



# PANTHER

TYRES

1<sup>st</sup> Quarterly Report September 2021



TAKING THE WHEELS OF LIFE TO  
NEW HEIGHTS



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# COMPANY INFORMATION

## BOARD OF MANAGEMENT

### Executive Directors

Mian Faisal Iftikhar - **CEO**

Zahid Mahmud

### Independent Directors

Asad Sultan Chaudhary

Javed Masud

Iqbal Ahmed Khan

### Non - Executive Directors

Mian Iftikhar Ahmed - **Chairman of the Board**

Ms. Samina Iftikhar

### Audit Committee Members

Javed Masud - **Chairman**

Asad Sultan Chaudhary

Iqbal Ahmed Khan

### HR Committee Members

Asad Sultan Chaudhary - **Chairman**

Iqbal Ahmed Khan

Mian Faisal Iftikhar

### CHIEF FINANCIAL OFFICER

Ghulam Abbas FCA FCMA

### COMPANY SECRETARY

Mohsin Muzaffar Butt FCA CIA

### HEAD OF INTERNAL AUDIT

Mohsin Muzaffar Butt FCA CIA

PANTHER HOUSE



IPA

### AUDITORS

EY Ford Rhodes, Chartered Accountants

### REGISTERED OFFICE

Panther House 97-B Aziz Avenue,  
Gulberg 5, Canal bank Jail road,  
Lahore Pakistan.

UAN: +42 111-554-444

### SHARE REGISTRAR

Corplink (Private) Limited  
Wings Arcade, 1-K, Commercial,  
Model Town, Lahore.

### FACTORY ADDRESS

29.5 KM, Lahore Sheikhupura Road,  
Sheikhupura

### BANKERS

Bank Alfalah Limited

Faysal Bank Limited

Meezan Bank Limited

National Bank of Pakistan

Samba Bank Limited

United Bank Limited

Standard Chartered Bank (Pakistan) Limited

Habib Metropolitan Bank Limited

JS Bank Limited

Industrial and Commercial Bank of China Ltd.

Pak Oman Investment Company Limited

PAIR Investment Company Limited

Bank Islami Pakistan Limited

Habib Bank Limited

### WEBSITE

[www.panthertyres.com](http://www.panthertyres.com)

PANTHER HOUSE

# DIRECTORS' REVIEW REPORT

## Dear Valued Shareholders

On behalf of the Board of Directors, we feel pleasure in presenting un-audited financial statements of the Panther Tyres Limited for the first quarter ended September 30, 2021.

## REVIEW OF OPERATING RESULTS

During the period under review, the Company continued its momentum of growth and posted 11% growth in top line which was closed at Rs.4.9 billion as against Rs.4.4 billion reported in the same period last year. This increase is mainly attributed to the increase in sales prices of the products. However, the overall demand of tyres and tube remained slightly under pressure due to inflationary pressures that is mounting since the close of last quarter. The raw materials prices experienced rising trend throughout the quarter, the company has passed on the major chunk of the cost increase however, the same could not be passed-on in OEM segment which dented the overall profitability of the Company. Resultantly, the margins of the Company remained under pressure.

The gross profit during the quarter decreased to Rs.447 million as against Rs.684 million posted in comparable period last year. Similarly net profit also decreased from Rs.254 million to Rs.110 million. This reduction in margins, as said earlier, has resulted from the sharp increase in raw material prices augmented with exponential rise in sea freights. Moreover, energy cost has also increased by 35% due to rise in RLNG and coal prices. During the period under review, supply of raw materials also remained disrupted and affected the productivity of the production operations. The said factors have affected the margins of the Company as the impact of increase in input costs is being passed on to customers in a phased manner through gradual increase in selling price of products.

Following is the snapshot of financial performance of the Company for the three months period ended on Sep 30, 2021:

Description	Three Months Period ended		%
	30-Sep-21	30-Sep-20	Change
Sales	4,911	4,411	11%
Gross profit	447	684	-35%
Selling and distribution expenses	(173)	(132)	31%
Administrative and general expenses	(71)	(80)	-11%
Profit from operations	209	452	-54%
Financial cost	(98)	(100)	-2%
Profit for the period	110	254	-57%

Selling and distribution expenses during the three months period ended on Sep 30, 2021 increased from Rs. 132 million to Rs. 173 million, this increase is in line with Company's policy to invest more on brand equity to embark upon future growth requirements of the Company. However, Administrative and financial charges remained under control.

## FUTURE OUTLOOK AND CHALLENGES

The management of the Company, is cognizant about the situation and focusing on minimizing the negative impacts and delivering positive results by leveraging its diversified product portfolio along with proactively exploring new business opportunities. In this regard, we are aggressively working to restore margins without compromising on growth by devising different strategies. Cost optimization and cost control exercise is already underway to ease-off the pressure of cost inflation and we are hopeful to achieve it very soon. Moreover, we are of the view that prices of commodities would take breath in the second quarter and the Company will be able to focus more on volumes and efficiencies. The commodity prices are expected to further come down subsequently once the issue of supply disruption is addressed which is expected to take place in 3rd quarter this year.

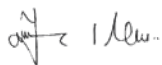
## EXPANSION PROJECT

The work on expansion project is progressing swiftly; the first phase of the project has already been completed during the current quarter and put to operations. This will help the Company to get more volumes in forthcoming mini season of agriculture tyres, thus, will improve the margin of the Company. Second phase is planned to be completed by 3rd quarter of current financial year. There are certain supply chain issues, however, its progressing satisfactorily. Work on third phase is also underway and efforts being made to complete it by close of this financial year.

## ACKNOWLEDGEMENT

The Board of Directors express their profound appreciation to the valued shareholders, customers, financial institutions, and suppliers of the Company for the confidence and faith they have always reposed in the company. The Board also place on record their appreciation to employees at all levels for their hard work, dedication and commitment during these testing times.

For and on behalf of the Board



Mian Faisal Iftikhar  
Chief Executive Officer



Mian Iftikhar Ahmed  
Chairman  
Lahore: October 28, 2021

30 ستمبر 2021 کو ختم ہونے والی سہ ماہی کے دوران مصنوعات کی فروخت اور دسٹری بیوشن کے اخراجات 132 ملین روپے سے بڑھ کر 173 ملین روپے ہو گئے۔ یہ اضافہ کمپنی کی مستقبل کی ترقی کی ضروریات کے پیش نظر براڈ ایکویٹی پرسرماہ کاری کی پالیسی کے عین مطابق ہے۔ تاہم انتظامی اور مالیاتی اخراجات کنٹرول میں رہے۔

### مستقبل کا منظر نامہ اور چیلنجز

کمپنی کی انتظامیہ صورتحال سے باخبر ہے اور اس نے منفی اثرات کو کم سے کم کرنے اور نئے کاروباری مواقع کی سرگرمی سے تلاش کرنے کے ساتھ اپنی مصنوعات کے متنوع پورٹ فولیو سے فائدہ اٹھاتے ہوئے مثبت نتائج فراہم کرنے پر توجہ مرکوز کر رکھی ہے۔ اس سلسلے میں، ہم مختلف اقسام کی حکمت عملیاں وضع کر کے کمپنی کی بڑھوتری پر سمجھوتہ کیے بغیر اپنے منافع کی بحالی کے لیے جارحانہ انداز میں کام کر رہے ہیں۔ اس سلسلے میں لاگت کو بہتر بنانے اور اسے قابو میں رکھنے پر کام جاری ہے تاکہ لاگت پر افراط زر کے دباؤ کو کم کیا جاسکے اور ہم پر امید ہیں کہ یہ جلد از جلد تکمیل ہو جائے۔ مزید برآں ہمارا خیال ہے کہ دوسری سہ ماہی میں خام مال کی قیمتوں میں ٹھہراؤ آئے گا اور کمپنی اپنے حجم اور کارکردگی پر زیادہ توجہ دے سکے گی۔ اس سال کی تیسری سہ ماہی میں پلائی میں خلل کا معاملہ حل ہونے کی صورت میں خام مال کی قیمتوں میں مزید کمی متوقع ہے۔

### توسیعی منصوبے

توسیعی منصوبے پر کام تیزی سے آگے بڑھ رہا ہے۔ منصوبے کا پہلا مرحلہ رواں سہ ماہی میں مکمل کیا جا چکا اور اس میں آپریشنز کا آغاز کر دیا گیا ہے۔ اس سے کمپنی کو ذرا وقتی ٹائروں کے آئندہ مختصر سیزن میں اپنا کاروباری حجم بڑھانے میں مدد ملے گی۔ اس طرح سے کمپنی کے منافع میں بھی بہتری آئے گی۔ دوسرا مرحلہ موجودہ مالی سال کی تیسری سہ ماہی تک مکمل کرنے کا منصوبہ ہے۔ اگرچہ رسد کے ذرائع میں کچھ مسائل ہیں تاہم اس حوالے سے اطمینان بخش پیش رفت ہو رہی ہے۔ تیسرے مرحلے پر بھی کام جاری ہے اور اس مالی سال کے اختتام تک اسے مکمل کرنے کی کوششیں جاری ہیں۔

### اظہار تشکر

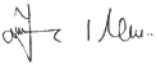
بورڈ آف ڈائریکٹرز کمپنی کے معزز شیئرز، ہولڈرز، صارفین، مالیاتی اداروں اور سپلائرز کا، کمپنی پر ہمیشہ کیے جانے والے اعتماد پر دلی تشکر کا اظہار کرتا ہے۔ بورڈ آزمائش کی ان گھڑیوں میں اپنے ہر سطح کے ملازمین کی محنت، لگن اور عزم کے لیے ان کا شکریہ ادا کرتا ہے۔

بورڈ کی طرف سے



میاں افتخار احمد

چیرمین



میاں فیصل افتخار

چیف ایگزیکٹو آفیسر

لاہور 28 اکتوبر 2021

## ڈائریکٹر ان کی جائزہ رپورٹ

معزز شیئر ہولڈرز!

بورڈ آف ڈائریکٹرز کی جانب سے ہم 30 ستمبر 2021 کو ختم ہونے والی پہلی سہ ماہی کے لیے پینتھر ٹائز لمیٹڈ کے غیر آڈٹ شدہ مالیاتی حسابات پیش کرنے میں خوشی محسوس کرتے ہیں۔

### آپریٹنگ نتائج کا جائزہ

زیر جائزہ مدت کے دوران کمپنی نے اپنی ترقی کی رفتار جاری رکھی اور اپنی مصنوعات کی فروخت میں 11 فیصد اضافہ کیا جو 4.9 ارب روپے رہی جبکہ گزشتہ برس اسی مدت میں 4.4 ارب روپے تھے۔ اس اضافے کی بنیادی وجہ کمپنی کی مصنوعات کی قیمت فروخت میں اضافہ ہے۔ تاہم گزشتہ سہ ماہی کے اختتام سے بڑھتے ہوئے افراط زر کے دباؤ کی وجہ سے ٹائزوں اور ٹیوب کی مجموعی مانگ قدرے دباؤ میں رہی۔ رواں سہ ماہی میں خام مال کی قیمتیں بڑھنے کا رجحان رہا، کمپنی نے لاگت میں اضافے کا بڑا حصہ صارفین پر منتقل کر دیا تاہم، او ای ایم سیگمنٹ میں اسے منتقل نہیں کیا جا سکا۔ جس سے کمپنی کے مجموعی منافع میں کمی آئی۔ اس کے نتیجے میں کمپنی کے منافع کی شرح دباؤ میں رہی۔

رواں سہ ماہی میں مجموعی منافع کم ہو کر 447 ملین روپے رہا جبکہ گزشتہ برس اسی مدت کے دوران 684 ملین روپے تھا۔ اسی طرح خالص منافع بھی 254 ملین روپے سے کم ہو کر 110 ملین روپے ہو گیا۔ جیسا کہ پہلے بتایا گیا کہ منافع میں یہ کمی خام مال کی قیمتوں اور سمندری مال برداری کے اخراجات میں بے تحاشا اضافے کی وجہ سے ہوئی۔ آرائیل این جی اور کونسل کی قیمتوں میں اضافے کی وجہ سے توانائی کی لاگت میں بھی 35 فیصد اضافہ ہوا۔ زیر جائزہ مدت کے دوران خام مال کی فراہمی میں خلل پڑا جس سے پیداواری صلاحیت متاثر ہوئی۔ مذکورہ عوامل نے کمپنی کے منافع کو متاثر کیا ہے کیونکہ ان پٹ لاگت میں ہونے والے اضافے کا اثر مصنوعات کی قیمت فروخت میں اضافے سے مرحلہ وار صارفین کو منتقل کیا جا رہا ہے۔

30 ستمبر 2021 کو ختم ہونے والی سہ ماہی میں کمپنی کی مالیاتی کارکردگی ذیل میں دی گئی ہے:

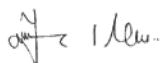
تفصیل	سہ ماہی ختمہ 30 ستمبر 2021	سہ ماہی ختمہ 30 ستمبر 2020	فیصد تبدیلی
مصنوعات کی فروخت	4,911	4,411	11 فیصد
مجموعی منافع	447	684	منفی 35 فیصد
فروخت اور دسٹری بیوٹن کے اخراجات	(173)	(132)	31 فیصد
ایڈمنسٹریٹو اور عمومی اخراجات	(71)	(80)	منفی 11 فیصد
آپریٹنگز سے منافع	209	452	منفی 54 فیصد
مالیاتی لاگت	(98)	(100)	منفی 2 فیصد
مدت میں منافع	110	254	منفی 57 فیصد

# CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at September 30, 2021

	Note	(Un-audited) September 30, 2021	(Audited) June 30, 2021
(Rupees)			
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	4	6,643,915,662	5,816,577,447
Right-of-use assets		121,200,531	128,908,461
Intangible assets		6,609,954	7,479,437
Long term deposits		55,467,442	31,880,839
		6,827,193,589	5,984,846,192
<b>CURRENT ASSETS</b>			
Stores and spares		171,026,313	158,032,988
Stock in trade	5	3,533,836,694	3,234,587,665
Trade debts - considered good - unsecured		3,458,672,982	3,303,967,188
Advances, deposits, prepayments and other receivables		846,467,178	782,639,678
Cash and bank balances		777,494,375	806,059,464
		8,787,497,542	8,285,286,983
<b>TOTAL ASSETS</b>		15,614,691,131	14,270,133,175
<b>EQUITY AND LIABILITIES</b>			
<b>Authorized Share Capital</b>			
300,000,000 (30 June 2021: 300,000,000) ordinary shares of Rs.10/- each		3,000,000,000	3,000,000,000
<b>Issued, subscribed and paid up capital</b>			
168,000,000 (30 June 2021: 140,000,000) Ordinary shares of Rs. 10/- each		1,680,000,000	1,400,000,000
Share Premium- Net		1,294,433,658	1,574,433,658
<b>Capital Reserves</b>			
Revaluation surplus on property, plant and equipment		840,043,663	854,801,883
<b>Revenue Reserve</b>			
Unappropriated profit		2,875,142,406	2,747,555,295
		6,689,619,727	6,576,790,836
<b>NON CURRENT LIABILITIES</b>			
Long term finances	6	2,215,877,793	1,656,150,488
Deferred grant		12,829,052	17,485,130
Deferred taxation		556,439,801	616,765,947
		2,785,146,646	2,290,401,565
<b>CURRENT LIABILITIES</b>			
Current portion of long term finances	6	255,818,442	346,406,256
Short term financing - secured	7	4,756,927,234	4,111,847,806
Trade and other payables		1,039,032,640	892,883,152
Accrued mark-up		88,146,442	51,803,560
		6,139,924,758	5,402,940,774
Contingencies and commitments	8	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		15,614,691,131	14,270,133,175

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

  
Chief Executive

  
Director

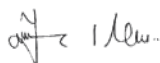
  
Chief Financial Officer

# CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the three-months period ended 30 September 2021

	Note	Three months period ended	
		(Un-audited) September 30, 2021	(Audited) September 30, 2020
		(Rupees)	
Sales - Net	9	4,910,869,767	4,411,205,315
Cost of sales	10	(4,464,359,787)	(3,727,177,799)
<b>Gross profit</b>		<b>446,509,980</b>	<b>684,027,516</b>
Selling and distribution expenses		(172,862,610)	(131,826,340)
Administrative and general expenses		(71,255,356)	(80,406,402)
Other operating expenses		(8,469,058)	(24,840,516)
Other operating income		15,174,421	4,787,022
<b>Profit from operations</b>		<b>209,097,377</b>	<b>451,741,280</b>
Finance cost		(97,907,666)	(99,701,540)
<b>Profit before taxation</b>		<b>111,189,711</b>	<b>352,039,740</b>
Taxation		(901,489)	(98,289,865)
<b>Profit after taxation</b>		<b>110,288,222</b>	<b>253,749,875</b>
<b>Other comprehensive income</b>			
Other comprehensive income not to be reclassified to profit or loss		—	—
in subsequent periods:			
Deferred tax on revaluation surplus due to change in effective tax rate		2,540,669	4,017,570
<b>Total other comprehensive income</b>		<b>2,540,669</b>	<b>4,017,570</b>
<b>Total comprehensive income</b>		<b>112,828,891</b>	<b>257,767,445</b>
			<b>Restated</b>
<b>Earnings per share - Basic and diluted (Rs.)</b>	11	<b>0.66</b>	<b>1.51</b>

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

  
Chief Executive

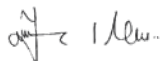
  
Director

  
Chief Financial Officer

# CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For the three-months period ended 30 September 2021

	Share Capital	Capital Reserve		Revenue Reserve	Total
		Share premium	Surplus on revaluation of property, plant and equipment	Unappropriated profit	
	(Rupees)				
Balance as at 01 July 2020	1,000,000,000	–	670,459,820	1,941,964,836	3,612,424,656
Issuance of bonus shares	100,000,000	–	–	(100,000,000)	–
Profit for the period ended 30 September 2020	–	–	–	253,749,875	253,749,875
Other comprehensive income- net of tax	–	–	–	4,017,570	4,017,570
Total comprehensive income for the period	–	–	–	257,767,445	257,767,445
Surplus on revaluation of property, plant and equipment realized through incremental depreciation charged on related assets - net of taxes	–	–	(9,081,837)	9,081,837	–
Balance as at 30 Sep 2020	1,100,000,000	–	661,377,983	2,108,814,118	3,870,192,101
Balance as at 30 June 2021	1,400,000,000	1,574,433,658	854,801,883	2,747,555,295	6,576,790,836
Issuance of Bonus Shares	280,000,000	(280,000,000)	–	–	–
Net profit for the period ended Sep 30, 2021	–	–	–	110,288,222	110,288,222
Other comprehensive income- net of tax	–	–	–	2,540,669	2,540,669
Total comprehensive income for the period	–	–	–	112,828,891	112,828,891
Surplus on revaluation of property, plant and equipment realized through incremental depreciation charged on related assets - net of taxes	–	–	(14,758,220)	14,758,220	–
Balance as at September 30, 2021	1,680,000,000	1,294,433,658	840,043,663	2,875,142,406	6,689,619,727

  
Chief Executive

  
Director

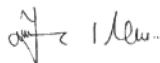
  
Chief Financial Officer

# CONDENSED INTERIM STATEMENT OF CASH FLOWS

For the three-months period ended 30 September 2021

	Three months period ended	
	(Un-audited) September 30, 2021	(Audited) September 30, 2020
	(Rupees)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit before taxation	111,189,711	352,039,740
Adjustment for non cash charges and other items:		
Depreciation - owned assets	77,583,695	70,485,449
Depreciation - right-of-use assets	7,707,938	7,707,938
Amortization	869,482	869,481
Grant income on SBP refinance scheme for payroll financing	(4,656,078)	(2,763,531)
Gain on sale of property, plant and equipment	(2,535,198)	(1,700,265)
Provision for contribution to provident fund trust	5,649,053	4,978,507
WPPF provision	5,750,135	17,601,987
WWF Provision	2,718,923	7,238,529
Allowance for expected credit loss	—	3,042,586
Provision for slow moving stocks	449,858	—
Income from TDR	(7,644,145)	—
Markup on lease liabilities - rented premises	5,498,100	5,288,131
Markup on loans from financial institutions	16,635,115	18,410,393
Mark up on short term finances under markup arrangements	72,152,680	71,900,801
	180,179,557	203,060,007
<b>Operating profit before working capital changes</b>	291,369,268	555,099,747
<b>Adjustment for working capital items</b>		
Increase in stores and spares	(12,993,325)	(7,525,389)
(Increase) / Decrease in stock in trade	(299,698,887)	267,773,395
(Increase) / Decrease in trade debtors	(154,705,794)	40,357,647
(Increase) / Decrease in advances, deposits, prepayments and other receivables	18,785,444	(18,145,565)
Increase in trade and other payables	140,450,416	28,840,182
	(308,162,146)	311,300,270
<b>Cash (used in) / generated from operations</b>	(16,792,878)	866,400,017
Contribution paid to provident fund trust	(5,700,116)	(4,707,977)
Markup Paid	(54,351,032)	(152,953,871)
Income tax paid	(136,374,688)	(85,358,026)
<b>Net cash (used in) / generated from operating activities</b>	(213,218,714)	623,380,143
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(905,626,712)	(263,230,323)
Long term deposits	(23,586,603)	(88,900)
Sale proceeds from disposal of property, plant and equipment	3,240,000	2,090,000
<b>Net cash used in investing activities</b>	(925,973,315)	(261,229,223)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>LONG TERM LOAN OBTAINED FROM FINANCIAL INSTITUTIONS</b>	552,933,800	271,778,905
Long term loan repaid to financial institutions	(75,476,509)	—
Short term running finance-net	645,079,429	(719,622,551)
Lease rentals paid	(11,909,781)	(4,572,882)
<b>Net cash generated from (used in) financing activities</b>	1,110,626,939	(452,416,528)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(28,565,090)	(90,265,608)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	806,059,464	150,847,714
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	777,494,375	60,582,106

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

  
Chief Executive

  
Director

  
Chief Financial Officer

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the three-months period ended 30 September 2021

## 1 The Company and Its Operations

The Company was incorporated as a private limited company under the Companies Act, 1913 and was converted into a public limited company with effect from 10 October 2003. The Company changed its name from Mian Tyre and Rubber Company Limited to Panther Tyres Limited on 25 October 2011. The company got listed on Pakistan Stock Exchange on February 22, 2021.

The Company is principally engaged in the manufacture and sale of tyres and tubes of vehicles. Following are the business units of the Company along with their respective locations:

Business Unit	Location
Registered Office	Panther House, 97-B Aziz Avenue, Jail Road, Lahore
Production Plant	29.5 Km, Sheikhpura Road, Sheikhpura
Regional Office	4th Floor, Shafi Courts, Mereweather Road, Karachi

## 2 Statement of Compliance

**2.1** 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** The condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Company for the year ended 30 June 2021.

**2.3 These condensed interim financial statements are unaudited.**

**2.4** The condensed interim financial statements have been prepared under the historical cost convention except for few items of property, plant and equipment which are carried under revaluation model. These financial statements are prepared in Pak Rupees, which is the functional currency of the Company. Figures have been rounded off to the nearest Pak Rupees

## 3 Significant Accounting Policies

The accounting policies adopted for the preparation of this condensed interim un-audited financial statements are the same as those applied in the preparation of the financial statements for the year ended 30 Jun 2021.

	Note	(Un-audited) September 30, 2021	(Audited) June 30, 2021
		(Rupees)	
<b>4 Property, Plant and Equipment</b>			
Operating fixed assets		4,294,438,555	4,342,201,351
Capital work in progress	4.1	2,349,477,107	1,474,376,096
		6,643,915,662	5,816,577,447

Following are the additions / disposals (at cost) in the operating fixed assets made are as follows:

	Three Months (Un-Audited)		Twelve Months (Audited)	
	Additions Sep-2021	Disposals Sep-2021	Additions June-2021	Disposals June-2021
	(Rupees)			
Free-hold land	–	–	103,567,491	
Building on free-hold land	–	–	2,423,300	
Plant and machinery	6,380,772	–	258,518,547	
Moulds	–	–	41,987,415	
Furniture and fixtures	888,000	–	1,084,432	
Office equipment	578,443	–	5,165,638	
Motor vehicles	22,678,492	(3,308,090)	87,167,710	(21,338,335)
	30,525,707	(3,308,090)	499,914,533	(21,338,335)

#### 4.1 Capital work-in-progress

	Three Months (Un-Audited)			
	Opening	Additions	Transfers	Closing
	(Rupees)			
<b>30 September 2021</b>				
Building	118,540,457	87,220,861	–	205,761,318
Plant and machinery	1,273,453,752	744,652,551	6,380,772	2,011,725,531
Moulds	75,631,991	49,608,372	–	125,240,363
General	6,749,896	–	–	6,749,896
	1,474,376,096	881,481,783	6,380,772	2,349,477,107
	<b>Twelve Months Audited</b>			
	Opening	Additions	Transfers	Closing
	(Rupees)			
<b>30 June 2021</b>				
Building	2,024,401	118,939,356	2,423,300	118,540,457
Plant and machinery	108,174,520	1,423,797,779	258,518,547	1,273,453,752
Moulds	1,522,515	116,096,891	41,987,415	75,631,991
General	2,245,284	4,504,612	–	6,749,896
	113,966,720	1,663,338,638	302,929,262	1,474,376,096

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the three-months period ended 30 September 2021

	Note	(Un-audited) September 30, 2021	(Audited) June 30, 2021
		(Rupees)	
<b>5 Stock in Trade</b>			
Raw and Packing materials	5.1	2,057,612,149	2,020,569,829
Work in process		212,104,049	252,440,107
Finished goods- Manufactured & Trading Material		1,277,166,853	974,174,228
		3,546,883,052	3,247,184,164
Less: Provision for slow moving items		(13,046,357)	(12,596,499)
		3,533,836,695	3,234,587,665

**5.1** This includes Rs. 729.79 million (30-Jun-2021: Rs.352.07 million) in respect of stock-in-transit.

	Note	(Un-audited) September 30, 2021	(Audited) June 30, 2021
		(Rupees)	
<b>6 Long Term Finances</b>			
Loans from financial institutions	6.1	1,701,670,051	1,224,212,760
Less: Deferred grant		(12,829,052)	(17,485,130)
		1,688,840,999	1,206,727,630
Accrued Markup		11,733,987	18,296,184
Lease liabilities - rented premises		151,121,249	157,532,930
Loan from Chairman	6.2	620,000,000	620,000,000
		2,471,696,235	2,002,556,744
Less: Current maturity shown under current liabilities		(255,818,442)	(346,406,256)
		2,215,877,793	1,656,150,488

**6.1** These represent loans from financial institutions bearing mark up at the rates ranging from 2.25% per annum to 9.38% per annum (30 June 2021: 2.25% per annum to 9.04% per annum). These are repayable in quarterly installments up to March 2030. The aggregate long term finances are secured by joint pari passu charge on the fixed assets of the Company.

**6.2** This represents loan from chairman (Mian Iftikhar Ahmed) obtained during the year ended 30 Jun 2021. The loan is repayable on demand from lender but not prior to 30 June 2022. It carries interest at the rate of 3 Month KIBOR minus 1% spread per annum.

## **7 Short Term Borrowings - Secured**

Short term finances aggregating to Rs. 5.93 billion (30 June 2021: Rs. 5.22 billion) are available from commercial banks under mark up arrangements. The mark up is charged at the rates ranging from 3% per annum to 9.16% per annum (30 June 2021: 3.00% per annum to 8.89% per annum). The aggregate running finances are secured by joint pari passu charge on the current and fixed assets of the Company.

## 8 Contingencies and Commitments

### Contingencies

There is no material change in the contingencies since the last audited financial statements for the year ended 30 June 2021.

### Commitments

Commitments from various banks against letter of credit and letter of guarantees are Rs. 1,924.88 million (30 June 2021: 1,875 million) and Rs. 217.42 million (30 June 2021: Rs.96.01 million) respectively.

		Three months period ended	
		(Un-audited) September 30, 2021	(Audited) September 30, 2020
		(Rupees)	
9	<b>Sales</b>		
	Local sales-net	4,529,422,858	4,063,051,444
	Export sales	381,446,909	348,153,871
		4,910,869,767	4,411,205,315
10	<b>Cost Of Sales</b>		
	Cost of goods manufactured	4,705,553,019	3,133,320,181
	Add: Finished goods - opening	974,174,228	847,888,132
		5,679,727,247	3,981,208,313
	Add: Finished goods purchased	61,799,393	54,909,952
	Less: Finished goods - closing	(1,277,166,853)	(308,940,466)
	Cost of goods sold	4,464,359,787	3,727,177,799
11	<b>Earnings Per Share - Basic And Diluted</b>		
	Profit / (Loss) after taxation	110,288,222	253,749,875
	Weighted average number of shares	168,000,000	168,000,000
	Earnings per share (Rs.)	0.66	1.51

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the three-months period ended 30 September 2021

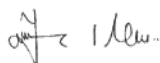
## 12 Transactions with Related Parties

The related parties comprise of shareholders, directors of the Company, employees benefit funds and key management employees. The Company carries out transactions with its related parties in the normal course of business. Significant related party transactions are as follows:

Transactions with related parties: Name of Company and relationship		Three Months	
		(Un-audited) September 30, 2021	(Audited) September 30, 2020
		(Rupees)	
Mian Iftikhar Ahmed - Director	Rent of head office	5,445,000	5,445,000
Mian Iftikhar Ahmed - Director	Markup on loan obtained	10,079,671	-
Contribution to staff provident fund-Other related party	Contribution to staff provident fund	5,649,053	4,978,507

## 13 General

These condensed interim financial statements were authorized for issue by the Board of Directors of the Company on October 28, 2021.

  
Chief Executive

  
Director

  
Chief Financial Officer



## **Panther Tyres Limited**

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