817	76,520
Tyre replacement allowance	13.1	51,924	62,402
Depreciation	15.4	352,962	322,494
Amortisation	16.2	576	269
Printing and stationery		2,443	2,802
Postage and telephone		2,326	2,873
Transportation		105,123	101,491
Newspapers, magazines and subscriptions		1,588	1,657
Security and maintenance		9,499	6,527
Other manufacturing expenses		5,116	2,521
		9,914,142	9,923,556
Closing work-in-process	21	(194,266)	(179,905)
		9,719,876	9,743,651

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

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

28.3 Raw materials consumed

	Note	2019 ----- Rupees in '000 -----	2018 ----- Rupees in '000 -----
Opening stock		2,402,608	1,492,732
Purchases during the year		5,397,646	6,692,975
		<u>7,800,254</u>	<u>8,185,707</u>
Closing stock	21	(1,851,711)	(2,402,608)
		<u>5,948,543</u>	<u>5,783,099</u>

28.4 Salaries, wages and benefits include Rs 46.458 million (2018: Rs 37.681 million) and Rs 15.019 million (2018: Rs 14.222 million) in respect of staff retirement benefits gratuity and provident fund respectively.

29. ADMINISTRATIVE EXPENSES

	Note	2019 ----- Rupees in '000 -----	2018 ----- Rupees in '000 -----
Salaries and benefits	29.1	175,124	213,930
Travelling and conveyance		6,289	5,076
Vehicles running expenses		6,550	5,518
Legal and professional charges		9,096	7,439
Auditors' remuneration	29.2	2,870	3,050
Rent, rates and taxes		102	102
Insurance		1,891	867
Repairs and maintenance		1,795	831
Depreciation	15.4	20,233	14,023
Amortisation	16.2	23,650	24,091
Printing and stationery		845	957
Postage and telephone		891	862
Ijarah rentals		1,427	2,940
Provision for doubtful debts	22.1	15,652	11,200
Computer expenses		16,323	12,307
Directors' fee	29.3	9,800	12,800
Newspapers, magazines and subscriptions		2,340	4,877
Other expenses		1,992	1,520
		<u>296,870</u>	<u>322,390</u>

29.1 Salaries and benefits include Rs 9.190 million (2018: Rs 8.073 million) and Rs 4.312 million (2018: Rs 5.456 million) in respect of staff retirement benefits gratuity and provident fund respectively.

29.2 Auditors' remuneration

	Note	2019 ----- Rupees in '000 -----	2018 ----- Rupees in '000 -----
Fee for audit, half yearly review and Code of Corporate Governance review		2,000	1,500
Others	29.2.1	620	1,300
		<u>2,620</u>	<u>2,800</u>
Out-of-pocket expenses		250	250
		<u>2,870</u>	<u>3,050</u>

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

29.2.1 The amount for the year ended June 30, 2019 includes fee for statutory certification.

29.3 Directors' fee

Aggregate amount charged in these financial statements amounts to Rs 8.80 million (2018: Rs 11.3 million) for meetings fee to nine (2018: ten) non executive directors.

30. DISTRIBUTION COST

	Note	2019 ----- Rupees in '000 -----	2018 ----- Rupees in '000 -----
Salaries and benefits	30.1	153,242	170,718
Travelling, conveyance and entertainment		30,742	27,570
Vehicle running expenses		7,190	6,014
Legal and professional charges		195	161
Advertisement and sales promotion		57,257	96,829
Rent, rates and taxes		22,215	22,122
Ijarah rentals		2,096	5,279
Insurance		1,320	955
Repairs and maintenance		1,037	1,121
Depreciation	15.4	8,392	6,272
Printing and stationery		625	669
Postage and telephone		2,575	2,432
Freight and insurance		101,580	151,868
Gas and electricity		2,480	1,923
Newspapers, magazines and subscriptions		195	31
Others		4,281	3,887
		<u>395,422</u>	<u>497,851</u>

30.1 Salaries and benefits include Rs 7.357 million (2018: Rs 6.912 million) and Rs 2.938 million (2018: Rs 2.804 million) in respect of staff retirement benefits gratuity and provident fund respectively.

31. OTHER INCOME

	Note	2019 ----- Rupees in '000 -----	2018 ----- Rupees in '000 -----
Income from financial assets			
Profit on bank deposits - conventional bank		806	274
Income from other than financial assets			
Sale of scrap (net of sales tax)		63,136	53,859
Gain on sale of operating fixed assets		468	10,966
Reversal of provision for doubtful debts	22.1	4,842	8,173
Others	31.1	687	869
		<u>69,939</u>	<u>74,141</u>

31.1 These represent interest free income from various sources.

32. OTHER EXPENSES

	Note	2019 ----- Rupees in '000 -----	2018 ----- Rupees in '000 -----
Workers' profit participation fund	11.3	13,604	50,414
Workers' welfare fund			
- current year		5,237	18,832
- prior year		(53)	(219)
		<u>5,184</u>	<u>18,613</u>
Exchange loss - net		107,503	61,363
Donations	32.1	4,470	19,121
		<u>130,761</u>	<u>149,511</u>

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

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

Donee	Address	2019 ----- Rupees in '000 -----	2018
Waqf-e-Kuli Khan - (note 32.1.1)	2nd Floor, Gardee Trust Building, Napier Road, Lahore	3,070	17,889
The Citizens Foundation	Plot No. 20, Sector 14, Near Brookes Chowrangi, Korangi Industrial Area, Karachi	1,400	1,000
		4,470	18,889

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

33. FINANCE COST

Mark-up on:

	Note	2019 ----- Rupees in '000 -----	2018
- long term finances		149,868	123,533
- short term finances		141,460	20,735
- running finances		287,772	103,762
Interest on workers' profit participation fund	11.3	41	3,280
Bank charges and guarantee commission		5,891	5,472
		585,032	256,782

34. TAXATION

Current

- for the year	87,191	258,438
- for prior years	16,667	7,787

Deferred

	103,858	266,225
	26,903	(41,731)
	130,761	224,494

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:

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

Profit before taxation

Tax at the applicable rate of 29% (2018: 30%)

Tax effect of:

- impact of tax credits
- impact of change in tax rate and others
- income assessed under Final Tax Regime
- expenses that are not allowed in determining taxable income

Super tax

Effect of prior years' tax

2019 ----- Rupees in '000 -----	2018
253,637	940,045
73,555	282,014
(48,874)	(45,793)
82,046	(24,466)
7,367	(6,735)
-	(16,043)
40,539	(93,037)
-	27,730
114,094	216,707
16,667	7,787
130,761	224,494

34.2 Section 5A of the Income Tax Ordinance, 2001 imposes tax at the rate of 5% on every public company other than a scheduled bank or modaraba, that derives profits for tax year but does not distribute 20% of accounting profit through cash dividend within six months of the end of said tax year.

The time available for distribution of the said dividend expires on December 31, 2019 and the Company intends to comply with the above requirement within the date specified. Accordingly, no provision for tax on undistributed profits has been recognised in these financial statements for the year ended June 30, 2019.

34.3 In view of the management, 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:

	2018 ----- Rupees in '000 -----	2017	2016
Tax assessed as per most recent tax assessment	357,364	299,378	661,282
Provision in accounts for income tax	275,105	187,525	444,550

The difference between tax assessed and tax provision are explained in note 14.1.8, 14.1.10 and 14.1.11.

35. EARNINGS PER SHARE

35.1 Basic earnings per share

Profit after taxation

Weighted average number of ordinary shares

Earnings per share

2019 ----- Rupees in '000 -----	2018
122,876	715,551
-- Number of shares -- (Restated)	
101,611,125	101,611,125
----- Rupees ----- (Restated)	
1.21	7.04

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

35.2 During the year 41,839,875 bonus shares were issued (i.e. 7 bonus shares for every 10 shares held) by the Company. Accordingly weighted average number of shares for the corresponding year (i.e. year 2018) have been adjusted.

35.3 Diluted earnings per share

There are no dilutive potential ordinary shares outstanding as at June 30, 2019 and 2018.

		2019	2018
	Note	----- Rupees in '000 -----	
36. CASH GENERATED FROM OPERATIONS			
Profit before taxation		253,637	940,045
Adjustments for non-cash charges and other items			
Depreciation		381,587	342,789
Amortisation		24,226	24,360
Provision for staff retirement gratuity		63,005	52,666
Charge of employees compensated absences		7,287	10,591
Provision for doubtful debts charge - net		10,810	3,027
Profit on bank deposits		(806)	(274)
Gain on sale of operating fixed assets		(468)	(10,966)
Provision for doubtful deposit		-	436
Finance cost		585,032	256,782
Share of profit of an associated company		(2,299)	(6,760)
Working capital changes	36.1	(648,545)	(878,904)
		<u>673,466</u>	<u>733,792</u>
36.1 Working capital changes			
(increase) / decrease in current assets:			
- Stores and spares		(63,072)	(107,201)
- Stocks		(396,891)	(1,250,129)
- Trade debts		(221,092)	(150,721)
- Loans and advances		80,138	55,750
- Deposits and prepayments		35,377	(36,288)
- Other receivables		77,077	14,877
		<u>(488,463)</u>	<u>(1,473,712)</u>
Increase / (decrease) in current liabilities:			
- Trade and other payables		(163,382)	587,208
- Provisions		3,300	7,600
		<u>(160,082)</u>	<u>594,808</u>
		<u>(648,545)</u>	<u>(878,904)</u>

37. CASH AND CASH EQUIVALENTS

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

Running finances under mark-up arrangements	10	(3,526,185)	(1,742,566)
Cash and bank balances	26	155,931	91,120
		<u>(3,370,254)</u>	<u>(1,651,446)</u>

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

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:

	Chief Executive	Executives		
	2019	2018	2019	2018
	----- Rupees in '000 -----			
Managerial remuneration and allowances	38,642	36,919	125,770	143,867
Meeting fee	1,000	1,500	-	-
Bonus	2,141	10,006	14,429	34,697
Company's contribution to provident fund and gratuity scheme	4,769	4,346	10,604	13,072
Medical	123	300	9,325	13,889
Leave passage	1,873	3,335	5,531	4,918
Others	1,490	2,877	16,893	16,678
	<u>50,038</u>	<u>59,283</u>	<u>182,552</u>	<u>227,121</u>
Number of persons	1	1	24	29

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

38.2 The Company considers its chief executive and directors as key management personnel.

39. PLANT CAPACITY AND ACTUAL PRODUCTION

	2019	2018
	--- Number of units ---	
Capacity: Tyre sets	3,933,850	3,558,862
Production: Tyre sets	<u>2,649,671</u>	<u>2,632,877</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) and cash and bank balances (note 26). Significant transactions with related parties are as follows:

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

Name	Nature of relationship	Basis of relationship	Aggregate % of shareholding in the Company	Nature of transactions	2019	2018
--- Rupees in '000 ---						
Ghandhara Industries Limited (also see note 17.1)	Associated company	Common director	N/A	Sales	210,008	334,240
				Services rendered	452	32
				Truck purchased	-	1,975
				Dividend received	1,571	1,511
Ghandhara Nissan Limited	Associated company	Common director	N/A	Sales	198	92
Ghandhara DF (Private) Limited	Associated company	Common director	N/A	Sales	6,288	32,434
Bibojee Services (Private) Limited	Associated company	Common director	27.79	Dividend paid	99,652	249,131
				Rent	1,800	1,602
				Bonus shares	11,626	-
Sui Northern Gas Pipelines Limited	Associated company	Common director	N/A	Sales	31,078	11,894
Gammon Pakistan Limited	Associated company	Common director	N/A	Sales	32	-
Askari Bank Limited	Associated company	Common director	N/A	Mark-up on long term and running finances	73,818	50,004
				Profit earned	806	274
Pakistan Kuwait Investment Company (Private) Limited	Associated company	Common director	30.00	Dividend paid	107,588	268,969
Siemens Pakistan Engineering Company Limited	Associated company	Common director	N/A	Bonus shares	12,552	-
				Software licenses purchased and maintenance	10,773	23,392
				Purchase of stores and spares	19,403	4,041
Waqf-e-Kuli Khan	Associated undertaking	Common director	N/A	Donation	3,070	17,889
Key management personnel	Key management personnel	Chief Executive	(Note 40.1)	Disbursement / repayment of advance	Refer note 18	
Key management personnel	Key management personnel	Director	(Note 40.1)	Dividend paid	4,408	11,022
				Meeting fee	Refer note 29.3	
				Bonus shares	5,143	-
Staff provident fund	Employees fund	Employee benefit scheme	N/A	Contributions made	22,269	22,482
Staff gratuity schemes	Employees fund	Employee benefit scheme	N/A		Refer note 6.1	

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

40.1 Names of key management personnel with whom the Company had transactions during the year are as follows:

Name	Shareholding in the Company ----- (no. of shares) -----
Lt. Gen. (Ret'd) Ali Kuli Khan Khattak	405,438
Mr. Raza Kuli Khan Khattak	408,710
Mr. Ahmad Kuli Khan Khattak	231,781
Dr. Shaheen Kuli Khan Khattak	202,721
Mr. Mansur Khan	85
Mr. Atif Anwer	85
Mr. Hussain Kuli Khan	170

41. PROVIDENT FUND RELATED DISCLOSURES

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 1,525.768 million (2018: Rs 1,308.711 million) as detailed in note 42.3 below, those that are subject to credit risk aggregate to Rs 1,523.368 million (2018: Rs 1,307.176 million), details of which are as follows:

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

	2019	2018
	----- Rupees in '000 -----	
Long term loans and advances	6,860	6,696
Long term deposits	19,950	19,970
Trade debts	1,237,309	1,027,027
Loans and advances	33,652	50,115
Deposits	39,704	75,067
Other receivables	32,362	38,716
Bank balances	153,531	89,585
	1,523,368	1,307,176

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. 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:

	2019	2018
	----- Rupees in '000 -----	
Original equipment manufacturers	430,039	384,474
Government institutions	81,074	21,794
Replacement market	767,077	650,830
	1,278,190	1,057,098
Provision for doubtful debts	(40,881)	(30,071)
	1,237,309	1,027,027

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

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 153.531 million placed with banks have a short term credit rating of at least A. 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 analysis 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:

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

	Carrying amount	Contractual cash flows	Maturity upto one year	Maturity between one and two years	Maturity above three years
	----- Rupees in '000 -----				
June 30, 2019					
Long term finances	1,628,971	1,991,157	778,997	548,761	663,399
Long term deposits from dealers	9,351	9,351	-	-	9,351
Short term finances	1,350,000	1,380,222	1,380,222	-	-
Running finances	3,526,185	3,526,185	3,526,185	-	-
Trade and other payables	1,783,757	1,783,757	1,783,757	-	-
Unclaimed dividend	12,897	12,897	12,897	-	-
Unpaid dividend	8,641	8,641	8,641	-	-
Accrued mark-up	130,836	130,836	130,836	-	-
	8,450,638	8,843,046	7,621,535	548,761	672,750

	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	-	-
	6,426,658	6,680,216	5,296,108	1,086,059	298,049

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, 2019.

(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:

	June 30, 2019			June 30, 2018		
	Rupees	U.S.\$	Euro	Rupees	U.S.\$	Euro
	----- in '000 -----			----- in '000 -----		
Trade and other payables	310,361	1,936	0.11	678,359	5,494	73

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

The following significant exchange rates have been applied:

	Reporting date rate	
	2019	2018
U.S. Dollar to Rupee	160.30	121.60
Euro to Rupee	180.85	141.57

At June 30, 2019, 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.

	2019	2018
	--- Rupees in '000 ---	
Effect on profit before taxation for the year:		
U.S. Dollar to Rupee	31,034	66,807
Euro to Rupee	2	1,033
	<u>31,036</u>	<u>67,840</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, 2019, the interest rate profile of the Company's significant financial instruments is as follows:

	2019	2018
	--- Rupees in '000 ---	
Fixed rate instruments		
Financial assets	7,362	8,171
Variable rate instruments		
Financial liabilities	<u>6,505,156</u>	<u>4,407,336</u>

At June 30, 2019, 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 65.052 million (2018: Rs 44.073 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 affecting 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.

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

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.

42.3 Financial instruments by category

Financial assets as per the statement of financial position

Loans and receivables

Long term loans and advances	6,860	6,696
Long term deposits	19,950	19,970
Trade debts	1,237,309	1,027,027
Loans and advances	33,652	50,115
Deposits	39,704	75,067
Other receivables	32,362	38,716
Cash and bank balances	155,931	91,120
	<u>1,525,768</u>	<u>1,308,711</u>

Financial liabilities as per the statement of financial position

Financial liabilities at amortised cost

Long term finances	1,628,971	1,718,583
Long term deposits from dealers	9,351	9,351
Short term finances	1,350,000	946,187
Running finances under mark-up arrangements	3,526,185	1,742,566
Trade and other payables	1,606,524	1,792,908
Unclaimed dividend	12,897	14,034
Unpaid dividend	8,641	8,708
Accrued mark-up	130,836	58,848
	<u>8,273,405</u>	<u>6,291,185</u>

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

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.

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:

	2019 %	2018 %
Original equipment manufacturers	53.16	62.19
Replacement market	43.18	35.12
Government institutions	2.86	2.47
Exports	0.80	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, 2019 are located in Pakistan.

44.3 Information about major customers

Sales to four major original equipment manufacturers aggregating Rs 4,440.715 million (2018: four : Rs 4,598.881 million) account for 42.35% (2018: 39.02%) of net sales.

45. NUMBER OF EMPLOYEES

The total and average number of employees during the year and as at June 30, 2019 and 2018 respectively are as follows:

	2019 No of employees	2018
Average number of factory employees during the year	978	981
Average number of other employees during the year	152	161
Number of factory employees as at June 30	972	985
Number of other employees as at June 30	150	158

Notes to and Forming Part of the Financial Statements

For the year ended June 30, 2019

46. NON-ADJUSTING EVENT AFTER YEAR END DATE

The Board of Directors of the Company in their meeting held on August 29, 2019 have proposed final cash dividend of Rs Nil per share (2018: Rs 6 per share) and bonus issue of 20,322,225 shares (i.e. one ordinary share for every five ordinary shares held). (2018: 41,839,875 shares, i.e. seven ordinary shares for every ten ordinary shares held), amounting to Rs Nil and Rs 203.222 million respectively (2018: Rs 358.628 million and Rs 418.399 million) for the year ended June 30, 2019. 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, 2020.

47. GENERAL

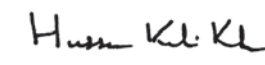
47.1 These financial statements were authorised for issue on August 29, 2019 by the Board of Directors of the Company.

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 of June 30, 2019

# Of Shareholders	Shareholding Slab			Total Shares Held
726	1	to	100	27,561
1,349	101	to	500	431,967
992	501	to	1000	817,630
1,634	1001	to	5000	3,860,287
395	5001	to	10000	2,879,678
131	10001	to	15000	1,632,717
83	15001	to	20000	1,465,409
46	20001	to	25000	1,045,555
43	25001	to	30000	1,169,079
19	30001	to	35000	633,890
8	35001	to	40000	302,810
14	40001	to	45000	599,195
11	45001	to	50000	524,535
14	50001	to	55000	719,597
10	55001	to	60000	592,587
5	60001	to	65000	315,642
6	65001	to	70000	404,025
3	70001	to	75000	216,525
4	75001	to	80000	312,272
2	80001	to	85000	170,000
2	85001	to	90000	174,200
2	90001	to	95000	186,670
4	95001	to	100000	400,000
3	100001	to	105000	309,000
3	105001	to	110000	324,710
2	110001	to	115000	225,557
1	115001	to	120000	120,000
1	125001	to	130000	130,000
2	140001	to	145000	285,703
1	150001	to	155000	155,000
1	155001	to	160000	155,210
1	180001	to	185000	183,000
1	190001	to	195000	190,520
2	200001	to	205000	405,442
2	205001	to	210000	412,901
1	250001	to	255000	252,898
1	280001	to	285000	282,030
1	295001	to	300000	297,200
4	335001	to	340000	1,358,470
1	345001	to	350000	347,840

# Of Shareholders	Shareholding Slab			Total Shares Held
1	360001	to	365000	362,100
3	390001	to	395000	1,177,389
2	405001	to	410000	814,148
1	420001	to	425000	425,000
1	550001	to	555000	551,360
1	570001	to	575000	573,630
1	585001	to	590000	585,311
1	615001	to	620000	618,630
1	690001	to	695000	692,750
1	1260001	to	1265000	1,263,100
1	1395001	to	1400000	1,398,250
1	1540001	to	1545000	1,544,500
1	1590001	to	1595000	1,591,370
1	2125001	to	2130000	2,129,420
1	3750001	to	3755000	3,751,220
1	4845001	to	4850000	4,848,849
1	24480001	to	24485000	24,483,590
1	30480001	to	30485000	30,483,196
5,552				101,611,125

Categories of Shareholders

As of June 30, 2019

Categories of Shareholders	Shareholders	Shares Held	Percentage
DIRECTORS AND THEIR SPOUSE(S) AND MINOR CHILDREN			
MR. AHMAD KULI KHAN KHATTAK	1	206,451	0.20
MR. RAZA KULI KHAN KHATTAK	1	408,710	0.40
LT. GEN (R) ALI KULI KHAN KHATTAK	1	405,438	0.40
DR. SHAHEEN KULI KHAN KHATTAK	1	202,721	0.20
MR. AHMAD KULI KHAN KHATTAK	1	25,330	0.02
MR. MANSUR KHAN	1	85	0.00
MR. HUSSAIN KULI KHAN	1	170	0.00
MR. ATIF ANWAR	1	85	0.00
ASSOCIATED COMPANIES, UNDERTAKINGS AND RELATED PARTIES			
BIBOJEE SERVICES (PVT) LIMITED.	2	28,234,810	27.79
PAKISTAN KUWAIT INVESTMENT CO. (PVT) LIMITED.	1	30,483,196	30.00
EXECUTIVES	-	-	-
PUBLIC SECTOR COMPANIES AND CORPORATIONS	4	732,413	0.72
BANKS, DEVELOPMENT FINANCE INSTITUTIONS, NON-BANKING FINANCE COMPANIES, INSURANCE COMPANIES, TAKAFUL, MODARABAS AND PENSION FUNDS	17	3,156,406	3.11
MUTUAL FUNDS			
CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND	1	347,840	0.34
CDC - TRUSTEE FIRST CAPITAL MUTUAL FUND	1	25,840	0.03
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	1	4,848,849	4.77
CDC - TRUSTEE AKD OPPORTUNITY FUND	1	40,290	0.04
MCBFSL - TRUSTEE ABL ISLAMIC STOCK FUND	1	510	0.00
CDC - TRUSTEE ABL ISLAMIC PENSION FUND - EQUITY SUB FUND	1	170	0.00
MCBFSL-TRUSTEE ABL ISLAMIC DEDICATED STOCK FUND	1	4,830	0.00
CDC - TRUSTEE NIT ISLAMIC EQUITY FUND	1	190,520	0.19
MCBFSL - TRUSTEE AKD ISLAMIC STOCK FUND	1	68,000	0.07
GENERAL PUBLIC			
A. LOCAL	5,414	27,323,618	26.89
B. FOREIGN	1	2,370	0.00
FOREIGN COMPANIES	8	1,042,898	1.03
OTHERS	88	3,859,575	3.80
TOTALS	5,552	101,611,125	100.00

Shareholders holding 5% or more	Shares Held	Percentage
PAKISTAN KUWAIT INVESTMENT CO. (PVT) LIMITED.	30,483,196	30.00
BIBOJEE SERVICES (PVT) LIMITED.	28,234,810	27.79

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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 & Rubber Company of Pakistan Limited do
hereby appoint -----
of ----- or failing him -----
of ----- as proxy in my/ our behalf at the Fifty-Sixth (56th) Annual General Meeting of
the Company to be held at the Institute of Chartered Accountants of Pakistan Auditorium, Clifton,
Karachi on Monday, 28 October 2019, at 12:00 Noon and at any adjournment thereof.

Signature on
Revenue Stamp

Signature of Shareholder_____
Name of Shareholder_____
Witnesses:
Signature _____
Name _____
CNIC/Passport No. _____

Signature _____
Name _____
CNIC/Passport No. _____

پراکسی فارم

کمپنی سیکریٹری

دی جنرل ٹائر اینڈ ربر کمپنی آف پاکستان لمیٹڈ،

H-23/2، لائڈھی انڈسٹریل ٹریڈنگ اسٹیٹ،

لائڈھی کراچی۔

برائے مہربانی درج کریں:

ملکیتی شیئرز کی تعداد: _____

فولیو نمبر: _____

سی ڈی سی پارٹیشنٹ: _____

اکاؤنٹ/سب اکاؤنٹ نمبر _____

میں/ہم _____ کا/کے _____ بحیثیت ممبر (ممبران)،

جنرل ٹائر اینڈ ربر کمپنی آف پاکستان لمیٹڈ بذریعہ ہذا _____ کا/کی _____

کو اور اس کی عدم موجودگی میں _____ کا/کی _____ کو اپنی/ہماری جانب

سے کمپنی کے 28 اکتوبر، 2019 بروز پیر بوقت دو پہر 12:00 بجے انسٹیٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان آڈیٹوریم کلفٹن، کراچی میں

منعقد ہونے والے چھپنویں (56) سالانہ اجلاس عام یا اس کے ملتوی شدہ اجلاس کے لیے نمائندہ (پراکسی) مقرر کرتا ہوں۔

دستخط _____ ویں روز _____ 2019 کیے گئے۔

شیئرز ہولڈر کے دستخط: _____

شیئرز ہولڈر کا نام: _____ اسٹیپ پر دستخط

گواہان:

دستخط _____ دستخط _____

نام _____ نام _____

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

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

AFFIX
POSTAGE