



# PANTHER

TYRES

3<sup>rd</sup> Quarterly Report March 2022



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 OPERATING OFFICER

Khurram Javed

### CHIEF FINANCIAL OFFICER

Ghulam Abbas FCA FCMA

### COMPANY SECRETARY

Mohsin Muzaffar Butt FCA CIA



## HEAD OF INTERNAL AUDIT

Mohsin Muzaffar Butt FCA CIA

## 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 Sheikhpura Road,  
Sheikhpura

## 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

Dubai Islamic Bank

## WEBSITE

[www.panther tyres.com](http://www.panther tyres.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 third quarter and nine months period ended March 31, 2022.

## REVIEW OF OPERATING RESULTS

During the period under review, the Company recorded net sales revenue of Rs.13,908 million as compared to Rs.11,574 million earned during the same period last year. This increase is mainly attributed to the increase in selling prices of the products, whereas the Company also experienced slight increase in volumes.

The gross profit of the Company remained under pressure and decreased to Rs.1,492 million as against Rs.1,839 million posted in comparable period last year. The prices of imported raw materials experienced rising trend globally throughout the nine months period. Russia-Ukraine conflict, surfaced during the quarter, has further aggravated the unfavorable conditions of the market. Disruption of energy supplies from the world's largest supplier Russia is resulting into hike in energy cost and material prices.

Following is the snapshot of financial performance of the Company for the nine months period ended on Mar 31, 2022:

| Description                         | Nine months ended |        | %      | Quarter ended |       | %      |
|-------------------------------------|-------------------|--------|--------|---------------|-------|--------|
|                                     | 2022              | 2021   | Change | 2022          | 2021  | Change |
| Sales                               | 13,908            | 11,574 | 20.2%  | 4,427         | 3,446 | 28.5%  |
| <b>Gross profit</b>                 | 1,492             | 1,839  | -18.9% | 448           | 548   | -18.2% |
| Selling and distribution expenses   | (484)             | (399)  | 21.4%  | (154)         | (139) | 10.6%  |
| Administrative and general expenses | (225)             | (226)  | -0.6%  | (77)          | (77)  | 0.1%   |
| <b>Profit from operations</b>       | 801               | 1,162  | -31.0% | 227           | 324   | -29.9% |
| Financial cost                      | (408)             | (251)  | 62.5%  | (175)         | (72)  | 141.6% |
| <b>Profit for the period</b>        | 270               | 652    | -58.7% | 10            | 181   | -94.4% |

Selling and distribution expenses during the nine months period ended on Mar 31, 2022 increased from Rs. 399 million to Rs. 484 million, mainly due to increase in freight cost and advertisement expenses. However, Administrative remained under control.

Finance cost for the period under review of Rs. 408 million is higher as compared to Rs. 251 million for the corresponding period of last year mainly due to increased utilization of working capital limits. Resultantly, the net profit after tax stood at Rs. 270 million for the nine months ended March 31, 2022.

## FUTURE OUTLOOK AND CHALLENGES

The management acknowledges the uncertainty emanating from recent Covid restrictions in China and impact of Russia-Ukraine war on economy and business environment; different strategies are being devised to withstand with these developing circumstances. Unprecedented increase in material prices coupled with rising cost of utilities and weakening PKR have adversely affected the Company's margins so far. Further, rising cost of borrowing resulting from recent announcement by SBP to increase policy rate by 225 bps is another challenge to cope up with.

In this regard, we are aggressively working to restore margins without compromising on growth by devising different strategies. Sales prices are being increased gradually in the replacement market whereas negotiations are underway with OEM to further increase the rates to pass on the increased cost pressure. On the other hand, the Company is focusing on enhancing operational efficiencies, optimizing internal processes and better working capital management to navigate through this challenging time. All these aforesaid strategies will help the Company to deliver better margins in the 4th quarter.

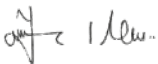
## EXPANSION PROJECT

The details of expansion project have already been shared with the stakeholder vide "Progress Report" through PUCARS on Mar 31, 2022.

## 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: April 27, 2022



## مستقبل کا منظر نامہ اور چیلنجز

کمپنی انتظامیہ کو حالیہ کوڈ و باکے پیش نظر چین میں لگنے والی پابندیوں اور روس۔ یوکرین جنگ کے معیشت اور کاروباری ماحول پر اثرات سے پیدا ہونے والی غیر یقینی صورتحال کا بخوبی ادراک ہے۔ اس صورتحال سے نمٹنے کے لیے مختلف نوعیت کی حکمت عملیاں وضع کی جارہی ہیں۔ خام مال کی قیمتوں میں غیر معمولی اضافے کے ساتھ ساتھ یوٹیلیٹیز کی بڑھتی ہوئی لاگت اور پاکستانی روپے کی قدر میں کمی نے کمپنی کے منافع کو بری طرح متاثر کیا ہے۔ مزید برآں، اسٹیٹ بینک کی جانب سے شرح سود میں 225 فیصد اضافے کے حالیہ اعلان کے نتیجے میں قرض کی بڑھتی ہوئی لاگت سے نمٹنا ایک بڑا چیلنج ہے۔

اس سلسلے میں ہم متنوع حکمت عملیاں وضع کر کے بڑھوتری پر سمجھوتہ کیے بغیر منافع کی شرح کو بحال کرنے کے لیے جارحانہ انداز میں کام کر رہے ہیں۔ مصنوعات کی قیمت فروخت میں بتدریج اضافہ کیا جا رہا ہے۔ بڑھتی ہوئی لاگت کے دباؤ کو منتقل کرنے کے لیے قیمتوں میں مزید اضافے کے لیے OEM کے ساتھ بات چیت جاری ہے۔ دوسری جانب، کمپنی اس مشکل وقت سے گزرنے کے لیے آپریشنل افادیت کو بڑھانے، اندرونی عوامل کو بہتر بنانے اور ورکنگ کپٹیل کے بہتر استعمال پر توجہ مرکوز کر رہی ہے۔ یہ تمام حکمت عملیاں کمپنی کو چوتھی سہ ماہی میں اپنے شرح منافع کو بہتر بنانے میں مدد فراہم کریں گی۔

## توسیعی منصوبہ

توسیعی منصوبہ کی تفصیلات پہلے ہی 31 مارچ 2022ء کو PUCARS کے ذریعے تمام اسٹیک ہولڈرز کو بھیجوائی جا چکی ہیں۔

## اعطیہ تشکر

بورڈ آف ڈائریکٹرز کمپنی کے قابل قدر شیئرز ہولڈرز، صارفین، مالیاتی اداروں اور سپلائرز کے کمپنی پر کیے جانے والے اعتماد اور بھروسے کے لیے تہہ دل سے مشکور ہے۔ بورڈ آزمائش کی ان گھڑیوں میں اپنے ہر سطح کے ملازمین کی محنت، لگن اور عزم کو بھی قدر کی نگاہ سے دیکھتا ہے۔

بورڈ کی طرف سے

Asif Ishaq

میاں فیصل افتخار  
چیف ایگزیکٹو آفیسر

Vahid

میاں افتخار احمد  
چیرمین

لاہور: 27 اپریل 2022ء



# ڈائریکٹر ان کی جائزہ رپورٹ

معزز شیئر ہولڈرز!

ہم بورڈ آف ڈائریکٹرز کی جانب سے 31 مارچ 2022ء کو ختم ہونے والی تیسری سہ ماہی اور نو ماہی مدت کے لیے بینقٹر ٹائز لمیٹیڈ کے غیر آڈٹ شدہ مالیاتی حسابات پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

## آپریٹنگ نتائج کا جائزہ:

زیر جائزہ مدت کے دوران، کمپنی کی مصنوعات کی فروخت سے ہونے والی خالص آمدن 13,908 ملین روپے رہی جو گزشتہ برس اسی مدت کے دوران 11,574 ملین روپے تھی۔ اس کی بنیادی وجہ مصنوعات کی قیمت فروخت میں اضافہ تھا۔ جبکہ کمپنی کی سائز کے حجم میں بھی معمولی اضافہ دیکھا گیا۔

کمپنی کا مجموعی منافع باؤڈ کا شکار ہا جو گزشتہ برس اسی مدت کے دوران 1,839 ملین روپے سے کم ہو کر 1,492 ملین روپے رہ گیا۔ زیر جائزہ نو ماہی کے دوران درآمد شدہ خام کی قیمتوں میں عالمی سطح پر اضافے کا رجحان رہا۔ اس سہ ماہی کے دوران کوویڈ وبا کے بعد روس۔ یوکرین تنازعے نے مارکیٹ کے ناموافق حالات کو مزید بڑھا دیا۔ دنیا کے سب سے بڑے ایندھن کے سپلائرز کی طرف سے رسد میں رکاوٹوں کی وجہ سے ایندھن اور خام مال کی قیمتوں میں بڑا اضافہ ہوا۔

31 مارچ 2022ء کو ختم ہونے والی نو ماہی مدت کے لیے کمپنی کی مالیاتی کارکردگی کا خاکہ ذیل میں ہے:

| تفصیل                         | نو ماہی پختہ |        | سہ ماہی پختہ |       | فیصد تبدیلی |
|-------------------------------|--------------|--------|--------------|-------|-------------|
|                               | 2022         | 2021   | 2022         | 2021  |             |
| مصنوعات کی فروخت              | 13,908       | 11,574 | 4,427        | 3,446 | 28.5%       |
| مجموعی منافع                  | 1,492        | 1,839  | 448          | 548   | -18.2%      |
| فروخت اور ڈسٹری بیوشن اخراجات | (484)        | (399)  | (154)        | (139) | 10.6%       |
| انتظامی و عمومی اخراجات       | (225)        | (226)  | (77)         | (77)  | 0.1%        |
| آپریٹنگ سے منافع              | 801          | 1,162  | 227          | 324   | -29.9%      |
| مالیاتی لاگت                  | (408)        | (251)  | (175)        | (72)  | 141.6%      |
| مذکورہ مدت میں منافع          | 270          | 652    | 10           | 181   | -94.4%      |

31 مارچ 2022ء کو ختم ہونے والی نو ماہی مدت کے دوران فروخت اور ڈسٹری بیوشن کے اخراجات 399 ملین روپے سے بڑھ کر 484 ملین روپے ہو گئے۔ جس کی بنیادی وجہ برادری کی لاگت اور ایڈورٹائزمنٹ کے اخراجات میں اضافہ تھا۔ تاہم انتظامی اخراجات کنٹرول میں رہے۔

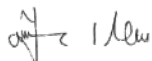
زیر جائزہ مدت کے دوران مالیاتی لاگت بڑھ کر 408 ملین روپے ہو گئی جو گزشتہ برس اسی مدت میں 251 ملین روپے تھی۔ اس اضافے کی وجہ ورکنگ کیپیٹل کی مالیاتی سہولیات کا زیادہ استعمال رہا۔ جس کے نتیجے میں 31 مارچ 2022ء کو ختم ہونے والی نو ماہی مدت میں خالص منافع بعد از ٹیکس 270 ملین روپے رہا۔

# CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at March 31, 2022

|  | Note | (Un-audited)<br>March 31,<br>2022 | (Audited)<br>June 30,<br>2021 |
|--|------|-----------------------------------|-------------------------------|
| (Rupees)   |      |                                   |                               |
| <b>NON CURRENT ASSETS</b>  |      |                                   |                               |
| Property, plant and equipment  | 5    | 8,076,963,280                     | 5,816,577,447                 |
| Right-of-use assets  |      | 105,784,655                       | 128,908,469                   |
| Intangible assets  |      | 4,870,989                         | 7,479,437                     |
| Long term deposits   |      | 54,924,314                        | 31,880,839                    |
|  |      | 8,242,543,238                     | 5,984,846,192                 |
| <b>CURRENT ASSETS</b>  |      |                                   |                               |
| Stores and spares  |      | 191,313,909                       | 158,032,988                   |
| Stock in trade   | 6    | 4,565,592,781                     | 3,234,587,665                 |
| Trade debts - considered good - unsecured                                |      | 3,779,037,685                     | 3,303,967,188                 |
| Advances, deposits, prepayments and other receivables                    |      | 1,100,305,903                     | 782,639,678                   |
| Cash and bank balances   |      | 673,319,441                       | 806,059,464                   |
|  |      | 10,309,569,719                    | 8,285,286,983                 |
| <b>TOTAL ASSETS</b>  |      | 18,552,112,957                    | 14,270,133,175                |
| <b>EQUITY AND LIABILITIES</b>  |      |                                   |                               |
| Authorized Share Capital   |      |                                   |                               |
| 300,000,000 (30 June 2021: 300,000,000) ordinary shares of Rs.10/- each  |      | 3,000,000,000                     | 3,000,000,000                 |
| Issued, subscribed and paid up capital                                   |      |                                   |                               |
| 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  |      | 1,294,433,658                     | 1,574,433,658                 |
| Accumulated Profit   |      | 2,779,491,047                     | 2,747,555,295                 |
| Surplus on revaluation of property, plant and equipment                  |      | 823,999,685                       | 854,801,883                   |
|  |      | 6,577,924,390                     | 6,576,790,836                 |
| <b>NON CURRENT LIABILITIES</b>   |      |                                   |                               |
| Long term finances   | 7    | 2,712,862,121                     | 1,656,150,488                 |
| Deferred grant   |      | 5,554,724                         | 17,485,130                    |
| Deferred taxation  |      | 545,043,866                       | 616,765,947                   |
|  |      | 3,263,460,711                     | 2,290,401,565                 |
| <b>CURRENT LIABILITIES</b>   |      |                                   |                               |
| Current portion of long term finances                                    |      | 241,673,792                       | 346,406,256                   |
| Short term financing - secured   | 8    | 7,178,422,584                     | 4,111,847,806                 |
| Unclaimed dividend   |      | 435,714                           | —                             |
| Trade and other payables   |      | 1,072,413,811                     | 892,883,152                   |
| Accrued mark-up  |      | 217,781,955                       | 51,803,560                    |
|  |      | 8,710,727,856                     | 5,402,940,774                 |
| Contingencies and commitments  | 9    |                                   |                               |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                      |      | 18,552,112,957                    | 14,270,133,175                |

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

  
Chief Executive Officer

  
Director

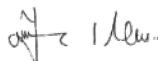
  
Chief Financial Officer

# CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the nine-months period ended 31 March 2022

|   | Note | Nine months period ended         |                                  | Three months period ended        |                                  |
|---|------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
|   |      | 31 March<br>2022<br>(Un-audited) | 31 March<br>2021<br>(Un-Audited) | 31 March<br>2022<br>(Un-audited) | 31 March<br>2021<br>(Un-audited) |
|   |      | Rupees                           | Rupees                           | Rupees                           | Rupees                           |
| Sales   | 10   | 13,908,330,430                   | 11,574,424,161                   | 4,427,377,486                    | 3,446,315,704                    |
| Cost of sales   | 11   | (12,416,071,551)                 | (9,735,011,262)                  | (3,979,529,383)                  | (2,898,644,546)                  |
| <b>Gross profit</b>   |      | <b>1,492,258,879</b>             | <b>1,839,412,899</b>             | <b>447,848,103</b>               | <b>547,671,158</b>               |
| Selling and distribution expenses   |      | (484,069,795)                    | (398,840,302)                    | (153,648,756)                    | (138,977,586)                    |
| Administrative expenses   |      | (224,784,795)                    | (226,197,007)                    | (76,800,912)                     | (76,719,367)                     |
| Other operating expenses  |      | (31,356,890)                     | (69,048,167)                     | (4,370,837)                      | (18,395,264)                     |
| Other operating income  |      | 49,052,538                       | 16,394,998                       | 14,158,769                       | 10,720,235                       |
| <b>Profit from operations</b>   |      | <b>801,099,937</b>               | <b>1,161,722,421</b>             | <b>227,186,368</b>               | <b>324,299,176</b>               |
| Finance cost  |      | (408,165,556)                    | (251,203,155)                    | (175,046,662)                    | (72,440,251)                     |
| <b>Profit before taxation</b>   |      | <b>392,934,381</b>               | <b>910,519,266</b>               | <b>52,139,706</b>                | <b>251,858,925</b>               |
| Taxation  |      | (123,284,085)                    | (258,137,246)                    | (41,978,418)                     | (71,105,981)                     |
| <b>Profit after taxation</b>  |      | <b>269,650,296</b>               | <b>652,382,020</b>               | <b>10,161,288</b>                | <b>180,752,944</b>               |
| <b>Other comprehensive income</b>   |      |                                  |                                  |                                  |                                  |
| Items to be reclassified to profit or loss in subsequent periods          |      |                                  |                                  |                                  |                                  |
| Items not to be reclassified to profit or loss in subsequent periods:     |      |                                  |                                  |                                  |                                  |
| Deferred tax on revaluation surplus due to increase in effective tax rate |      | 11,483,258                       | 11,768,928                       | 2,644                            | 4,674,629                        |
| <b>Total other comprehensive income</b>                                   |      | <b>11,483,258</b>                | <b>11,768,928</b>                | <b>2,644</b>                     | <b>4,674,629</b>                 |
| <b>Total comprehensive income</b>   |      | <b>281,133,554</b>               | <b>664,150,948</b>               | <b>10,163,932</b>                | <b>185,427,573</b>               |
| Earnings per share  |      |                                  |                                  |                                  |                                  |
| - Basic and diluted (Rs.)   | 12   | 1.61                             | 3.88                             | 0.06                             | 1.08                             |

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

  
Chief Executive Officer

  
Director

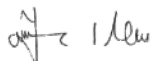
  
Chief Financial Officer

# CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For the nine-months period ended 31 March 2022

|  | Capital Reserve                       |               |   | Revenue Reserve       |               |
|--|---------------------------------------|---------------|---|-----------------------|---------------|
|  | Issued subscribed and paid up Capital | Share premium | Surplus on revaluation of property, plant and equipment | Unappropriated profit | Total         |
|  | (Rupees)                              |               |   |                       |               |
| <b>Balance as on 01 July 2020 (audited)</b>  | 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)         | -             |
| 30,000,000 ordinary shares issued @ Rs. 10 per share   | 300,000,000                           | -             | -   | -                     | 300,000,000   |
| Share premium @ Rs. 55.8 per share   | -                                     | 1,674,000,000 | -   | -                     | 1,674,000,000 |
| Transaction cost on issuance of shares   | -                                     | (99,566,342)  | -   | -                     | (99,566,342)  |
| Profit for the period  | -                                     | -             | -   | 652,382,020           | 652,382,020   |
| Other comprehensive income   | -                                     | -             | -   | 11,768,928            | 11,768,928    |
| Total comprehensive income for the period  | -                                     | -             | -   | 664,150,948           | 664,150,948   |
| Surplus on revaluation of property, plant and equipment realized through incremental depreciation charged on related assets for the period | -                                     | -             | (26,621,795)  | 26,621,795            | -             |
| <b>Balance as at 31 March 2021 (un-audited)</b>  | 1,400,000,000                         | 1,574,433,658 | 643,838,025   | 2,532,737,579         | 6,151,009,262 |
| <b>Balance as on 01 July 2021 (audited)</b>  | 1,400,000,000                         | 1,574,433,658 | 854,801,883   | 2,747,555,295         | 6,576,790,836 |
| Issue of bonus shares for the year ended 30 June 2021 at rate of 20%   | 280,000,000                           | (280,000,000) | -   | -                     | -             |
| Final dividend for the year ended 30 June 2021 at the rate of Rs. 2 per share  | -                                     | -             | -   | (280,000,000)         | (280,000,000) |
| Profit for the period  | -                                     | -             | -   | 269,650,296           | 269,650,296   |
| Other comprehensive income - net of tax  | -                                     | -             | -   | 11,483,258            | 11,483,258    |
| Total comprehensive income for the period  | -                                     | -             | -   | 281,133,554           | 281,133,554   |
| Surplus on revaluation of property, plant and equipment realized through incremental depreciation charged on related assets for the period | -                                     | -             | (30,802,198)  | 30,802,198            | -             |
| <b>Balance as at 31 March 2022 (un-audited)</b>  | 1,680,000,000                         | 1,294,433,658 | 823,999,685   | 2,779,491,047         | 6,577,924,390 |

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

  
Chief Executive Officer

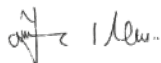
  
Director

  
Chief Financial Officer

# CONDENSED INTERIM STATEMENT OF CASH FLOWS

For the nine-months period ended 31 March 2022

|   | Nine months period ended          |                                   |
|---|-----------------------------------|-----------------------------------|
|   | (Un-audited)<br>March 31,<br>2022 | (Un-audited)<br>March 31,<br>2021 |
|   | (Rupees)                          |                                   |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                       |                                   |                                   |
| Net profit before taxation  | 392,934,381                       | 910,519,266                       |
| Adjustment for non cash charges and other items:                  |                                   |                                   |
| Depreciation - owned assets                                       | 235,153,949                       | 214,876,775                       |
| Depreciation - right-of-use assets                                | 23,123,814                        | 23,123,815                        |
| Amortization  | 2,608,447                         | 2,608,447                         |
| Deferred Grant  | (11,930,406)                      | 37,455,421                        |
| Gain on sale of fixed assets                                      | (11,014,304)                      | (6,021,505)                       |
| Provision for contribution to provident fund trust                | 16,836,452                        | 15,468,829                        |
| WPPF provision  | 21,214,564                        | 48,978,372                        |
| WWF provision   | 10,142,326                        | 20,069,795                        |
| Allowance of expected credit loss                                 | 3,746,798                         | 22,758,084                        |
| Provision for slow moving stock - stock in trade                  | 449,858                           | -                                 |
| Income from TDR   | (24,505,708)                      | -                                 |
| Mark-up on lease liabilities - rented premises                    | 16,671,025                        | 10,795,879                        |
| Mark-up on loans from financial institutions                      | 62,762,743                        | 53,212,062                        |
| Mark-up on short term finances under mark-up arrangements         | 311,752,250                       | 174,310,716                       |
|   | 657,011,808                       | 617,636,690                       |
| <b>Operating profit before working capital change</b>             | <b>1,049,946,189</b>              | <b>1,528,155,956</b>              |
| <b>Adjustment for working capital items</b>                       |                                   |                                   |
| Increase in stores and spares                                     | (33,280,921)                      | (66,340,758)                      |
| Increase in stock in trade  | (1,331,454,974)                   | (1,289,304,943)                   |
| Increase in trade debtors   | (478,817,295)                     | (276,962,575)                     |
| Increase in advances, deposits, prepayments and other receivables | (148,929,745)                     | (294,473,746)                     |
| Increase in trade payables  | 218,447,548                       | 7,195,951                         |
|   | (1,774,035,387)                   | (1,919,886,071)                   |
| <b>Cash used in operations</b>                                    | <b>(724,089,198)</b>              | <b>(391,730,115)</b>              |
| Contribution paid to provident fund trust                         | (15,954,689)                      | (14,481,953)                      |
| WPPF paid   | (61,013,216)                      | -                                 |
| Mark-up paid  | (212,940,677)                     | (312,006,550)                     |
| Income tax paid - net   | (349,381,908)                     | (309,609,700)                     |
| <b>Net cash used in from operating activities</b>                 | <b>(1,363,379,688)</b>            | <b>(1,027,828,318)</b>            |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                        |                                   |                                   |
| Purchase of property, plant and equipment                         | (2,499,400,478)                   | (745,249,412)                     |
| Long term deposits  | (23,043,475)                      | (92,900)                          |
| Sale proceeds from disposal of property, plant and equipment      | 14,875,000                        | 8,090,500                         |
| <b>Net cash used in investing activities</b>                      | <b>(2,507,568,953)</b>            | <b>(737,251,812)</b>              |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                        |                                   |                                   |
| Long-term loan obtained from financial institutions               | 1,062,396,568                     | 381,807,480                       |
| Long-term loan repaid to financial institutions                   | (235,362,813)                     | (344,882,156)                     |
| Short term running finance - net                                  | 3,066,574,779                     | (777,174,786)                     |
| Proceeds from issuance of shares - Net of transaction cost        | -                                 | 1,874,433,658                     |
| Lease rentals paid - IFRS 16                                      | (25,399,916)                      | (30,229,016)                      |
| Loan from director  | 150,000,000                       | 620,000,000                       |
| Dividend paid   | (280,000,000)                     | -                                 |
| <b>Net cash generated from financing activities</b>               | <b>3,738,208,618</b>              | <b>1,723,955,180</b>              |
| <b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>                  | <b>(132,740,023)</b>              | <b>(41,124,950)</b>               |
| <b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>   | <b>806,059,464</b>                | <b>150,847,714</b>                |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>         | <b>673,319,441</b>                | <b>109,722,764</b>                |

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the nine-months period ended 31 March 2022

## 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 22 February 2021. The Company is principally engaged in the manufacture and sale of tyres and tubes for 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** 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.

**2.4** Provisions in respect of taxation, Workers' Profit Participation Fund (WPPF) and Workers' Welfare Fund (WWF) are provisional and subject to final adjustments in the annual audited financial statements.

## 3 Significant accounting policies

The accounting policies adopted are consistent with those of the previous financial year, except for the following new amended standards effective for annual period beginning on 01 July 2021, as listed below. The Company has not early-adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

### New Standards, Interpretations and Amendments

IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2 – Amendments

The adoption of above amendment applied for the first time in the period did not have any material impact on the condensed interim financial statements of the Company.

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the nine-months period ended 31 March 2022

## 4 Significant accounting judgements, estimates and assumptions

The preparation of condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and judgements that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited financial statements of the Company for the year ended 30 June 2021.

|  | Note | (Un-audited)<br>March 31,<br>2022<br>(Rupees) | (Audited)<br>June 30,<br>2021 |
|--|------|---|-------------------------------|
| <b>5 Property, plant and equipment</b> |      |   |                               |
| Operating fixed assets                 |      | 4,214,573,042                                 | 4,342,201,351                 |
| Capital work in progress               | 5.2  | 3,862,390,238                                 | 1,474,376,096                 |
|  |      | 8,076,963,280                                 | 5,816,577,447                 |

5.1 Following are the additions / disposals (at cost) in the operating fixed assets:

|                            | (Un-Audited)                    |                                 | (Audited)                       |                                 |
|----------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
|                            | Additions<br>Mar-2022<br>Rupees | Disposals<br>Mar-2022<br>Rupees | Additions<br>Jun-2021<br>Rupees | Disposals<br>Jun-2021<br>Rupees |
| Free-hold land             | 30,410,430                      | -                               | 103,567,491                     | -                               |
| Building on free-hold land | 2,162,820                       | -                               | 2,423,300                       | -                               |
| Plant and machinery        | 29,741,101                      | -                               | 258,518,547                     | -                               |
| Moulds                     | -                               | -                               | 41,987,415                      | -                               |
| Furniture and fixtures     | 5,493,623                       | -                               | 1,084,432                       | -                               |
| Office equipment           | 3,821,127                       | -                               | 5,165,638                       | -                               |
| Motor vehicles             | 39,672,042                      | (16,050,106)                    | 87,167,710                      | (21,338,335)                    |
|                            | 111,301,143                     | (16,050,106)                    | 499,914,533                     | (21,338,335)                    |

5.2 Capital work-in-progress

|                      | (Un-audited)      |                     |                     |                   |
|----------------------|-------------------|---------------------|---------------------|-------------------|
|                      | Opening<br>Rupees | Additions<br>Rupees | Transfers<br>Rupees | Closing<br>Rupees |
| <b>31 March 2022</b> |                   |                     |                     |                   |
| Building             | 118,540,457       | 415,821,715         | -                   | 534,362,171       |
| Plant and machinery  | 1,273,453,752     | 1,878,971,557       | 6,076,079           | 3,146,349,230     |
| Moulds               | 75,631,991        | 85,145,879          | -                   | 160,777,870       |
| General              | 6,749,896         | 20,900,967          | 6,749,896           | 20,900,967        |
|                      | 1,474,376,096     | 2,400,840,117       | 12,825,975          | 3,862,390,238     |
| <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 nine-months period ended 31 March 2022

|  | Note  | (Un-audited)<br>March 31,<br>2022 | (Audited)<br>June 30,<br>2021 |
|--|-------|-----------------------------------|-------------------------------|
|  |       | (Rupees)                          |                               |
| <b>6 Stock in trade</b>                                |       |                                   |                               |
| Raw materials  |       | 1,539,127,950                     | 1,622,151,248                 |
| Packing materials                                      |       | 60,659,024                        | 46,349,833                    |
| Work in process  |       | 450,473,471                       | 252,440,107                   |
| Finished goods- Manufactured                           |       | 1,924,744,558                     | 883,769,671                   |
| Finished goods- Trading Material                       |       | 95,110,848                        | 90,404,557                    |
|  |       | 4,070,115,851                     | 2,895,115,416                 |
| Raw materials in transit                               |       | 508,523,287                       | 352,068,748                   |
| Less: Provision for slow moving items                  |       | (13,046,357)                      | (12,596,499)                  |
|  |       | 4,565,592,781                     | 3,234,587,665                 |
| <b>7 Long term finances</b>                            |       |                                   |                               |
| Loan from financial institutions - Secured             |       | 2,037,053,240                     | 1,206,727,630                 |
| Accrued mark-up  |       | 10,599,904                        | 18,296,184                    |
| Less: Current portion shown under current liabilities  |       | (221,230,833)                     | (324,492,096)                 |
|  | 7.1   | 1,826,422,311                     | 900,531,718                   |
| Lease liabilities - rented premises                    |       | 136,882,769                       | 157,532,930                   |
| Less: Current maturity shown under current liabilities |       | (20,442,959)                      | (21,914,160)                  |
|  |       | 116,439,810                       | 135,618,770                   |
| Loan from Chairman - related party                     | 7.2   | 770,000,000                       | 620,000,000                   |
|  |       | 2,712,862,121                     | 1,656,150,488                 |
| <b>7.1 Loan from financial institutions - secured</b>  |       |                                   |                               |
| Samba Bank Limited                                     | 7.1.1 | 213,064,912                       | 380,337,550                   |
| PAIR Investment Company Limited                        | 7.1.2 | 386,609,033                       | 225,400,332                   |
| Pak Oman Investment Company Limited                    | 7.1.2 | 110,439,555                       | 168,681,318                   |
| United Bank Limited                                    | 7.1.2 | 200,000,000                       | —                             |
| Meezan Bank limited                                    | 7.1.2 | 464,091,156                       | 246,152,738                   |
| Habib Metropolitan Bank Limited                        | 7.1.2 | 170,861,000                       | 121,584,000                   |
| National Bank Limited                                  | 7.1.2 | 497,542,308                       | 82,056,822                    |
|  |       | 2,042,607,964                     | 1,224,212,760                 |
| Add: Accrued markup                                    |       | 10,599,904                        | 18,296,184                    |
| Less: Deferred grant                                   |       | (5,554,724)                       | (17,485,130)                  |
| Less: Current portion shown under current liabilities  |       | (221,230,833)                     | (324,492,096)                 |
|  |       | 1,826,422,311                     | 900,531,718                   |

**7.1.1** The Company has obtained term finance under refinance scheme for payment of wages and salaries to the workers and employees of business concerns of up to Rs. 390 million (30 June 2021: Rs. 254.2 million) to finance salaries and wages expense for five months from May 2020 to September 2020. This facility carried markup at 3 months KIBOR plus 2% per annum till grant of refinance from State Bank of Pakistan (SBP), and afterwards SBP rate + 2% per annum payable quarterly whereas the principal is repayable in eight equal quarterly installments starting from February 2021. The facility is secured against first joint pari passu charge on the fixed assets of the Company.

**7.1.2** These represent loans from financial institutions bearing mark up at the rates ranging from 2.5% per annum to 12.29% per annum (30 June 2021: 2.25% per annum to 9.04% per annum). These are repayable in quarterly instalments up to March 2030. The aggregate long term finances are secured by joint pari passu charge on the fixed assets of the Company.

**7.2** These represent loan obtained from Chairman (Mian Iftikhar Ahmed). The loan is repayable on demand from lender, but not prior to January 2023. It carries interest at the rate of 3 Month KIBOR minus 1% spread per annum.

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the nine-months period ended 31 March 2022

## 8 Short term borrowings - secured

Short term finances aggregating to Rs. 8.123 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 3.00% per annum to 13.52% 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.

## 9 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. 2,261 million (30 June 2021: 1,875 million) and Rs. 178 million (30 June 2021: Rs. 96.01 million) respectively.

|                 | Nine months period ended         |                                  | Three months period ended        |                                  |
|-----------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
|                 | 31 March<br>2022<br>(Un-audited) | 31 March<br>2021<br>(Un-Audited) | 31 March<br>2022<br>(Un-audited) | 31 March<br>2021<br>(Un-audited) |
|                 | Rupees                           |                                  |                                  |                                  |
| <b>10 Sales</b> |                                  |                                  |                                  |                                  |
| Local sales     | 12,560,407,013                   | 10,588,191,205                   | 4,013,988,533                    | 3,089,704,122                    |
| Export sales    | 1,347,923,417                    | 986,232,956                      | 413,388,953                      | 356,611,582                      |
|                 | 13,908,330,430                   | 11,574,424,161                   | 4,427,377,486                    | 3,446,315,704                    |

## 11 Cost of sales

|                                |                |                |               |               |
|--------------------------------|----------------|----------------|---------------|---------------|
| Cost of goods manufactured     | 13,065,892,658 | 9,703,427,683  | 4,149,822,179 | 3,277,471,902 |
| Add: Finished goods - opening  | 974,174,228    | 847,888,132    | 1,702,249,129 | 544,818,360   |
|                                | 14,040,066,886 | 10,551,315,815 | 5,852,071,308 | 3,822,290,262 |
| Add: Finished goods purchased  | 395,860,071    | 216,202,856    | 147,313,481   | 108,861,693   |
| Less: Finished goods - closing | 2,019,855,406  | 1,032,507,409  | 2,019,855,406 | 1,032,507,409 |
| Cost of goods sold             | 12,416,071,551 | 9,735,011,262  | 3,979,529,383 | 2,898,644,546 |

## 12 Earnings per share - basic and diluted

|                                   |             |             |             |             |
|-----------------------------------|-------------|-------------|-------------|-------------|
| Profit after taxation (Rupees)    | 269,650,296 | 652,382,020 | 10,161,288  | 180,752,944 |
|                                   |             | (Restated)  |             | (Restated)  |
| Weighted average number of shares | 168,000,000 | 168,000,000 | 168,000,000 | 168,000,000 |
| Earnings per share (Rupees)       | 1.61        | 3.88        | 0.06        | 1.08        |

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the nine-months period ended 31 March 2022

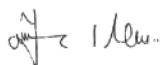
## 13 Transactions with related parties

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:

| Name of Company<br>and relationship  | Nature of<br>Transaction                | (Un-audited)      |                   |
|--------------------------------------|---|-------------------|-------------------|
|                                      |   | March 31,<br>2022 | March 31,<br>2021 |
|                                      |   | (Rupees)          |                   |
| Mian Iftikhar Ahmed - Director       | Rent of head office                     | 17,968,500        | 16,335,000        |
| Contribution to staff provident fund | Contribution to staff<br>provident fund | 16,836,452        | 15,466,269        |
| Mian Iftikhar Ahmed - Director       | Loan from director obtained             | 150,000,000       | 620,000,000       |
| Mian Iftikhar Ahmed - Director       | Mark up on loan from director           | 39,512,417        | 3,793,041         |
| Mian Faisal Iftikhar - Director      | Land Purchase                           | —                 | 11,480,000        |

## 14 General

These condensed interim financial statements were authorized for issue by the Board of Directors of the Company on April 27, 2022.



Chief Executive Officer



Director



Chief Financial Officer





## **Panther Tyres Limited**

Panther House, 97-B, Aziz Avenue,

Jail Road, Lahore-Pakistan

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