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Company Profile

Board of Directors

LT.Gen.(Retd) Ali Kuli Khan Khattak
 Mr. Hussain Kuli Khan
 Mr. Adnan Ahmed
 Mr. Ahmad Kuli Khan Khattak
 Mr. Atif Anwar
 Mr. Mansur Khan
 Mr. Manzoor Ahmed
 Mr. Muhammad Kuli Khan Khattak
 Mr. Raza Kuli Khan Khattak
 Dr. Shaheen Kuli Khan Khattak

Chairman
 Chief Executive

Chief Financial Officer / Company Secretary
 Mr. Siraj A. Lawai

Board Audit Committee

Mr. Manzoor Ahmed
 Mr. Adnan Ahmed
 Mr. Ahmad Kuli Khan Khattak
 Mr. Muhammad Kuli Khan Khattak

Chairman

HR & Remuneration Committee

Mr. Raza Kuli Khan Khattak
 Mr. Ahmad Kuli Khan Khattak
 Mr. Hussain Kuli Khan
 Mr. Mansur Khan
 Mr. Manzoor Ahmed

Chairman

Auditors

A.F.Ferguson & Co.
 Chartered Accountants

Legal Advisor

Ahmed & Qazi Advocates & Legal Consultants

Share Registrar

Share Registrar Department
 Customer Care & Service Centre
 Central Depository Company of Pakistan Limited
 CDC House 99-B, Block-B, S.M.C.H.S.,
 Main Shahr-e-Faisal Karachi-74400
 UAN No. : (92-21) 111 111 500
 Tel : Customer Support Services
 (Toll Free) 0800-CDCPL (23275)
 Fax: (92-21) 34326053, Email: info@cdcpak.com
 Website: www.cdcpakistan.com

Major Bankers

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

Registered Office & Factory

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

Branch Offices

Lahore Plot No. 20, Shahrah-e-Fatima Jinnah, Lahore. Phone : 042-36308605-6 Fax : 042-36300108	Islamabad Plot No. 189-A, Korang Road, Sector I-10/3, Islamabad. Phone : 051-4448955-6 Fax : 051-4440916
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Multan

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

Customer Care & Service Centre

Lahore
 Plot No. 20,
 Shahrah-e-Fatima
 Jinnah, Lahore.
 Phone : 042-36308605-6
 Fax : 042-36308607

Directors' Review

The Directors are pleased to present the condensed interim financial information of your Company for the half year ended December 31, 2018.

BUSINESS REVIEW

Net sales for the half year under review was Rs.5,016 billion showing decline of 14% compared to same period last year. Decrease in sales of the Company was mainly due to general slowdown of economic activity, impact of restriction on non-filer to purchase vehicles, plant shutdown by some of the OEMs for extended period, increase in auto financing cost and liquidity problems of farmers due to delay in sugarcane crop.

The cost of sales for the period increased due to significant devaluation of Pak Rupees, increase in raw materials prices, increase in utilities prices, increase in additional custom duty and other manufacturing cost. In order to offset the impact of higher cost, the company has increased the prices of its tyres during the period, however, due to stiff competition and availability of smuggled and under invoiced tyres full cost impact was not passed on to the customers.

Further, due to devaluation of Rupee, the company incurred exchange loss of Rs. 58 million during the period. The finance cost for the period under review was Rs. 222 million mainly due to increased investment in Capex and to meet working capital requirements. Moreover, since December 2017, SBP has increased discount rate by 425 basis points resulting in increase in borrowing cost of the Company.

The profit before tax for the half year under review reduced to Rs. 129 million due to the factors mentioned above.

FUTURE PROSPECTS

The general economic slow down, monetary tightening, devaluation of Rupee and restriction on non-filers to purchase vehicles had impacted your Company. However, in recent supplementary budget the Government has taken steps to improve business climate and support industrial activity in the country.

It is expected that due to improved business sentiments, allowing non-filers to purchase vehicles below 1300 cc at higher tax rate and improved liquidity of farmers may increase the demand of your Company's tyre in future.

The Company is facing competition from undocumented sector, which is not paying its due share of duties and taxes. This restrict the company's ability to fully recover the impact of cost increase. Level playing field should be given to the documented sector, who is not only paying their due share of taxes and duties but also saving precious foreign exchange and providing employment. The undocumented sector should be brought into the tax net and enforcement should be further strengthened to curb smuggling.

The Company has also introduced new tyres design for the replacement market. Moreover, the Company has recently started export of tyres. Although, export volumes at this stage is low, however, it is expected that this would gradually improve after winter season in Afghanistan.

For and on behalf of the Board of Directors.


 Hussain Kuli Khan
 Chief Executive


 Adnan Ahmed
 Director

Karachi
 Dated: February 14, 2019

Condensed Interim Statement of Financial Position

As at December 31, 2018

	Note	December 31, June 30,	
		2018	2018
		Unaudited	Audited
(Rupees in thousand)			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital			
125,000,000 (June 30, 2018: 75,000,000) ordinary shares of Rs 10 each		1,250,000	750,000
Issued, subscribed and paid-up share capital		1,016,112	597,713
Reserve for capital expenditure		1,000,000	1,000,000
Unappropriated profit		1,287,569	1,973,483
TOTAL EQUITY		3,303,681	3,571,196
LIABILITIES			
NON CURRENT LIABILITIES			
Long term finances	5	933,420	1,247,285
Staff benefits		387,846	373,221
Deferred taxation		238,428	270,320
Long term deposits from dealers		9,850	9,351
		1,569,344	1,900,177
CURRENT LIABILITIES			
Current maturity of long term finances	5	565,805	471,298
Short term finances		1,374,455	946,187
Running finances under mark-up arrangements		3,308,500	1,742,566
Trade and other payables	6	1,850,302	1,928,381
Unclaimed dividend		19,440	14,034
Unpaid dividend		8,688	8,708
Accrued mark-up		98,876	58,848
Provisions		44,700	44,700
		7,270,765	5,214,722
TOTAL LIABILITIES		8,840,110	7,114,899
TOTAL EQUITY AND LIABILITIES		12,143,791	10,686,095
Contingencies and commitments	7		


Siraj A. Lawai
Chief Financial Officer


Hussain Kuli Khan
Chief Executive


Adnan Ahmed
Director

Condensed Interim Statement of Financial Position

As at December 31, 2018

	Note	December 31, June 30,	
		2018	2018
		Unaudited	Audited
(Rupees in thousand)			
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	8	4,675,049	4,247,309
Intangible assets		34,369	46,584
Investment in an associated company		17,231	15,363
Long term loans and advances		6,742	6,696
Long term deposits		20,258	19,970
		4,753,649	4,335,922
CURRENT ASSETS			
Stores and spares		636,217	596,494
Stocks	9	3,957,927	3,324,857
Trade debts		1,099,393	1,027,027
Loans and advances		259,184	254,497
Deposits and prepayments		83,828	102,605
Other receivables		289,820	279,671
Taxation - net		1,004,906	673,902
Cash and bank balances		58,867	91,120
		7,390,142	6,350,173
TOTAL ASSETS		12,143,791	10,686,095
The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.			


Siraj A. Lawai
Chief Financial Officer


Hussain Kuli Khan
Chief Executive


Adnan Ahmed
Director

Condensed Interim Statement of Profit or Loss
and other Comprehensive Income (Unaudited)
For the half year ended December 31, 2018

Note	For the quarter ended December 31,		For the half year ended December 31,	
	2018	2017	2018	2017
	(Rupees in thousand)			
Sales - net	2,676,239	3,055,784	5,016,091	5,851,275
Cost of sales	10 (2,292,584)	(2,541,667)	(4,274,482)	(4,721,810)
Gross profit	383,655	514,117	741,609	1,129,465
Administrative expenses	(80,420)	(70,468)	(158,250)	(149,268)
Distribution cost	(106,983)	(110,218)	(201,443)	(206,378)
Other income	20,756	17,225	38,080	22,944
Other expenses	(45,926)	(43,696)	(71,724)	(78,711)
Profit from operations	171,082	306,960	348,272	718,052
Finance cost	(131,625)	(53,805)	(222,295)	(111,196)
	39,457	253,155	125,977	606,856
Share of profit of an associated company - net of tax	3,008	2,164	3,439	2,954
Profit before taxation	42,465	255,319	129,416	609,810
Taxation	11 (12,246)	(81,235)	(38,303)	(182,917)
Profit for the period	30,219	174,084	91,113	426,893
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	30,219	174,084	91,113	426,893
	Rupee	Rupees	Rupee	Rupees
		(Restated)		(Restated)
Earnings per share basic and diluted	12 0.30	1.71	0.90	4.20

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


Siraj A. Lawai
Chief Financial Officer


Hussain Kull Khan
Chief Executive


Adnan Ahmed
Director

Condensed Interim Statement of Changes in Equity
For the half year ended December 31, 2018

	Issued, Subscribed and paid-up share capital	Capital reserve for capital expenditure	Reserve Unappropri- ated profit	Total
	(Rupees in thousand)			
Balance as at July 1, 2017 (audited)	597,713	1,000,000	2,198,673	3,796,386
Transaction with owners				
- Final dividend for the year ended June 30, 2017 at the rate of Rs 15 per share	-	-	(896,569)	(896,569)
Total comprehensive income for the half year ended December 31, 2017	-	-	426,893	426,893
Balance as at December 31, 2017 (un-audited)	597,713	1,000,000	1,728,997	3,326,710
Balance as at July 1, 2018 (audited)	597,713	1,000,000	1,973,483	3,571,196
Transaction with owners				
- Final dividend for the year ended June 30, 2018 at the rate of Rs 6 per share	-	-	(358,628)	(358,628)
- Bonus share issue for the year ended June 30, 2018 at the rate of 70% i.e. 7 shares for every 10 shares	418,399	-	(418,399)	-
Total comprehensive income for the period ended December 31, 2018	-	-	91,113	91,113
Balance as at December 31, 2018 (un-audited)	1,016,112	1,000,000	1,287,569	3,303,681

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


Siraj A. Lawai
Chief Financial Officer


Hussain Kull Khan
Chief Executive


Adnan Ahmed
Director

Condensed Interim Statement of Cash Flows (Unaudited)
For the half year ended December 31, 2018

	Note	For the half year ended December 31,	
		2018	2017
(Rupees in thousand)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	13	(242,728)	605,968
Staff retirement gratuity paid		(13,440)	(29,714)
Compensated absences paid		(4,771)	(1,322)
Long term deposits from dealers - net		299	(121)
Finance cost paid		(182,267)	(133,538)
Taxes paid		(401,199)	(188,797)
Long term loans and advances - net		(46)	347
Long term deposits - net		(288)	7,117
Profit on bank deposits received		305	118
Net cash (used in) / generated from operating activities		(844,135)	260,058
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(615,082)	(483,716)
Purchase of intangible assets		-	(2,077)
Proceeds from sale of operating fixed assets		3,792	2,197
Dividend received		1,571	1,511
Net cash used in investing activities		(609,719)	(482,085)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term finances - repaid		(219,359)	(219,359)
Long term finances - obtained		-	623,098
Short term finances - repaid		-	(157,736)
Short term finances - obtained		428,268	-
Dividend paid		(353,242)	(882,174)
Net cash used in financing activities		(144,333)	(636,171)
Net decrease in cash and cash equivalents		(1,598,167)	(858,198)
Cash and cash equivalents at beginning of the period		(1,651,446)	(983,308)
Cash and cash equivalents at end of the period	14	(3,249,633)	(1,841,506)

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


Siraj A. Lawai
Chief Financial Officer


Hussain Kuli Khan
Chief Executive


Adnan Ahmed
Director

Notes to the Condensed Interim Financial Statements (Unaudited)

For the half year ended December 31, 2018

1. LEGAL STATUS AND OPERATIONS

1.1 The General Tyre and Rubber Company of Pakistan Limited (the Company) was incorporated in Pakistan on March 7, 1963 as a private limited company, under the Companies Act 1913, repealed and replaced by the Companies Ordinance, 1984 which in turn got replaced by the Companies Act 2017, and was subsequently converted into a public limited company. Its shares are quoted on Pakistan Stock Exchange. The registered office is situated at H - 23/2, Landhi Industrial Trading Estate, Landhi, Karachi with regional offices at Lahore, Multan and Islamabad. The Company is engaged in the manufacturing and trading of tyres and tubes for automobiles and motorcycles.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

(a) International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board as notified under the Companies Act, 2017; and

(b) Provisions of and directives issued under the Companies Act, 2017.

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

2.2 These condensed interim financial statements do not include all the information and disclosures required in the annual audited financial statements, and should be read in conjunction with Company's annual audited financial statements for the year ended June 30, 2018.

2.3 The figures included in the condensed interim statement of profit or loss and other comprehensive income for the quarters ended December 31, 2018 and 2017 and in the notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the cumulative figures for the half years ended December 31, 2018 and 2017.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the annual audited financial statements for the year ended June 30, 2018 except those stated in note below.

3.2 Change in accounting standards, interpretations and amendments to published approved accounting and reporting standards

3.2.1 New standards, amendments and interpretation to accounting and reporting standards which were effective during the half year ended December 31, 2018:

There are certain amendments and an interpretation to approved accounting and reporting standards which were mandatory for the Company's annual accounting period which began on July 1, 2018. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been detailed in these condensed interim financial statements.

In addition to that two new standards (i.e. IFRS 9 and IFRS 15) have become applicable to the Company effective July 1, 2018. Because of these new standards certain changes to the Company's accounting policies have been made in light of the following paragraphs:

- IFRS 9 'Financial instruments' - This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model.
- IFRS 15 'Revenue from contracts with customers' - IFRS 15 replaces the previous revenue standards: IAS 18 Revenue, IAS 11 Construction Contracts, and the related interpretations on revenue recognition.

IFRS 15 introduces a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognise revenue representing the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The changes laid down by these new standards do not have any significant impact on these condensed interim financial statements of the Company.

3.2.2 New standards, amendments and interpretations to accounting and reporting standards that are not yet effective:

There is a new standard, certain amendments and an interpretation to the approved accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2019. However, these will not have any significant impact on the financial reporting of the Company, except for the application of IFRS 16 (effective July 1, 2019), the impacts of which are being assessed at present.

4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

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

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

Judgements and estimates made by the management in the preparation of these condensed interim financial statements are the same as those applied in the Company's annual audited financial statements for the year ended June 30, 2018.

The Company's financial risk management objectives and policies are consistent with those disclosed in the Company's annual audited financial statements for the year ended June 30, 2018.

5. LONG TERM FINANCES - Secured

Note	December 31, June 30,	
	2018	2018
	Unaudited	Audited
	(Rupees in thousand)	
Term finance - from banking companies		
Conventional		
- Samba Bank Limited	5.1 100,000	150,000
- Askari Bank Limited -an associated company	5.1 437,500	525,000
- United Bank Limited	5.1 700,000	700,000
Shariah compliant - Faysal Bank Limited	5.1 261,725	343,583
	1,499,225	1,718,583
Less: current maturity classified under current liabilities	(585,805)	(471,298)
	<u>933,420</u>	<u>1,247,285</u>

5.1 There have been no changes in the long term and short term finance facilities as disclosed in notes 5 and 9 to the Company's financial statements for the year ended June 30, 2018, except for enhancement of short term finance facility of Rs 200 million from a commercial bank.

6. TRADE AND OTHER PAYABLES

	December 31, June 30,	
	2018	2018
	Unaudited	Audited
	(Rupees in thousand)	
Trade creditors	291,793	187,693
Bills payable	701,638	678,359
Accrued expenses	645,979	672,037
Royalty technical service fee payable	66,420	182,913
Advances from customers	6,790	54,181
Staff provident fund payable	4,456	4,582
Staff retirement gratuity	51,929	51,929
Short term deposits	1,071	1,114
Workers' profit participation fund	6,942	414
Workers' welfare fund	2,675	18,832
Payable to Waqf-e-Kuli Khan	20,163	17,889
Interest payable on custom duties	29,933	29,933
Stamp duty payable	-	500
Others	20,513	27,995
	<u>1,850,302</u>	<u>1,928,381</u>

7. CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

There is no other significant change in the status of the contingencies as disclosed in note 14.1 to the audited financial statements of the Company for the year ended June 30, 2018, except for the following:

7.1.1 Commissioner Inland Revenue (CIR) through its order dated December 31, 2018 has made certain additions and adjustments to the Company's taxable income for the tax year 2017 in connection with non deduction of tax on incentives to dealers and repairs and maintenance expense, on account of cash payments, expense claimed on provisional basis and disallowance of tax credit has therefore raised an aggregate tax demand of Rs 27.802 million.

The Company intends to file an appeal before Commissioner Inland Revenue (Appeals) - CIR(A). Provision has not been made in these condensed interim financial statements against aforementioned demand as the management of the Company, based on the advice of the tax consultant, is of the opinion that these matters shall eventually be decided in the Company's favour.

7.1.2 During the period the Company filed two appeals before Appellate Tribunal Inland Revenue against orders dated December 18, 2018 and October 9, 2018 whereby Commissioner Inland Revenue (Appeals) upheld sales tax demands amounting to Rs 66.243 million and 156.020 million, respectively, against the Company which in view of the management cannot be levied since the supplies were subject to extra tax and export sales. The Company based on the advice of its tax consultant is expecting favourable outcome and therefore no provision has been recognised in these condensed interim financial statements.

December 31, June 30,	
2018	2018
Unaudited	Audited
(Rupees in thousand)	

7.1.3 Guarantees issued by commercial banks on behalf of the Company

256,426	233,138
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7.1.4 Post dated cheques issued to the Collector of Customs against duty on imported plant & machinery, raw materials and stores & spares

70,938	124,773
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7.2 Commitments

7.2.1 Commitments in respect of:

- letters of credit for capital expenditure	508,387	661,483
- letters of credit for purchase of raw material and stores & spares	1,695,976	721,368
- purchase orders issued to local suppliers for capital expenditure	78,990	139,600
- sales contracts entered into by the Company	-	2,508
- tentative schedules for supply of tyres	1,837,581	2,439,188
- indemnity bond	16,775	16,775

7.2.2 The Company has entered into Ijarah arrangements for plant & machinery and vehicles with a commercial bank. Aggregate commitments for these Ijarah arrangements are as follows:

Note	December 31, June 30,	
	2018	2018
	Unaudited	Audited
(Rupees in thousand)		
Not later than 1 year	4,345	11,181
Over 1 year and not later than 5 years	701	3,003
	<u>5,046</u>	<u>14,184</u>

8. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	8.1	3,767,242	3,728,209
Capital work-in-progress		<u>907,807</u>	<u>519,100</u>
		<u>4,675,049</u>	<u>4,247,309</u>

8.1 Operating fixed assets

Book value at beginning of the period / year		3,728,209	3,590,980
Transfers from CWP during the period / year	8.2	226,375	485,152
Net book value of disposals having cost of Rs 8.572 million (June 30, 2018: Rs 35.210 million)		(3,348)	(5,134)
Depreciation for the period / year		<u>(183,994)</u>	<u>(342,789)</u>
Book value at end of the period / year		<u>3,767,242</u>	<u>3,728,209</u>

8.2 Details of transfers to operating fixed assets during the period are as follows:

For the half year ended	
December 31,	
2018	2017
(Rupees in thousand)	

Buildings on lease hold land	31,064	15,548
Electrical installations	1,550	1,024
Plant and machinery	73,494	25,864
Boilers and accessories	22,370	14,729
Vehicles	54,341	29,163
Laboratory equipment	-	1,030
Moulds	33,811	22,567
Furniture and fixtures	1,179	1,313
Factory and office equipment	5,714	26,993
Computer equipment	2,852	875
	<u>226,375</u>	<u>139,106</u>

	Note	December 31, June 30,	
		2018 Unaudited	2018 Audited
(Rupees in thousand)			
9. STOCKS			
Raw material			
- in hand		1,584,791	1,929,457
- in transit		476,080	473,151
		<u>2,060,871</u>	<u>2,402,608</u>
Work-in-process		139,466	179,905
Finished goods			
- in hand	9.1	1,757,590	714,448
- in transit		-	27,896
		<u>1,757,590</u>	<u>742,344</u>
		<u>3,957,927</u>	<u>3,324,857</u>

9.1 Finished goods include items costing Rs 220.138 million (June 30, 2018: Rs 169.890 million) which are stated at their net realisable values aggregating Rs 164.300 million (June 30, 2018: Rs 121.607 million). The aggregate amount charged to profit or loss in respect of stocks written down to their net realisable value is Rs 55.838 million (June 30, 2018: Rs 48.283 million).

	Note	For the quarter ended December 31,		For the half year ended December 31,	
		2018	2017	2018	2017
(Rupees in thousand)					
10. COST OF SALES					
Opening stock of finished goods		1,275,164	543,452	742,344	464,099
Cost of goods manufactured	10.1	2,723,425	2,667,227	5,104,681	4,846,357
Finished goods purchased		14,400	72,859	120,381	93,759
Royalty technical service fee		37,185	64,423	64,666	123,889
		<u>2,775,010</u>	<u>2,804,509</u>	<u>5,289,728</u>	<u>5,064,005</u>
		4,050,174	3,347,961	6,032,072	5,528,104
Closing stock of finished goods		1,757,590	806,294	1,757,590	806,294
		<u>2,292,584</u>	<u>2,541,667</u>	<u>4,274,482</u>	<u>4,721,810</u>
10.1 Cost of goods manufactured					
Opening work-in-process		276,948	265,764	179,905	117,897
Raw materials consumed		1,433,820	1,657,709	3,049,055	3,069,180
Factory overheads		1,152,123	889,206	2,015,187	1,804,752
		<u>2,585,943</u>	<u>2,546,915</u>	<u>5,064,242</u>	<u>4,873,912</u>
		2,862,891	2,812,679	5,244,147	4,991,809
Closing work-in-process		139,466	145,452	139,466	145,452
		<u>2,723,425</u>	<u>2,667,227</u>	<u>5,104,681</u>	<u>4,846,357</u>

	For the quarter ended December 31,		For the half year ended December 31,	
	2018	2017	2018	2017
(Rupees in thousand)				
11. TAXATION				
Current				
- for the period	32,624	61,344	53,528	174,019
- for prior period	16,667	7,787	16,667	7,787
	<u>49,291</u>	<u>69,131</u>	<u>70,195</u>	<u>181,806</u>
Deferred				
	(37,045)	12,104	(31,892)	1,111
	<u>12,246</u>	<u>81,235</u>	<u>38,303</u>	<u>182,917</u>

12. EARNINGS PER SHARE - BASIC AND DILUTED

	(Restated)		(Restated)	
	Rupees in '000			
Basic earnings per share				
Profit after taxation	30,219	174,084	91,113	426,893
	Rupees in '000			
Weighted average number of ordinary shares outstanding	101,611,125	101,611,125	101,611,125	101,611,125
	Rupee	Rupees	Rupee	Rupees
Earnings per share basic and diluted	0.30	1.71	0.90	4.20

12.1 Earnings per share has been restated to account for the impact of issue of bonus shares.

	For the half year ended December 31,	
	2018	2017
(Rupees in thousand)		
13. CASH GENERATED FROM OPERATIONS		
Profit before taxation	129,416	609,810
Adjustments for non-cash charges and other items		
Depreciation	183,994	167,889
Amortisation	12,215	11,091
Provision for staff retirement gratuity	29,927	24,074
Charge of employees compensated absences	2,910	2,153
Provision for doubtful trade debts	9,771	8,024
Net realisable value charged on stocks	7,555	16,701
Finance cost	222,295	111,196
Gain on sale of operating fixed assets	(444)	(579)
Profit on bank deposits	(305)	(118)
Share of profit of an associated company - net of tax	(3,439)	(2,954)
Working capital changes	13.1	(836,623)
		<u>(242,728)</u>
		<u>605,968</u>

For the half year ended
December 31,
2018 2017
(Rupees in thousand)

13.1 Working capital changes

Increase / (decrease) in current assets:

- Stores and spares	(39,723)	(59,735)
- Stocks	(640,625)	(372,529)
- Trade debts	(82,137)	(392,931)
- Loans and advances	(4,687)	216,625
- Deposits and prepayments	18,777	(2,090)
- Sales tax receivables	-	122,591
- Other receivables	(10,149)	(37,350)
	<u>(758,544)</u>	<u>(525,419)</u>

(Decrease) / increase in current liabilities:

- Trade and other payables	(78,079)	179,493
- Sales tax payables	-	14,603
- Provisions	-	(9,996)
	<u>(78,079)</u>	<u>184,100</u>
	<u>(836,623)</u>	<u>(341,319)</u>

14. CASH AND CASH EQUIVALENTS

Running finances under mark-up arrangements	(3,308,500)	(1,943,950)
Cash and bank balances	58,867	102,444
	<u>(3,249,633)</u>	<u>(1,841,506)</u>

15. 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 December 31, 2018 are located in Pakistan. Revenues from external customers attributed to foreign countries in aggregate are not material. The Company has earned revenues from two (December 31, 2017: three) customers aggregating Rs 1,662.745 million (December 31, 2017: Rs 2,601.082 million) during the period which constituted 27.47% (December 31, 2017: 37.04%) of gross sales.

16. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

For the half year ended
December 31,
2018 2017
(Rupees in thousand)

16.1 Transactions with related parties are as follows:

Associated companies / undertakings:

Sales of goods	130,254	224,950
Services rendered	11,794	13,631
Rent	900	552
Interest earned	305	118
Mark-up on running and long term finance	33,987	25,612
Donation	2,277	10,649
Dividend paid	207,240	518,100
Dividend received	1,571	1,511

Other related parties:

Purchases of bladders and spare parts	-	13,070
Purchases of raw materials / supplies	-	69,486
Provision towards gratuity staff fund	6,879	5,333
Contribution towards employees provident fund	10,517	11,104
Salaries and other employee benefits to key management personnel	122,918	140,770
Meeting fees to key management personnel	4,300	5,900
Sale of fixed assets to key management personal under the Company policy	3,276	2,197
Dividend paid	4,408	11,022

December 31, June 30,
2018 2018
Unaudited Audited
(Rupees in thousand)

16.2 Period / year end balances are as follows:

Payables to associated companies / related parties

Staff retirement gratuity	50,693	49,315
Long term and running finances	850,756	584,908
Trade and other payables	36,596	42,114
Accrued mark-up	20,950	12,581

Receivables from associated companies / related parties

Long term loans and advances	822	905
Loans and advances	877	1,386
Bank balances	10,385	8,171

17. GENERAL

17.1 Date of authorisation for issue

These condensed interim financial statements were authorised for issue on February 14, 2019 by the Board of Directors of the Company.

17.2 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



Adnan Ahmed
Director