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HAS A **DESTINATION**



QUARTERLY
SEPTEMBER 30

2022

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COMPANY PROFILE

Board of Directors*

Lt. Gen. (Retd.) Ali Kuli Khan Khattak - Chairman
Mr. Hussain Kuli Khan - Chief Executive
Mr. Ahmad Kuli Khan Khattak
Mr. Adnan Ahmed
Mr. Manzoor Ahmed
Mrs. Nazia Qureshi
Syed Ahmed Iqbal Ashraf
Mr. Umair Aijaz

Company Secretary

Mr. Yasir Ali Quraishi

Chief Financial Officer

Mr. Siraj A. Lawai

Board Audit Committee*

Mr. Ahmad Kuli Khan Khattak
Lt. Gen. (Retd.) Ali Kuli Khan Khattak
Mr. Manzoor Ahmed
Syed Ahmed Iqbal Ashraf
Mr. Umair Aijaz

Board Human Resource & Remuneration Committee*

Mr. Ahmad Kuli Khan Khattak
Lt. Gen. (Retd.) Ali Kuli Khan Khattak
Mr. Adnan Ahmed
Mr. Hussain Kuli Khan
Mr. Manzoor Ahmed
Mrs. Nazia Qureshi
Syed Ahmed Iqbal Ashraf

Auditors

ShineWing Hameed Chaudhri & 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
Customer Support Services (Toll Free) 0800-CDCPL (23275)
Fax: (92-21) 34326053, Email: info@cdcsrcsl.com
Website: www.cdcsrcsl.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, Pakistan
Phone : 021-35080172-81, 021-38020207-13
UAN: +92 21 111 487 487
Fax: +92 21 3508 0171
Website: www.gtr.com.pk

Branch Offices:

Lahore Office

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

Multan

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

Islamabad

Plot No. 148-149, Khuda Bakhsh Road, Saraan,
Kahuta Industrial Triangle,
Kahuta Road, Hummak Islamabad
Phone: +92 51-5971612-13 / 51-5971650
Fax: +92 51-597 1615

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 first quarter ended September 30, 2022.

BUSINESS REVIEW

Net sales in value terms for the first quarter ended under review was Rs. 3.20 billion as compared to Rs. 4.23 billion in the same period last year, showing decline of 24%.

Sales in Replacement market (RM) was impacted due to heavy rain across the country, and destruction caused by floods in Sindh, southern Punjab and KPK. State Bank of Pakistan (SBP) has taken certain temporary administrative measures which includes prior approval for import of machinery and CKDs of automobiles. As a result, passenger car Original Equipment Manufacturer (OEMs) are observing non production days in a month, based on availability of CKD kits, which impacted OEM sales. We expect that these restrictions will gradually be eased in coming months.

The export sales of the Company for the period were Rs. 37.5 million as compared to Rs. 17.9 million in same period last year.

The gross profit for the period was Rs. 567 million as compared to Rs. 550 million in same period last year. Gross profit margin was 17.7% as compared to 13.0% in same period last year. Higher gross margin was mainly due to better sales mix, stability of raw material prices, and enhanced focus on RM partly offset by volatility in exchange rate.

The finance cost for the period was Rs. 286 million as compared to Rs. 145 million in the same period last year. Increase in financial cost is mainly due to increase in discount rate by SBP and higher working capital requirements consequent to devaluation of Pak Rupee and increase in raw material prices from last year.

As a result of the factors mentioned above, profit after tax for the first quarter ended September 30, 2022 was Rs. 18.0 million as compared to profit after tax of Rs. 130.9 million reported in the same period last year.

FUTURE PROSPECTS

Your Company has developed new tyres in 17 inch and 18 inch rim size for Sports Utility Vehicle (SUV) / Crossover. Two OEMs have approved the 17 inch tyre for their upcoming SUVs. Besides that, some of the OEMs are also interested in 18 inch tyre. We have already started selling 18 inch tyres in RM. Its mass production for OEM requires few machines and molds. As soon as economic situation improves, we would start working on its production.

During the period, SBP has maintained the discount rate. Moreover, in last couple of months Rupee was losing its value against US Dollar. However, it has been regaining its value in September onwards. Sustainability of economic activity, coupled with the stability of exchange and financing rates are key factors for future profitability of your Company.

Lately under invoicing has increased substantially, which is not only impacting local industry but also depriving Government of its due tax revenue. Recently, the customs department in their raids has confiscated smuggled items, including tyres, which is commendable. We hope that the Government will continue its efforts to curb smuggling and ensure proper classification of tyres in appropriate categories of Import Trade Prices (ITP). 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.

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 RM segments.


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.



Hussain Kuli Khan
Chief Executive

Karachi
October 26, 2022



Manzoor Ahmed
Director

اس مدت کے دوران، SBP نے ڈسکاؤنٹ ریٹ برقرار رکھا ہے۔ مزید یہ کہ پچھلے دو مہینوں میں امریکی ڈالر کے مقابلے روپیہ اپنی قدر کھو رہا تھا۔ تاہم، تمبر کے بعد سے اس کی قدر دوبارہ بحال ہو رہی ہے۔ معاشی سرگرمیوں کی پائیداری، مالیاتی اور مبادلہ کی شرح میں استحکام آپ کی کمپنی کے مستقبل کے منافع کے اہم عوامل ہیں۔

حال ہی میں ٹائروں کی انڈر انوائسنگ بہت بڑھ گئی ہے جو کہ ناصرف مقامی صنعت کو متاثر کر رہی ہے بلکہ حکومت کی واجب الادائیں آمدنی کو بھی متاثر کر رہی ہے۔ گذشتہ دنوں میں محکمہ کسٹم نے اپنے چھاپوں میں اسمگل شدہ اشیاء بشمول ٹائرز ضبط کیے ہیں جو کہ قابل تعریف ہے۔ ہم امید کرتے ہیں کہ حکومت اسمگلنگ کو روکنے اور درآمدی تجارتی قیمتوں (ITP) کے مناسب زمروں میں ٹائروں کی مناسب درجہ بندی کو یقینی بنانے کے لیے اپنی کوششیں جاری رکھے گی۔ اس سے نہ صرف حکومت کو زیادہ ٹیکس کی آمدنی ملے گی بلکہ مقامی انڈسٹری کو بھی مساوی مواقع ملیں گے اور روزگار فراہم کرنے میں مدد ملے گی۔

کمپنی لاگت کو کم کرنے کے لئے حکمت عملی پر کام کر رہی ہے۔ مزید یہ کہ OEMs اور RMS، دونوں سیکٹس کے لئے نئے سائز اور ڈیزائن پر بھی کام ہو رہا ہے، جن میں سے کچھ کو پہلے ہی کمرشلائز کیا جا چکا ہے اور OEMs اور RM طبقات میں فروخت کیا جا رہا ہے۔

مشکل معاشی صورتحال اور مسابقتی دباؤ کے باوجود، ہم سمجھتے ہیں کہ کاروبار میں طویل مدتی ترقی کی صلاحیت برقرار ہے۔

یورڈف ڈائریکٹرز کی جانب سے



منظور احمد
ڈائریکٹر



حسین خاتون
چیف ایگزیکٹو

کراچی

تاریخ: 26 اکتوبر، 2022

کمپنی کے ڈائریکٹرز 30 ستمبر 2022 کو ختم ہونے والے پہلے سہ ماہی کی غیر آڈٹ شدہ عبوری مالیاتی معلومات پیش کرتے ہوئے نہایت خوش محسوس کرتے ہیں۔

کاروباری تجزیہ

خالص فروخت زیر جائزہ سہ ماہی کے دوران 3.20 بلین روپے رہی جو کہ پچھلے سال کے اسی دورانیہ کے مقابلے میں 4.23 بلین روپے تھی، جو 24 فیصد کی کمی کو ظاہر کرتی ہے۔

ملک بھر میں شدید بارشوں اور سندھ، جنوبی پنجاب اور خیبر پختونخواہ میں سیلاب سے ہونے والی تباہ کاریوں کی وجہ سے رتھلیمنٹ مارکیٹ (RM) میں فروخت متاثر ہوئی۔ اسٹیٹ بینک آف پاکستان (SBP) نے کچھ عارضی انتظامی اقدامات کیے ہیں جن میں مشینری اور آٹوموبائل کے CKDs کی درآمد کے لیے پیشگی منظوری شامل ہے۔ اس کے نتیجے میں، مسافر کار بنانے والے اور جنرل ایکٹیو پینٹ مینوفیکچررز (OEMs)، CKD کٹس کی دستیابی کی بنیاد پر، پچھلے چند مہینوں سے غیر پیداواری دنوں کا مشاہدہ کر رہے ہیں، جس نے OEM کی فروخت کو متاثر کیا۔ ہم توقع کرتے ہیں کہ آنے والے مہینوں میں ان پابندیوں میں بتدریج نرمی کی جائے گی۔

اس مدت کے لئے کمپنی کی برآمدی فروخت 37.5 بلین روپے رہی، جو پچھلے سال کے اسی دورانیہ میں 17.9 بلین روپے تھی۔

کل منافع اس سہ ماہی میں 567 ملین روپے رہا جو پچھلے سال اسی دورانیہ میں 550 ملین روپے تھا۔ مجموعی منافع کا مارجن 17.7 فیصد رہا جبکہ پچھلے سال اسی عرصے میں یہ 13.0 فیصد تھا۔ زیادہ مجموعی مارجن بنیادی طور پر بہتر سلیبس، خام مال کی قیمتوں میں استحکام اور RM کی فروخت پر توجہ کو ذکر کرنے، جس کو جزوی طور پر زرمبادلہ کی شرح میں اتار چڑھاؤ نے کم کیا ہے۔

اس مدت میں مالیاتی اخراجات 286 ملین روپے رہے جو پچھلے سال اسی عرصے میں 145 ملین روپے تھے۔ مالیاتی لاگت میں اضافہ بنیادی طور پر اسٹیٹ بینک کی جانب سے ڈسکاؤنٹ ریٹ میں اضافے اور پاک روپے کی قدر میں کمی اور خام مال کی قیمتوں میں پچھلے سال سے اضافے کے نتیجے میں زیادہ ورگنگ کیپٹل کی ضروریات کی وجہ سے ہے۔

مذکورہ بالا عوامل کے نتیجے میں اس سہ ماہی میں ٹیکس کے بعد منافع 18.0 ملین روپے رہا جو گذشتہ سال اسی عرصے میں 130.9 ملین روپے تھا۔

مستقبل کے امکانات

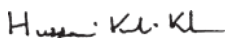
آپ کی کمپنی نے اسپورٹس یوٹیلیٹی ویہیکل (SUV) / کراس اور کے لیے 17 اور 18 انچ سائز میں نئے ماڈل تیار کیے ہیں۔ دو OEMs نے اپنی نئی آنے والی SUVs کے لیے 17 انچ سائز کی منظوری دے دی ہے۔ اس کے علاوہ، کچھ دوسرے OEMs نے 18 انچ سائز میں بھی دلچسپی ظاہر کی ہے۔ ہم نے پہلی ہی RM میں 18 انچ سائز کی فروخت کو متاثر وں کر دیے ہیں۔ OEM کے لیے اس کی بڑے پیمانے پر پیداوار کے لیے چند شیڈیوں اور مولڈز کی ضرورت ہے۔ معاشی صورتحال بہتر ہوتے ہی ہم اس کی پیداوار پر کام شروع کر دیں گے۔

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2022

	September 30, 2022 (Un-audited)	June 30, 2022 (Audited)
	Note	--- Rupees in '000 ---
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorised capital		
125,000,000 (June 30, 2022: 125,000,000) ordinary shares of Rs 10 each	1,250,000	1,250,000
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	1,643,179	1,625,199
TOTAL EQUITY	3,862,513	3,844,533
LIABILITIES		
NON CURRENT LIABILITIES		
Long term finances	764,843	796,083
Staff benefits	465,728	440,729
Deferred liabilities		
- Deferred tax liability	238,837	262,919
- Others	244,711	254,304
	483,548	517,223
Long term deposits from dealers	11,070	10,370
	1,725,189	1,764,405
CURRENT LIABILITIES		
Current maturity of long term finances	365,035	489,148
Current maturity deferred liabilities	180,158	177,327
Current maturity of lease liability	1,390	2,613
Short term finances	3,302,696	2,991,027
Running finances under mark-up arrangements	3,376,670	2,904,137
Trade and other payables	4,220,633	3,599,739
Unclaimed dividend	19,458	19,462
Accrued mark-up	229,621	178,709
Provisions	82,857	82,857
	11,778,518	10,445,019
TOTAL LIABILITIES	13,503,707	12,209,424
TOTAL EQUITY AND LIABILITIES	17,366,220	16,053,957
Contingencies and commitments	6	



Siraj A. Lawai
Chief Financial Officer



Hussain Kuli Khan
Chief Executive



Manzoor Ahmed
Director

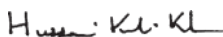
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2022

		September 30, 2022 (Un-audited)	June 30, 2022 (Audited)
		--- Rupees in '000 ---	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	7	5,443,808	5,498,198
Right-of-use assets		823	1,317
Intangible assets		978	1,123
Investment in an associated company	8	23,674	25,918
Long term loans and advances		9,242	10,508
Long term deposits		28,466	19,426
		5,506,991	5,556,490
CURRENT ASSETS			
Stores and spares		702,647	693,421
Stocks	9	7,027,229	5,299,420
Trade debts		1,935,320	2,518,372
Loans and advances		176,316	148,645
Deposits and prepayments		113,970	57,388
Other receivables		288,746	217,189
Taxation - net		1,470,801	1,425,639
Cash and bank balances		144,200	137,393
		11,859,229	10,497,467
TOTAL ASSETS			
		17,366,220	16,053,957

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.



Siraj A. Lawai
Chief Financial Officer



Hussain Kuli Khan
Chief Executive



Manzoor Ahmed
Director

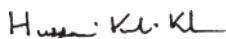
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT
AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2022**

		Quarter ended September 30,	
		2022	2021
		--- Rupees in '000 ---	
	Note		
Sales - net		3,197,869	4,233,057
Cost of sales	10	(2,631,315)	(3,683,522)
Gross profit		566,554	549,535
Administrative expenses		(78,911)	(71,504)
Distribution cost		(129,295)	(141,675)
Other income		20,030	19,966
Other expenses		(55,231)	(12,425)
Profit from operations		323,147	343,897
Finance cost		(286,397)	(144,936)
		36,750	198,961
Share of (loss) / profit of an associated company	8	(2,244)	884
Profit before taxation		34,506	199,845
Taxation	11	(16,526)	(68,919)
Profit for the period		17,980	130,926
Other comprehensive income		-	-
Total comprehensive income for the period		17,980	130,926
		Re.	Rs.
Earnings per share basic and diluted		0.15	1.07

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.



Siraj A. Lawai
Chief Financial Officer



Hussain Kuli Khan
Chief Executive



Manzoor Ahmed
Director

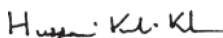
STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2022

		Capital Reserve	Revenue Reserve	
	Issued, subscribed and paid-up share capital	Reserve for capital expenditure	Unappropriated profit	Total
----- Rupees in '000 -----				
Balance as at July 1, 2021 (Audited)	1,219,334	1,000,000	1,296,281	3,515,615
Total comprehensive income for the period ended September 30, 2021	-	-	130,926	130,926
Balance as at September 30, 2021 (Un-audited)	<u>1,219,334</u>	<u>1,000,000</u>	<u>1,427,207</u>	<u>3,646,541</u>
Balance as at July 1, 2022 (Audited)	1,219,334	1,000,000	1,625,199	3,844,533
Total comprehensive income for the period ended September 30, 2022	-	-	17,980	17,980
Balance as at September 30, 2022 (Un-audited)	<u>1,219,334</u>	<u>1,000,000</u>	<u>1,643,179</u>	<u>3,862,513</u>

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.



Siraj A. Lawai
Chief Financial Officer



Hussain Kuli Khan
Chief Executive



Manzoor Ahmed
Director

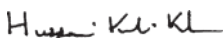
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2022

		Quarter ended September 30,	
		2022	2021
Note		--- Rupees in '000 ---	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	12	(195,467)	(30,781)
Staff retirement gratuity paid		(9,160)	(8,775)
Compensated absences paid		(2,025)	(1,224)
Long term deposits from dealers - net		700	500
Finance cost paid		(235,485)	(158,722)
Taxes paid		(85,770)	(77,884)
Long term loans and advances - net		1,266	642
Long term deposits - net		(9,040)	4
Profit on bank deposits received		325	136
Net cash used in operating activities		(534,656)	(276,104)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(75,846)	(101,319)
Proceeds from sale of operating fixed assets		516	200
Net cash used in investing activities		(75,330)	(101,119)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term finances - repaid		(166,182)	(261,756)
Lease rental paid - net		(1,223)	(2,543)
Short term finances - net		311,669	1,104,474
Dividend paid		(4)	(14)
Net cash generated from financing activities		144,260	840,161
Net (decrease) / increase in cash and cash equivalents		(465,726)	462,938
Cash and cash equivalents at beginning of the period		(2,766,744)	(3,214,945)
Cash and cash equivalents at end of the period	13	(3,232,470)	(2,752,007)

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.



Siraj A. Lawai
Chief Financial Officer



Hussain Kuli Khan
Chief Executive



Manzoor Ahmed
Director

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM
FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2022**

1. LEGAL STATUS AND OPERATIONS

- 1.1 Ghandhara Tyre and Rubber Company Limited (the Company) (formerly The General Tyre and Rubber Company of Pakistan Limited) was incorporated in Pakistan on March 7, 1963 as a private limited company and was subsequently converted into a public limited company. Its shares are listed on Pakistan Stock Exchange Limited. The registered office of the Company 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.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

These condensed interim financial statements is unaudited and have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards 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 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 does not include all the information and disclosures required in an annual financial statements, and should be read in conjunction with the Company's annual audited financial statements for the year ended June 30, 2022.

3. 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, 2022.

3.2 New standards, amendments to approved accounting standards and new interpretations

3.2.1 Amendments to published approved accounting standards which were effective during the period ended September 30, 2022.

There were certain amendments to approved accounting standards which were mandatory for the Company's annual accounting period which began on July 01, 2022. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been detailed in this condensed interim financial statements.

4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of these condensed 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.

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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 this 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 financial statements for the year ended June 30, 2022.

The Company's financial risk management objectives and policies are consistent with those disclosed in the Company's financial statements for the year ended June 30, 2022.

	September 30, 2022 (Un-audited)	June 30, 2022 (Audited)
	--- Rupees in '000 ---	
5. TRADE AND OTHER PAYABLES		
Trade creditors	398,574	301,230
Bills payable	2,064,208	1,387,683
Accrued expenses	1,423,291	1,360,530
Royalty fee payable	106,483	126,022
Advances from customers	47,231	72,593
Staff provident fund payable	4,497	4,863
Staff retirement benefits	76,383	85,544
Short term deposits	2,683	2,772
Workers' profit participation fund	1,983	6,637
Workers' welfare fund	16,408	12,891
Payable to Waqf-e-Kuli Khan	9,352	8,902
Interest payable on custom duties	29,933	29,933
Sales tax	-	172,211
Others	39,607	27,928
	<u>4,220,633</u>	<u>3,599,739</u>

6. CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

6.1.1 There is no 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, 2022.

6.1.2 Guarantees issued by commercial banks on behalf of the Company

267,462	459,526
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6.1.3 Post dated cheques issued to the Collector of Customs against duty on imported plant & machinery, raw materials and stores & spares

41,928	41,928
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	September 30, 2022 (Un-audited)	June 30, 2022 (Audited)
	--- Rupees in '000 ---	
6.2 Commitments		
6.2.1 Commitments in respect of:		
- letters of credit for capital expenditure	22,760	57,165
- letters of credit for purchase of raw material and stores & spares	2,253,701	810,406
- purchase orders issued to local suppliers for capital expenditure	154,119	147,734
- tentative schedules for supply of tyres	2,057,964	2,619,644

7. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	7.1	4,792,761	4,908,830
Capital work-in-progress		651,047	589,368
		5,443,808	5,498,198

7.1 Operating fixed assets

Book value at beginning of the period / year	4,908,830	4,595,512
Additions during the period / year	14,167	801,428
Disposals costing Rs. 3.179 million (June 30, 2022: Rs. 77.107 million) - book value	(889)	(4,491)
Depreciation for the period / year	(129,347)	(483,619)
Book value at end of the period / year	4,792,761	4,908,830

8. INVESTMENTS IN AN ASSOCIATED COMPANY - Quoted

Ghandhara Industries Limited

- Equity accounted investment		
Balance at beginning of the year	25,918	19,408
Share of (loss) / profit for the period	(2,244)	6,510
Balance at end of the period / year	23,674	25,918

8.1 Investment in Ghandhara Industries Limited (GIL) represents 201,400 (June 30, 2022: 201,400) fully paid ordinary shares of Rs 10 each representing 0.473% (June 30, 2022: 0.473%) of its issued, subscribed and paid-up share capital as at September 30, 2022. GIL was incorporated on February 23, 1963 and its shares are quoted on Pakistan Stock Exchange. The principal activity of GIL is the assembly, progressive manufacturing and sale of Isuzu trucks and buses.

8.2 The Company considers GIL as its associate and follows equity accounting as it has significant influence over GIL based on common directorship.

8.3 The market value of the investment as at September 30, 2022 was Rs. 29.475 million (June 30, 2022 : Rs: 31.815 million)

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9. STOCKS

Raw materials

- in hand
- in transit

Work-in-process

Finished goods

- in hand
- in transit

September 30, 2022 (Un-audited) June 30, 2022 (Audited)
--- Rupees in '000 ---

2,239,256	2,289,790
1,103,693	769,373
3,342,949	3,059,163
377,174	333,240
3,307,106	1,898,283
-	8,734
3,307,106	1,907,017
7,027,229	5,299,420

10. COST OF SALES

Opening stock of finished goods

Cost of goods manufactured

Finished goods purchased

Closing stock of finished goods

Quarter ended September 30, 2022 (Un-audited) 2021
--- Rupees in '000 ---

1,907,017	1,921,332
3,999,467	3,832,312
31,937	36,283
4,031,404	3,868,595
5,938,421	5,789,927
3,307,106	2,106,405
2,631,315	3,683,522

11. TAXATION

Current

Deferred

40,608	73,818
(24,082)	(4,899)
16,526	68,919

		Quarter ended September 30,	
		2022	2021
		(Un-audited)	
		--- Rupees in '000 ---	
12. CASH GENERATED FROM OPERATIONS	Note		
Profit before taxation		34,506	199,845
Adjustments for non-cash charges and other items			
Depreciation on property, plant and equipment		129,347	116,377
Amortisation		147	497
Depreciation on right-of-use assets		494	1,653
Provision for staff retirement gratuity		24,117	17,092
Charge of employees compensated absences		2,906	2,552
Charge / (reversal) of provision for expected credit loss-net		7,026	(4,498)
Profit on bank deposits		(325)	(136)
Loss / (gain) on sale of operating fixed assets		373	(200)
Finance cost		286,397	144,936
Share of loss / (profit) of an associated company		2,244	(884)
Working capital changes	12.1	(682,699)	(508,015)
		<u>(195,467)</u>	<u>(30,781)</u>
12.1 Working capital changes			
(Increase) / decrease in current assets:			
- Stores and spares		(9,226)	10,585
- Stocks		(1,727,809)	(1,258,373)
- Trade debts		576,026	(370,055)
- Loans and advances		(27,671)	(103,385)
- Deposits and prepayments		(56,582)	(50,670)
- Other receivables		(71,557)	(36,239)
		<u>(1,316,819)</u>	<u>(1,808,137)</u>
Increase in current liabilities:			
- Trade and other payables		634,120	1,300,122
		<u>(682,699)</u>	<u>(508,015)</u>
13. CASH AND CASH EQUIVALENTS			
Running finances under mark-up arrangements		(3,376,670)	(2,950,111)
Cash and bank balances		144,200	198,104
		<u>(3,232,470)</u>	<u>(2,752,007)</u>
14. OPERATING SEGMENT			

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 September 30, 2022 are located in Pakistan. Revenues from external customers attributed to foreign countries in aggregate are not material. The Company has earned revenues from one (September 30, 2021: one) customers aggregating Rs.409.273 million (September 30, 2021: Rs.695.516 million) during the period which constituted 12.79% (September 30, 2021: 13.54%) of gross sales.

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15. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

15.1 Significant transactions with related parties are as follows:

Quarter ended September 30,

2022 2021

(Un-audited)

--- Rupees in '000 ---

Associated companies/undertakings:

Sales of goods	125,296	76,520
Goods supplied and services rendered	-	709
Rent	450	450
Interest earned	325	136
Mark-up on finance	30,602	14,510
Donation	450	3,274

Key management personnel:

Provision towards staff gratuity fund	3,381	2,103
Contribution towards employees provident fund	6,113	5,210
Salaries and other employee benefits	82,268	76,796
Meeting fees	2,600	2,300

September 30, June 30,

2022 2022

(Un-audited) (Audited)

--- Rupees in '000 ---

15.2 Period / year end balances are as follows:

Payables to associated companies / related parties

Staff retirement gratuity	48,913	46,534
Long term and short term finances	822,018	862,493
Trade and other payable	16,706	16,256
Accrued mark-up	11,605	7,711

Receivables from associated companies / related parties

Long term loans and advances	754	964
Loans and advances	928	970
Bank balances	9,296	10,262

16. GENERAL

16.1 Date of authorisation for issue

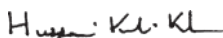
These condensed interim financial statements were authorised for issue on October 26, 2022 by the Board of Directors of the Company.

16.2 Corresponding figures have been rearranged and reclassified for better presentation wherever considered necessary.

16.3 Figures have been rounded off to the nearest thousand of rupees, unless otherwise stated.



Siraj A. Lawai
Chief Financial Officer



Hussain Kuli Khan
Chief Executive



Manzoor Ahmed
Director