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Company Profile

Board of Directors

Lt.Gen.(Retd) Ali Kuli Khan Khattak Chairman
 Mr. Hussain Kuli Khan Chief Executive
 Mr. Atif Anwar
 Mr. Ikram Ul-Majeed Sehgal
 Mr. Mansur Khan
 Mr. Manzoor Ahmed
 Mr. Muhammad Kuli Khan Khattak
 Mr. Mazhar Sharif
 Mr. Raza Kuli Khan Khattak
 Dr. Willi Flamm

Company Secretary

Mr. Farhan Ahmad

Chief Financial Officer

Mr. Ashraf Teli

Board Audit Committee

Mr. Manzoor Ahmed Chairman
 Mr. Ikram Ul-Majeed Sehgal
 Mr. Mazhar Sharif

HR & Remuneration Committee

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

Auditors

ShineWing Hameed Chaudhri & Co.
 Chartered Accountants

Legal Advisor

Ahmed & Qazi

Share Registrar

Share Registrar Department
 Central Depository Company
 of Pakistan Limited
 CDC House, 99-B, Block 'B'
 S.M.C.H.S., Main Shahrah-e-Faisal
 Karachi-74400
 Tel: Customer Support Services
 (Toll Free) 0800-CDCPL (23275)
 Fax: (92-21) 34326053

Major Bankers

Allied Bank Limited
 Askari Bank Limited
 Al-Baraka Bank Pakistan 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 : 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 : 051-4449955-6 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 of your Company are pleased to present the Accounts for the three quarters ended March 31, 2017.

BUSINESS REVIEW

Net sales for the three quarters under review have shown a growth of 9% in terms of value as compared to last year. This was mainly due to increase in sales by 30% in Farm Rear. Although this has resulted in higher Pre-Tax Profits for the nine month period which has shown an increase of 12% when compared with same period last year, the profit for the third quarter when compared with the corresponding period last year has shown a decrease. The main reason being that higher cost of raw material has now started to creep into cost of sales.

There was a reduction in sale of Light Truck tyres to one of the Original Equipment Manufacturer ("OEM"), as mentioned in the last quarter report, due to their sale to Government of Punjab under the Punjab Taxi Scheme completed beginning of this year. However, this shortfall was compensated by increase in sales of Farm Tyres. Motor Cycle tyres sales showed a reduction of 5% as compared to last year.

The Cost of Sales, as stated above, has shown a rising trend due to increased raw material cost. In spite of this, the gross profit for the period under review showed an increase of 12% when compared with same period last year. Operating expenses remained within control except increase in advertising and sales promotion expenses which has become a necessity to promote sale in the Replacement Market ("RM").

FUTURE PROSPECTS

The new mixing plant is operating satisfactorily due to which additional quantities of tyres are available to cater to the market requirement.

The raw material prices continue to show rising trend. However, the management which is monitoring the situation, made some price adjustments which will have the positive impact in the last quarter.

For and on behalf of the Board of Directors.

Hussain Kuli Khan

Hussain Kuli Khan
Chief Executive

Mazhar Sharif

Mazhar Sharif
Director

Karachi
Dated: April 27, 2017

ڈائریکٹرز تجزیہ

آپ کی کمپنی کے ڈائریکٹرز 31 مارچ 2017 کو ختم ہونے والے تین سہ ماہی کی مالیاتی معلومات پیش کرتے ہوئے نہایت خوشی محسوس کرتے ہیں۔

کاروباری تجزیہ۔

خالص قیمت فروخت زیر جائزہ مدت میں 9 فیصد کا اضافہ پچھلے سال کے اسی دورانیہ کے مقابلے میں دیکھا گیا ہے جس کی مرکزی وجہ 30 فیصد زرعی ریز ٹائر کی فروخت میں اضافہ ہے۔ اس وجہ سے گزشتہ سال اسی عرصے کے مقابلے میں خام منافع میں 12 فیصد اضافہ ہوا۔ لیکن تیسرے سہ ماہی کا منافع پچھلے سال کے اسی دورانیہ کے مقابلے میں کم ہوا۔ اس کی مرکزی وجہ خام مال کی بڑھتی ہوئی قیمت سے فروخت کی لاگت میں اضافہ کی شروعات ہے۔

لائسنس ٹرک ٹائر کی فروخت ایک اور بجنل ایکویپمنٹ مینوفیکچررز (او.ای. ایم) کو کم ہوئی جس کا ذکر پچھلے سہ ماہی کی رپورٹ میں کیا گیا تھا جو پنجاب گورنمنٹ کی ٹیکسی سکیم کی گاڑیوں کی ترسیل تھی جو اس سال کے شروع میں پوری ہو گئی، لیکن اس کی کو زرعی ٹائر کی فروخت نے پورا کیا۔ موٹر سائیکل ٹائر کی فروخت میں پچھلے سال کے اسی دورانیہ کے مقابلے میں 5 فیصد کمی ہوئی۔

جیسے کہ اوپر بیان کیا گیا ہے کہ فروخت کی لاگت میں اضافہ کا رجحان دیکھا گیا ہے جس کی وجہ خام مال کی قیمت میں اضافہ ہے۔ اس کے باوجود اس مدت میں خام منافع پچھلے سال کے اسی دورانیہ کے مقابلے میں 12 فیصد اضافہ دیکھا گیا۔ کاروبار چلانے کے اخراجات قابو میں رہے سوائے ایڈورٹائزنگ اور سیل پرموشن کے خرچے جو کہ کمپنی کے ریٹیلیمنٹ مارکیٹ کی بیلز کو بڑھانے کیلئے بہت ضروری ہے۔

مستقبل کے امکانات۔

بیکاسنگ پلانٹ تلی بخش کام کر رہا ہے، جس کی وجہ سے اضافی مقدار میں ٹائر دستیاب ہے جو مارکیٹ کی ضروریات کو پورا کرے گا۔

خام مال کی قیمت میں اضافے کا رجحان دیکھا جا رہا ہے تاہم کمپنی کی انتظامیہ نے صورت حال کو دیکھتے ہوئے کچھ قیمت ایڈجسٹمنٹ کی ہے جس کے مثبت اثرات ہوں گے۔

Mazhar Sharif

مظہر شریف
ڈائریکٹر

Hussain Kuli Khan

حسین قلی خان
چیف ایگزیکٹو آفیسر

کراچی: 27 اپریل 2017

Condensed Interim Balance Sheet As at March 31, 2017

	Note	March 31,	June 30,
		2017	2016
		Unaudited	Audited
(Rupees in thousand)			
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital 75,000,000 (June 30, 2016: 75,000,000) ordinary shares of Rs.10 each		750,000	750,000
Issued, subscribed and paid-up capital 59,771,250 (June 30, 2016: 59,771,250) ordinary shares of Rs.10 each		597,713	597,713
Reserve		1,000,000	-
Unappropriated profit		2,189,816	2,351,809
Total equity		3,787,529	2,949,522
Liabilities			
Non current liabilities			
Long term finances	5	965,897	920,276
Staff benefits		282,221	277,287
Deferred taxation		245,196	232,281
Long term deposits from dealers		9,150	8,930
		1,502,464	1,438,774
Current liabilities			
Current maturity of long term finances	5	470,022	224,057
Short term finances		65,020	143,889
Running finances under mark-up arrangements		488,266	621,020
Trade and other payables		1,300,784	1,293,036
Accrued mark-up		45,807	32,929
Provisions		91,687	109,282
		2,461,586	2,424,213
Total liabilities		3,964,050	3,862,987
Contingencies and commitments	6		
Total equity and liabilities		7,751,579	6,812,509

Condensed Interim Balance Sheet As at March 31, 2017

	Note	March 31,	June 30,
		2017	2016
		Unaudited	Audited
(Rupees in thousand)			
ASSETS			
Non current assets			
Property, plant and equipment	7	3,683,451	3,168,699
Intangible assets		45,563	36,215
Investment in an associated company	8	9,165	6,019
Long term loans and advances		8,443	10,888
Long term deposits		31,937	32,667
		3,778,559	3,254,488
Current assets			
Stores and spares		511,998	496,552
Stocks		1,920,823	1,570,594
Trade debts		1,017,864	1,024,670
Loans and advances		50,069	101,474
Deposits and prepayments		58,741	66,130
Other receivables		76,524	68,901
Taxation - net		243,086	112,849
Cash and bank balances	9	93,915	116,851
		3,973,020	3,558,021
Total assets		7,751,579	6,812,509

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.



Hussain Kuli Khan
Chief Executive




Mazhar Sharif
Director

Condensed Interim Profit and Loss Account (Unaudited) For the period ended March 31, 2017

Note	Quarter ended March 31,		Nine months ended March 31,	
	2017	2016	2017	2016
(Rupees in thousand)				
Sales	2,686,400	2,380,497	7,385,200	6,778,729
Cost of sales	(2,069,465)	(1,743,843)	(5,533,193)	(5,130,512)
Gross profit	616,935	636,654	1,852,007	1,648,217
Administrative expenses	(61,916)	(44,385)	(185,035)	(158,083)
Distribution cost	(109,432)	(87,222)	(313,129)	(255,181)
Other income	12,322	10,413	39,374	33,924
Other expenses	(37,916)	(33,864)	(114,013)	(102,099)
Profit from operations	419,993	481,596	1,279,204	1,166,778
Finance cost	(31,907)	(43,923)	(89,082)	(102,133)
	388,086	437,673	1,190,122	1,064,645
Share of profit of an Associated Company	1,170	1,002	4,153	2,369
Profit before taxation	389,256	438,675	1,194,275	1,067,014
Taxation	(114,373)	(88,166)	(356,268)	(283,023)
Profit for the period	274,883	350,509	838,007	783,991
Other comprehensive income	-	-	-	-
Total comprehensive income	274,883	350,509	838,007	783,991
----- Rupees -----				
Earnings per share				
- basic and diluted	4.60	5.86	14.02	13.12

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.



Hussain Kuli Khan
Chief Executive


Mazhar Sharif
Director

Condensed Interim Cash Flow Statement (Unaudited) For the period ended March 31, 2017

Note	Nine months ended March 31,		
	2017	2016	
(Rupees in thousand)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	12	1,169,156	740,731
Staff retirement gratuity paid		(42,760)	(28,835)
Compensated absences paid		(5,987)	(6,733)
Long term deposits from dealers - net		220	-
Finance cost paid		(76,204)	(91,533)
Taxes paid		(473,590)	(322,371)
Long term loans and advances - net		2,445	2,552
Long term deposits - net		730	804
Net cash generated from operating activities		574,010	294,615
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(673,472)	(900,111)
Purchase of intangible assets		(11,311)	(5,131)
Proceeds from sale of operating fixed assets		2,786	2,549
Dividend received		1,007	453
Profit on bank deposits received		4,364	228
Net cash used in investing activities		(676,626)	(902,012)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term finances - net		291,586	275,000
Short term finances - net		(78,869)	479,096
Dividend paid		(283)	(413,958)
Net cash generated from financing activities		212,434	340,138
Net increase / (decrease) in cash and cash equivalents		109,818	(267,259)
Cash and cash equivalents - at beginning of the period		(504,169)	(424,620)
Cash and cash equivalents - at end of the period	13	(394,351)	(691,879)

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.


Hussain Kuli Khan
Chief Executive


Mazhar Sharif
Director

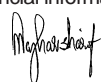
Condensed Interim Statement of Changes in Equity For the period ended March 31, 2017

	Issued, Subscribed and paid- up capital	Capital reserves for capital expenditure	Unappro- priated profit	Total
(Rupees in thousand)				
Balance as at July 1, 2015 (audited)	597,713	-	1,760,434	2,358,147
Transaction with owners, recognised directly in equity				
Final dividend for the year ended June 30, 2015 at the rate of Rs.7.00 per share	-	-	(418,399)	(418,399)
Total comprehensive income for the period ended March 31, 2016				
Profit for the period	-	-	783,991	783,991
Other comprehensive income	-	-	-	-
	-	-	783,991	783,991
Balance as at March 31, 2016 (un-audited)	<u>597,713</u>	<u>-</u>	<u>2,126,026</u>	<u>2,723,739</u>
Balance as at July 1, 2016 (audited)	597,713	-	2,351,809	2,949,522
Transfer to reserve for capital expenditure	-	1,000,000	(1,000,000)	-
Total comprehensive income for the period ended March 31, 2017				
Profit for the period	-	-	838,007	838,007
Other comprehensive income	-	-	-	-
	-	-	838,007	838,007
Balance as at March 31, 2017 (un-audited)	<u>597,713</u>	<u>1,000,000</u>	<u>2,189,816</u>	<u>3,787,529</u>

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.



Hussain Kuli Khan
Chief Executive



Mazhar Sharif
Director

Notes to the Condensed Interim Financial Information (Unaudited) For the period ended March 31, 2017

1. LEGAL STATUS AND OPERATIONS

The General Tyre and Rubber Company of Pakistan Limited (the Company) is a public limited company incorporated in Pakistan and its shares are quoted on Pakistan Stock Exchange Limited. The Company is engaged in the manufacturing and trading of tyres and tubes for automobiles and motorcycles.

2. BASIS OF PREPARATION

This condensed interim financial information is unaudited and has been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984 (the Ordinance). In the case where requirements differ, the provisions of or directives issued under the Ordinance have been followed. This condensed interim financial information does not include all the information required for annual financial statements and therefore should be read in conjunction with the audited annual financial statements of the Company for the year ended June 30, 2016.

3. ACCOUNTING POLICIES

The significant accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are consistent with those applied in the preparation of audited annual financial statements for the year ended June 30, 2016.

There are certain International Financial Reporting Standards, amendments to published standards and interpretations that are mandatory for the financial year beginning on July 1, 2016. These are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations and are, therefore, not disclosed in this condensed interim financial information.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including the expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

During the preparation of this condensed interim financial information, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the audited annual financial statements of the Company for the year ended June 30, 2016.

	March 31,	June 30,
	2017	2016
	Unaudited	Audited
	(Rupees in thousand)	
5. LONG TERM FINANCES		
- from banking companies		
Habib Bank Limited	-	33,333
Samba Bank Limited	300,000	350,000
Askari Bank Limited - an associated company	700,000	350,000
Faysal Bank Limited	435,919	411,000
	<u>1,435,919</u>	<u>1,144,333</u>
Current maturity grouped under current liabilities	<u>(470,022)</u>	<u>(224,057)</u>
	<u>965,897</u>	<u>920,276</u>

6. CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

6.1.1 There is no change in status of the contingencies as disclosed in note 14.1 of the audited annual financial statements of the Company for the year ended June 30, 2016.

6.1.2 Tax authorities passed orders under sections 161 / 205 of the Income Tax Ordinance, 2001 (the Ordinance) in respect of monitoring of withholding of taxes for Tax Year 2015 and created demand of Rs.29.675 million (including default surcharge and penalty) on the premise that requisite tax was not withheld by the Company at the time of making payments against incentives to dealers and advertising & publicity.

The Company filed appeal with the Commissioner Inland Revenue (Appeals) [CIR(A)] against the said order. Hearing in appeal has been conducted however decision of appeal is pending.

Further, the Company has also deposited Rs.20.663 million against abovementioned demand and classify this in other receivables as 'Income tax paid under protest'.

6.1.3 Section 5A of the Income Tax Ordinance 2001, imposes a tax @ 10% on reserves of a company that exceeds amount of its share capital in case company derives profit but doesn't distribute cash dividend. The Company have filed suit for declaration and permanent injunction before the Honourable Sindh High Court (SHC) challenging the vires of the above said section. The SHC passed an interim order restraining the defendant from taking any coercive action against the Company. The case is pending adjudication.

Based on legal advisor's opinion, management expects a favourable outcome of the abovementioned case; therefore no provision for tax on undistributed reserves has been made in this condensed interim financial information.

	Note	March 31,	June 30,
		2017	2016
		Unaudited	Audited
		(Rupees in thousand)	
6.1.4 Guarantees issued by banks on behalf of the Company		334,573	314,575
6.1.5 Post dated cheques issued to the Collector of Customs against duty on imported plant & machinery, raw materials and stores & spares		91,843	97,351
6.2 Commitments			
6.2.1 Commitments in respect of:			
- letters of credit for capital expenditure		376,143	745,745
- letters of credit for purchase of raw materials and stores & spares		1,890,541	331,929
- purchase orders issued to local suppliers for capital expenditure		85,938	101,148
- service contracts against implementation of SAP		20,452	34,693
- sales contracts entered into by the Company		75,942	108,084
- tentative schedules for supply of tyres		2,390,700	1,722,167
- indemnity bond		16,775	16,775
6.2.2 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:			
		March 31,	June 30,
		2017	2016
		Unaudited	Audited
		(Rupees in thousand)	
Not later than 1 year		46,643	65,469
Over 1 year and no later than 5 years		23,706	53,437
		<u>70,349</u>	<u>118,906</u>
7. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	7.1	2,431,799	2,292,064
Capital work-in-progress	7.2	1,251,652	876,635
		<u>3,683,451</u>	<u>3,168,699</u>

Note	March 31,	June 30,
	2017	2016
	Unaudited	Audited
	(Rupees in thousand)	
7.1 Operating fixed assets		
Net book value at beginning of the period / year	2,292,064	1,886,894
Additions during the period / year	298,455	589,354
Disposals, costing Rs.26.201 million (June 30, 2016: Rs.26.689 million) - at net book value	(726)	(5,349)
Depreciation charge during the period / year	(157,994)	(178,835)
Net book value at end of the period / year	<u>2,431,799</u>	<u>2,292,064</u>
7.1.1 Additions to operating fixed assets, including transfer from capital work-in-progress, during the period / year were as follows:		
Land	40,042	-
Buildings	-	11,937
Electrical installations	3,130	4,232
Plant and machinery	138,582	298,236
Boilers and accessories	20,629	140,698
Laboratory equipment	-	8,631
Moulds	33,143	45,961
Vehicles	15,257	60,941
Furniture and fixtures	2,280	3,900
Factory and office equipment	10,417	11,399
Computer equipment	34,975	3,419
	<u>298,455</u>	<u>589,354</u>
7.2 Capital work-in-progress		
Buildings	721,110	359,714
Electrical installations	45,035	19,818
Plant and machinery	485,071	467,675
Vehicles	932	6,653
Furniture and fixtures	579	-
Factory and office equipment	1,200	1,534
Computers and equipment	-	23,516
	<u>1,253,927</u>	<u>878,910</u>
Provision for a doubtful advance	(2,275)	(2,275)
	<u>1,251,652</u>	<u>876,635</u>

	March 31,	June 30,
	2017	2016
	Unaudited	Audited
	(Rupees in thousand)	
8. INVESTMENT IN AN ASSOCIATED COMPANY - Quoted		
Ghandhara Industries Limited		
- Equity accounted investment		
Balance at beginning of the period / year	6,019	3,321
Share of comprehensive income for the period / year	4,153	3,151
Dividend received during the period / year	(1,007)	(453)
Balance at end of the period / year	<u>9,165</u>	<u>6,019</u>
8.1 Investment in Ghandhara Industries Limited (GIL) represents 100,700 (June 30, 2016: 100,700) fully paid ordinary shares of Rs.10 each representing 0.473% (June 30, 2016: 0.473%) of its issued, subscribed and paid-up capital as at March 31, 2017. GIL was incorporated on February 23, 1963 and its shares are quoted on Pakistan Stock Exchange Limited. The principal activity of GIL is the assembly, progressive manufacturing and sale of Isuzu trucks and buses.		
8.2 The above figures are based on unaudited condensed interim financial information of GIL as at December 31, 2016. The latest financial statements of GIL as at March 31, 2017 are not presently available.		
8.3 The market value of investment as at March 31, 2017 was Rs.86.679 million (June 30, 2016: Rs.40.873 million).		
8.4 The investee company is an Associate of the Company by virtue of common directorship.		
	March 31,	June 30,
	2017	2016
	Unaudited	Audited
	(Rupees in thousand)	
9. CASH AND BANK BALANCES		
Cash at banks on:		
- current accounts	85,208	101,922
- deposit account	7,156	7,469
	<u>92,364</u>	<u>109,391</u>
Cash and cheques-in-hand	1,551	7,460
	<u>93,915</u>	<u>116,851</u>
9.1 Deposit account is held with Askari Bank Limited - an Associated Company and it carries mark-up at the rate of 3.75% (June 30, 2016: 3.75%) per annum.		

	Note	Quarter ended March 31,		Nine months ended March 31,	
		2017	2016	2017	2016
(Rupees in thousand)					
10. COST OF SALES					
Opening stock of finished goods		352,250	473,248	203,526	411,187
Cost of goods manufactured	10.1	1,951,777	1,657,118	5,347,693	4,978,434
Finished goods purchased		41,664	29,535	159,890	63,851
Royalty technical service fee		56,571	50,752	154,881	143,850
		<u>2,050,012</u>	<u>1,737,405</u>	<u>5,662,464</u>	<u>5,186,135</u>
		<u>2,402,262</u>	<u>2,210,653</u>	<u>5,865,990</u>	<u>5,597,322</u>
Closing stock of finished goods		332,797	466,810	332,797	466,810
		<u>2,069,465</u>	<u>1,743,843</u>	<u>5,533,193</u>	<u>5,130,512</u>
10.1 Cost of goods manufactured					
Opening work-in-process		165,212	172,022	162,244	195,481
Raw materials consumed		1,247,040	958,593	3,186,336	2,870,156
Factory overheads		739,786	689,318	2,199,374	2,075,612
		<u>1,986,826</u>	<u>1,647,911</u>	<u>5,385,710</u>	<u>4,945,768</u>
		<u>2,152,038</u>	<u>1,819,933</u>	<u>5,547,954</u>	<u>5,141,249</u>
Closing work-in-process		200,261	162,815	200,261	162,815
		<u>1,951,777</u>	<u>1,657,118</u>	<u>5,347,693</u>	<u>4,978,434</u>
11. TAXATION					
Current		113,515	77,591	343,353	277,479
Deferred		858	10,575	12,915	5,544
		<u>114,373</u>	<u>88,166</u>	<u>356,268</u>	<u>283,023</u>

	Note	Nine months ended March 31,	
		2017	2016
(Rupees in thousand)			
12. CASH GENERATED FROM OPERATIONS			
Profit before taxation		1,194,275	1,067,014
Adjustments for non cash charges and other items:			
Depreciation		157,994	133,470
Amortisation		1,962	1,377
Provision for staff retirement gratuity		49,159	36,778
Charge of employees compensated absences		4,522	2,535
Provision for doubtful debts		(7,347)	(2,133)
Profit on bank deposits		(4,364)	(228)
Gain on sale of operating fixed assets		(2,060)	(1,179)
Finance cost		89,082	102,133
Share of profit of an associated company		(4,153)	(2,369)
Working capital changes	12.1	(309,914)	(596,667)
		<u>1,169,156</u>	<u>740,731</u>
12.1 Working capital changes (Increase) / decrease in current assets			
- Stores and spares		(15,446)	6,391
- Stocks		(350,229)	(158,926)
- Trade debts		14,153	(208,889)
- Loans and advances		51,405	(12)
- Deposits and prepayments		7,389	4,453
- Other receivables		(7,623)	(3,722)
- Sales tax refundable (net)		5,385	(38,004)
		<u>(294,966)</u>	<u>(398,709)</u>
(Decrease) / increase in current liabilities			
- Trade and other payables		2,647	(199,594)
- Provisions		(17,595)	1,636
		<u>(14,948)</u>	<u>(197,958)</u>
		<u>(309,914)</u>	<u>(596,667)</u>
13. CASH AND CASH EQUIVALENTS			
Running finances under mark-up arrangements		(488,266)	(783,353)
Cash and bank balances		93,915	91,474
		<u>(394,351)</u>	<u>(691,879)</u>

14. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including foreign exchange risk, interest rate risk and price risk).

The condensed interim financial information does not include all financial risk management information and disclosures required in the audited annual financial statements and should be read in conjunction with the audited annual financial statement for the year ended June 30, 2016.

There has been no change in Company's sensitivity to these risks since June 30, 2016 except for general exposure to fluctuations in foreign currency and interest rates. There have been no change in the risk management policies during the period.

There have been no significant changes in the business or economic circumstances during the period that would have affected the fair values of the financial assets of the Company. Further, no re-classifications in the categories of financial assets have been made since June 30, 2016.

	Un-audited Nine months ended March 31,	
	2017	2016
(Rupees in thousand)		

15. TRANSACTIONS WITH RELATED PARTIES

15.1 Significant transactions with related parties are as follows:

Associated companies / undertakings:

Sales of goods	293,730	233,397
Services rendered	78,395	280,910
Rent	900	675
Interest earned	203	228
Insurance premium	1,909	3,177
Mark-up expense	31,200	19,244
Long term finances - obtained	350,000	-
Dividend paid	-	282,690
Dividend received	1,007	453
Donation	20,950	19,600

Other related parties:

Purchases of bladders and spare parts	13,786	21,330
Purchases of raw materials / supplies	46,600	109,188
Royalty technical service fee	140,783	130,772
Provision towards gratuity staff fund	8,846	6,733
Contribution towards employees provident fund	15,539	14,240

Un-audited
Nine months ended
March 31,
2017 2016

(Rupees in thousand)

Salaries and other employee benefits to key management personnel	280,558	260,711
Meeting fees to key management personnel	6,000	6,700
Sale of operating fixed assets to key management personnel under Company policy	1,000	1,433

March 31, June 30,
2017 2016

Unaudited Audited
(Rupees in thousand)

15.2 Period / year end balances are as follows:

Payables to related parties

Staff benefits	14,058	33,705
Running finances under mark-up arrangement	34,536	3,803
Trade and other payables	106,538	128,941
Accrued mark-up	2,776	1,029

Receivables from related parties

Capital work-in-progress	-	23,516
Long term loans and advances	824	850
Trade debts	36,705	-
Loans and advances	706	858
Other receivables	-	9,174

These are in the normal course of business.

16. OPERATING SEGMENT

This condensed interim financial information has been prepared on the basis of a single reportable segment.

All non-current assets of the Company at March 31, 2017 are located in Pakistan. Revenues from external customers attributed to foreign countries in aggregate are not material.

The Company has earned revenues from three (March 31, 2016: two) customers aggregating Rs.3,344.700 million (March 31, 2016: Rs.2,517.160 million) during the period which constituted 36.84% (March 31, 2016: 31.13%) of gross sales.

17. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', corresponding figures in the condensed interim balance sheet comprise of balances as per the audited annual financial statements of the Company for year ended June 30, 2016 and the corresponding figures in the condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity comprise of balances of comparable period as per the condensed interim financial information of the Company for the nine months period ended March 31, 2016.

18. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on April 27, 2017 by the Board of Directors of the Company.

Handwritten signature of Hussain Kuli Khan in black ink.

Hussain Kuli Khan
Chief Executive

Handwritten signature of Mazhar Sharif in black ink.

Mazhar Sharif
Director