



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

Innovating
in Harmony
with



Nature



QUARTERLY
SEPTEMBER, 30
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.



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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. Ikram-ul-Majeed Sehgal
Mr. Manzoor Ahmed
Mr. Muhammad Kuli Khan Khattak
Mr. Naeem Sattar
Mrs. Nazia Qureshi
Syed Ahmed Iqbal Ashraf
Mr. Umair Aijaz

Company Secretary

Mr. Khawar 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
Mr. Umair Aijaz

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

Major 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 first quarter ended September 30, 2023.

BUSINESS REVIEW

Net sales in value terms for the first quarter ended September 30, 2023 were Rs. 4.84 billion as compared to Rs. 3.20 billion in the same period last year, showing growth of 51%.

Sales for the period under review was improved from last period mainly due to enhanced focus on Replacement Market (RM). The Original Equipment Manufacturers (OEMs) of passenger car and light truck were hampered by restricted opening of letter of credits (LCs) for CKDs, increase in car financing rates and stringent conditions on new car financing. Whereas farm tyre sales improved in both RM and OEM segment, owing to better crop and increase in crop support prices by the Government.

The export sales of the Company for the period were Rs. 12 million as compared to Rs 37 million in the same period last year, as tyres could not be exported to Afghanistan due to tense border situation. The Company exported its first consignment to African market during the quarter. The Company is continuously exploring opportunities to expand its export sales to other countries to partially offset the sales impacted by the OEM segment.

The gross profit for the period was Rs. 758 million as compared to Rs. 567 million in same period last year. Gross profit margin was 15.6% as compared to 17.7% in same period last year. Lower gross margin was mainly due to higher utility prices, use of LPG during natural gas load shedding and increase in minimum wages partly offset by better sales mix, stability of raw material prices and enhanced focus on RM.

The finance cost for the period was Rs. 414 million as compared to Rs. 286 million in the same period last year. Increase in financial cost is mainly attributable to increase in discount rate by State Bank of Pakistan (SBP) and higher working capital requirements consequent to devaluation of Pak Rupee, 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 first quarter ended September 30, 2023 was Rs. 69.5 million as compared to profit after tax of Rs. 18 million reported in same period last year.

FUTURE PROSPECTS

Recent regulatory and administrative measures by the Government to curb smuggling are very encouraging for local industry. These measures, if continued on sustainable basis, will be helpful in improving 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 result in higher tax revenue for the Government and provide level playing field to the local industry and enable them to provide employment.

Stringent regulations for exchange companies and action against illegal activities in foreign exchange market by the Government resulted in appreciation of Pak Rupee, which is good omen for the local industry.

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.

In its latest monetary policy statement, Monetary Policy Committee expects inflation to remain on downward trajectory, especially from the second half of this year. This indicates ease in monetary policy, which is expected to bode well for the company.

The Company is also working on strategies to reduce cost. Moreover, it is 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.

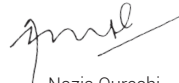
The Board would like to thank all our OEM and Replacement market customers for their patronage and loyalty with the Company's products.

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.



Hussain Kuli Khan
Chief Executive

Karachi
October 25, 2023



Nazia Qureshi
Director

مستقبل کے امکانات

اسٹیلنگ کو روکنے کے لیے حکومت کے حالیہ ریگولیٹری اور انتظامی اقدامات مقامی صنعت کے لیے بہت حوصلہ افزاء ہیں۔ یہ اقدامات اگر مستقل بنیادوں پر جاری رہے تو ہمارے ملک کی معاشی صورتحال کو بہتر بنانے میں مددگار ثابت ہوں گے۔ انڈر انوائٹنگ اور اسٹیلنگ نہ صرف مقامی صنعت کو متاثر کر رہی ہے بلکہ حکومت کو اس کے واجب الادا ٹیکس آمدنی سے بھی محروم کر رہی ہے۔ ان اقدامات کے نتیجے میں حکومت کو زیادہ ٹیکس کی آمدنی حاصل ہوگی اور مقامی انڈسٹری کو بھی مساوی مواقع ملیں گے اور انہیں روزگار فراہم کرنے میں مدد ملے گی۔

ایکسچینج کمپنیوں کے لیے سخت ضابطے اور حکومت کی جانب سے فارن ایکسچینج مارکیٹ میں غیر قانونی سرگرمیوں کے خلاف کارروائی کے نتیجے میں پاکستانی روپے کی قدر میں اضافہ ہوا، جو کہ مقامی صنعت کے لیے نیک شگون ہے۔

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 حصوں میں فارم ہائرس کی فروخت میں مدد ملے گی۔

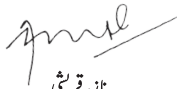
اپنے تازہ ترین مانیٹری پالیسی بیان میں، مانیٹری پالیسی کمیٹی توقع کرتی ہے کہ افراط زر کی شرح میں کمی آئے گی، خاص طور پر اس سال کی دوسری ششماہی سے۔ یہ مانیٹری پالیسی میں نرمی کی طرف اشارہ کرتا ہے، جس سے کمپنی کے لیے بہتری کی توقع ہے۔

کمپنی لاگت کو کم کرنے کے لئے مختلف حکمت عملیوں پر کام کر رہی ہے۔ مزید یہ کہ OEM اور RM، دونوں سیکٹس کے لئے نئے ساز اور ڈیزائن پر بھی کام ہو رہا ہے، جن میں سے کچھ کو پہلے ہی کمرشلائز کیا جا چکا ہے اور OEM اور RM طبقات میں فروخت کیا جا رہا ہے۔

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 نکل سکیں گے۔

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 شکر یہ 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 غنی خان
چیف ایگزیکٹو آفیسر

کراچی

25 اکتوبر، 2023

گندھارا ٹائر اینڈ ربر کمپنی لمیٹڈ (کمپنی) کے ڈائریکٹرز 30 ستمبر، 2023 کو ختم ہونے والی پہلی سہ ماہی کے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے نہایت خوش محسوس کرتے ہیں۔

کاروباری تجزیہ

30 ستمبر، 2023 کو ختم ہونے والی پہلی سہ ماہی میں خالص فروخت 4.84 ارب روپے رہی، جو کہ پچھلے سال 3.20 ارب روپے کے مقابلے میں قدر کے لحاظ سے 51 فیصد کی نمو کو ظاہر کرتی ہے۔

زیر جائزہ مدت کے دوران سیلز پچھلی مدت سے بہتر ہوئی ہے جس کی بنیادی وجہ ریٹیل سمنٹ مارکیٹ (RM) پر توجہ مرکوز کرنا ہے۔ مسافر کاروں اور لائٹ ٹرک کے اورجنل اکیپو پیسٹ میونیفیکررز (OEMs) کو CKDs کے لیے یلر آف کریڈٹس (LCS) کو محدود کھولنے، کارفرنسنگ کی شرحوں میں اضافے اور نئی کارفرنسنگ پر سخت شرائط کی وجہ سے رکاوٹ کا سامنا کرنا پڑا۔ جبکہ فصلوں کی بہتر پیداوار ہونے اور حکومت کی طرف سے فصلوں کی امدادی قیمتوں میں اضافے کی وجہ سے RM اور OEM دونوں حصوں میں فائدہ مند فروخت میں بہتری آئی ہے۔

اس مدت میں کمپنی کی برآمدی فروخت 12 ملین روپے رہی جو پچھلے سال کے اسی دورانیہ میں 37 ملین روپے تھی، کیونکہ کشیدہ سرحدی صورتحال کی وجہ سے افغانستان کو نائز برآمد نہیں کیے جاسکے۔ کمپنی نے اس سہ ماہی کے دوران اپنی پہلی ترسیل افریقی مارکیٹ میں برآمد کی۔ کمپنی OEM طبقہ سے متاثر ہونے والی فروخت کو جزوی طور پر پورا کرنے کے لیے دوسرے ممالک میں اپنی برآمدی فروخت کو بڑھانے کے مواقع تلاش کر رہی ہے۔

اس مدت کے دوران مجموعی منافع 758 ملین روپے رہا جو پچھلے سال اسی مدت کے مقابلے میں 567 ملین روپے تھا۔ مجموعی منافع کا مارجن 15.6 فیصد رہا جبکہ پچھلے سال اسی عرصے میں 17.7 فیصد تھا۔ کم مجموعی مارجن بنیادی طور پر یوٹیلیٹی کی بلند قیمتوں، قدرتی گیس کی کوڈ شیلنگ کے دوران ایل پی جی کا استعمال اور کم از کم اجرت میں اضافے کی وجہ سے ہے جس کو جزوی طور پر بہتر سیکرکس، خام مال کی قیمتوں میں استحکام اور RM کی فروخت پر توجہ نے کم کیا ہے۔

اس مدت میں مالیاتی اخراجات 414 ملین روپے رہے جو کہ پچھلے سال اسی مدت کے مقابلے میں 286 ملین روپے تھے۔ مالیاتی الاغت 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 کپٹیل مینجمنٹ کے ذریعے کم کیا گیا ہے۔

آزاد ریٹنگ ایجنسی PACRA نے کمپنی کے کاروباری / مالیاتی رسک پروفائل 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 آئٹومو ہائل اور اس سے منسلک شعبے میں کمپنی کے معروف کاروباری پروفائل کی عکاسی کرتی ہے۔

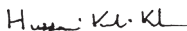
مذکورہ بالا احوال کے نتیجے میں، 30 ستمبر، 2023 کو ختم ہونے والی پہلی سہ ماہی میں منافع بعد از محصول 69.50 ملین روپے رہا جو کہ پچھلے سال کی اسی مدت میں 18 ملین روپے تھا۔

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2023

	September 30, 2023 (Un-audited) --- Rupees in '000 ---	June 30, 2023 (Audited)
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorised 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 share capital	1,219,334	1,219,334
Revenue Reserve		
Unappropriated profit	1,130,295	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	5,823,377	5,753,877
LIABILITIES		
NON CURRENT LIABILITIES		
Long term finances	485,281	555,592
Staff benefits	511,027	486,964
Deferred liabilities	146,319	157,402
Long term deposits from dealers	12,130	11,630
Deferred tax - net	58,740	48,756
	1,213,497	1,260,344
CURRENT LIABILITIES		
Current maturity of long term finances	274,310	273,579
Current maturity of deferred liabilities	41,332	38,549
Short term finances	1,896,272	1,824,575
Running finances under mark-up arrangements	4,895,552	4,426,247
Trade and other payables	3,753,784	3,978,092
Unclaimed dividend	19,378	19,332
Accrued mark-up	380,704	375,397
Provisions	323,925	324,514
	11,585,257	11,260,285
TOTAL LIABILITIES	12,798,754	12,520,629
TOTAL EQUITY AND LIABILITIES	18,622,131	18,274,506
Contingencies and commitments	6	



Siraj A. Lawai
Chief Financial Officer



Hussain Kuli Khan
Chief Executive



Nazia Qureshi
Director

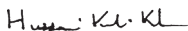
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2023

		September 30,	June 30,
	Note	2023	2023
		(Un-audited)	(Audited)
		--- Rupees in '000 ---	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	7	7,612,512	7,682,381
Intangible assets		2,010	2,335
Investment in an associated company	8	32,340	24,902
Long term loans and advances		7,995	4,987
Long term deposits		19,468	19,468
		7,674,325	7,734,073
CURRENT ASSETS			
Stores and spares		755,497	759,907
Stocks	9	5,043,968	4,811,895
Trade debts		3,036,276	2,941,341
Loans and advances		151,683	144,480
Deposits and prepayments		110,590	50,614
Other receivables		214,120	208,912
Taxation - net		1,500,679	1,483,609
Cash and bank balances		134,993	139,675
		10,947,806	10,540,433
TOTAL ASSETS			
		18,622,131	18,274,506

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

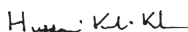
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT
AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023**

		Quarter ended September 30,	
		2023	2022
		--- Rupees in '000 ---	
Note			
		4,842,227	3,197,869
Sales - net			
	10	(4,084,840)	(2,631,315)
Cost of sales			
		757,387	566,554
Gross profit			
		(99,634)	(78,911)
Administrative expenses			
		(175,317)	(129,295)
Distribution cost			
		78,144	20,030
Other income			
		(12,602)	(55,231)
Other expenses			
Profit from operations		547,978	323,147
Finance cost		(414,033)	(286,397)
		133,945	36,750
Share of profit / (loss) of an associated company	8	7,438	(2,244)
Profit before taxation		141,383	34,506
Taxation	11	(71,883)	(16,526)
Profit for the period		69,500	17,980
Other comprehensive income		-	-
Total comprehensive income for the period		69,500	17,980
----- Re.-----			
		0.57	0.15
Earnings per share basic and diluted			

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

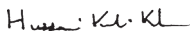
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023

		Quarter ended September 30,	
		2023	2022
		--- Rupees in '000 ---	
Note			
CASH FLOWS FROM OPERATING ACTIVITIES			
	12	99,121	(195,467)
Cash generated / (used) in operations			
Staff retirement gratuity paid		(17,734)	(9,160)
Compensated absences paid		(1,891)	(2,025)
Long term deposits from dealers - net		500	700
Finance cost paid		(408,726)	(235,485)
Taxes paid		(78,969)	(85,770)
Long term loans and advances - net		(3,008)	1,266
Long term deposits - net		-	(9,040)
Profit on bank deposits received		454	325
Net cash used in operating activities		(410,253)	(534,656)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(72,499)	(75,846)
Proceeds from sale of operating fixed assets		14,902	516
Net cash used in investing activities		(57,597)	(75,330)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term finances - repaid		(77,880)	(166,182)
Lease rental paid - net		-	(1,223)
Short term finances - net		71,697	311,669
Dividend paid - net		46	(4)
Net cash (used) / generated from financing activities		(6,137)	144,260
Net decrease in cash and cash equivalents		(473,987)	(465,726)
Cash and cash equivalents at beginning of the period		(4,286,572)	(2,766,744)
Cash and cash equivalents at end of the period	13	(4,760,559)	(3,232,470)

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 AND FORMING PART OF THE CONDENSED INTERIM
FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 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 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, 2023.

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, 2023.

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, 2023.**

There were certain amendments to approved accounting standards which were mandatory for the Company's annual accounting period which began on July 01, 2023. 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, 2023**

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, 2023.

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, 2023.

	Note	September 30, 2023 (Un-audited)	June 30, 2023 (Audited)
		--- Rupees in '000 ---	
5. TRADE AND OTHER PAYABLES			
Trade creditors		452,162	541,245
Bills payable		1,521,113	1,999,819
Accrued expenses		1,129,490	878,760
Royalty fee payable		153,224	187,569
Advances from customers		96,661	59,610
Staff provident fund payable		5,367	5,264
Staff retirement benefits		102,310	108,045
Short term deposits		3,238	1,106
Workers' profit participation fund		7,601	-
Workers' welfare fund		3,041	-
Payable to Waqf-e-Kuli Khan		1,738	-
Interest payable on custom duties		29,933	29,933
Sales tax		211,144	115,154
Others		36,762	51,587
		3,753,784	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.

6.1.2 Guarantees issued by commercial banks on behalf of the Company

507,497	328,361
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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
--------	--------

	September 30,	June 30,
Note	2023	2023
	(Un-audited)	(Audited)
	--- Rupees in '000 ---	

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

-	12,719
2,282,532	2,366,535
129,090	136,978
37,979	379,045
2,538,499	2,019,414

7. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets
Capital work-in-progress

7.1	7,330,376	7,434,108
	282,136	248,273
	7,612,512	7,682,381

7.1 Operating fixed assets

Book value at beginning of the period / year
Additions during the period / year
Revaluation of leasehold lands
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

7,434,108	4,908,830
38,636	574,410
-	2,473,748
(9,487)	(8,952)
(132,881)	(513,928)
7,330,376	7,434,108

8 INVESTMENTS IN AN ASSOCIATED COMPANY - Quoted

Ghandhara Industries Limited

- Equity accounted investment
Balance at beginning of the year
Share of profit / (loss) for the period
Balance at end of the period / year

24,902	25,918
7,438	(1,016)
32,340	24,902

- 8.1 Investment in Ghandhara Industries Limited (GIL) represents 201,400 (June 30, 2023: 201,400) fully paid ordinary shares of Rs 10 each representing 0.473% (June 30, 2023: 0.473%) of its issued, subscribed and paid-up share capital as at September 30, 2023. 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.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM
FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023**

8.3 The market value of the investment as at September 30, 2023 was Rs. 22.239 million (June 30, 2023 : Rs: 16.221 million)

		September 30, 2023 (Un-audited) --- Rupees in '000 ---	June 30, 2023 (Audited)
9. STOCKS			
Raw materials			
- in hand		1,730,273	1,607,009
- in transit		778,725	727,300
		2,508,998	2,334,309
Work-in-process	10.1	432,782	368,897
Finished goods			
- in hand	10	2,102,188	2,108,689
		<u>5,043,968</u>	<u>4,811,895</u>

		Quarter ended September 30, 2023 (Un-audited) --- Rupees in '000 ---	2022
10. COST OF SALES			
Opening stock of finished goods		2,108,689	1,907,017
Cost of goods manufactured	10.1	4,078,339	3,999,467
Finished goods purchased		-	31,937
		4,078,339	4,031,404
		6,187,028	5,938,421
Closing stock of finished goods	9	2,102,188	3,307,106
		<u>4,084,840</u>	<u>2,631,315</u>

		Quarter ended September 30,	
		2023	2022
		(Un-audited)	
		--- Rupees in '000 ---	
10.1	Cost of goods manufactured		
	Opening work-in-process	9 368,897	333,240
	Factory overheads and raw materials consumed	4,142,224	4,043,401
		4,511,121	4,376,641
	Closing work-in-process	9 432,782	377,174
		4,078,339	3,999,467
11.	TAXATION		
	Current	61,902	40,608
	Deferred	9,981	(24,082)
		71,883	16,526
12.	CASH GENERATED FROM OPERATIONS		
	Profit before taxation	141,383	34,506
	Adjustments for non-cash charges and other items		
	Depreciation	132,881	129,347
	Amortisation	326	147
	Depreciation on right-of-use assets	-	494
	Provision for staff retirement gratuity	32,031	24,117
	Charge of employees compensated absences	4,031	2,906
	(Reversal) / Charge of provision for expected credit loss	(1,461)	7,026
	Profit on bank deposits	(454)	(325)
	(Gain) / loss on sale of operating fixed assets	(5,415)	373
	Finance cost	414,033	286,397
	Share of (profit) / loss of an associated company	(7,438)	2,244
	Working capital changes	12.1 (610,796)	(682,699)
		99,121	(195,467)

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM
FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2023**

Quarter ended September 30,	
2023	2022
(Un-audited)	
--- Rupees in '000 ---	

12.1 Working capital changes

(Increase) / decrease in current assets:

- Stores and spares	4,410	(9,226)
- Stocks	(232,073)	(1,727,809)
- Trade debts	(93,474)	576,026
- Loans and advances	(7,203)	(27,671)
- Deposits and prepayments	(59,976)	(56,582)
- Other receivables	(5,208)	(71,557)
	<u>(393,524)</u>	<u>(1,316,819)</u>

Increase / (decrease) in current liabilities:

- Trade and other payables	(217,272)	634,120
	<u>(610,796)</u>	<u>(682,699)</u>

13. CASH AND CASH EQUIVALENTS

Running finances under mark-up arrangements	(4,895,552)	(3,376,670)
Cash and bank balances	134,993	144,200
	<u>(4,760,559)</u>	<u>(3,232,470)</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, 2023 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, 2022: one) customer aggregating Rs.746.754 million (September 30, 2022: Rs.409.273 million) during the period which constituted 15.42% (September 30, 2022: 12.79%) of gross sales.

Quarter ended
September 30,

2023 **2022**

(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	75,124	125,296
Rent	450	450
Donation	1,738	450

Key management personnel:

Provision towards staff gratuity fund	5,988	3,381
Contribution towards employees provident fund	6,076	6,113
Salaries and other employee benefits	63,533	55,803
Meeting fees	3,000	2,600

September 30, **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	60,727	66,739
Trade and other payable	8,535	8,688

Receivables from associated companies / related parties

Long term loans and advances	292	464
Loans and advances	668	862

16. GENERAL

16.1 Date of authorisation for issue

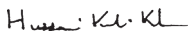
These condensed interim financial statements were authorised for issue on October 25, 2023 by the Board of Directors of the Company.

16.2 Corresponding figures have been rearranged and reclassified for better presentation wherever considered necessary.

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



Siraj A. Lawai
Chief Financial Officer



Hussain Kuli Khan
Chief Executive



Nazia Qureshi
Director

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A silver SUV is parked on a dark, wet cobblestone road in a forest. The car is facing forward, and its headlights and grille are visible. A large, stylized logo is overlaid on the front of the car. The logo consists of the letters 'CTR' in a bold, white, sans-serif font. A red diagonal line cuts through the 'C' and 'T', starting from the bottom left and ending at the top right. Below the 'CTR' letters, the word 'TYRE' is written in a smaller, white, sans-serif font, preceded by a red diagonal line that matches the one above.

CTR

/TYRE

EVERY JOURNEY
HAS A DESTINATION



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



GHANDHARA TYRE AND RUBBER COMPANY LIMITED

HEAD OFFICE/FACTORY

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