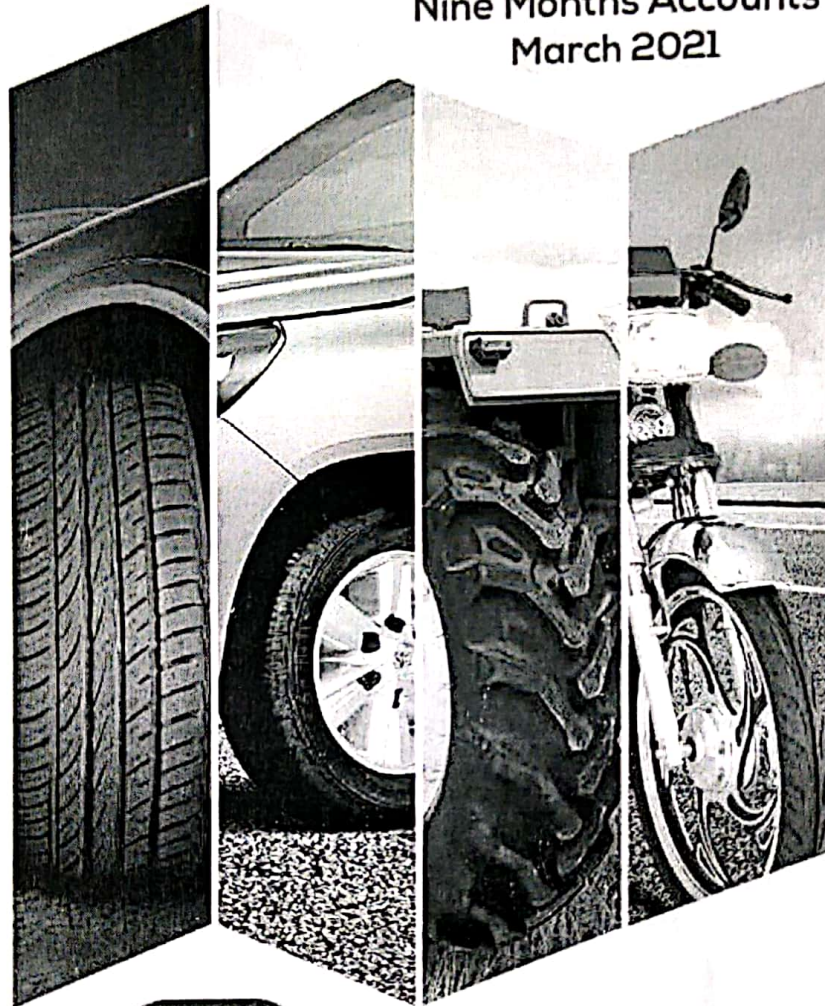


3<sup>rd</sup> Quarter &  
Nine Months Accounts  
March 2021



Har safar ka humsafar



## Company Profile

### Board of Directors\*

LT.Gen.(Retd) Ali Kull Khan Khattak  
Mr. Adnan Ahmed  
Mr. Ahmad Kull Khan Khattak  
Mr. Manzoor Ahmed  
Mrs. Shahnaz Sajjad Ahmed  
Syed Ahmed Iqbal Ashraf  
Mr. Umar Aljaz  
Mr. Hussain Kull Khan Chief Executive

### Company Secretary

Mr. Yasir Ali Quraishi

### Chief Financial Officer

Mr. Siraj A. Lawal

### Board Audit Committee\*

Mr. Ahmad Kull Khan Khattak  
Mr. Manzoor Ahmed  
Syed Ahmed Iqbal Ashraf

### HR & Remuneration Committee\*

Mr. Ahmad Kull Khan Khattak  
Mr. Manzoor Ahmed  
Syed Ahmed Iqbal Ashraf

### 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@cdcsrsl.com  
Website: www.cdcsrsl.com

### Major Bankers

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

### Registered Office & Factory

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

### Branch Offices

<b>Lahore</b> Plot No. 20, Shahrah-e-Fatima Jinnah, Lahore. Phone : 042-36308605-6 Fax : 042-36300108 Fax : 051-4440916	<b>Islamabad</b> Plot No. 148-149, Khuda Bakhsh Road, Saraan, Kahuta Industrial Triangle, Kahuta Road, Hummak, Islamabad. Phone: 051-5971612-13 Phone: 051-5971650 Fax: 051-5971615
<b>Multan</b> 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



## **DIRECTORS' REVIEW**

The Directors are pleased to present the unaudited condensed interim financial statements of the Company for the nine months ended March 31, 2021.

## **BUSINESS REVIEW**

Net sales in value terms for the nine months ended under review was Rs. 10.03 billion as compared to Rs. 6.39 billion in the same period last year, showing significant growth.

Better sales growth is mainly due to enhanced focus on replacement market (RM) coupled with gradual picking up of economic activity and lower availability of smuggled tyres. The RM segment has shown significant growth in almost all categories. In last couple of years, Company has increased its efforts on RM segment, while catering the requirements of Original Equipment Manufacturer (OEM) segment. This strategy has supported the Company during the tough economic times. Moreover, OEM sales, in particular farm and passenger car tyre sales, also improved from same period last year. Further, in the comparative period, the factory was closed and sales were stopped for over a week due to lockdown.

The export sales of the Company for the period was Rs. 157 million as compared to Rs. 75 million in same period last year.

The gross profit for the period was Rs. 1,831 million as compared to Rs. 1,043 million in same period last year. Better gross profit was mainly due to higher sales in replacement market, better product mix and price increase to offset the impact of inflation, increase in utilities prices, COVID related additional cost and increase in other manufacturing costs.

The finance cost for the period was Rs. 369 million as compared to Rs. 671 million in same period last year. Decrease in financial cost is mainly due to lower average interest rates during the same period last year and effective utilization of working capital.

As a result of the factors mentioned above, profit after tax for the nine months ended March 31, 2021 was Rs. 636 million. Earnings per share for the nine months ended March 31, 2021 was Rs 5.22 per share.

Your Company contributed Rs. 2,314 million towards national exchequer by way of Sales tax, Income tax, Custom duties and other levies.





## **FUTURE PROSPECTS**

Lately under invoicing of tyres has increased substantially, which is not only impacting local industry but also depriving government of its due tax revenue. The Import Trade prices (ITP) were last revised in 2018, this should be updated to reflect the impact of increase in raw material pricing. We hope that Government will continue its efforts to curb smuggling and revise ITP as this will not only result in higher tax revenue for the Government but will also provide level playing field to the local industry and will be helpful in providing employment.

In last couple of months, raw material prices have increased significantly. This is mainly due to sudden increase in global demand post first wave of COVID-19 and also because of containers shortage resulting in significant increase in sea freight. It is expected that the situation will gradually improve in next few months, however, if this continued then this may impact the local industry. The Company has gradually started to pass on its impact.

The Company is also working on strategies to reduce cost. Moreover, it is also working on developing new sizes and designs for both OEM and Replacement market segments.

The Board appreciate the efforts of the management for quick turn around of the loss, due to lockdown, into profit. The Board also would like to thank the Government and regulatory bodies for its policies and providing support during the pandemic.

Despite the difficult economic situation and competitive pressures, we believe that the long term growth potential of the business is intact.

For and on behalf of the Board of Directors.

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

**Hussain Kuli Khan**  
Chief Executive

A handwritten signature in black ink, appearing to read 'Syed Ahmed Iqbal Ashraf'.

**Syed Ahmed Iqbal Ashraf**  
Director

**Karachi**

**Dated: April 29, 2021**

THE GENERAL TYRE AND RUBBER COMPANY OF PAKISTAN LIMITED  
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION  
AS AT MARCH 31, 2021

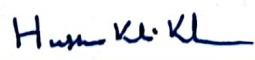
Page 1 of 2

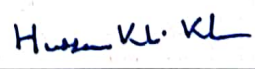
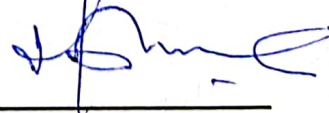
	March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
Note	----- Rupees in '000 -----	
<b>EQUITY AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
Authorised capital 125,000,000 (June 30, 2020: 125,000,000) ordinary shares of Rs 10 each	<u>1,250,000</u>	<u>1,250,000</u>
Issued, subscribed and paid-up share capital	1,219,334	1,219,334
Reserve for capital expenditure	1,000,000	1,000,000
Unappropriated profit	<u>1,371,256</u>	<u>734,957</u>
<b>TOTAL EQUITY</b>	<b>3,590,590</b>	<b>2,954,291</b>
<b>LIABILITIES</b>		
<b>NON CURRENT LIABILITIES</b>		
Long term finances	5 1,136,367	1,096,280
Deferred income - Government grant	82,612	-
Deferred liability - GIDC	135,654	-
Lease liabilities	3,731	39,493
Staff benefits	346,931	318,917
Deferred taxation - net	170,186	54,090
Long term deposits from dealers	<u>9,861</u>	<u>9,861</u>
	<b>1,885,342</b>	<b>1,518,641</b>
<b>CURRENT LIABILITIES</b>		
Current maturity of long term finances	5 815,923	316,262
Current maturity of deferred income - Government grant	19,691	-
Current maturity of deferred liability - GIDC	47,129	-
Short term finances	1,632,683	1,070,447
Current maturity of lease liabilities	6,942	26,924
Running finances under mark-up arrangements	3,891,260	3,950,247
Trade and other payables	6 1,901,696	1,794,516
Unclaimed dividend	17,359	16,885
Unpaid dividend	2,296	2,902
Accrued mark-up	118,633	171,450
Provision	<u>48,700</u>	<u>48,700</u>
	<b>8,502,312</b>	<b>7,398,333</b>
<b>TOTAL LIABILITIES</b>	<b>10,387,654</b>	<b>8,916,974</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>13,978,244</b>	<b>11,871,265</b>

Contingencies and commitments

  
Chief Financial Officer

  
Chief Financial Officer

  
Chief Executive

7  
  
Chief Executive  
  
Director

THE GENERAL TYRE AND RUBBER COMPANY OF PAKISTAN LIMITED  
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION  
AS AT MARCH 31, 2021

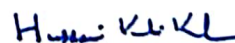
Page 2 of 2

		March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
	Note	Rupees in '000	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	8	5,186,958	5,043,865
Right-of-use assets		6,491	43,555
Intangible assets		1,343	2,655
Investment in an associated company		17,475	13,240
Long term loans and advances		6,218	5,445
Long term deposits		15,108	15,851
		5,233,593	5,124,611
CURRENT ASSETS			
Stores and spares		641,586	629,508
Stocks	9	4,515,919	3,318,231
Trade debts		1,897,396	1,157,946
Loans and advances		156,560	59,428
Deposits and prepayments		97,660	67,095
Other receivables		248,432	183,785
Taxation - net		1,101,904	1,147,912
Cash and bank balances		85,194	182,749
		8,744,651	6,746,654
TOTAL ASSETS		13,978,244	11,871,265

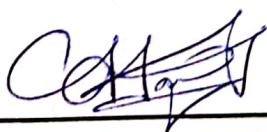
The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.




Chief Financial Officer



Chief Executive



Chief Financial Officer



Chief Executive



Director



**THE GENERAL TYRE AND RUBBER COMPANY OF PAKISTAN LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND**  
**OTHER COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021**

		For the quarter ended March 31,		For the nine months ended March 31,	
		2021	2020	2021	2020
	Note	----- (Rupees in '000) -----			
Sales - net		3,585,654	1,823,689	10,034,273	6,388,009
Cost of sales	10	(2,891,737)	(1,533,202)	(8,202,932)	(5,344,887)
Gross profit		693,917	290,487	1,831,341	1,043,122
Administrative expenses		(67,274)	(67,952)	(211,164)	(205,651)
Distribution cost		(127,764)	(105,970)	(373,872)	(310,925)
Other income		21,320	6,600	146,639	75,148
Other expenses		(32,745)	(41,279)	(86,994)	(46,025)
Profit from operations		487,454	81,886	1,305,950	555,669
Finance cost		(134,898)	(241,372)	(368,859)	(671,101)
		352,556	(159,486)	937,091	(115,432)
Share of profit / (loss) of an associated company		702	(558)	4,235	(1,147)
Profit / (loss) before taxation		353,258	(160,044)	941,326	(116,579)
Taxation	11	(122,888)	25,452	(305,027)	11,277
Profit / (loss) for the period		230,370	(134,592)	636,299	(105,302)
Other comprehensive income		-	-	-	-
Total comprehensive income / (loss) for the period		230,370	(134,592)	636,299	(105,302)
		----- Rupees -----		----- Rupee -----	
Earnings / (loss) per share - basic and diluted	12	1.89	(1.10)	5.22	(0.86)

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.



Chief Financial Officer



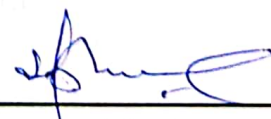
Chief Executive



Chief Financial Officer



Chief Executive



Director

THE GENERAL TYRE AND RUBBER COMPANY OF PAKISTAN LIMITED  
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)  
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021

	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, 2019 (audited)	1,016,112	1,000,000	1,324,670	3,340,782
Effect of initial application of IFRS 16 - net of tax	-	-	(15,614)	(15,614)
<b>Transaction with owners</b>				
- Bonus share issue for the year ended June 30, 2019 @ 20% i.e. 1 share for every 5 shares	203,222	-	(203,222)	-
- First interim dividend for the year ended June 30, 2020 @ of Re. 0.50 per share	-	-	(60,967)	(60,967)
Total comprehensive income for the period ended March 31, 2020	-	-	(105,302)	(105,302)
Balance as at March 31, 2020 (un-audited)	<u>1,219,334</u>	<u>1,000,000</u>	<u>939,565</u>	<u>3,158,899</u>
<b>Balance as at July 1, 2020 (audited)</b>	<b>1,219,334</b>	<b>1,000,000</b>	<b>734,957</b>	<b>2,954,291</b>
Total comprehensive income for the period ended March 31, 2021	-	-	636,299	636,299
<b>Balance as at March 31, 2021 (un-audited)</b>	<u><b>1,219,334</b></u>	<u><b>1,000,000</b></u>	<u><b>1,371,256</b></u>	<u><b>3,590,590</b></u>

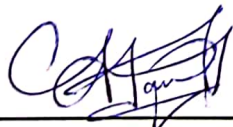
The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive



Chief Financial Officer



Chief Executive



Director



**THE GENERAL TYRE AND RUBBER COMPANY OF PAKISTAN LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021**

		For the nine months period ended March 31,	
		2021	2020
		----- Rupees in '000 -----	
Note			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
	13	(147,829)	391,844
Cash (used) / generated from operations			
Staff retirement gratuity paid		(34,454)	(18,081)
Compensated absences paid		(4,431)	(1,483)
Long term deposits from dealers - net		-	409
Finance cost paid		(427,273)	(554,529)
Taxes paid		(142,923)	(201,808)
Long term loans and advances - net		(773)	(86)
Long term deposits		743	915
Profit on bank deposits received		486	787
<b>Net cash used in operating activities</b>		<b>(756,454)</b>	<b>(382,032)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(491,378)	(362,171)
Proceeds from sale of operating fixed assets		20,135	28,535
<b>Net cash used in investing activities</b>		<b>(471,243)</b>	<b>(333,636)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long term finance - repaid		(150,000)	(517,294)
Long term finance - obtained		792,051	149,975
Short term finances - net		562,236	53,507
Lease rental paid - net		(15,026)	(18,974)
Dividend paid		(132)	(62,718)
<b>Net cash generated / (used) in financing activities</b>		<b>1,189,129</b>	<b>(395,504)</b>
Net decrease in cash and cash equivalents		(38,568)	(1,111,172)
Cash and cash equivalents - at beginning of the period		(3,767,498)	(3,370,254)
Cash and cash equivalents - at end of the period	14	(3,806,066)	(4,481,426)

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive



Chief Financial Officer



Chief Executive



Director

**THE GENERAL TYRE AND RUBBER COMPANY OF PAKISTAN LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021**

**1. LEGAL STATUS AND OPERATIONS**

- 1.1 The General Tyre and Rubber Company of Pakistan Limited (the Company) was incorporated in Pakistan on March 7, 1963 as a private limited company, under the Companies Act 1913, repealed and replaced by the Companies Ordinance, 1984 which in turn got replaced by the Companies Act 2017, and was subsequently converted into a public limited company. Its shares are quoted on Pakistan Stock Exchange. The registered office is situated at H - 23/2, Landhi Industrial Trading Estate, Landhi, Karachi with regional offices at Lahore, Multan and Islamabad. The Company is engaged in the manufacturing and trading of tyres and tubes for automobiles and motorcycles.
- 1.2 During the period, in respect of a litigation involving the Company, the High Court of Sindh has issued an order whereby the Company and its Board are restrained to pass any resolution involving vote of a special majority as provided in Articles of the Company.

**2. BASIS OF PREPARATION**

**2.1 Statement of compliance**

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

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

- 2.2 These condensed interim financial statements do not include all the information and disclosures required in the annual audited financial statements, and should be read in conjunction with Company's annual audited financial statements for the year ended June 30, 2020.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- 3.1 The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the annual audited financial statements for the year ended June 30, 2020.
- 3.2 **New standard, amendments to approved accounting and reporting standards and new interpretations**
- 3.2.1 **Amendments to published accounting and reporting standards which became effective during the period**

There were certain amendments to accounting and reporting standards which became mandatory for the Company during the period. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been detailed in these condensed interim financial statements.



#### 4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts. Actual results may differ from these judgements, estimates and assumptions.

However, the management believes that the change in outcome of judgements, estimates and assumptions would not have a material impact on the amounts disclosed in these condensed interim financial statements.

Judgements and estimates made by the management in the preparation of these condensed interim financial statements are the same as those applied in the Company's annual audited financial statements for the year ended June 30, 2020.

The Company's financial risk management objectives and policies are consistent with those disclosed in the Company's annual audited financial statements for the year ended June 30, 2020.

March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
----- Rupees in '000 -----	

#### 5. LONG TERM FINANCES - Secured

Term finance - from banking companies

Conventional	1,895,211	1,355,463
Shariah compliant	57,079	57,079
	<u>1,952,290</u>	<u>1,412,542</u>
Less: current maturity grouped under current liabilities	(815,923)	(316,262)
	<u>1,136,367</u>	<u>1,096,280</u>

5.1 There have been no changes in long term finance facilities as disclosed in note 5 of the Company's financial statements for the year ended June 30, 2020, except for the following:

- (i) During the period, the Company has obtained a long term loan facility from a commercial bank aggregating to Rs. 400 million under the Temporary Economic Refinance Facility out of which an amount of Rs. 353 million has been drawn down and is repayable in 8 equal quarterly instalments commencing from January 1, 2023. This finance facility carries mark-up at the rate of 3% per annum commencing from the date of disbursement and is payable in arrears on quarterly basis.
- (ii) The Company has obtained long-term loans aggregating to Rs. 439 million in four tranches from Askari Bank Limited - an associated company under the Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees of Business Concerns by the State Bank of Pakistan. The loan is repayable in eight equal quarterly instalments, starting from April 2021. The loan carries mark-up of 3% per annum starting from the date of disbursement and is payable in arrears on quarterly basis.

These loans referred to in (i) and (ii) have been recognised at fair value (present value of loan receipts discounted using prevailing market interest rates for a similar instrument) and the differential amount has been recorded as deferred income - government grant. The loan amount is being accreted using the effective interest rate method with the corresponding effect on the interest expense in profit or loss.



	March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
	----- Rupees in '000 -----	
<b>6. TRADE AND OTHER PAYABLES</b>		
Trade creditors	140,036	179,660
Bills payable	701,633	365,439
Accrued expenses	684,924	787,424
Royalty fee payable	116,879	51,071
Advances from customers / contract liabilities	35,110	114,779
Staff provident fund payable	4,507	6,491
Staff retirement gratuity	77,996	93,233
Short term deposits	1,862	1,191
Workers' profit participation fund	49,985	-
Workers' welfare fund	19,561	-
Payable to Waqf-e-Kuli Khan	15,895	-
Interest payable on custom duties	29,933	29,933
Stamp duty payable	-	1,130
Sales tax	-	132,312
Others	23,375	31,853
	<u>1,901,696</u>	<u>1,794,516</u>

## 7. CONTINGENCIES AND COMMITMENTS

### 7.1 Contingencies

There is no other significant change in the status of the contingencies as disclosed in note 15.1 to the audited financial statements of the Company for the year ended June 30, 2020.

	March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
	----- Rupees in '000 -----	
7.1.1 Guarantees issued by commercial banks on behalf of the Company	<u>446,159</u>	<u>358,396</u>
7.1.2 Post dated cheques issued to the Collector of Customs against duty on imported plant & machinery, raw materials and stores & spares	<u>111,505</u>	<u>89,134</u>
<b>7.2 Commitments</b>		
7.2.1 Commitments in respect of:		
- letters of credit for capital expenditure	<u>431,751</u>	<u>385,568</u>
- letters of credit for purchase of raw materials and stores & spares	<u>1,010,109</u>	<u>515,695</u>
- purchase orders issued to local suppliers for capital expenditure	<u>31,911</u>	<u>37,670</u>
- sales contracts entered into by the Company	<u>339,405</u>	<u>166,866</u>
- tentative schedules for supply of tyres	<u>2,252,116</u>	<u>926,589</u>

		March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
	Note	----- Rupees in '000 -----	
<b>8. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	8.1	4,537,579	4,810,177
Capital work-in-progress		649,379	233,688
		<u>5,186,958</u>	<u>5,043,865</u>
<b>8.1 Operating fixed assets</b>			
Book value at beginning of the period / year		4,810,177	4,431,955
Transfers from CWIP during the period / year	8.2	84,873	841,872
Net book value of disposals having cost of Rs. 33.277 million (June 30, 2020: Rs. 30.224 million)		(7,732)	(14,143)
Depreciation for the period / year		(349,739)	(449,507)
Book value at end of the period / year		<u>4,537,579</u>	<u>4,810,177</u>
<b>8.2 Details of transfers to operating fixed assets during the period are as follows:</b>			
		<b>For the nine months period ended March 31,</b>	
		2021	2020
		(Unaudited)	
		----- Rupees in '000 -----	
Buildings on lease hold land		-	137,085
Electrical installations		1,629	6,284
Plant and machinery		4,435	467,594
Boilers and accessories		-	10,405
Vehicles		17,241	58,470
Moulds		57,002	88,039
Factory and office equipment		3,697	6,341
Computer equipment		867	2,819
		<u>84,873</u>	<u>777,037</u>
		March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
		----- Rupees in '000 -----	
<b>9. STOCKS</b>			
Raw materials			
- in hand		1,822,243	1,261,293
- in transit		571,807	201,183
		<u>2,394,050</u>	<u>1,462,476</u>
Work-in-process		266,266	189,727
Finished goods		1,855,603	1,666,028
		<u>4,515,919</u>	<u>3,318,231</u>

**10. COST OF SALES**

		For the quarter ended March 31, (Unaudited)		For the nine months period ended March 31, (Unaudited)	
		2021	2020	2021	2020
Note		-----Rupees in '000-----			
Opening stock of finished goods		1,694,661	2,645,654	1,666,028	1,675,771
Cost of goods manufactured	10.1	2,929,768	1,864,239	8,106,652	6,609,166
Finished goods purchased		122,911	18,225	285,855	54,866
		3,052,679	1,882,464	8,392,507	6,664,032
		4,747,340	4,528,118	10,058,535	8,339,803
Closing stock of finished goods		1,855,603	2,994,916	1,855,603	2,994,916
		2,891,737	1,533,202	8,202,932	5,344,887
10.1 Cost of goods manufactured					
Opening work-in-process		163,924	178,890	189,727	194,266
Raw materials consumed		1,955,733	1,059,563	5,023,477	3,950,605
Factory overheads		1,076,377	833,658	3,159,714	2,672,167
		3,032,110	1,893,221	8,183,191	6,622,772
		3,196,034	2,072,111	8,372,918	6,817,038
Closing work-in-process		266,266	207,872	266,266	207,872
		2,929,768	1,864,239	8,106,652	6,609,166
11. TAXATION					
Current					
- for the period		79,638	27,661	188,932	96,759
Deferred					
- for the period		43,250	(53,113)	116,095	(108,036)
		122,888	(25,452)	305,027	(11,277)
12. EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED					
Basic earnings /(loss) per share					
Profit after taxation		230,370	(134,592)	636,299	(105,302)
----- (Number of shares) -----					
Weighted average number of ordinary shares		121,933,350	121,933,350	121,933,350	121,933,350
----- Rupees ----- Rupee					
Earnings /(loss) per share - basic and diluted		1.89	(1.10)	5.22	(0.86)



		For the nine months period ended March 31,	
		2021	2020
		(Unaudited)	
Note		----- Rupees in '000 -----	
<b>13.</b>	<b>CASH GENERATED FROM OPERATIONS</b>		
	Profit /(loss) before taxation	941,326	(116,579)
	<b>Adjustments for non-cash charges and other items</b>		
	Depreciation on property, plant and equipment	349,739	331,822
	Depreciation on right-of-use assets	10,310	12,987
	Amortisation	1,312	18,000
	Provision for staff retirement gratuity	45,309	60,061
	Charge of employees compensated absences	5,446	8,310
	Reversal for doubtful trade debts - net	(6,692)	(5,320)
	Net realisable value reversed on stocks	-	(8,298)
	Finance cost	368,859	671,101
	Gain on sale of operating fixed assets	(12,403)	(14,392)
	Gain on termination of lease liability	(17,553)	-
	Gain on initial recognition of deferred liability	(29,701)	-
	Profit on bank deposits	(486)	(787)
	Share of (profit) / loss of an associated company	(4,235)	1,147
	Working capital changes	13.1 (1,799,060)	(566,208)
		<u>(147,829)</u>	<u>391,844</u>
<b>13.1</b>	<b>Working capital changes</b>		
	<b>(Increase) / decrease in current assets:</b>		
	- Stores and spares	(12,078)	30,444
	- Stocks	(1,197,688)	(561,040)
	- Trade debts	(732,758)	218,094
	- Loans and advances	(97,132)	50,367
	- Deposits and prepayments	(30,565)	(612)
	- Other receivables	(64,647)	23,075
		<u>(2,134,868)</u>	<u>(239,672)</u>
	<b>Increase / (decrease) in current liabilities:</b>		
	- Trade and other payables and provision	335,808	(326,536)
		<u>(1,799,060)</u>	<u>(566,208)</u>
<b>14.</b>	<b>CASH AND CASH EQUIVALENTS</b>		
	Running finances under mark-up arrangements	(3,891,260)	(4,528,559)
	Cash and bank balances	85,194	47,133
		<u>(3,806,066)</u>	<u>(4,481,426)</u>
<b>15.</b>	<b>OPERATING SEGMENT</b>		

These condensed interim financial statements have been prepared on the basis of a single reportable segment. All non-current assets of the Company as at March 31, 2021 are located in Pakistan. Revenues from external customers attributed to foreign countries in aggregate are not material. The Company has earned revenues from two (March 31, 2020: one) customers aggregating Rs. 2,309 million (March 31, 2020: Rs. 1,066.433 million) during the period which constituted 18.95% (March 31, 2020: 13.76%) of gross sales.

# 16. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties comprise of associated companies, companies in which directors are interested, staff retirement benefit funds, key management personnel and close members of the families of key management personnel. The Company in the normal course of business carries out transactions with various related parties.

For the nine months period ended  
March 31,

2021 2020

(Unaudited)

----- Rupees in '000 -----

## 16.1 Transactions with related parties are as follows:

### Associated companies / undertakings:

Sale of goods	133,869	140,159
Services rendered	11,507	10,529
Rent	1,350	1,350
Interest earned	486	787
Mark-up on running and long term finance	46,944	73,378
Donation	15,895	-
Dividend paid	-	35,231
Bonus shares issued	-	117,436

### Other related parties:

Provision towards staff gratuity fund	7,593	11,184
Contribution towards employees provident fund	17,530	15,652
Salaries and other employee benefits to key management personnel	189,540	167,678
Meeting fees to key management personnel	5,600	5,800
Sale of fixed assets to key management personal under the Company policy	4,207	1,326
Dividend paid	-	732
Bonus shares issued	-	2,440

March 31, June 30,  
2021 2020  
(Unaudited) (Audited)  
----- Rupees in '000 -----

## 16.2 Period / year end balances are as follows:

### Payables to associated companies / related parties


Staff retirement gratuity	9,586	9,396
Long term and running finances	1,199,280	717,245
Trade and other payables	22,296	8,883
Accrued mark-up	13,343	33,419

### Receivables from associated companies / related parties

Long term loans and advances	614	409
Loans and advances	655	1,057
Bank balances	12,678	10,851

**17. GENERAL****17.1 Date of authorisation for issue**

These condensed interim financial statements were authorised for issue on April 29, 2021 by the Board of Directors of the Company.

**17.2 Figures have been rounded off to the nearest thousand of rupees, unless otherwise stated.**  
\_\_\_\_\_  
**Chief Financial Officer**  
\_\_\_\_\_  
**Chief Financial Officer**  
\_\_\_\_\_  
**Chief Executive**  
\_\_\_\_\_  
**Chief Executive**  
  
\_\_\_\_\_  
**Director**