



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

Innovating
in Harmony
with



Nature



HALF YEAR
DECEMBER
2023



GTR Tyres, a symbol of harmony between cutting-edge technology and nature. Committed to the environment, we proudly hold ISO certifications for Quality Management (ISO9001), Environmental Management (ISO 14001), and Health & Safety Management (ISO 45001). These underscore our promise of a greener future for generations to come. With over 55 years of expertise, GTR Tyres are masterfully manufactured using German Technology and tested in Japan & Europe, minimizing our environmental footprint and paving the way for a sustainable future.

CTR
TYRE



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COMPANY PROFILE

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
Mr. Naeem Sattar
Mrs. Nazia Qureshi
Syed Ahmed Iqbal Ashraf

Company Secretary

Mr. Khawer Hayat

Chief Financial Officer

Mr. Siraj A. Lawai

Board Audit Committee*

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

Board Human Resource & Remuneration Committee*

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

Auditors

Shinewing Hameed Chaudhri & Co.
Chartered Accountants

Legal Advisor

Ahmed & Qazi Advocates & Legal Consultants

Share Registrar

CDC Share Registrar Services Limited.
CDC House 99-B, Block-B, S.M.C.H.S.,
Main Shahra-e-Faisal Karachi-74400
Customer Support Services(Toll Free) 0800-CDCPL (23275)
Fax: (92-21) 34326053, Email: info@cdcsrcsl.com
Website: www.cdcsrcsl.com

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
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 Baksh Road, Saraan,
Kahuta, Industrial Triangle,
Kahuta Road, Hummak
Islamabad.
Phone : 051 - 5971612-13, 051 - 5971650
Fax : 051 - 5971615

Lahore office / Customer Care & Service Centre

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 Warehouse

Plot No. B30/8, Site Area, Sukkur.
Phone : 0300 0562502

* 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 half year ended December 31, 2023.

BUSINESS REVIEW

Net sales in value terms for the half year ended December 31, 2023 were Rs. 9.89 billion as compared to Rs. 7.17 billion in the same period last year, showing significant growth of 38%.

The company is focusing on Replacement market (RM). This strategy is one of the key drivers for the growth. Moreover, diversified product portfolio in Original Equipment Manufacturer (OEM) segment including tyres for tractors, Passenger car, Light truck (radial and bias) and Truck Bus tyres is helping the Company to mitigate demand fluctuations.

Better agriculture crops amid higher support prices and favorable weather resulted in higher sales of tractor tyres to Farm OEMs as well as in RM segment as compared to same period last year. Whereas passenger car OEMs sales were lower than last period, due to restricted opening of letter of credits (LCs) for CKDs, and increase in car financing rates. This is partly compensated by better sales of passenger car tyre in RM segment. In January, PCR OEM sales numbers improved on a month on month basis.

Export sales for the period were Rs. 123 million as compared to Rs. 107 million in same period last year. The Company is continuously exploring opportunities to expand its export sale in new markets.

The gross profit for the period was Rs. 1,641 million as compared to Rs. 1,108 million in same period last year. Gross profit margin was 16.6% as compared to 15.5% in same period last year. Higher gross margin was mainly due to better sales mix, stability of exchange rate and enhanced focus on RM segment. It was partly offset by higher utility prices, use of LPG during natural gas load shedding and increase in minimum wage rate.

The finance cost for the period was Rs. 832 million as compared to Rs. 588 million in the same period last year. Increase in financial cost is mainly attributable to increase in discount rate by SBP and higher working capital requirements consequent to devaluation of Pak Rupee. This was partially offset by better working capital management.

The independent rating agency PACRA has maintained Company's long-term rating to A+ and short-term rating to A1 on August 1, 2023 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 half year ended December 31, 2023 was Rs. 151.4 million as compared to profit after tax of Rs. 40.1 million reported in same period last year.

FUTURE PROSPECTS

We expect that improved agriculture outlook due to better crops and higher support prices would support farm tyre sales in both RM and OEM segments in coming months.

Your Company has started supplying 17 inch rim size tyre to two Japanese OEMs for their Sports Utility Vehicle (SUV) / Crossover. Some OEMs have also shown interest for 18 inch rim size tyres. We have already started selling 18 inch tyres in RM segment.

Regulatory and administrative measures by the Government to curb smuggling in the half year were encouraging for the local industry. These measures 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.

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

A handwritten signature in black ink, appearing to read 'Nazia Qureshi'.

Nazia Qureshi
Director

Karachi

Dated: February 27, 2024

مستقبل کے امکانات

ہم توقع کرتے ہیں کہ آنے والے مہینوں میں بہتر فصلوں اور امدادی قیمتوں میں اضافے کی وجہ سے زرعی شعبے میں بہتری آئے گی جس کے نتیجے میں OEM اور RM دونوں طبقات میں فارم ہائرس کی فروخت میں مدد ملے گی۔

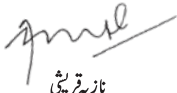
آپ کی کمپنی نے دو جاپانی OEMs کو ان کی اسپورٹس پوٹیلٹی ویہیکل (SUV) / کراس اور کے لیے 17 اچھ مہ سائز کے ٹائز کی فراہمی شروع کر دی ہے۔ کچھ OEMs نے 18 اچھ مہ سائز کے ٹائزوں کے لیے بھی دلچسپی ظاہر کی ہے۔ کمپنی نے پہلے ہی RM طبقہ میں 18 اچھ مہ سائز کے ٹائز شروع کر دیے ہیں۔

اسٹیلنگ کو روکنے کے لیے ششماہی کے دوران حکومت کے ریگولیٹری اور انتظامی اقدامات مقامی صنعت کے لیے بہت حوصلہ افزاء ہیں۔ ان اقدامات کو ہمارے ملک کی معاشی صورتحال کو بہتر بنانے کے لیے جاری رکھنے کی ضرورت ہے۔ انڈرانوائسنگ اور اسٹیلنگ نہ صرف مقامی صنعت کو متاثر کر رہی ہے بلکہ حکومت کو اس کے واجب الادا ٹیکس آمدنی سے 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۔

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 میں 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 شکریہ ادا کرتا ہے۔ بورڈ مشکل معاشی وقت میں ملازمین اور انتظامیہ کی طرف سے پیش کی جانے والی خدمات کو بھی سراہتا ہے۔



نازیہ قریشی
ڈائریکٹر



حسین فحی خان
چیف ایگزیکٹو

کراچی

27 فروری، 2024

گندھارا ٹائری انڈیا پرائیویٹ لمیٹڈ (کمپنی) کے ڈائریکٹرز 31 دسمبر، 2023 کو ختم ہونے والے ششماہی کے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے نہایت خوشی محسوس کرتے ہیں۔

کاروباری تجزیہ

خالص فروخت زیر جائزہ ششماہی 31 دسمبر، 2023 کے دوران 9.89 ارب روپے رہی، جو کہ پچھلے سال 7.17 ارب روپے کے مقابلے میں قدر کے لحاظ سے 38 فیصد کی نمو کو ظاہر کرتی ہے۔

کمپنی رتیلیمینٹ مارکیٹ (RM) پر توجہ مرکوز کر رہی ہے۔ یہ حکمت عملی ترقی کے کلیدی محرکات میں سے ایک ہے۔ مزید برآں، اورینٹل اکیڈمی پینٹ میٹریٹل پراجیکٹرز (OEMs) طے میں وسیع پروڈکٹ پورٹ فولیو بشمول ٹریکٹرز، مسافر کار، لائٹ ٹرک (ریڈیل اور ہائیس) اور ٹرک بس کے ٹائر کمپنی کو طلب میں اتار چڑھاؤ کو کم کرنے میں مدد فراہم کر رہے ہیں۔

بہتر فصلوں، سازگار موسم اور فصلوں کی امدادی قیمتوں میں اضافے کے نتیجے میں گزشتہ سال کی اسی مدت کے مقابلے میں فارم OEM کے ساتھ ساتھ RM طے میں ٹریکٹر ٹائروں میں زیادہ فروخت ہوئی۔ جبکہ مسافر کار OEMs کی فروخت پچھلی مدت کے مقابلے میں کم رہی، جس کی وجہ CKD کے لیے لیفر آف کریڈٹ (LCs) کھولنے پر عائد پابندی اور کار فائٹنگ کی شرح میں اضافہ ہے۔ یہ کمی جزوی طور پر RM طے میں مسافر کار کے ٹائر کی زیادہ فروخت سے بہتر ہوئی ہے۔ جنوری میں، مسافر کار OEMs کی فروخت دیگر مہینوں کی نسبت بہتر ہوئی ہے۔

اس مدت میں کمپنی کی برآمدی فروخت 123 ملین روپے رہی جو پچھلے سال کے اسی دورانیہ میں 107 ملین روپے تھی۔ کمپنی نئی مارکیٹوں میں اپنی برآمدی فروخت کو بڑھانے کے مواقع تلاش کر رہی ہے۔

اس مدت کے دوران مجموعی منافع 1,641 ملین روپے رہا جو پچھلے سال اسی مدت کے مقابلے میں 1,108 ملین روپے تھا۔ مجموعی منافع کا مارجن 16.6 فیصد رہا جبکہ پچھلے سال اسی عرصے میں 15.4 فیصد تھا۔ زیادہ مجموعی مارجن بنیادی طور پر بہتر سٹریٹجی، زرمبادلہ کی شرح میں استحکام اور RM طے پر بہتر توجہ کی وجہ سے ہے۔ جس کو جزوی طور پر یوٹیلیٹی کی بلند قیمتوں، قدرتی گیس کی لوڈ شیڈنگ کے دوران ایل پی جی کا استعمال اور کم اجرت میں اضافے نے کم کیا ہے۔

اس مدت میں مالیاتی اخراجات 832 ملین روپے رہے جو کہ پچھلے سال اسی مدت کے مقابلے میں 588 ملین روپے تھے۔ مالیاتی لاگت میں اضافہ بنیادی طور پر اسٹیٹ بینک آف پاکستان (SBP) کی جانب سے ڈسکاؤنٹ ریٹ میں اضافے اور پاک روپے کی قدر میں کمی کے نتیجے میں زیادہ ورکنگ کپٹل کی ضروریات سے منسوب ہے، جسے جزوی طور پر بہتر ورکنگ کپٹل مینجمنٹ کے ذریعے کم کیا گیا ہے۔

آزاد ریٹنگ ایجنسی PACRA نے کمپنی کے کاروباری مالیاتی ریسک پر وفاق کا جائزہ لینے کے بعد یکم اگست 2023 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 پروفاصل کی عکاسی کرتی ہے۔

مذکورہ بالا عوامل کے نتیجے میں، 31 دسمبر، 2023 کو ختم ہونے والی ششماہی میں منافع بعد از محصول 151.4 ملین روپے رہا جو پچھلے سال کی اسی مدت میں 40.1 ملین روپے تھا۔

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
GHANDHARA TYRE AND RUBBER COMPANY LIMITED

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statements of financial position of **Ghandhara Tyre and Rubber Company Limited** (the Company) as at December 31, 2023 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the half year then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

The figures of the condensed interim statement of profit or loss and other comprehensive income for the quarters ended December 31, 2023 and 2022 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2023.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is Raheel Ahmed.

Shinewing Hameed Chaudhri & Co.
SHINEWING HAMEED CHAUDHRI & CO.
CHARTERED ACCOUNTANTS
KARACHI; 08 FEB 2024
UDIN: RR202310105dgel4KAvp

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CONDENSED
INTERIM
**FINANCIAL
STATEMENT**

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023**

	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
Note	--- Rupees in '000 ---	
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized capital		
125,000,000 (June 30, 2023: 125,000,000)		
ordinary shares of Rs.10 each	1,250,000	1,250,000
Issued, subscribed and paid-up capital		
121,933,350 (June 30, 2023: 121,933,350)	1,219,334	1,219,334
Revenue Reserve		
Unappropriated profit	1,220,002	1,060,795
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	5,913,084	5,753,877
LIABILITIES		
NON CURRENT LIABILITIES		
Long term finances	428,124	555,592
Staff benefits	529,575	486,964
Deferred liabilities	135,593	157,402
Long term deposits from dealers	13,130	11,630
Deferred tax - net	65,612	48,756
	1,172,034	1,260,344
CURRENT LIABILITIES		
Current maturity of long term finances	276,287	273,579
Current maturity of deferred liabilities	39,827	38,549
Short term finances	2,166,791	1,824,575
Running finances under mark-up arrangements	5,031,458	4,426,247
Trade and other payables	4,288,251	3,978,092
Unclaimed dividend	19,374	19,332
Accrued mark-up	396,108	375,397
Provisions	324,514	324,514
	12,542,610	11,260,285
TOTAL LIABILITIES	13,714,644	12,520,629
Contingencies and commitments	5	
TOTAL EQUITY AND LIABILITIES	19,627,728	18,274,506



Siraj A. Lawai
Chief Financial Officer



Hussain Kuli Khan
Chief Executive



Nazia Qureshi
Director

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

		December 31,	June 30,
	Note	2023	2023
		(Un-audited)	(Audited)
		--- Rupees in '000 ---	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	7	7,520,458	7,682,381
Intangible assets		2,335	2,335
Investment in an associated company		32,631	24,902
Long term loans and advances		6,752	4,987
Long term deposits		19,468	19,468
		<u>7,581,644</u>	<u>7,734,073</u>
CURRENT ASSETS			
Stores and spares		753,843	759,907
Stocks	8	6,049,259	4,811,895
Trade debts		3,018,965	2,941,341
Loans and advances		173,575	144,480
Deposits and prepayments		93,892	50,614
Other receivables		198,213	208,912
Taxation - net		1,559,519	1,483,609
Cash and bank balances		198,818	139,675
		<u>12,046,084</u>	<u>10,540,433</u>
TOTAL ASSETS		<u>19,627,728</u>	<u>18,274,506</u>

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



Siraj A. Lawai
Chief Financial Officer



Hussain Kuli Khan
Chief Executive



Nazia Qureshi
Director

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT
AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023**

		Quarter ended		Half year ended	
		December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Note		----- Rupees in '000 -----			
Sales - net		5,047,712	3,971,587	9,889,939	7,169,456
Cost of sales	9	(4,163,765)	(3,430,227)	(8,248,605)	(6,061,542)
Gross profit		883,947	541,360	1,641,334	1,107,914
Administrative expenses		(111,050)	(80,801)	(210,684)	(159,712)
Distribution cost		(211,573)	(163,990)	(386,890)	(293,285)
Other income		14,103	30,134	92,247	50,164
Other expenses		(16,518)	18,905	(29,120)	(36,326)
Profit from operations		558,909	345,608	1,106,887	668,755
Finance cost		(418,405)	(301,440)	(832,438)	(587,837)
		140,504	44,168	274,449	80,918
Share of profit / (loss) of an associated company		291	373	(94)	(1,871)
Profit before taxation		140,795	44,541	274,355	79,047
Income tax expense	10	(51,088)	(22,451)	(122,971)	(38,977)
Profit for the period		89,707	22,090	151,384	40,070
Other comprehensive income					
Share of other comprehensive income of an associated company		-	-	7,823	-
Total comprehensive income		89,707	22,090	159,207	40,070
Earnings per share		Rupee	Rupee	Rupees	Rupee
- basic and diluted	11	0.74	0.18	1.24	0.33

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



Siraj A. Lawai
Chief Financial Officer



Hussain Kuli Khan
Chief Executive



Nazia Qureshi
Director

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - UN-AUDITED
FOR THE HALF YEAR ENDED DECEMBER 31, 2023**

	Capital Reserve		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, 2022 (Audited)	1,219,334	1,000,000	-	1,625,199	3,844,533
Transaction with owners, recognized directly in equity					
Final cash dividend for the year ended June 30, 2022 at the rate of Rs.3 per share	-	-	-	(365,800)	(365,800)
Total comprehensive income for the half year ended December 31, 2022					
Profit for the period	-	-	-	40,070	40,070
Other comprehensive income	-	-	-	-	-
	-	-	-	40,070	40,070
Balance as at December 31, 2022	1,219,334	1,000,000	-	1,299,469	3,518,803
Total comprehensive income for six months period ended June 30, 2023					
Loss for the period	-	-	-	(207,434)	(207,434)
Other comprehensive income / (loss)	-	-	2,473,748	(31,240)	2,442,508
	-	-	2,473,748	(238,674)	2,235,074
Balance as at June 30, 2023 (Audited)	1,219,334	1,000,000	2,473,748	1,060,795	5,753,877
Total comprehensive income for the half year ended December 31, 2023					
Profit for the period	-	-	-	151,384	151,384
Other comprehensive income	-	-	-	7,823	7,823
	-	-	-	159,207	159,207
Balance as at December 31, 2023	1,219,334	1,000,000	2,473,748	1,220,002	5,913,084

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



Siraj A. Lawai
Chief Financial Officer



Hussain Kuli Khan
Chief Executive



Nazia Qureshi
Director

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023**

		Half year ended December 31,	
		2023	2022
		--- Rupees in '000 ---	
Note			
CASH FLOWS FROM OPERATING ACTIVITIES			
	Cash generated from operations	12 394,902	186,946
	Staff retirement gratuity paid	(43,967)	(24,117)
	Compensated absences paid	(3,202)	(3,376)
	Long term deposits from dealers - net	1,500	1,060
	Finance cost paid	(811,727)	(498,460)
	Taxes paid	(182,025)	(138,146)
	Long term loans and advances - net	(1,765)	2,960
	Long term deposits - net	-	(42)
	Profit on bank deposits received	925	652
	Net cash used in operating activities	(645,359)	(472,523)
CASH FLOWS FROM INVESTING ACTIVITIES			
	Purchase of property, plant and equipment	(111,925)	(109,034)
	Purchase of intangibles assets	(653)	(2,159)
	Proceeds from sale of operating fixed assets	14,902	5,011
	Net cash used in investing activities	(97,676)	(106,182)
CASH FLOWS FROM FINANCING ACTIVITIES			
	Long term finances - repaid	(145,291)	(299,783)
	Lease rental paid - net	-	(2,613)
	Short term finances - net	342,216	(98,413)
	Dividend paid - net	42	(365,888)
	Net cash generated / (used) from financing activities	196,967	(766,697)
	Net decrease in cash and cash equivalents	(546,068)	(1,345,402)
	Cash and cash equivalents at beginning of the period	(4,286,572)	(2,766,744)
	Cash and cash equivalents at end of the period	(4,832,640)	(4,112,146)

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



Siraj A. Lawai
Chief Financial Officer



Hussain Kuli Khan
Chief Executive



Nazia Qureshi
Director

**NOTES TO THE CONDENSED INTERIM
FINANCIAL STATEMENTS - UN-AUDITED
FOR THE HALF YEAR ENDED DECEMBER 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 & 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;
- Provisions of and directives issued under the Companies Act, 2017.

Where the provision of and directives issues 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.

These condensed interim financial statements have been subjected to limited scope review by the auditors, as required under section 237 of the Companies Act, 2017 and should be read in conjunction with audited annual financial statements of the Company for the year ended June 30, 2023.

3. ACCOUNTING POLICIES

3.1 The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of audited annual financial statements for the year ended June 30, 2023.

There are certain International Financial Reporting Standards, amendments to published standards and interpretations that are mandatory for the financial year beginning on July 1, 2023. 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 these condensed interim financial statements.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these condensed interim financial statements are in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments 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.

**NOTES TO THE CONDENSED INTERIM
FINANCIAL STATEMENTS - UN-AUDITED
FOR THE HALF YEAR ENDED DECEMBER 31, 2023**

During the preparation of these condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited annual financial statements of the Company for the year ended June 30, 2023.

	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
	--- Rupees in '000 ---	
5. TRADE AND OTHER PAYABLES		
Trade creditors	598,109	541,245
Bills payable	1,881,432	1,999,819
Accrued expenses	1,271,956	878,760
Royalty fee payable	188,136	187,569
Advances from customers	66,240	59,610
Staff provident fund payable	5,936	5,264
Staff retirement benefits	94,077	108,045
Short term deposits	3,328	1,106
Workers' profit participation fund	14,735	-
Workers' welfare fund	5,599	-
Payable to Waqf-e-Kuli Khan	3,785	-
Interest payable on custom duties	29,933	29,933
Sales tax payable	73,958	115,154
Others	51,027	51,587
	4,288,251	3,978,092

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, 2023.

	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
	--- Rupees in '000 ---	
6.1.2 Guarantees issued by commercial banks on behalf of the Company	286,734	328,361
6.1.3 Post dated cheques issued to the Collector of Customs against duty on imported plant & machinery, raw materials and stores & spares	41,928	41,928

6.2 Commitments

6.2.1 Commitments in respect of:

- letters of credit for capital expenditure
- letters of credit for purchase of raw material and stores & spares
- purchase orders issued to local suppliers for capital expenditure
- sales contracts entered into by the Company
- tentative schedules for supply of tyres

December 31, June 30,
2023 **2023**
(Un-audited) (Audited)
--- Rupees in '000 ---

Note

-	12,719
2,576,615	2,366,535
148,497	136,978
-	379,045
3,001,852	2,019,414

7. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets
Capital work-in-progress

7.1	7,316,979	7,434,108
	203,479	248,273
	7,520,458	7,682,381

7.1 Operating fixed assets

Book value at beginning of the period / year
Transfer during the period / year
Revaluation surplus
Disposals costing Rs. 23.119 million
(June 30, 2023: Rs. 46.489 million) - book value
Depreciation for the period / year
Book value at end of the period / year

7.2	7,434,108	4,908,830
	156,719	574,410
	-	2,473,748
	(9,487)	(8,952)
	(264,361)	(513,928)
	7,316,979	7,434,108

7.2 Details of transfers to operating fixed assets during the period / year are as follows:

Buildings on leasehold land
Electrical installations
Plant and machinery
Boilers and accessories
Moulds
Vehicles
Factory and office equipment
Furniture & fixtures
Computer equipments

10,685	10,886
1,409	2,475
20,452	482,349
10,369	8,077
84,496	-
15,290	58,075
9,585	9,394
1,878	-
2,555	3,154
156,719	574,410

**NOTES TO THE CONDENSED INTERIM
FINANCIAL STATEMENTS - UN-AUDITED
FOR THE HALF YEAR ENDED DECEMBER 31, 2023**

		December 31, 2023	June 30, 2023
	Note	(Un-audited)	(Audited)
		--- Rupees in '000 ---	
8. STOCKS			
Raw materials			
- in hand		2,076,957	1,607,009
- in transit		940,430	727,300
		3,017,387	2,334,309
Work-in-process		440,851	368,897
Finished good	8.1	2,591,021	2,108,689
		<u>6,049,259</u>	<u>4,811,895</u>

8.1 Finished goods include items costing Rs.167.757 million (June 30, 2023: Rs.163.132 million) which are stated at their net realisable values aggregating Rs.111.008 million (June 30, 2023: Rs 103.308 million). The aggregate amount (reversed) / charged to profit or loss in respect of stocks written down to their net realisable value is Rs (3.075) million (June 30, 2023: Rs 13.708 million).

		For the quarter ended December 31,		For the half year ended December 31,	
		2023	2022	2023	2022
	Note	-----Un-audited-----			
		----- Rupees in '000 -----			
9. COST OF SALES					
Opening stock of finished goods		2,102,188	3,307,106	2,108,689	1,907,017
Cost of goods manufactured	9.1	4,652,598	3,451,600	8,730,937	7,451,067
Finished goods purchased		-	8,867	-	40,804
		4,652,598	3,460,467	8,730,937	7,491,871
		6,754,786	6,767,573	10,839,626	9,398,888
Closing stock of finished goods		(2,591,021)	(3,337,346)	(2,591,021)	(3,337,346)
		<u>4,163,765</u>	<u>3,430,227</u>	<u>8,248,605</u>	<u>6,061,542</u>

**NOTES TO THE CONDENSED INTERIM
FINANCIAL STATEMENTS - UN-AUDITED
FOR THE HALF YEAR ENDED DECEMBER 31, 2023**

		For the half year ended December 31,	
		2023	2022
		(Un-audited)	
		--- Rupees in '000 ---	
12. CASH GENERATED FROM OPERATIONS			
Profit before taxation		274,355	79,047
Adjustments for non-cash charges and other items			
Depreciation		264,361	258,509
Amortisation		653	293
Depreciation on right-of-use assets		-	1,317
Provision for staff retirement gratuity		64,155	46,468
Charge of employees compensated absences		8,456	5,663
(Reversal) / provision for expected credit losses		(774)	5,620
Profit on bank deposits		(925)	(652)
Gain on sale of operating fixed assets		(5,415)	(456)
Finance cost		832,438	587,837
Share of loss of an associated company		94	1,871
Working capital changes	12.1	<u>(1,042,496)</u>	<u>(798,571)</u>
		<u>394,902</u>	<u>186,946</u>
12.1 Working capital changes			
(Increase) / decrease in current assets:			
Stores and spares		6,064	(39,826)
Stocks		(1,237,364)	(249,110)
Trade debts		(76,850)	26,465
Loans and advances		(29,095)	50,859
Deposits and prepayments		(43,278)	(23,783)
Other receivables		10,699	21,419
		<u>(1,369,824)</u>	<u>(213,976)</u>
(Decrease) / increase in current liabilities:			
Trade and other payables and provision		327,328	(584,595)
		<u>(1,042,496)</u>	<u>(798,571)</u>
13. CASH AND CASH EQUIVALENTS			
For the purpose of statement of cash flows, cash and cash equivalents comprise of following:			
Running finances under mark-up arrangements		(5,031,458)	(4,281,705)
Cash and bank balances		198,818	169,559
		<u>(4,832,640)</u>	<u>(4,112,146)</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 December 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 two (December 31, 2022: one) customers aggregating Rs. 2,163.404 million (December 31, 2022: Rs. 1,101.091 million) during the period which constituted 21.87% (December 31, 2022: 15.36%) 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 transactions with various related parties.

		For the half year ended December 31,	
		2023	2022
		(Un-audited)	
		--- Rupees in '000 ---	
15.1	Transactions with related parties are as follows:		
	Associated companies/undertakings:		
	Sales of goods	166,183	215,411
	Rent	900	900
	Donation	3,785	1,006
	Other related parties:		
	Provision towards staff gratuity fund	14,162	8,927
	Contribution towards employees provident fund	12,642	11,816
	Salaries and other benefits to key management personnel	46,090	37,673
	Meeting fees	6,600	4,500
		December 31,	June 30,
		2023	2023
		(Un-audited)	(Audited)
		--- Rupees in '000 ---	
15.2	Period / year end balances are as follows:		
	Payables to associated companies / related parties		
	Staff retirement gratuity	50,901	66,740
	Trade and other payable	9,272	-
	Receivables from associated companies / related parties		
	Loans and advances	195	278
	Trade debts	75,651	20,807
	Deposits and prepayments	-	900

**NOTES TO THE CONDENSED INTERIM
FINANCIAL STATEMENTS - UN-AUDITED
FOR THE HALF YEAR ENDED DECEMBER 31, 2023**

16. GENERAL

16.1 Date of authorisation for issue

These condensed interim financial statements were authorised for issue on February 27, 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.



Siraj A. Lawai
Chief Financial Officer



Hussain Kuli Khan
Chief Executive



Nazia Qureshi
Director



GTR

TYRE

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



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



GHANDHARA TYRE AND RUBBER COMPANY LIMITED

HEAD OFFICE/FACTORY

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