



EVERY **JOURNEY**
HAS A **DESTINATION**



DRIVE **PAKISTAN**

Dil se



QUARTERLY
SEPTEMBER, 30

2024

DRIVE PAKISTAN

Dil se

For six decades, GTR Tyre has led Pakistan's journey, proudly standing as the nation's most selling tyre brand, creating a legacy of trust. Fueled by an unwavering commitment to excellence, quality, and reliability, we believe that every journey has a destination. For us, that destination is a greater Pakistan.

We extend our heartfelt gratitude to our customers, dealers and OE partners. Your trust and support have been instrumental in our journey. Together, we have not just moved vehicles but driven the dreams and aspirations of millions.

At GTR, we are a generation of achievers, united by our mission for a stronger, stable Pakistan. We believe that true freedom is achieved when we make Pakistan great from the heart. Let's come together and play our roles in making Pakistan stronger and more stable with all our heart.

Driven by heart, together we are building a future where every journey leads to a destination of greatness.





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COMPANY INFORMATION



Board of Directors*

Lt Gen (R) Ali Kuli Khan Khattak - Chairman
Mr. Hussain Kuli Khan - Chief Executive
Mr. Ahmad Kuli Khan Khattak
Mr. Atif Anwar
Mr. Ikram-ul-Majeed Sehgal
Mr. Manzoor Ahmed
Mr. Muhammad Kuli Khan Khattak
Mrs. Nazia Qureshi
Mr. Naeem A. Sattar
Syed Ahmad Iqbal Ashraf

Chief Financial Officer

Mr. Siraj A. Lawai

Company Secretary

Mr. Athar A. Khan

Head of Internal Audit

Mr. Muhammad Zia Akhtar

Board Audit Committee*

Syed Ahmad Iqbal Ashraf - Chairman
Lt Gen (R) Ali Kuli Khan Khattak
Mr. Ahmad Kuli Khan Khattak
Mr. Manzoor Ahmed
Mr. Naeem A. Sattar

Board Human Resource & Remuneration Committee

Mr. Ikram-ul-Majeed Sehgal - Chairman
Lt Gen (R) Ali Kuli Khan Khattak
Mr. Ahmad Kuli Khan Khattak
Mr. Manzoor Ahmed
Mrs. Nazia Qureshi
Mr. Atif Anwar
Mr. Hussain Kuli Khan

Auditors

M/s. Shinewing Hameed Chaudhri & Co.
Chartered Accountants

Legal Advisor

M/s. Ahmed and Qazi Associates

Share Registrar

CDC Share Registrar Services Limited

Major Bankers

Al-Baraka Bank Pakistan Limited
Askari Bank Limited
Bank Alfalah Limited
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank 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: 021-35080171
Website: www.gtr.com.pk

Branch Offices

Islamabad

Plot No. 148-149, Khuda Bakhsh Road, Saraan,
Kahuta Industrial Tri angle, Kahuta Road, Hummak
Islamabad
Phone: +92 51-5971612-13 / 51-5971650
Fax: +92 51-5971615

Lahore

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

Multan

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

Sukkur

Plot No. B30/8, Site Area, Sukkur.
Phone No: +92 300 0562502

Stock Exchange Symbol
GTYR

* Sequence of names in alphabetical order

DIRECTORS' REVIEW

The Directors are pleased to present the unaudited condensed interim financial statements of Ghandhara Tyre and Rubber Company Limited (the Company) for the first quarter ended September 30, 2024.

BUSINESS REVIEW

Net sales in value terms for the first quarter ended September 30, 2024 were Rs. 3.86 billion as compared to Rs. 4.84 billion in the same period last year, showing decline of 20%.

Sales for the period under review decreased from last period mainly due to low purchasing power of customers and lower farm tyre sales. In Original Equipment Manufacturer (OEM), lower farm sales were mainly due to closure of a tractor OEM for substantial period of time during the quarter. Further, farm OEM and Replacement Market (RM) sales were also impacted due to lower wheat prices and late sowing of kharif crops. Farm tyre sales are expected to improve in coming quarters due to upcoming crop season and launch of tractor scheme by the Government of Punjab. This was partially offset by increase in sales of Passenger car and Light Truck tyres. It is anticipated that with decrease in policy rate, the auto financing would increase resulting in further improvement in OEM offtakes in coming quarters.

Export sales for the period were Rs. 47 million as compared to Rs. 12 million in same period last year. The Company is continuously exploring opportunities to expand its export sales in new markets.

The gross profit for the period was Rs. 629 million as compared to Rs. 757 million in same period last year. Gross profit margin improved to 16.3% as compared to 15.6% in same period last year. Better gross margin was mainly due to stable exchange rate and better sales mix partially offset by higher utility prices and increase in minimum wages.

The finance cost for the period was Rs. 394 million as compared to Rs. 414 million in the same period last year. Decrease in financial cost is due to decrease in discount rate by State Bank of Pakistan (SBP) and better working capital management. The reduction in interest rates is expected to have a positive impact starting from next quarter.

The independent rating agency PACRA has maintained Company's long-term rating to A+ and short-term rating to A1 on August 1, 2024 after evaluating business / financial risk profile of the Company. This rating reflects reputable business profile of the Company in the automobile and allied sector.

As a result of the factors mentioned above, profit after tax for the first quarter ended September 30, 2024 was Rs. 21.1 million as compared to profit after tax of Rs. 69.5 million reported in same period last year.

FUTURE PROSPECTS

In last couple of months, SBP has decreased the discount rate by 4.5%. Moreover, there are expectations for further decrease in discount rates in upcoming monetary policies, which is expected to bode well for the Company and would result in lower financial charges. Further, this may also result in increase in auto financing resulting in better OEM offtake. This coupled with the stability of exchange rate and revival of economic activity are key factors for future profitability of your Company.

Regulatory and administrative measures by the Government to curb smuggling were encouraging. These measures to curb smuggling need to continue to improve the economic situation of our country. Under invoicing and smuggling is not only affecting the local industry but also depriving the Government of its due tax revenue. These measures will provide level playing field to the local industry and enable them to provide employment.

The Company is also working on strategies to reduce cost. As informed earlier, we have already signed agreement with K Solar (Pvt.) Limited up to 2MW on build, operate and transfer basis. The project is expected to be completed by March, 2025. This initiative will diversify our energy portfolio, enhance operational efficiencies and mitigate long-term energy risks. Moreover, we are continuously working on developing new sizes and designs for both OEM and RM segments, some of which have already been commercialized and being sold in OEM and RM segments.

Despite the difficult economic times and competitive pressures, we are confident that we would navigate through these challenges with determination and unwavering support of our stakeholders. We believe that the long- term growth potential of the business is intact.

The Board would like to thank all our OEM and RM customers for their patronage and loyalty with the Company's products.

The Board also offers thanks to its financial institutions for providing support, as solicited. The Board also appreciates the dedicated services rendered by the employees and the management in difficult economic time.

A handwritten signature in black ink, appearing to read 'Hussain Kuli Khan'.

Hussain Kuli Khan
Chief Executive

Karachi

Dated: October 24, 2024

A handwritten signature in black ink, appearing to read 'Naeem A. Sattar'.

Naeem A. Sattar
Director

مستقبل کے امکانات

پچھلے کچھ مہینوں میں SBP نے ڈسکاؤنٹ ریٹ میں 4.5 فیصد تک کمی کی ہے۔ مزید برآں، آنے والی ماہیٹری پالیسیوں میں رعایتی شرح میں مزید کمی کی توقعات ہیں جو کمپنی کے لئے فائدہ مند ثابت ہوگا اور اس کے نتیجے میں مالیاتی اخراجات کم ہوں گے۔ مزید، اس کے نتیجے میں آئوٹانسنگ میں اضافہ ہو سکتا ہے جس کے نتیجے میں OEM طبقہ میں بہتری آسکتی ہے۔ اس کے ساتھ شرح مبادلہ کے استحکام اور معاشی سرگرمیوں کا احیاء آپ کی کمپنی کے مستقبل کے منافع کے اہم عوامل ہیں۔

اسٹانگ کورکنے کے لیے حکومت کے ریگولیٹری اور انتظامی اقدامات حوصلہ افزاء تھے۔ اسٹانگ کی روک تھام کے لیے کیے جانے والے ان اقدامات کو ہمارے ملک کی معاشی صورتحال کو بہتر بنانے کے لیے جاری رکھنے کی ضرورت ہے۔ انڈرانو انسنگ اور اسٹانگ نہ صرف مقامی صنعت کو متاثر کر رہی ہے بلکہ حکومت کو اس کے واجب الادا لیکس آمدنی سے بھی محروم کر رہی ہے۔ ان اقدامات کے نتیجے میں مقامی انڈسٹری کو مساوی مواقع ملیں گے اور انہیں روزگار فراہم کرنے میں مدد ملے گی۔

کمپنی لاگت کو کم کرنے کے لیے مختلف حکمت عملیوں پر بھی کام کر رہی ہے۔ جیسا کہ پہلے بتایا گیا ہے، ہم پہلے ہی K Solar (Pvt.) Limited کے ساتھ 2MW تک کے تعمیر، کام اور منتقلی کی بنیاد پر معاہدہ کر چکے ہیں، یہ منصوبہ مارچ 2025 تک مکمل ہونے کی امید ہے۔ یہ اقدام ہمارے توانائی کے پورٹ فولیو کو بہتر بنائے گا، آپریشنل صلاحیتوں میں اضافہ کرے گا اور طویل مدتی توانائی کے خطرات کو کم کرے گا۔ مزید برآں، ہم OEM اور رینجلیمنٹ مارکیٹ (RM) دونوں طبقوں کے لیے نئے سائز اور ڈیزائن تیار کرنے پر مسلسل کام کر رہے ہیں، جن میں سے کچھ پہلے ہی تجارتی ہو چکے ہیں اور OEM اور RM سیکٹرز میں فروخت کیے جا رہے ہیں۔

مشکل معاشی صورتحال اور مسابقتی دباؤ کے باوجود، ہمیں یقین ہے کہ ہم اپنے اسٹیک ہولڈرز کے عزم اور مستقل حمایت کے ساتھ ان مشکلات سے نکلیں گے۔ ہمیں یقین ہے کہ کاروبار کی طویل مدتی ترقی کی صلاحیت برقرار ہے۔

بورڈ اپنے تمام OEM اور RM کے صارفین کا کمپنی کی مصنوعات کی حمایت اور وفاداری کے لیے شکرگزار ہے۔

بورڈ اپنے مالیاتی اداروں کا بھی، درخواست کی گئی مدد فراہم کرنے پر شکرگزار ہے۔ بورڈ مشکل معاشی وقت میں ملازمین اور انتظامیہ کی طرف سے پیش کی جانے والی خدمات کو بھی سراہتا ہے۔



نعیم اے ستار
ڈائریکٹر



حسین خلی خان
چیف ایگزیکٹو

کراچی

124 اکتوبر، 2024

ڈائریکٹرز کا تجزیہ

گندھارا ٹائر اینڈ برکیٹری لمیٹڈ (کمپنی) کے ڈائریکٹرز 30 ستمبر، 2024 کو ختم ہونے والی پہلی سرمایہ کے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے نہایت خوشی محسوس کرتے ہیں۔

کاروباری تجزیہ

30 ستمبر، 2024 کو ختم ہونے والی پہلی سرمایہ میں خالص فروخت 3.86 ارب روپے رہی، جو کہ پچھلے سال 4.84 ارب روپے کے مقابلے میں قدر کے لحاظ سے 20 فیصد کی کمی کو ظاہر کرتی ہے۔

زیر جائزہ مدت کے دوران سلیز پچھلی مدت سے کم ہوئی ہے جس کی بنیادی وجہ صارفین کی کم قوت خرید اور فارم ہائزر کی کم فروخت ہے۔ اور پینٹل اکیو پینٹ میٹو چررز (OEMs) طبقے میں فارم ہائزر کی کم فروخت کی بنیادی وجہ سرمایہ کے دوران کافی عرصے تک ایک ٹریکٹر OEM کا بند ہونا ہے۔ مزید برآں، گندم کی کم قیمت اور خرید کی فصلوں کی دیر سے بوائی کی وجہ سے فارم ہائزر کی OEM اور RM میں فروخت متاثر ہوئی۔ فصل کے آنے والے سیزن اور حکومت پنجاب کی جانب سے ٹریکٹر اسکیم کے آغاز کی وجہ سے آنے والی سرمایوں میں فارم ہائزر کی فروخت میں بہتری کی توقع ہے۔ یہ جزوی طور سے مسافر کار اور لائٹ ٹرک کے ہائزروں کی بہتر فروخت سے پورا ہوا ہے۔ توقع کی جاتی ہے کہ پالیسی کی شرح میں کمی کے ساتھ، آٹو فنانسنگ میں اضافہ ہوگا جس کے نتیجے میں آنے والی سرمایوں میں OEM میں بتدریج بہتری آئے گی۔

اس مدت میں کمپنی کی برآمدی فروخت 47 ملین روپے رہی جو پچھلے سال کے اسی دورانیہ میں 12 ملین روپے تھی۔ کمپنی نئی منڈیوں میں اپنی برآمدی فروخت کو بڑھانے کے لیے مسلسل مواقع تلاش کر رہی ہے۔

اس مدت کے دوران مجموعی منافع 629 ملین روپے رہا جو پچھلے سال اسی مدت کے مقابلے میں 757 ملین روپے تھا۔ مجموعی منافع کا مارجن 16.3 فیصد رہا جو گزشتہ سال کی اسی مدت کے مقابلے میں 15.6 فیصد تھا۔ بہتر مجموعی مارجن بنیادی طور پر مضحکم شرح مبادلہ اور سٹریٹجی کی وجہ سے ہے جس کو جزوی طور پر پینٹل میٹو چررز کی زائد قیمتوں اور کم از کم اجرت میں اضافے نے کم کیا ہے۔

اس مدت میں مالیاتی اخراجات 394 ملین روپے رہے جو کہ پچھلے سال اسی مدت کے مقابلے میں 414 ملین روپے تھے۔ مالیاتی لاگت میں کمی بنیادی طور پر اسٹیٹ بینک آف پاکستان (SBP) کی جانب سے ڈسکاؤنٹ ریٹ میں کمی اور ورکنگ کپٹیل کی بہتر مینجمنٹ ہے۔ ڈسکاؤنٹ ریٹ میں کمی کے مثبت اثرات اگلی سرمایہ سے آنے کی توقع ہے۔

آزاد ریٹنگ ایجنسی PACRA نے کمپنی کے کاروباری/مالیاتی ریسک پروفائل کا جائزہ لینے کے بعد یکم اگست 2024 کو کمپنی کی طویل مدتی درجہ بندی A+ اور مختصر مدت کی درجہ بندی A1 برقرار رکھی ہے۔ یہ درجہ بندی آٹوموبائل اور اس سے منسلک شعبے میں کمپنی کے معروف کاروباری پروفائل کی عکاسی کرتی ہے۔

مذکورہ بالا احوال کے نتیجے میں، 30 ستمبر، 2024 کو ختم ہونے والی پہلی سرمایہ میں منافع بعد از محصول 21.1 ملین روپے رہا جو کہ پچھلے سال کی اسی مدت میں 69.50 ملین روپے تھا۔

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2024

	September 30, 2024	June 30, 2024
	(Un-audited)	(Audited)
	--- Rupees in '000 ---	
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorised capital		
125,000,000 (June 30, 2024: 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
Revenue Reserve		
Unappropriated profit	1,323,364	1,302,223
Capital Reserves		
Reserve for capital expenditure	1,000,000	1,000,000
Surplus on revaluation of leasehold lands	2,473,748	2,473,748
	3,473,748	3,473,748
TOTAL EQUITY	6,016,446	5,995,305
LIABILITIES		
NON CURRENT LIABILITIES		
Long term finances	351,295	382,709
Staff benefits	565,314	533,723
Deferred liabilities	106,320	116,803
Long term deposits from dealers	15,230	13,230
Deferred tax - net	5,801	46,121
	1,043,960	1,092,586
CURRENT LIABILITIES		
Current maturity of long term finances	169,373	205,563
Current maturity of deferred liabilities	35,991	37,441
Short term finances	2,397,556	2,004,431
Running finances under mark-up arrangements	4,628,075	4,673,327
Trade and other payables	4,224,574	3,654,800
Unclaimed dividend	19,359	19,367
Accrued mark-up	369,046	388,060
Provisions	777,682	777,225
	12,621,656	11,760,214
TOTAL LIABILITIES	13,665,616	12,852,800
TOTAL EQUITY AND LIABILITIES	19,682,062	18,848,105
Contingencies and commitments	6	



Hussain Kuli Khan
Chief Executive



Naeem A. Sattar
Director

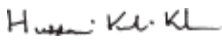


Siraj A. Lawai
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2024

		September 30, 2024	June 30, 2024
		(Un-audited)	(Audited)
		--- Rupees in '000 ---	
ASSETS	Note		
NON CURRENT ASSETS			
Property, plant and equipment	7	7,233,911	7,318,151
Intangible assets		1,388	1,621
Investment in an associated company	8	35,945	33,772
Long term loans and advances		4,276	4,793
Long term deposits		37,799	19,435
		<u>7,313,319</u>	<u>7,377,772</u>
CURRENT ASSETS			
Stores and spares		824,956	814,490
Stocks	9	6,355,763	5,078,079
Trade debts		3,064,544	3,693,470
Loans and advances		388,577	113,475
Deposits and prepayments		106,834	38,045
Other receivables		322,947	257,974
Taxation - net		1,182,095	1,250,365
Cash and bank balances		123,027	224,435
		<u>12,368,743</u>	<u>11,470,333</u>
TOTAL ASSETS		<u>19,682,062</u>	<u>18,848,105</u>

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



Hussain Kuli Khan
Chief Executive



Naeem A. Sattar
Director



Siraj A. Lawai
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT
AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)**
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2024

	Note	Quarter ended September 30,	
		2024	2023
--- Rupees in '000 ---			
Sales - net		3,864,939	4,842,227
Cost of sales	10	(3,236,140)	(4,084,840)
Gross profit		628,799	757,387
Administrative expenses		(89,675)	(99,634)
Distribution cost		(152,984)	(175,317)
Other income		36,598	78,144
Other expenses		(1,988)	(12,602)
Profit from operations		420,750	547,978
Finance cost		(393,458)	(414,033)
		27,292	133,945
Share of profit of an associated company		2,173	7,438
Profit before income tax, minimum and final taxes		29,465	141,383
Final tax	11.1	(529)	(61)
Minimum tax differential	11.2	(21,146)	(21,114)
Profit before income tax		7,790	120,208
Taxation reversal / (charge)	11.3	13,351	(50,708)
Profit for the period		21,141	69,500
Other comprehensive income		-	-
Total comprehensive income for the period		21,141	69,500
----- Re.-----			
Earnings per share basic and diluted		0.17	0.57

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



Hussain Kuli Khan
Chief Executive



Naeem A. Sattar
Director




Siraj A. Lawai
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2024

	Capital Reserves			Revenue Reserve	Total
	Issued, subscribed and paid-up share capital	Reserve for capital expenditure	Surplus on revaluation of leasehold lands	Unappropriated profit	
	----- Rupees in '000 -----				
Balance as at July 1, 2023 (Audited)	1,219,334	1,000,000	2,473,748	1,060,795	5,753,877
Total comprehensive income for the period ended September 30, 2023	-	-	-	69,500	69,500
Balance as at September 30, 2023 (Un - audited)	1,219,334	1,000,000	2,473,748	1,130,295	5,823,377
Total comprehensive income for the nine months period ended June 30, 2024					
Profit for the period	-	-	-	159,560	159,560
Other comprehensive income	-	-	-	12,368	12,368
	-	-	-	171,928	171,928
Balance as at July 1, 2024 (Audited)	1,219,334	1,000,000	2,473,748	1,302,223	5,995,305
Total comprehensive income for the period ended September 30, 2024	-	-	-	21,141	21,141
Balance as at September 30, 2024 (Un - audited)	1,219,334	1,000,000	2,473,748	1,323,364	6,016,446

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



Hussain Kuli Khan
Chief Executive



Naeem A. Sattar
Director




Siraj A. Lawai
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2024

	Note	Quarter ended September 30,	
		2024	2023
--- Rupees in '000 ---			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	12	91,608	99,121
Staff retirement gratuity paid		(8,077)	(17,734)
Compensated absences paid		(492)	(1,891)
Long term deposits from dealers - net		2,000	500
Finance cost paid		(412,472)	(408,726)
Taxes - net		19,626	(78,969)
Long term loans and advances - net		517	(3,008)
Long term deposits - net		(18,364)	-
Profit on bank deposits received		430	454
Net cash used in operating activities		(325,224)	(410,253)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(45,533)	(72,499)
Proceeds from sale of operating fixed assets		1,021	14,902
Net cash used in investing activities		(44,512)	(57,597)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term finances - repaid		(79,537)	(77,880)
Short term finances - net		393,125	71,697
Dividend paid - net		(8)	46
Net cash generated from / (used) in financing activities		313,580	(6,137)
Net decrease in cash and cash equivalents		(56,156)	(473,987)
Cash and cash equivalents at beginning of the period		(4,448,892)	(4,286,572)
Cash and cash equivalents at end of the period	13	(4,505,048)	(4,760,559)

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



Hussain Kuli Khan
Chief Executive



Naeem A. Sattar
Director



Siraj A. Lawai
Chief Financial Officer

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2024

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, 2024.

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, 2024

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, 2024.

There were certain amendments to approved accounting standards which were mandatory for the Company's annual accounting period which began on July 01, 2024. 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.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2024

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, 2024.

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, 2024.

	September 30, 2024 (Un-audited)	June 30, 2024 (Audited)
	--- Rupees in '000 ---	
5. TRADE AND OTHER PAYABLES		
Trade creditors	1,041,524	788,929
Bills payable	1,548,984	1,292,909
Accrued expenses	887,973	885,849
Royalty fee payable	299,828	256,001
Advances from customers	253,940	85,948
Staff provident fund payable	6,289	7,064
Staff retirement benefits	91,562	99,639
Short term deposits	4,418	2,946
Workers' profit participation fund	1,057	11,453
Workers' welfare fund	4,754	4,352
Payable to Waqf-e-Kuli Khan	6,255	5,726
Interest payable on custom duties	29,933	29,933
Sales tax	-	121,967
Others	48,057	62,084
	<u>4,224,574</u>	<u>3,654,800</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 18.1 to the audited financial statements of the Company for the year ended June 30, 2024.

	September 30, 2024 (Un-audited)	June 30, 2024 (Audited)
	--- Rupees in '000 ---	
6.1.2 Guarantees issued by commercial banks on behalf of the Company	<u>439,306</u>	<u>481,921</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>33,341</u>	<u>41,928</u>

		September 30, 2024 (Un-audited)	June 30, 2024 (Audited)
		--- Rupees in '000 ---	
6.2 Commitments	Note		
6.2.1 Commitments in respect of:			
- letters of credit for capital expenditure		-	42,068
- letters of credit for purchase of raw material and stores & spares		2,100,680	2,181,997
- purchase orders issued to local suppliers for capital expenditure		131,147	136,043
- Ijarah rentals		105,142	-
- sales contracts entered into by the Company		115,953	301,120
- tentative schedules for supply of tyres		2,269,055	2,019,414
7. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	7.1	7,010,462	7,137,840
Capital work-in-progress		223,449	180,311
		7,233,911	7,318,151
7.1 Operating fixed assets			
Book value at beginning of the period / year		7,137,840	7,434,108
Additions during the period / year		2,395	242,595
Disposals costing Rs. 1.975 million (June 30, 2024: Rs. 55.0 million) - book value		(856)	(14,424)
Depreciation for the period / year		(128,917)	(524,439)
Book value at end of the period / year		7,010,462	7,137,840
8. INVESTMENTS IN AN ASSOCIATED COMPANY - Quoted			
Ghandhara Industries Limited			
- Equity accounted investment			
Balance at beginning of the year		33,772	24,902
Share of profit for the period		2,173	1,047
Share of other comprehensive income		-	7,823
Balance at end of the period / year		35,945	33,772
8.1 Investment in Ghandhara Industries Limited (GIL) represents 201,400 (June 30, 2024: 201,400) fully paid ordinary shares of Rs 10 each representing 0.473% (June 30, 2024: 0.473%) of its issued, subscribed and paid-up share capital as at September 30, 2024. 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, 2024 was Rs. 64.633 million (June 30, 2024 : Rs: 55.061 million)			

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM
FINANCIAL STATEMENTS (UN-AUDITED)**

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2024

		September 30,	June 30,
		2024	2024
		(Un-audited)	(Audited)
		--- Rupees in '000 ---	
9. STOCKS	Note		
Raw materials			
- in hand		1,376,065	1,550,469
- in transit		713,691	623,385
		2,089,756	2,173,854
Work-in-process		359,047	366,579
Finished goods			
- in hand		3,903,535	2,537,646
- in transit		3,425	-
		3,906,960	2,537,646
		6,355,763	5,078,079

		Quarter ended	
		September 30,	
		2024	2023
		(Un-audited)	
		--- Rupees in '000 ---	
10. COST OF SALES	Note		
Opening stock of finished goods		2,537,646	2,108,689
Cost of goods manufactured	10.1	4,600,097	4,078,339
Finished goods purchased		5,357	-
		4,605,454	4,078,339
		7,143,100	6,187,028
Closing stock of finished goods	9	3,906,960	2,102,188
		3,236,140	4,084,840

		Quarter ended September 30,	
		2024	2023
		(Un-audited)	
		--- Rupees in '000 ---	
10.1	Cost of goods manufactured		
	Opening work-in-process	366,579	368,897
	Factory overheads and raw materials consumed	4,592,565	4,142,224
		<u>4,959,144</u>	4,511,121
	Closing work-in-process	359,047	432,782
		<u>4,600,097</u>	<u>4,078,339</u>
11.	LEVIES AND INCOME TAX		
11.1	This represent final taxes paid under section 154 of the Income Tax Ordinance, 2001 (ITO, 2001) representing levy in terms of requirements of IFRIC 21 / IAS 37.		
11.2	This represent minimum tax paid under section 113 of the Income Tax Ordinance, 2001 (ITO, 2001) representing levy in terms of requirements of IFRIC 21 / IAS 37.		
11.3	Taxation		
	Current	26,970	40,727
	Deferred	(40,321)	9,981
		<u>(13,351)</u>	<u>50,708</u>
12.	CASH GENERATED FROM OPERATIONS		
	Profit before taxation	29,465	141,383
	Adjustments for non-cash charges and other items		
	Depreciation	128,917	132,881
	Amortisation	234	326
	Provision for staff retirement gratuity	34,860	32,031
	Charge of employees compensated absences	5,301	4,031
	Reversal of provision for expected credit loss	(8,290)	(1,461)
	Profit on bank deposits	(430)	(454)
	Gain on sale of operating fixed assets	(165)	(5,415)
	Finance cost	393,458	414,033
	Share of profit of an associated company	(2,173)	(7,438)
	Working capital changes	(489,569)	(610,796)
		<u>91,608</u>	<u>99,121</u>

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM
FINANCIAL STATEMENTS (UN-AUDITED)**
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2024

	Quarter ended September 30,	
	2024	2023
	(Un-audited)	
	--- Rupees in '000 ---	
12.1 Working capital changes		
(Increase) / decrease in current assets:		
- Stores and spares	(10,466)	4,410
- Stocks	(1,277,684)	(232,073)
- Trade debts	637,216	(93,474)
- Loans and advances	(275,102)	(7,203)
- Deposits and prepayments	(68,789)	(59,976)
- Other receivables	(64,973)	(5,208)
	<u>(1,059,798)</u>	<u>(393,524)</u>
Increase / (decrease) in current liabilities:		
- Trade and other payables	570,229	(217,272)
	<u>(489,569)</u>	<u>(610,796)</u>
13. CASH AND CASH EQUIVALENTS		
Running finances under mark-up arrangements	(4,628,075)	(4,895,552)
Cash and bank balances	123,027	134,993
	<u>(4,505,048)</u>	<u>(4,760,559)</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, 2024 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, 2023: one) customer aggregating Rs.416.168 million (September 30, 2023: Rs.632.842 million) during the period which constituted 10.77% (September 30, 2023: 13.06%) of net sales.

Quarter ended
September 30,

2024 2023

(Un-audited)

--- Rupees in '000 ---

15. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

15.1 Significant transactions with related parties are as follows:

Associated companies/undertakings:

Sales of goods	132,544	75,124
Rent	-	450
Donation	529	1,738

Key management personnel:

Provision towards staff gratuity fund	5,887	5,988
Contribution towards employees provident fund	6,991	6,076
Salaries and other employee benefits	69,473	63,533
Meeting fees	2,000	3,000

September 30, June 30,

2024 2024

(Un-audited) (Audited)

--- Rupees in '000 ---

15.2 Period / year end balances are as follows:

Payables to associated companies / related parties

Staff retirement gratuity	33,511	30,124
Trade and other payable	14,256	5,726

Receivables from associated companies / related parties

Long term loans and advances	-	111
Loans and advances	69	111

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM
FINANCIAL STATEMENTS (UN-AUDITED)**

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2024

16. GENERAL

16.1 Date of authorisation for issue

These condensed interim financial statements were authorised for issue on October 24, 2024 by the Board of Directors of the Company.

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

16.3 Corresponding figures have been reclassified wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of comparison in accordance with the accounting and reporting standards as applicable.



Hussain Kuli Khan
Chief Executive



Naeem A. Sattar
Director



Siraj A. Lawai
Chief Financial Officer



EVERY **JOURNEY**
HAS A **DESTINATION**



GHANDHARA TYRE AND RUBBER COMPANY LIMITED

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