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Company Profile

Board of Directors

Lt.Gen.(Retd) Ali Kuli Khan Khattak
 Mr. Hussain Kuli Khan
 Mr. Adnan Ahmed
 Mr. Ahmad Kuli Khan Khattak
 Mr. Atif Anwar
 Mr. Mansur Khan
 Mr. Manzoor Ahmed
 Mr. Muhammad Kuli Khan Khattak
 Mr. Raza Kuli Khan Khattak
 Dr. Shaheen Kuli Khan Khattak

Chairman
 Chief Executive

Chief Financial Officer / Company Secretary

Mr. Siraj A. Lawai

Board Audit Committee

Mr. Manzoor Ahmed
 Mr. Adnan Ahmed
 Mr. Ahmad Kuli Khan Khattak
 Mr. Muhammad Kuli Khan Khattak

Chairman

HR & Remuneration Committee

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

Chairman

Auditors

A.F.Ferguson & Co.
 Chartered Accountants

Legal Advisor

Ahmed & Qazi
 Advocates & Legal Consultants

Share Registrar

Share Registrar Department
 Customer Care & Service Centre
 Central Depository Company of Pakistan Limited
 CDC House 99-B, Block-B, S.M.C.H.S.,
 Main Shakra-e-Faisal Karachi-74400
 UAN No. : (92-21) 111 111 500
 Tel : Customer Support Services
 (Toll Free) 0800-CDCPL (23275)
 Fax: (92-21) 34326053. Email: info@cdcpak.com
 Website: www.cdcpakistan.com

Major Bankers

Al-Baraka Bank Pakistan Limited
 Askari Bank Limited
 Bank Al-Falah Limited
 Faysal Bank Limited
 Habib Bank Limited
 Habib Metropolitan Bank Limited
 Industrial and Commercial Bank of China Limited
 MCB Bank Limited
 National Bank of Pakistan
 Samba Bank Limited
 The Bank of Punjab
 United Bank Limited

Registered Office & Factory

H-23/2, Landhi Industrial Trading Estate,
 Landhi, Karachi.
 Phone : 021-35080172-81, 021-38020207-13
 UAN : 021-111 487 487
 Fax : 021-35081212, 021-35080171, 021-35084121
 Website : www.generaltyre.com.pk

Branch Offices

Lahore
 Plot No. 20,
 Shahr-e-Fatima
 Jinnah, Lahore.
 Phone : 042-36308605-6
 Fax : 042-36300108

Islamabad
 Plot No. 189-A,
 Korang Road,
 Sector I-10/3,
 Islamabad.
 Phone : 051-4449955-6
 Fax : 051-4440916

Multan

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

Customer Care & Service Centre

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



Directors' Review

The directors are pleased to present the unaudited condensed interim financial information of the Company for the first quarter ended September 30, 2018.

BUSINESS REVIEW

Net sales for the quarter under review was Rs. 2.34 billion showing decline of 16% compared to same period last year. The slowdown of economic activity during election month, lower purchases of tractors tyres by OEMs due to shortage of water impacting farmer purchasing power, and impact of restriction on non-filler to purchase vehicles affected the sales of the Company. Moreover, in comparative period of last year, sales were higher partly because of SAP related issues in Q4 2016-17, resulting in spillover sales in Q1 2017-18. Sales of all major categories of tyres except for motor cycle and light trucks radial tyres decreased due to factors mentioned above.

The cost of sales for the quarter increased due to significant devaluation of Pak Rupees, increase in raw materials prices, increase in additional custom duty and other manufacturing cost. In August 2018, the Company has increased the prices of its tyres, however, due to stiff competition and availability of smuggled and under invoiced tyres the full impact of cost could not be passed on to the customers.

The finance cost for the period under review was Rs. 90.67 million mainly due to increased investment in plant and machinery and to meet working capital requirements. Moreover, since December 2017, SSP has increased discount rate by 275 basis points resulting in increase in borrowing cost of the Company.

The profit before tax for the first quarter under review was Rs.87 million due to the factors mentioned above.

CREDIT RATING

PACRA has assigned initial entity rating to the Company with a Long-Term rating of A+ and a Short Term Rating of A1. They have given stable outlook of the Company.

FUTURE PROSPECTS

Increase in gas prices has been notified whereas it is expected that electricity prices will be increased as well. Any further devaluation, increase in discount rate and utilities charges would impact the profitability of the Company. The management is closely monitoring the situation and will make some price adjustments to partially offset its impact. The company is facing competition from undocumented sector, which is not paying its due share of duties and taxes. This restricts the company's ability to fully recover the impact of cost increase. Level playing field should be given to the documented sector, who is not only paying their due share of taxes and duties but also saving precious foreign exchange and providing employment. The undocumented sector should be brought into the tax net and enforcement should be further strengthened to curb smuggling. The company is also exploring the option of exporting tyres to increase its volumes.

For and on behalf of the Board of Directors,


Hussain Kuli Khan
 Chief Executive


Adnan Ahmed
 Director

Karachi
 Dated: October 25, 2018

Condensed Interim Statement of Financial Position
As at September 30, 2018

	Note	September 30, June 30,	
		2018	2018
		Unaudited	Audited
(Rupees in thousand)			
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital			
75,000,000 (June 30, 2018: 75,000,000) ordinary shares of Rs 10 each		750,000	750,000
Issued, subscribed and paid-up share capital		597,713	597,713
Reserve for capital expenditure		1,000,000	1,000,000
Unappropriated profit		2,034,377	1,973,483
Total equity		3,632,090	3,571,196
Liabilities			
Non current liabilities			
Long term finances		1,049,349	1,247,285
Staff benefits		374,133	373,221
Deferred taxation		275,473	270,320
Long term deposits from dealers		9,750	9,351
		1,708,705	1,900,177
Current liabilities			
Current maturity of long term finances		515,805	471,298
Short term finances		950,000	946,187
Running finances under mark-up arrangements		2,740,483	1,742,566
Trade and other payables	5	1,776,987	1,928,381
Unclaimed dividend		13,009	14,034
Unpaid dividend		8,708	8,708
Accrued mark-up		62,324	58,848
Provisions		44,700	44,700
		6,112,016	5,214,722
Total liabilities		7,820,721	7,114,899
Contingencies and commitments	6		
Total equity and liabilities		11,452,811	10,686,095


Siraj A. Lawai
Chief Financial Officer


Hussain Kuli Khan
Chief Executive


Adnan Ahmed
Director

Condensed Interim Statement of Financial Position
As at September 30, 2018

	Note	September 30, June 30,	
		2018	2018
		Unaudited	Audited
(Rupees in thousand)			
ASSETS			
Non current assets			
Property, plant and equipment	7	4,448,393	4,247,309
Intangible assets		40,477	46,584
Investment in an associated company	8	15,794	15,363
Long term loans and advances		8,488	6,696
Long term deposits		18,595	19,970
		4,531,747	4,335,922
Current assets			
Stores and spares		598,406	596,494
Stocks	9	3,542,798	3,324,857
Trade debts	10	1,127,126	1,027,027
Loans and advances		372,220	254,497
Deposits and prepayments		127,377	102,605
Other receivables		268,446	279,671
Taxation - net		808,091	673,902
Cash and bank balances		76,600	91,120
		6,921,064	6,350,173
Total assets		11,452,811	10,686,095

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.


Siraj A. Lawai
Chief Financial Officer


Hussain Kuli Khan
Chief Executive


Adnan Ahmed
Director

Condensed Interim Statement of Profit or Loss
and other Comprehensive Income (Unaudited)
For the first quarter ended September 30, 2018

	Note	For the first quarter ended September 30,	
		2018	2017
(Rupees in thousand)			
Sales - net		2,339,852	2,795,491
Cost of sales	11	(1,981,898)	(2,180,143)
Gross profit		357,954	615,348
Administrative expenses		(77,830)	(78,800)
Distribution cost		(94,460)	(96,160)
Other income		17,324	5,719
Other expenses		(25,798)	(35,015)
Profit from operations		177,190	411,092
Finance cost		(90,670)	(57,391)
		86,520	353,701
Share of profit of an associated company		431	790
Profit before taxation		86,951	354,491
Taxation	12	(26,057)	(101,682)
Profit for the period		60,894	252,809
Other comprehensive income		-	-
Total comprehensive income for the period		60,894	252,809
-----Rupees-----			
Earnings per share basic and diluted		1.02	4.23

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.


Siraj A. Lawai
Chief Financial Officer


Hussain Kuli Khan
Chief Executive


Adnan Ahmed
Director

Condensed Interim Statement of Changes in Equity
For the first quarter ended September 30, 2018

	Issued, Subscribed and paid-up share capital	Capital reserve for capital expenditure	Unappro- priated profit	Total
(Rupees in thousand)				
Balance as at July 1, 2017 (audited)	597,713	1,000,000	2,198,673	3,796,386
Total comprehensive income for the period ended September 30, 2017				
Profit for the period	-	-	252,809	252,809
Other comprehensive income	-	-	-	-
	-	-	252,809	252,809
Balance as at September 30, 2017 (un-audited)	597,713	1,000,000	2,451,482	4,049,195
Balance as at July 1, 2018 (audited)	597,713	1,000,000	1,973,483	3,571,196
Total comprehensive income for the period ended September 30, 2018				
Profit for the period	-	-	60,894	60,894
Other comprehensive income	-	-	-	-
	-	-	60,894	60,894
Balance as at September 30, 2018 (un-audited)	597,713	1,000,000	2,034,377	3,632,090

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.


Siraj A. Lawai
Chief Financial Officer


Hussain Kuli Khan
Chief Executive


Adnan Ahmed
Director

Condensed Interim Statement of Cash Flows (Unaudited)
For the first quarter ended September 30, 2018

Note	For the first quarter ended September 30,	
	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash used in operations	13 (312,651)	(75,120)
Staff retirement gratuity paid	(10,567)	(6,052)
Compensated absences paid	(4,283)	(247)
Long term deposits from dealers - net	399	(121)
Finance cost paid	(87,194)	(83,868)
Taxes paid	(155,093)	(84,339)
Long term loans and advances - net	(1,792)	730
Long term deposits - net	1,375	7,232
Profit on bank deposits received	124	56
Net cash used in operating activities	(569,682)	(241,729)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(295,389)	(112,424)
Proceeds from sale of operating fixed assets	3,275	-
Net cash used in investing activities	(292,114)	(112,424)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finances - repaid	(153,429)	(153,429)
Long term finances - obtained	-	456,135
Short term finances - net	3,813	192,264
Dividend paid	(1,025)	(690)
Net cash (utilised in) / generated from financing activities	(150,641)	494,280
Net (decrease) / increase in cash and cash equivalents	(1,012,437)	140,127
Cash and cash equivalents at beginning of the period	(1,651,446)	(983,308)
Cash and cash equivalents at end of the period	14 (2,663,883)	(843,181)

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.


Siraj A. Lawai
Chief Financial Officer


Hussain Kuli Khan
Chief Executive


Adnan Ahmed
Director

Selected Notes to and forming part of the
Condensed Interim Financial Information (Unaudited)
For the first quarter ended September 30, 2018

1. LEGAL STATUS AND OPERATIONS

1.1 The General Tyre and Rubber Company of Pakistan 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 and tubes for automobiles and motorcycles.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

These condensed interim financial information 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 This condensed interim financial information 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, 2018.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are consistent with those applied in the preparation of the annual audited financial statements for the year ended June 30, 2018.

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, 2018

There were certain amendments to approved accounting standards which were mandatory for the Company's annual accounting period which began on July 01, 2018. 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 information.

3.2.2 Standards and amendments to published approved accounting standards that are not yet effective

There are certain new standards and amendments to the approved accounting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2018. However, these amendments will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in this condensed interim financial information. Further during the current period the SECP has adopted IFRS 9 'Financial Instruments' and IFRS 15 'Revenue from Customers'. The impact of changes laid down by these standards does not have significant impact on the Company's financial statements. Further, certain new standards are yet to be adopted by the SECP.

4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of interim financial information 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.

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 information.

Judgements and estimates made by the management in the preparation of this condensed interim financial information are the same as those applied in the Company's financial statements for the year ended June 30, 2018.

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, 2018.

	Note	September 30, June 30,	
		2018 2018	
		Unaudited	Audited
(Rupees in thousand)			
5. TRADE AND OTHER PAYABLES			
Trade creditors		216,793	187,693
Bills payable		442,094	678,359
Accrued expenses	5.1	736,169	672,037
Royalty technical service fee payable		176,128	182,913
Advances from customers	5.2	50,268	54,181
Staff provident fund payable		4,248	4,592
Staff retirement benefits		51,929	51,929
Short term deposits		1,486	1,114
Workers' profit participation fund		4,739	414
Workers' welfare fund		21,025	18,832
Payable to Waqf-e-Kuli Khan		19,415	17,889
Interest payable on custom duties		29,933	29,933
Stamp duty payable		-	500
Others		22,760	27,995
		<u>1,776,987</u>	<u>1,928,381</u>

5.1 Include Rs.31.491 million (2018: Rs.23.567 million) pertaining to key management personal.

5.2 Include Rs.Nil (2018: Rs.0.266 million) and Rs.Nil (2018: Rs.0.392 million) pertaining to associated Companies Ghandhara Nissan Limited and Ghandhara DF (Private) Limited respectively.

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 14.1 to the audited financial statements of the Company for the year ended June 30, 2018.

	September 30, June 30,	
	2018	2018
	Unaudited	Audited
(Rupees in thousand)		
6.1.2 Guarantees issued by commercial banks on behalf of the Company	345,969	233,138
6.1.3 Post dated cheques issued to the Collector of Customs against duty on imported plant & machinery, raw materials and stores & spares	70,938	124,773

6.2 Commitments

6.2.1 Commitments in respect of:

- letters of credit for capital expenditure	438,081	661,483
- letters of credit for purchase of raw material and stores & spares	1,158,362	721,368
- purchase orders issued to local suppliers for capital expenditure	144,741	139,600
- sales contracts entered into by the Company	-	2,508
- tentative schedules for supply of tyres	2,371,393	2,439,188
- indemnity bond	16,775	16,775

6.2.2 The Company has entered into Ijarah arrangements for plant & machinery and vehicles with a commercial bank. Aggregate commitments for these Ijarah arrangements are as follows:

	September 30, June 30,	
	2018	2018
	Unaudited	Audited
(Rupees in thousand)		
Not later than 1 year	5,023	11,181
Over 1 year and not later than 5 years	1,612	3,003
	<u>6,635</u>	<u>14,184</u>

	Note	September 30, June 30,	
		2018	2018
		Unaudited	Audited
(Rupees in thousand)			
7. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	7.1	3,783,884	3,728,209
Capital work-in-progress		664,509	519,100
		<u>4,448,393</u>	<u>4,247,309</u>
7.1 Operating fixed assets			
Book value at beginning of the period / year		3,728,209	3,590,980
Additions during the period / year		149,980	485,152
Disposals costing Rs 6.759 million (June 30, 2018: Rs 35.210 million) - book value		(3,348)	(5,134)
Depreciation for the period / year		<u>(90,957)</u>	<u>(342,789)</u>
Book value at end of the period / year		<u>3,783,884</u>	<u>3,728,209</u>
7.2 Details of additions to operating fixed assets during the period are as follows:			
For the first quarter ended			
September 30,			
		2018	2017
(Rupees in thousand)			
Buildings on lease hold land		20,546	-
Electrical installations		1,200	-
Plant and machinery		73,210	11,195
Boilers and accessories		22,370	2,864
Vehicles		10,303	-
Laboratory equipment		-	469
Moulds		14,928	-
Furniture and fixtures		1,011	527
Factory and office equipment		4,425	12,513
Computer equipment		1,987	-
		<u>149,980</u>	<u>27,568</u>
8. INVESTMENTS IN AN ASSOCIATED COMPANY - Quoted			
Ghandhara Industries Limited			
- Equity accounted investment			
September 30, June 30,			
		2018	2018
		Unaudited	Audited
(Rupees in thousand)			
Balance at beginning of the period / year		15,363	10,114
Share of comprehensive income for the period / year		431	6,760
Dividend received		-	(1,511)
Balance at end of the period / year		<u>15,794</u>	<u>15,363</u>

- 8.1 Investment in Ghandhara Industries Limited (GIL) represents 100,700 (2018: 100,700) fully paid ordinary shares of Rs 10 each representing 0.473% (2018: 0.473%) of its issued, subscribed and paid-up share capital as at September 30, 2018. GIL was incorporated on February 23, 1963 and its shares are quoted on Pakistan Stock Exchange. The principal activity of GIL is the assembly, progressive manufacturing and sale of Isuzu trucks and buses.
- 8.2 The Company considers GIL as its associate and follows equity accounting as it has significant influence over GIL based on common directorship.
- 8.3 The market value of the investment as at September 30, 2018 was Rs 68.276 million (June 30, 2018 : Rs 71.164 million)

	September 30, June 30,	
	2018	2018
	Unaudited	Audited
(Rupees in thousand)		
9. STOCKS		
Raw material		
- in hand	1,689,258	1,929,457
- in transit	301,428	473,151
	<u>1,990,686</u>	<u>2,402,608</u>
Work-in-process	276,948	179,905
Finished goods		
- in hand	1,275,164	714,448
- in transit	-	27,896
	<u>1,275,164</u>	<u>742,344</u>
	<u>3,542,798</u>	<u>3,324,857</u>

10. TRADE DEBTS - Unsecured**Considered good**

Associated Companies		
Ghandhara Industries Limited	45,014	6,920
Sui Northern Gas Pipelines Limited	10	-
Gammon Pakistan Limited	32	-
Others	1,082,070	1,020,107
Considered doubtful - others	<u>38,955</u>	<u>30,071</u>
	1,166,081	1,057,098
Provision for doubtful debts	<u>(38,955)</u>	<u>(30,071)</u>
	<u>1,127,126</u>	<u>1,027,027</u>

For the first quarter ended
September 30,

	Note	September 30,	
		2018	2017
		(Rupees in thousand)	
11. COST OF SALES			
Opening stock of finished goods		742,344	464,099
Cost of goods manufactured	11.1	2,381,256	2,179,130
Finished goods purchased		105,981	20,900
Royalty technical service fee		27,481	59,466
		<u>2,514,718</u>	<u>2,259,496</u>
		3,257,062	2,723,595
Closing stock of finished goods		<u>1,275,164</u>	<u>543,452</u>
		<u>1,981,898</u>	<u>2,180,143</u>

For the first quarter ended
September 30,

Note	2018		2017	
	(Rupees in thousand)			
11.1 Cost of goods manufactured				
Opening work-in-process		179,905		117,897
Raw materials consumed		1,615,235		1,411,451
Factory overheads		863,064		915,546
		2,478,299		2,326,997
		2,658,204		2,444,894
Closing work-in-process		276,948		265,764
		<u>2,381,256</u>		<u>2,179,130</u>
12. TAXATION				
Current		20,904		112,675
Deferred		5,153		(10,993)
		<u>26,057</u>		<u>101,682</u>
13. CASH GENERATED FROM OPERATIONS				
Profit before taxation		86,951		354,491
Adjustments for non-cash charges and other items				
Depreciation		90,957		83,738
Amortisation		6,108		5,483
Provision for staff retirement gratuity		13,991		14,225
Charge of employees compensated absences		1,771		946
Provision for doubtful trade debts		8,884		9,815
Profit on bank deposits		(124)		(56)
Loss on sale of operating fixed assets		73		-
Finance cost		90,670		57,391
Share of profit of an associated company		(431)		(790)
Working capital changes	13.1	(611,501)		(600,363)
		<u>(312,651)</u>		<u>(75,120)</u>
13.1 Working capital changes (Increase) / decrease in current assets:				
- Stores and spares		(1,912)		(27,857)
- Stocks		(217,941)		(106,977)
- Trade debts		(108,983)		(497,311)
- Loans and advances		(117,723)		(78,983)
- Deposits and prepayments		(24,772)		(18,748)
- Other receivables		11,225		158,131
		<u>(460,106)</u>		<u>(571,745)</u>
(Decrease) / increase in current liabilities:				
- Trade and other payables		(151,395)		(32,291)
- Provisions		-		3,673
		<u>(151,395)</u>		<u>(28,618)</u>
		<u>(611,501)</u>		<u>(600,363)</u>

For the first quarter ended
September 30,

	2018		2017	
	(Rupees in thousand)			
14. CASH AND CASH EQUIVALENTS				
Running finances under mark-up arrangements		(2,740,483)		(903,354)
Cash and bank balances		76,600		60,173
		<u>(2,663,883)</u>		<u>(843,181)</u>
15. OPERATING SEGMENT				
This condensed interim financial information has been prepared on the basis of a single reportable segment. All non-current assets of the Company as at September 30, 2018 are located in Pakistan. Revenues from external customers attributed to foreign countries in aggregate are not material. The Company has earned revenues from two (September 30, 2017: three) customers aggregating Rs.866.461 million (September 30, 2017: Rs.1,362.351 million) during the period which constituted 30.73% (September 30, 2017: 40.73%) of gross sales.				
16. TRANSACTIONS AND BALANCES WITH RELATED PARTIES				
16.1 Significant transactions with related parties are as follows:				
Name	Nature of transaction	For the first quarter ended September 30,		
		2018	2017	
(Rupees in thousand)				
Associated companies/undertakings:				
Gandhara Industries Limited	Sales	68,746	83,969	
	Service charges	70	-	
Gandhara Nissan Limited	Sales	19	22	
Gandhara DF (Private) Limited	Sales	-	8,211	
Bibojee Services (Private) Limited	Rent	450	324	
Gammon Pakistan Limited	Construction services	-	30,262	
	Sales	32	-	
Waqf-e-Kuli Khan	Donation	1,529	6,320	
Sui Northern Gas Pipelines Limited	Sales	3,708	1,170	
Wackenhut Pakistan (Pvt) Limited	Service charges	-	496	
Askari Bank Limited	Mark-up on long term and running finances	14,317	13,778	
	Profit earned	124	56	
Siemens Pakistan Engineering Company Limited	Purchase of fixed assets, stores and spares	4,852	7,076	
Other related parties:				
Key management personnel	Remuneration and other short term benefits	61,148	65,582	
	Sale of fixed assets	3,276	-	
	Meeting fees	2,100	2,800	
Staff provident fund	Contributions made	7,032	5,046	
Staff gratuity fund	Contributions made	2,689	2,423	

September 30, June 30,

2018 2018

Unaudited Audited

(Rupees in thousand)

16.2 Period / year end balances are as follows:

Payables to associated companies / related parties

Staff retirement gratuity	46,503	49,314
Long term and running finances	844,372	584,908
Accrued mark-up	6,587	12,581

Receivables from associated companies / related parties

Long term loans and advances	1,019	905
Loans and advances	939	1,386
Bank balances	9,952	8,171

17. GENERAL

17.1 Non- adjusting event after period ended September 30, 2018

Members of the Company have approved the following in annual general meeting held on October 18, 2018.

- To increase authorised share capital from Rs.750,000,000/- to Rs.1,250,000,000/-.
- Issuance of bonus shares in the proportion of seven (7) shares for every ten (10) ordinary shares held i.e. 70%.
- Cash dividend @ 60% i.e.Rs.6 per share.

17.2 Date of authorisation for issue

This condensed interim financial information was authorised for issue on October 25, 2018 by the Board of Directors of the Company.

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

17.4 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

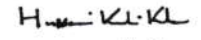

Adnan Ahmed
Director

مستقبل کے امکانات

گیس کی قیمتوں میں اضافہ منظر عام پر آ گیا ہے جبکہ توقع کی جارہی ہے کہ بجلی کی قیمتوں میں بھی اضافہ ہو جائے گا۔ مزید روپے کی قدر میں کمی، ڈسکاؤنٹ ریٹ اور یوٹیلیٹی کے نرخوں میں اضافہ کمپنی کے منافع پر اثر انداز ہونگے۔ انتظامیہ فور سے حالات کا جائزہ لے رہی ہے اور کچھ قیمتوں میں اضافہ کر کے اسکے اثر کو بڑی طور پر کم کیا جائے گا۔ کمپنی کو فیروزستاویزی شیئے سے مقابلے کا سامنا ہے جو اپنے محصول اور ڈیویڈنڈ کا واجب الادا حصہ ادا نہیں کر رہا ہے یہ کمپنی کو لاگت میں اضافہ کے اثر کی مکمل حصولی میں رکاوٹ کا باعث ہے۔ دستاویزی شیئے کے ساتھ انصاف سے کام لینا چاہیے جو نہ صرف اپنے واجب الادا محصول اور ڈیویڈنڈ ادا کر رہے ہیں بلکہ قیمتی زرمبادلہ بھی بچا رہے ہیں اور روزگار فراہم کر رہے ہیں۔ فیروزستاویزی شیئے کو ٹیکس ٹیٹ میں شامل کرنا چاہیے اور اسٹاکنگ کو روکنے کے لیے مزید سخت قوانین نافذ کرنے چاہیے۔ کمپنی فروخت میں اضافہ کے لیے ٹائروں کی درآمد کے آپشن پر بھی غور کر رہی ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے


Adnan Ahmed
Director


Hussain Kuli Khan
Chief Executive

کراچی: 25 اکتوبر، 2018

ڈائریکٹرز کا تجزیہ

کپنی کے ڈائریکٹرز 30 ستمبر 2018 کو ختم ہونے والے پہلے سہ ماہی کی غیر آڈٹ شدہ عبوری مالیاتی معلومات پیش کرتے ہوئے نہایت خوشی محسوس کرتے ہیں۔

کاروباری تجزیہ

خالص قیمت فروخت زیر جائزہ سہ ماہی کے دوران 2.34 بلین روپے رہی جو کہ پچھلے سال کے اسی دورانیہ کے مقابلے میں 16 فیصد کم ہے۔ ایکشن کی وجہ سے معاشی سرگرمیاں کم رہی اور پائی کی کمی کی وجہ سے کسان کی قوت خرید متاثر ہوئی جسکی وجہ سے OEM کی جانب سے ٹریکٹر کے ٹائروں کی خریداری میں کمی اور ٹان فائلر کوگاڑیوں کی خریداری کی پابندی نے کپنی کی فروخت کو متاثر کیا ہے۔ اسکے علاوہ پچھلے سال اسی دورانیہ میں فروخت میں بڑی طور پر اضافہ 2016-17 Q4 میں SAP سے متعلقہ مسائل کی وجہ سے 2017-18 Q1 میں فروخت میں پھیلاؤ آیا تھا۔ تمام بڑی اقسام کے ٹائروں کی فروخت میں اوپر دیے گئے عوامل کی وجہ سے کمی آئی ہے سوائے موٹر سائیکل اور لائٹ ٹرک ریڈیئل ٹائروں کے۔

اس سہ ماہی میں فروخت کی لاگت میں اضافہ کی وجہ پاکستانی روپے کی قدر میں بڑی کمی، خام مال کی قیمتوں میں اضافہ، اضافی کسٹم ڈیوٹی میں اضافہ اور دوسرے پیداواری لاگت میں اضافہ ہے۔ اگست 2018 میں کپنی نے اپنے ٹائروں کی قیمتوں میں اضافہ کیا تاہم سخت مقابلہ اور اسمگلڈ اور انڈر رائٹو انڈسٹری ٹائروں کی دستیابی کی وجہ سے پوری اضافی لاگت کا اثر خریدار پر منتقل نہیں کیا جاسکا۔

مالیاتی اخراجات اس دورانیہ میں 90.67 بلین روپے تھے جسکی بڑی وجہ پلانٹ اور مشینریز میں سرمایہ کاری اور کاروبار کو چلانے کیلئے سرمایہ کی ضرورت کو پورا کرنا۔ اسکے علاوہ دسمبر 2017 سے اسٹیٹ بینک آف پاکستان نے ڈسکاؤنٹ ریٹ میں 275 بیس پوائنٹ کا اضافہ کیا ہے جس کے نتیجے میں قرضوں کے حصول کی لاگت میں اضافہ ہوا ہے۔

پہلے تجزیاتی سہ ماہی میں منافع قبل از محصول اوپر دیے گئے عوامل کی وجہ سے 87 بلین روپے رہا۔

کریڈٹ ریٹنگ

PACRA نے کپنی کو ابتدائی اسٹیٹی ریٹنگ A+ جو کہ طویل مدتی درجہ بندی اور A1 جو کہ مختصر مدت کی درجہ بندی تفویض کی ہے۔ انہوں نے کپنی کو مستحکم آڈٹ لگ سے نوازا ہے۔