



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

Half Yearly Report December 31, 2024



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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 Triangle, 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 the Company for the half year ended December 31, 2024.

BUSINESS REVIEW

Net sales in value terms for the half year ended December 31, 2024 were Rs. 9.00 billion as compared to Rs. 9.89 billion in the same period last year, showing decline of 9%. Whereas sales for the second quarter ended December 31, 2024 increased by 2%.

Sales for the period under review decreased from last period mainly due to depressed farm tyre sales. Farm Original Equipment Manufacturer (OEM) and Replacement Market (RM) sales were partially impacted due to lower wheat prices, late sowing of kharif crops and low purchasing power of customers. Moreover, farm OEM sales also decreased due to closure of a tractor OEM for some period during first quarter and delay in launching of tractor scheme. Due to this, farm tyre sales to OEMs for tractor scheme were partially recorded in Q2. Farm tyre sales are expected to improve in coming quarters due to upcoming crop season and sale of remaining tyres to farm OEMs for tractors under scheme in Q3.

This was partially offset by increase in sales of Passenger car and Light Truck tyres, in both OEM and RM segment. It is anticipated that with decrease in policy rate, the auto financing would increase resulting in further improvement in OEM offtakes. The sales are also expected to improve due to overall improvement in economic activity.

Export sales for the period were Rs. 102 million as compared to Rs. 123 million in same period last year. Marginally lower sales from same period last year was due to delay in a shipment. The export sales are expected to improve in upcoming quarters.

The gross profit for the period was Rs. 1,274 million as compared to Rs. 1,641 million in same period last year. Gross profit margin was 14.1% as compared to 16.6% in same period last year. Lower gross margin was mainly due to higher utility prices, in particular due to revision in gas prices and increase in minimum wages partly offset by better sales mix and stable exchange rate.

The finance cost for the period was Rs. 733 million as compared to Rs. 832 million, reduced by Rs 99 million from the same period last year. Decrease in financial cost is mainly due to decrease in discount rate by SBP.

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.

GHANDHARA TYRE AND RUBBER COMPANY LIMITED

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



As a result of the factors mentioned above, profit after tax for the half year ended December 31, 2024 was Rs. 25.1 million as compared to profit after tax of Rs. 159.2 million reported in same period last year.

FUTURE PROSPECTS

During the current financial year, the discount rate was reduced by 10%, which is benefiting the Company in terms of lower financial costs. Additionally, this reduction may drive an increase in auto financing, leading to improved OEM sales. This along with exchange rate stability and the revival of economic activity, are key factors for the future profitability of the Company.


The Company is proactively implementing strategies to minimize costs. As highlighted earlier, we have partnered with K Solar (Pvt.) Limited for the development of up to 2MW project under build, operate, and transfer model, expected to be operational from next quarter. This initiative will enhance our energy portfolio, boost operational efficiency, and reduce long-term energy risks.

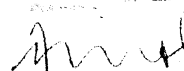
Additionally, we remain committed to introducing new sizes and designs for both the OEM and RM segments, with several already commercialized and actively available in the market.

The Government's regulatory and administrative efforts to combat smuggling are commendable. However, sustained action is essential to further strengthen the country's economic landscape. Under-invoicing and smuggling not only harmful for the local industry but also result in significant tax revenue losses for the Government. Continued enforcement of these measures will help create a level playing field for local businesses and support job creation.

The Board would like to thank all our OEM and Replacement market 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.


Chief Executive


Director

Karachi

Dated: February 27, 2025

**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, 2024 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, 2024 and 2023 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2024.

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.

Shinwing Hameed Chaudhri & Co.
SHINEWING HAMEED CHAUDHRI & CO.

CHARTERED ACCOUNTANTS**KARACHI;**

Date: February 28, 2025

UDIN: RR202410105vLQteoF3q




GHANDHARA TYRE AND RUBBER COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024

	Note	Un-audited December 31, 2024	Audited June 30, 2024
----- (Rupees in '000) -----			
EQUITY AND LIABILITIES			
Equity			
Authorized capital 125,000,000 (June 30, 2024: 125,000,000) ordinary shares of Rs.10 each		<u>1,250,000</u>	<u>1,250,000</u>
Issued, subscribed and paid-up capital 121,933,350 (June 30, 2024: 121,933,350)		<u>1,219,334</u>	<u>1,219,334</u>
Revenue reserve - unappropriated profit		<u>1,099,319</u>	<u>1,302,223</u>
Capital reserves			
Reserve for capital expenditure		<u>1,000,000</u>	<u>1,000,000</u>
Surplus on revaluation of leasehold lands		<u>2,473,748</u>	<u>2,473,748</u>
		<u>3,473,748</u>	<u>3,473,748</u>
Total Equity		<u>5,792,401</u>	<u>5,995,305</u>
Liabilities			
Non current liabilities			
Long term finances		<u>335,465</u>	<u>382,709</u>
Staff benefits		<u>607,831</u>	<u>533,723</u>
Deferred liabilities		<u>99,839</u>	<u>116,803</u>
Liabilities under diminishing musharaka financing	5	<u>79,503</u>	<u>-</u>
Long term deposits from dealers		<u>15,430</u>	<u>13,230</u>
Deferred tax - net		<u>132,228</u>	<u>46,121</u>
		<u>1,270,296</u>	<u>1,092,586</u>
Current liabilities			
Current maturity of long term finances		<u>133,183</u>	<u>205,563</u>
Current maturity of deferred liabilities		<u>35,057</u>	<u>37,441</u>
Current maturity of liabilities under diminishing musharaka		<u>13,550</u>	<u>-</u>
Short term finances	6	<u>3,515,403</u>	<u>2,004,431</u>
Running finances under mark-up arrangements		<u>4,655,388</u>	<u>4,673,327</u>
Trade and other payables	7	<u>4,404,575</u>	<u>3,654,800</u>
Unclaimed dividend		<u>22,486</u>	<u>19,367</u>
Accrued mark-up		<u>322,892</u>	<u>388,060</u>
Provisions		<u>777,225</u>	<u>777,225</u>
		<u>13,879,759</u>	<u>11,760,214</u>
Total Liabilities		<u>15,150,055</u>	<u>12,852,800</u>
Contingencies and commitments	8		
Total Equity and Liabilities		<u>20,942,456</u>	<u>18,848,105</u>

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.


Chief Executive


Director


Chief Financial Officer

GHANDHARA TYRE AND RUBBER COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024

ASSETS	Note	Un-audited December 31, 2024	Audited June 30, 2024
		----- (Rupees in '000) -----	
Non current assets			
Property, plant and equipment	9	7,228,486	7,318,151
Intangible assets		1,154	1,621
Investment in an associated company		38,965	33,772
Long term loans and advances		3,444	4,793
Long term deposits		36,167	19,435
		7,308,216	7,377,772
Current assets			
Stores and spares		852,646	814,490
Stocks	11	6,849,509	5,078,079
Trade debts		3,885,489	3,693,470
Loans and advances		160,051	113,475
Deposits and prepayments		78,231	38,045
Other receivables		273,029	257,974
Taxation - net		1,394,434	1,250,365
Cash and bank balances		140,851	224,435
		13,634,240	11,470,333
Total Assets		20,942,456	18,848,105

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.


Chief Executive


Director

SNC


Chief Financial Officer

GHANDHARA TYRE AND RUBBER COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME - UN-AUDITED
FOR THE HALF YEAR ENDED DECEMBER 31, 2024

	Note	Quarter ended		Half year ended	
		December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
(Rupees in '000)					
			Re-stated		Re-stated
Sales - net		5,138,696	5,047,712	9,003,635	9,889,939
Cost of sales	12	(4,493,882)	(4,163,765)	(7,730,022)	(8,248,605)
Gross profit		644,814	883,947	1,273,613	1,641,334
Administrative expenses		(133,710)	(111,050)	(223,385)	(210,684)
Distribution cost		(190,967)	(211,573)	(343,951)	(386,890)
Other income		35,548	14,103	72,146	92,247
Other expenses		(14,724)	(16,518)	(16,712)	(29,120)
Profit from operations		340,961	558,909	761,711	1,106,887
Finance cost		(339,875)	(418,405)	(733,333)	(832,438)
		1,086	140,504	28,378	274,449
Share of profit / (loss) of an associated company		3,111	291	5,284	(94)
Profit before income and revenue taxes		4,197	140,795	33,662	274,355
Revenue tax	13.1	(40,328)	1,188	(61,474)	(19,926)
(Loss) / profit before income tax		(36,131)	141,983	(27,812)	254,429
Taxation reversal / (charge)	13.2	40,192	(52,276)	53,014	(103,045)
Profit for the period		4,061	89,707	25,202	151,384
Other comprehensive income					
Share of other comprehensive (loss) / income of an associated company		(91)	-	(91)	7,823
Total comprehensive income		3,970	89,707	25,111	159,207
		Rupee	Rupee	Rupee	Rupees
Earnings per share					
- basic and diluted	14	0.03	0.74	0.21	1.24

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.


Chief Executive


Director

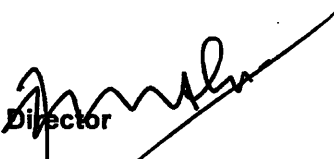

Chief Financial Officer

GHANDHARA TYRE AND RUBBER COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - UN-AUDITED
FOR THE HALF YEAR ENDED DECEMBER 31, 2024

	Issued, subscribed and paid- up capital	Capital reserve		Revenue reserve - unappropriated profit	Total
		Reserve for capital expen- diture	Surplus on revaluation of leasehold lands		
	(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 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
Total comprehensive income for six months period ended June 30, 2024					
Profit for the period	-	-	-	77,676	77,676
Other comprehensive income	-	-	-	4,545	4,545
	-	-	-	82,221	82,221
Balance as at June 30, 2024 (Audited)	1,219,334	1,000,000	2,473,748	1,302,223	5,995,305
Total comprehensive income for the half year ended December 31, 2024					
Final cash dividend for the year ended June 30, 2024 @ Rs.1.87 per share				(228,015)	(228,015)
Profit for the period	-	-	-	25,202	25,202
Other comprehensive loss	-	-	-	(91)	(91)
	-	-	-	25,111	25,111
Balance as at December 31, 2024	1,219,334	1,000,000	2,473,748	1,099,319	5,792,401

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.


Chief Executive


Director


Chief Financial Officer

**GHANDHARA TYRE AND RUBBER COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS - UN-AUDITED
FOR THE HALF YEAR ENDED DECEMBER 31, 2024**

	Note	Half year ended December 31,	
		2024 ----- (Rupees in '000) -----	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	15	(249,946)	394,902
Staff retirement gratuity paid		(19,876)	(43,967)
Compensated absences paid		(2,570)	(3,202)
Long term deposits from dealers - net		2,200	1,500
Finance cost paid		(798,501)	(811,727)
Taxes paid / deducted at source		(66,422)	(182,025)
Long term loans and advances - net		1,349	(1,765)
Long term deposits - net		(16,732)	-
Profit on bank deposits received		790	925
Net cash used in operating activities		(1,149,708)	(645,359)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(78,888)	(111,925)
Purchase of intangibles assets		-	(653)
Proceeds from sale of operating fixed assets		18,618	14,902
Net cash used in investing activities		(60,270)	(97,676)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term finance - repaid		(138,972)	(145,291)
Liabilities under diminishing musharaka - repaid		(2,771)	-
Short term finances - net		1,510,972	342,216
Dividend (paid) / adjusted - net		(224,896)	42
Net cash generated from financing activities		1,144,333	196,967
Net decrease in cash and cash equivalents		(65,645)	(546,068)
Cash and cash equivalents at beginning of the period		(4,448,892)	(4,286,572)
Cash and cash equivalents at end of the period	16	(4,514,537)	(4,832,640)

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.


Chief Executive


Director


Chief Financial Officer

GHANDHARA TYRE AND RUBBER COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - UN-AUDITED
FOR THE HALF YEAR ENDED DECEMBER 31, 2024

1. LEGAL STATUS AND OPERATIONS

1.1 Ghandhara Tyre And Rubber Company Limited (the Company) 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. During the period, the Company entered into technical assistance agreement with Shandong Huasheng Rubber Co. Ltd. (SHRC), a leading technology service provider in the tyre industry, having registered address at Daozhuang Industrial Park, Guangrao County, Shandong, China, effective from September 2024 for the period of seven (7) years.

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;
- Provision 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, 2024.

3. MATERIAL ACCOUNTING POLICY INFORMATION

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, 2024.

There are certain International Financial Reporting Standards, amendments to published standards and interpretations that are mandatory for the financial year beginning on July 1, 2024. 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.

3.2 Accounting guidance issued by the Institute of Chartered Accountants of Pakistan (ICAP) on accounting for minimum taxes and final taxes.

The Institute of Chartered Accountants of Pakistan (ICAP) have withdrawn the Technical Release 27 "IAS 12, Income Taxes (Revised 2012)" and issued guidance - "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes" via circular No.07/2024 dated May 15, 2024. The said guidance requires certain amounts of tax paid under minimum and final tax regime to be shown separately as a levy instead of showing it in current tax.

Accordingly, the impact has been incorporated in these condensed interim financial statements retrospectively in accordance with the requirement of International Accounting Standard (IAS 8) - 'Accounting Policies, Change in Accounting Estimates and Errors'. This requirement was initially applied in the financial statements of the Company for the year ended June 30, 2024. Accordingly the figures of prior period condensed interim financial statements for the period ended December 31, 2023 have been restated. There has been no effect on the condensed interim statement of financial position, the condensed interim statement of changes in equity, the condensed interim statement of cashflows and earning per share as a result of this change.

Effect on profit or loss and other comprehensive income	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
	----- (Rupees in '000) -----		
For the period ended December 31, 2024			
Taxation - Final taxes	-	61,474	61,474
Profit / (loss) before income tax	33,662	(61,474)	(27,812)
Taxation - Income tax charge / (reversal)	8,460	(61,474)	(53,014)
For the period ended December 31, 2023			
Taxation - Final taxes	-	19,926	19,926
Profit before income tax	274,355	(19,926)	254,429
Taxation - Income tax	122,971	(19,926)	103,045

4. ACCOUNTING ESTIMATES AND JUDGMENTS

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.

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, 2024.

5. LIABILITIES UNDER DIMINISHING MUSHARAKA FINANCING - Secured

- 5.1 This represents motor vehicles acquired under diminishing musharaka financing facility for the term of 5 years. Rentals due under financing agreement are payable in monthly installments latest by December 2029. Taxes and repairs are to be borne by the Company. Financing rate of 3M KIBOR+1% (June 30, 2024: Nil) per annum have been used as discounting factor. These liabilities are secured by way of assigning title of vehicles in the name of the financial institution.

6. SHORT TERM FINANCES - Secured

	Un-audited December 31, 2024	Audited June 30, 2024
	---- (Rupees in '000) ----	
Conventional	1,052,770	335,627
Shariah compliant	2,462,633	1,668,804
	3,515,403	2,004,431

- 6.1 Short term finance facilities available from commercial and islamic banks aggregate Rs.3,615 million (June 30, 2024: Rs.2,100 million) and are secured against pari passu charge over fixed assets (excluding land and building), stocks and trade debts of the Company. The rates of mark-up of these facilities range from KIBOR plus 0.5% to 1% per annum. These facilities are expiring on various dates upto November 30, 2025.

7. TRADE AND OTHER PAYABLES

	Un-audited December 31, 2024	Audited June 30, 2024
	---- (Rupees in '000) ----	
Trade creditors	1,026,263	788,929
Bills payable	2,007,934	1,292,909
Accrued expenses	931,320	885,849
Royalty fee payable	74,546	256,001
Advances from customers	97,397	85,948
Staff provident fund	6,629	7,064
Staff retirement gratuity	79,764	99,639
Short term deposits	3,883	2,946
Workers' profit participation fund	1,986	11,453
Workers' welfare fund	18,469	4,352
Payable to Waqf-e-Kuli Khan	6,356	5,726
Interest payable on custom duties	29,933	29,933
Sales tax payable	68,231	121,967
Others	51,864	62,084
	4,404,575	3,654,800

8. CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

8.1.1 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 except for the following:

	Un-audited December 31, 2024	Audited June 30, 2024
	---- (Rupees in '000) ----	
8.1.2 Guarantees issued by commercial banks on behalf of the Company	433,830	481,921
8.1.3 Post dated cheques issued to the Collector of Customs against duty on imported plant & machinery, raw materials and stores & spares	33,341	41,928
8.2 Commitments in respect of:		
- letters of credit for capital expenditure	8,734	42,068
- letters of credit for purchase of raw material and stores & spares	2,899,845	2,181,997
- purchase orders issued to local suppliers for capital expenditure	234,649	136,043
- sales contracts entered into by the Company	33,600	301,120
- tentative schedules for supply of tyres	2,130,542	2,485,107

9. PROPERTY, PLANT AND EQUIPMENT

Note	Un-audited December 31, 2024	Audited June 30, 2024
	--- (Rupees in '000) ---	
Operating fixed assets	7,029,304	7,137,840
Capital work-in-progress	199,182	180,311
	<u>7,228,486</u>	<u>7,318,151</u>

9.1 Operating fixed assets

Net book value at beginning of the period / year		7,137,840	7,434,108
Transfers / additions during the period / year	9.1.1	155,841	242,595
Disposals costing Rs.27.202 million (June 30, 2024: Rs.55 million) - book value		(6,871)	(14,424)
Depreciation for the period / year		(257,506)	(524,439)
Net book value at end of the period / year		<u>7,029,304</u>	<u>7,137,840</u>

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

Buildings on leasehold land		902	12,437
Electrical installations		113	2,947
Plant and machinery		5,829	70,488
Laboratory equipment		5,904	3,506
Boilers and accessories		571	24,959
Moulds		58,943	84,496
Vehicles		-	15,290
Factory and office equipment		2,650	14,224
Furniture & fixtures		321	2,310
Computer equipments		499	11,938
Assets under diminishing musharaka financing		80,109	-
		<u>155,841</u>	<u>242,595</u>

10. LONG TERM DEPOSITS

This includes security deposit amounting to Rs.9.582 million (June 30, 2024: Nil) held with financing institution under diminishing musharaka financing.

11. STOCKS

Note	Un-audited December 31, 2024	Audited June 30, 2024
	--- (Rupees in '000) ---	
Raw materials		
- in hand	1,550,982	1,550,469
- in transit	1,194,654	623,385
	2,745,636	2,173,854
Work-in-process	398,778	366,579
Finished goods	3,705,095	2,537,646
	<u>6,849,509</u>	<u>5,078,079</u>

11.1 Finished goods include items costing Rs.351.033 million (June 30, 2024: Rs.254.215 million) which are stated at their net realisable values aggregating Rs.385.361 million (June 30, 2024: Rs.196.386 million). The aggregate amount charge / (reversal) in profit or loss in respect of stocks written down to their net realisable value is Rs.7.71 million (June 30, 2024: (Rs.1.862) million).

12. COST OF SALES	Note	For the quarter ended December 31,		For the half year ended December 31,	
		----- (Un-audited) -----			
		2024	2023	2024	2023
----- Rupees in '000 -----					
Opening stock of finished goods		3,906,960	2,102,188	2,537,646	2,108,689
Cost of goods manufactured	12.1	4,289,623	4,652,598	8,889,720	8,730,937
Finished goods purchased		2,394	-	7,751	-
		4,292,017	4,652,598	8,897,471	8,730,937
		8,198,977	6,754,786	11,435,117	10,839,626
Closing stock of finished goods		(3,705,095)	(2,591,021)	(3,705,095)	(2,591,021)
		4,493,882	4,163,765	7,730,022	8,248,605
12.1 Cost of goods manufactured					
Opening work-in-process		359,047	432,782	366,579	368,897
Raw material consumed and factory overhead		4,329,354	4,660,667	8,921,919	8,802,891
		4,688,401	5,093,449	9,288,498	9,171,788
Closing work-in-process		(398,778)	(440,851)	(398,778)	(440,851)
		4,289,623	4,652,598	8,889,720	8,730,937

13. LEVIES AND INCOME TAX

13.1 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.

13.2 TAXATION

	For the quarter ended December 31,		For the half year ended December 31,	
	----- (Un-audited) -----			
	2024	2023	2024	2023
----- Rupees in '000 -----				
Current tax charge / (reversal)				
- for the period including super tax:	35,044	45,403	62,543	86,191
- prior year taxes	(15,475)	-	(15,475)	-
Deferred tax (reversal) / charge	(59,761)	6,873	(100,082)	16,854
	(40,192)	52,276	(53,014)	103,045

13.3 It includes amount of Rs.186.189 million which has been netted off against the tax charge for the period and do not impact the total tax reversal of Rs.29.661 million as a similar adjustment has been made to the deferred tax.

14. EARNINGS PER SHARE BASIC AND DILUTED	For the quarter ended December 31,		For the half year ended December 31,	
	----- (Un-audited) -----			
14.1 Basic earnings per share	2024	2023	2024	2023
Profit after taxation	4,061	89,707	25,202	151,384
	----- (Number of Shares) -----			
Weighted average number of ordinary shares	121,933,350	121,933,350	121,933,350	121,933,350
	Rupee	Rupee	Rupee	Rupees
Earnings per share	0.03	0.74	0.21	1.24
14.2 Diluted earnings per share	There are no dilutive potential ordinary shares outstanding as at December 31, 2024 and 2023.			
15. CASH (USED IN) / GENERATED FROM OPERATIONS			For the half year ended December 31,	
			2024	2023
			(Un-audited)	
			----- Rupees in '000 -----	
	Note			
Profit before taxation			33,662	274,355
Adjustments for non-cash charges and other items				
Depreciation on property, plant and equipment			257,506	264,361
Amortisation			467	653
Provision for staff retirement gratuity			63,395	64,155
Charge of employees compensated absences			10,713	8,456
Provision / (reversal) for expected credit loss			18,549	(774)
Profit on bank deposits			(790)	(925)
Gain on sale of operating fixed assets			(11,747)	(5,415)
Finance cost			733,333	832,438
Share of (loss) / profit of an associated company			(5,284)	94
Working capital changes	15.1		(1,349,750)	(1,042,496)
			<u>(249,946)</u>	<u>394,902</u>
15.1 Working capital changes (Increase) / decrease in current assets:				
Stores and spares			(38,156)	6,064
Stocks			(1,771,430)	(1,237,364)
Trade debts			(210,568)	(76,850)
Loans and advances			(46,576)	(29,095)
Deposits and prepayments			(40,186)	(43,278)
Other receivables			(15,055)	10,699
			<u>(2,121,971)</u>	<u>(1,369,824)</u>
Increase in current liabilities:				
Trade and other payables and provision			772,221	327,328
			<u>(1,349,750)</u>	<u>(1,042,496)</u>

16. CASH AND CASH EQUIVALENTS

For the half year ended
December 31,
2024 2023
(Un-audited)
----- Rupees in '000 -----

For the purpose of statement of cash flows, cash and cash equivalents comprise of following:

Running finances under mark-up arrangements	(4,655,388)	(5,031,458)
Cash and bank balances	140,851	198,818
	<u>(4,514,537)</u>	<u>(4,832,640)</u>

17. 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.

17.1 Transactions with related parties are as follows:

For the half year ended
December 31,
2024 2023
(Un-audited)
----- Rupees in '000 -----

Associated companies / undertakings:

Sale of goods	240,465	166,183
Rent	-	900
Donation	630	3,785

Other related parties:

Provision towards gratuity staff fund	10,016	14,162
Contribution towards employees provident fund	14,744	12,642
Salaries and other benefits to key management personnel	50,887	46,090
Meeting fees	5,350	6,600

17.2 Period / year end balances are as follows:

Un-audited Audited
December 31, June 30,
2024 2024
---- (Rupees in '000) ----

Payables to associated companies / related parties

Staff retirement gratuity	31,139	30,124
Trade and other payable	6,181	13,019

Receivables from associated companies / related parties

Loans and advances	28	111
Trade debts	58,509	12,061

18. GENERAL

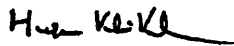
18.1 Date of authorisation for issue

These condensed interim financial statements were authorised for issue on February 27, 2025 by the Board of Directors of the Company.

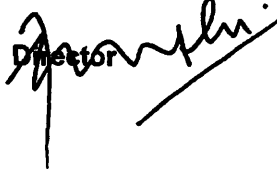
18.2 Figures have been rounded off to the nearest thousand of Pakistan rupees, unless otherwise stated.

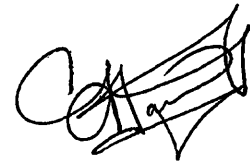
18.3 Corresponding figures have been reclassified wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of comparison in accordance with the accounting and reporting standards as applicable.

SHC



Chief Executive


Director



Chief Financial Officer