



GHANDHARA TYRE AND RUBBER COMPANY LIMITED

NINE MONTHS ACCOUNTS FOR THE PERIOD
ENDED MARCH 31st, 2023

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. Umar Ajjaz

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. Umar Ajjaz

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 Shahrah-e-Faisal Karachi-74400
Customer Support Services (Toll Free) 0900 CDCPL (23275)
Fax: (92-21) 34326053, Email: info@cdcsrsl.com
Website: www.cdcsrsl.com

Major Bankers

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

Registered Office & Factory

H-23/2, Landhi Industrial Trading Estate,
Landhi, Karachi, 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 alphabet cal order





DIRECTORS' REVIEW

The Directors hereby present the unaudited condensed interim financial statements of the Company for the nine months ended March 31, 2023.

BUSINESS REVIEW

Net sales in value terms for the nine months ended under review was Rs. 10.63 billion as compared to Rs. 12.91 billion in the same period last year, showing decline of 18%.

Sales for the period under review, in Replacement Market (RM) was mainly impacted due to heavy rains and destruction caused by floods in certain parts of country in first half, slowdown in economic activity and increase in smuggling of tyres. Moreover, passenger car OEMs observed non production days, based on non-availability of CKD kits, which impacted OEM sales. Whereas farm OEM sales, which were impacted in first half due to floods, has shown improvement in Q3 due to upcoming harvesting season. We expect that farm tyres sales in both OEM and Replacement market segments, will improve further in coming months due to seasonal factor. Restriction on import of raw materials also impacted current quarter sales.

The export sales of the Company for the period were Rs. 150 million as compared to Rs. 37 million in same period last year.

The gross profit for the period was Rs. 1,517 million as compared to Rs. 1,640 million in same period last year. Gross profit margin was 14.3% as compared to 12.7% in same period last year. Higher gross margin was mainly due to better sales mix, price increase and enhanced focus on RM which was partly offset by significant devaluation of Rupee, and general inflation.

The finance cost for the period was Rs. 909 million, increased by Rs 401 million, as compared to same period last year. Increase in financial cost is mainly attributable to increase in discount rate and higher working capital requirements consequent to devaluation of Pak Rupee, partially offset by better working capital management.

The uncertain economic conditions led to significant devaluation of Pak Rupee against US Dollar in Q3, which resulted in exchange loss of Rs 331 million.

As a result of the factors mentioned above, loss after tax for the nine months ended March 31, 2023 was Rs. 238.3 million as compared to profit after tax of Rs. 336.6 million reported in the same period last year.

GHANDHARA TYRE & RUBBER COMPANY LIMITED.

(Formerly known as The General Tyre & Rubber Company of Pakistan Limited)

H-23/2 Landhi Industrial Trading Estate, Landhi, Karachi, Pakistan. Phone: +92 21 3508 0172 (10 Lines),
UAN: +92 21 111 487 487 Fax: +92 21 3508 0171. Email: headoffice@gentipak.com, Web: www.gtr.com.pk





FUTURE PROSPECTS

As reported earlier, your Company has developed new radial tyres in 17 inch and 18 inch rim sizes for Sports Utility Vehicle (SUV) / Crossover. The Company is already supplying tyres of new variant of 17 inch rim size to an OEM. For mass production of 18 inch rim size, the Company plans to import few machines and molds, which would be procured once restrictions on import of machinery are eased.

Political stability and improvement in key economic indicators are very critical for future direction of the economy. We are hopeful that economic and political situation would improve resulting in stability in exchange rate and ease off on restrictions on opening of LCs.

Lately under invoicing and smuggling has increased substantially, which is not only affecting the local industry but also depriving the Government of its due tax revenue. We hope that the Government will continue its efforts to curb smuggling and ensure proper classification of tyres in appropriate categories of 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 costs. Moreover, it is also working on developing new sizes and designs for both OEM and RM segments.

Despite the current economic situations, we believe that the long term growth potential of the business is intact.

For and on behalf of the Board of Directors.

A handwritten signature in black ink, appearing to read 'Hussain K. K.', written in a cursive style.

Chief Executive

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Director

Karachi

Dated: April 28, 2023

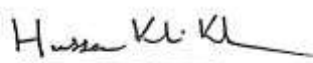


GHANDHARA TYRE AND RUBBER COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023

	March 31, 2023 (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	<u>1,250,000</u>	<u>1,250,000</u>
Issued, subscribed and paid-up share capital	1,219,334	1,219,334
Reserve for capital expenditure	1,000,000	1,000,000
Unappropriated profit	<u>1,021,052</u>	<u>1,625,199</u>
TOTAL EQUITY	3,240,386	3,844,533
LIABILITIES		
NON CURRENT LIABILITIES		
Long term finances	608,988	796,083
Staff benefits	503,229	440,729
Deferred liabilities		
- Deferred tax liability	21,639	262,919
- Others	207,075	254,304
	<u>228,714</u>	<u>517,223</u>
Long term deposits from dealers	10,430	10,370
	<u>1,351,361</u>	<u>1,764,405</u>
CURRENT LIABILITIES		
Current maturity of long term finances	269,045	489,148
Current maturity of deferred liabilities	210,177	177,327
Current maturity of lease liability	-	2,613
Short term finances	1,748,994	2,991,027
Running finances under mark-up arrangements	4,727,417	2,904,137
Trade and other payables	3,270,498	3,599,739
Unclaimed dividend	19,329	19,462
Accrued mark-up	270,163	178,709
Provisions	82,857	82,857
	<u>10,598,480</u>	<u>10,445,019</u>
TOTAL LIABILITIES	11,949,841	12,209,424
TOTAL EQUITY AND LIABILITIES	15,190,227	16,053,957
Contingencies and commitments	6	


 Chief Financial Officer


 Chief Financial Officer


 Chief Executive


 Chief Executive


 Director

GHANDHARA TYRE AND RUBBER COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023

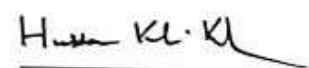
		March 31, 2023 (Un-audited)	June 30, 2022 (Audited)
	Note	----- Rupees in '000 -----	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	7	5,244,212	5,498,198
Right-of-use assets		-	1,317
Intangible assets		2,663	1,123
Investment in an associated company		24,168	25,918
Long term loans and advances		6,190	10,508
Long term deposits		19,468	19,426
		<u>5,296,701</u>	<u>5,556,490</u>
CURRENT ASSETS			
Stores and spares		758,916	693,421
Stocks	8	4,733,121	5,299,420
Trade debts		2,273,409	2,518,372
Loans and advances		106,043	148,645
Deposits and prepayments		80,985	57,388
Other receivables		296,977	217,189
Taxation - net		1,463,933	1,425,639
Cash and bank balances		180,142	137,393
		<u>9,893,526</u>	<u>10,497,467</u>
TOTAL ASSETS		<u><u>15,190,227</u></u>	<u><u>16,053,957</u></u>

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


Chief Financial Officer


Chief Financial Officer


Chief Executive


Chief Executive


Director

MANDHARA TYRE AND RUBBER COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT
AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

	Note	Quarter ended March 31,		Nine months ended March 31,	
		2023	2022	2023	2022
----- Rupees in '000 -----					
Sales - net		3,462,614	4,745,517	10,632,070	12,913,675
Cost of sales	9	(3,050,451)	(4,158,808)	(9,115,346)	(11,274,011)
Gross profit		412,163	586,709	1,516,724	1,639,664
Administrative expenses		(74,144)	(87,587)	(233,856)	(232,839)
Distribution cost		(162,728)	(160,366)	(456,013)	(434,650)
Other income		19,766	21,575	69,930	83,906
Other expenses	10	(298,519)	(12,773)	(331,492)	(49,019)
(Loss) / profit from operations		(103,462)	347,558	565,293	1,007,062
Finance cost		(320,927)	(206,157)	(908,764)	(508,000)
		(424,389)	141,401	(343,471)	499,062
Share of profit / (loss) of an associated company		121	2,385	(1,750)	5,415
(Loss) / profit before taxation		(424,268)	143,786	(345,221)	504,477
Taxation		145,851	(48,427)	106,874	(167,846)
(Loss) / profit for the period		(278,417)	95,359	(238,347)	336,631
Other comprehensive income		-	-	-	-
Total comprehensive (loss) / income for the period		(278,417)	95,359	(238,347)	336,631
		Rupees	Rupee	Rupees	Rupees
(Loss) / earnings per share basic and diluted	11	(2.28)	0.78	(1.95)	2.76

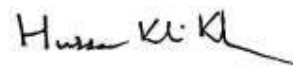
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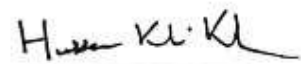
Chief Financial Officer



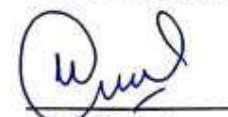
Chief Financial Officer



Chief Executive



Chief Executive



Director

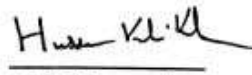
GHANDHARA TYRE AND RUBBER COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

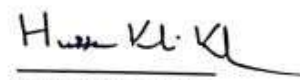
	Capital Reserve	Revenue Reserve	
	Reserve for capital expenditure	Unappropriated profit	Total
Issued, subscribed and paid-up share capital			
----- Rupees in '000 -----			
Balance as at July 1, 2021 (Audited)	1,219,334	1,000,000	1,296,281
Total comprehensive income for the nine months period ended March 31, 2022	-	-	336,631
Balance as at March 31, 2022 (Un - audited)	1,219,334	1,000,000	1,632,912
Total comprehensive loss for the three months period ended June 30, 2022	-	-	(7,713)
Balance as at July 1, 2022 (Audited)	1,219,334	1,000,000	1,625,199
Trasaction with owners recognised directly in equity			
Final Dividend for the year ended June 30, 2022 @ Rs.3 per share			(365,800)
Total comprehensive loss for the nine months period ended March 31, 2023	-	-	(238,347)
Balance as at March 31, 2023 (Un-audited)	1,219,334	1,000,000	1,021,052
	3,240,386		

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


 Chief Financial Officer


 Chief Financial Officer


 Chief Executive


 Chief Executive


 Director

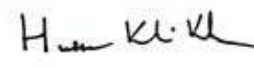
GHANDHARA TYRE AND RUBBER COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

		Nine months ended March 31,	
		2023	2022
	Note	--- Rupees in '000 ---	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	12	1,433,817	281,375
Staff retirement gratuity paid		(45,180)	(36,572)
Compensated absences paid		(6,504)	(4,097)
Long term deposits from dealers - net		60	580
Finance cost paid		(826,117)	(467,992)
Taxes paid		(172,700)	(251,154)
Long term loans and advances - net		4,318	647
Long term deposits - net		(42)	2,477
Profit on bank deposits received		955	501
Net cash generated / (used) in operating activities		388,607	(474,235)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(128,203)	(662,858)
Purchase of intangibles assets		(2,160)	-
Proceeds from sale of operating fixed assets		5,827	4,378
Net cash used in investing activities		(124,536)	(658,480)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term finances - repaid		(434,023)	(569,402)
Long term finances - obtained		-	348,627
Lease rental paid - net		(2,613)	(5,309)
Short term finances - net		(1,242,033)	2,013,960
Dividend paid		(365,933)	(102)
Net cash (used in) / generated from financing activities		(2,044,602)	1,787,774
Net (decrease) / increase in cash and cash equivalents		(1,780,531)	655,059
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	(4,547,275)	(2,559,886)

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


Chief Financial Officer


Chief Financial Officer


Chief Executive


Chief Executive


Director

GHANDHARA TYRE AND RUBBER COMPANY LIMITED
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM
FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

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 accounting standards and new interpretations

3.2.1 Amendments to published accounting standards which were effective during the period.

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 judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts. Actual results may differ from these judgments, estimates and assumptions.

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

Judgments 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.

	March 31, 2023 (Un-audited)	June 30, 2022 (Audited)
	--- Rupees in '000 ---	
5. TRADE AND OTHER PAYABLES		
Trade creditors	290,858	301,230
Bills payable	1,409,772	1,387,683
Accrued expenses	1,046,542	1,360,530
Royalty fee payable	145,273	126,022
Advances from customers	59,505	72,593
Staff provident fund payable	5,454	4,863
Staff retirement gratuity	61,792	85,544
Short term deposits	3,763	2,772
Workers' profit participation fund	-	6,637
Workers' welfare fund	12,891	12,891
Payable to Waqf-e-Kuli Khan	8,902	8,902
Interest payable on custom duties	29,933	29,933
Sales tax	146,295	172,211
Others	49,518	27,928
	<u>3,270,498</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.

	March 31, 2023 (Un-audited)	June 30, 2022 (Audited)
	--- Rupees in '000 ---	
6.1.2 Guarantees issued by commercial banks on behalf of the Company	<u>242,540</u>	<u>459,526</u>
6.1.3 Post dated cheques issued to the Collector of Customs against duty on imported plant & machinery, raw materials and stores & spares	<u>41,928</u>	<u>41,928</u>

6.2 Commitments

6.2.1 Commitments in respect of:

- letters of credit for capital expenditure	<u>31,478</u>	<u>57,165</u>
- letters of credit for purchase of raw material and stores & spares	<u>540,964</u>	<u>810,406</u>
- purchase orders issued to local suppliers for capital expenditure	<u>160,499</u>	<u>147,734</u>
- sales contracts entered into by the Company	<u>128,874</u>	<u>23,590</u>
- tentative schedules for supply of tyres	<u>1,724,493</u>	<u>2,619,644</u>

	Note	March 31, 2023 (Un-audited) --- Rupees in '000 ---	June 30, 2022 (Audited)
7. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	7.1	4,614,708	4,908,830
Capital work-in-progress		629,504	589,368
		<u>5,244,212</u>	<u>5,498,198</u>
7.1 Operating fixed assets		4,908,830	4,595,512
Book value at beginning of the period / year	7.2	96,874	801,428
Additions during the period / year			
Disposals costing Rs. 28.846 million (June 30, 2022: Rs. 77.107 million) - book value		(4,555)	(4,491)
Depreciation for the period / year		(386,441)	(483,619)
Book value at end of the period / year		<u>4,614,708</u>	<u>4,908,830</u>
7.2 Details of transfer to operating fixed assets during the period are as follows:			
Building on leasehold land		-	5,005
Plant and machinery		57,291	537,496
Boilers and accessories		-	17,828
Laboratory equipment		-	43,427
Moulds		-	112,697
Vehicles		32,300	82,596
Factory and office equipment		4,129	557
Computer equipments		3,154	1,822
		<u>96,874</u>	<u>801,428</u>
8. STOCKS			
Raw materials		1,411,214	2,289,790
- in hand		444,898	769,373
- in transit		1,856,112	3,059,163
Work-in-process		162,708	333,240
Finished goods	8.1	2,714,301	1,898,283
- in hand		-	8,734
- in transit		2,714,301	1,907,017
		<u>4,733,121</u>	<u>5,299,420</u>
8.1 Finished goods include item costing Rs. 178.869 million (June 30, 2022: Rs.141.204 million) which are stated at the net realisable values aggregating Rs.129.425 million (June 30, 2022: Rs.95.088 million). The aggregate amount charged to profit or loss account in respect of stocks written down to the net realisable value is Rs. 3.668 million (June 30, 2022: Rs.1.150 million)			

	Note	Quarter ended March 31,		Nine months period ended March 31,	
		----- (Un-audited) -----			
		2023	2022	2023	2022
----- Rupees in '000 -----					
9. COST OF SALES		3,337,346	2,833,673	1,907,017	1,921,332
Opening stock of finished goods		2,425,766	3,878,162	9,880,186	11,829,971
Cost of goods manufactured	9.1	1,640	32,088	42,444	107,823
Finished goods purchased		2,427,406	3,910,250	9,922,630	11,937,794
		5,764,752	6,743,923	11,829,647	13,859,126
		2,714,301	2,585,115	2,714,301	2,585,115
Closing stock of finished goods		3,050,451	4,158,808	9,115,346	11,274,011
9.1 Cost of goods manufactured		321,291	334,937	333,240	193,782
Opening work in process		2,267,183	3,945,637	9,709,654	12,038,601
Raw material consumed and Factory overhead		2,588,474	4,280,574	10,042,894	12,232,383
		162,708	402,412	162,708	402,412
Closing work in process		2,425,766	3,878,162	9,880,186	11,829,971

10. OTHER EXPENSES

Other expenses, for the nine month period ended March 31, 2023, includes exchange loss of Rs. 330.992 million.

	Quarter ended March 31,		Nine months period ended March 31,	
	----- (Un-audited) -----			
	2023	2022	2023	2022
----- Rupees in '000 -----				
11. (LOSS) / EARNING PER SHARE - BASIC AND DILUTED				
(Loss) / Profit after taxation	(278,417)	95,359	(238,347)	336,631
	----- (Number of shares) -----			
Weighted average number of ordinary shares	121,933,350	121,933,350	121,933,350	121,933,350
	Rupees	Rupee	Rupees	Rupees
(Loss) / earnings per share Basic and diluted	(2.28)	0.78	(1.95)	2.76

	Note	Nine months period ended March 31,	
		2023	2022
		--- Rupees in '000 ---	
12. CASH GENERATED FROM OPERATIONS		(345,221)	504,477
(Loss) / profit before taxation			
Adjustments for non-cash charges and other items		386,441	358,338
Depreciation on property, plant and equipment		620	1,428
Amortisation		1,317	3,027
Depreciation on right-of-use assets		76,495	56,240
Provision for staff retirement gratuity		9,928	8,920
Charge of employees compensated absences		5,024	4,606
Charge of provision for doubtful trade debts -net		(955)	(501)
Profit on bank deposits		(1,272)	(2,801)
Gain on sale of operating fixed assets		908,764	508,000
Finance cost		1,750	(5,415)
Share of loss/(profit) of an associated company		390,926	(1,154,944)
Working capital changes	12.1	<u>1,433,817</u>	<u>281,375</u>
12.1 Working capital changes			
(Increase) / decrease in current assets:		(65,495)	(56,444)
- Stores and spares		566,299	(1,399,834)
- Stocks		239,939	(986,118)
- Trade debts		42,602	(162,831)
- Loans and advances		(23,597)	(33,515)
- Deposits and prepayments		(79,788)	(7,365)
- Other receivables		679,960	(2,646,107)
Increase / (decrease) in current liabilities:		(289,034)	1,491,163
- Trade and other payables		390,926	(1,154,944)
13. CASH AND CASH EQUIVALENTS			
Running finances under mark-up arrangements		(4,727,417)	(2,757,870)
Cash and bank balances		180,142	197,984
		<u>(4,547,275)</u>	<u>(2,559,886)</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 March 31, 2023 are located in Pakistan. Revenues from external customers attributed to foreign countries in aggregate are not material. The Company has earned revenues from one (March 31, 2022: three) customers aggregating Rs.1,335.06 million (March 31, 2022: Rs.4,672.61 million) during the period which constituted 12.56% (March 31, 2022: 30.06%) of net sales.

15. **TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

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

	Nine months period ended March 31,	
	2023	2022
	--- Rupees in '000 ---	
15.1 Significant transactions with related parties are as follows:		
Associated companies/undertakings:		
Sales of goods	316,942	256,884
Services received	-	709
Rent	1,350	1,350
Interest earned	955	501
Mark-up on short-term and long term finance	96,196	51,404
Donation	-	8,414
Other related parties:		
Provision towards gratuity staff fund	14,440	9,163
Contribution towards employees provident fund	19,282	15,853
Salaries and other employee benefits	241,767	242,656
Meeting fees	6,200	5,700
Sale of fixed assets	4,341	4,868
	March 31,	June 30,
	2023	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	38,718	46,534
Long term and running finances	692,017	856,274
Trade and other payable	13,597	16,256
Accrued mark-up	25,199	7,710
Receivables from associated companies / related parties		
Long term loans and advances	546	964
Loans and advances	874	970
Bank balances	8,389	10,262

16. GENERAL

16.1 Date of authorisation for issue

These condensed interim financial statements were authorised for issue on April 28, 2023 by the Board of Directors of the Company.

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

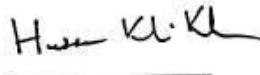
16.3 Figures have been rounded off to the nearest thousand of rupees, unless otherwise stated.



Chief Financial Officer



Chief Financial Officer



Chief Executive



Chief Executive



Director