



**THE GENERAL TYRE AND RUBBER
COMPANY OF PAKISTAN LIMITED**

**NINE MONTHS' ACCOUNTS FOR THE
PERIOD ENDED MARCH 31ST, 2020**



The General Tyre and Rubber Company of Pakistan Limited

DIRECTORS' REVIEW

The directors are pleased to present the unaudited interim financial statements of the Company for the nine months ended March 31, 2020.

BUSINESS REVIEW

Net sales for the nine months ended under review was Rs. 6.39 billion as compared to Rs. 7.49 billion in the same period last year. Lower sales were mainly due to overall economic slowdown, lower production days observed by OEMs during November & December, coupled with FBR and traders deadlock on CNIC matter and higher auto financing rate. Sales was also impacted because of lockdown in last eight days of March because of COVID-19.

Due to lock down the company was unable to deliver goods to the OEMs and replacement market (mainly farm tyres due to harvesting season). The topline of the company declined by 15%. Had the Company been able to fulfill the requirements during last days of March, the decline in topline would be in single digit.

The Company has mitigated the impact of lower demand from OEM, by focusing on its Replacement market segment, both in local and export markets. Despite lost sales in March, Replacement market segment has shown positive growth.

The gross profit for the period was Rs. 1.04 billion as compared to Rs. 1.06 billion in the same period last year. Despite lower sales than last period, the Company managed to maintain the gross profit in value mainly due to increased sales in replacement market, better product mix and price increase to offset the impact of inflation and increase in utilities prices, and other manufacturing costs.

The finance cost for the period under review was Rs. 671 million as compared to Rs. 390 million in the same period last year. Increase in financial cost is mainly due to increase in interest rates. The Company incurred exchange loss of Rs 25 million during the period under review.

The Company has made significant investment in CAPEX over the period resulting in additional depreciation, financial cost and other overheads of expansion. Due to slow down in the economy the Company could not reap full benefits. COVID-19 has created some uncertainty. However, it is expected that when the businesses open the company is poised to reap the benefits.

As a result of the factors mentioned above, loss after tax for the nine months under review was Rs. 105 million as compared to profit after tax of Rs. 96 million reported in the same period last year.



FUTURE PROSPECTS

SBP has reduced the discount rate in aggregate by 425 basis points, which is expected to bode well for the Company and would result in lower financial charges in future. Decrease in interest rate is expected to increase the auto financing that may result in better OEM offtake. This with the stability of exchange rate and revival of economic activity are key factors for future profitability of your Company.

In order to contain the spread of COVID-19, the lockdown period is extended till 9th May. In compliance with these directives, General tyre also closed its manufacturing operations till this date. Due to harvesting season, the Government of Punjab has allowed sale of farm machinery / tractors and its parts including farm tyres in the province. Accordingly, your Company has also started the sale of farm tyres to both OEMs and replacement market in Punjab. The Company has sufficient finished good inventory to meet the demand.

The potential impact of the COVID-19, on the overall operations Company is undeterminable at the date of report. However, the management and the Board of Directors of the Company would continue to monitor the evolving situation in relation to the pandemic.

Recently, Government has shown its eagerness to curb smuggling, which is a positive sign. We feel that sealing of borders due to COVID-19 will be helpful in containing smuggling of tyres which will be beneficial for local industry.

The Company is working on strategies to reduce cost and go for leaner production. However, till the time the factory is closed, fixed cost would continue to be incurred.

Despite increasingly difficult economic situation and competitive pressures, the long-term growth potential of the business is positive. Your Company is in close coordination with all OEMs including both new auto players. Both new auto players have started to purchase tyres from your Company which is expected to bode well for future volumes.

Moreover, as discussed in last quarter Directors' report, the Company has participated in various tenders and won some of these tenders. The delivery of goods against these tenders would be made in upcoming quarters.

For and on behalf of the Board of Directors

A handwritten signature in black ink, appearing to read 'Hussain K. K.', written over a horizontal line.

Chief Executive

Karachi

Dated: April 30, 2020

A handwritten signature in black ink, written in a cursive style.

Director

THE GENERAL TYRE AND RUBBER COMPANY OF PAKISTAN LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2020

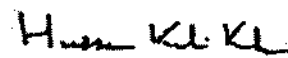
	March 31, 2020 (Unaudited)	June 30, 2019 (Audited)
Note	----- Rupees in '000 -----	
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorised capital		
	1,250,000	1,250,000
	1,219,334	1,016,112
	1,000,000	1,000,000
	939,565	1,324,670
	3,158,899	3,340,782
LIABILITIES		
NON CURRENT LIABILITIES		
	829,573	1,020,748
	44,563	-
	385,038	336,229
	184,990	299,403
	9,760	9,351
	1,453,924	1,665,731
CURRENT LIABILITIES		
	432,079	608,223
	26,101	-
	1,403,507	1,350,000
	4,528,559	3,526,185
	1,457,221	1,783,757
	16,885	12,897
	2,902	8,641
	240,632	130,836
	48,000	48,000
	8,155,886	7,468,539
	9,609,810	9,134,270
	12,768,709	12,475,052

Contingencies and commitments

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Chief Financial Officer



Chief Executive



Chief Financial Officer



Chief Executive



Director

THE GENERAL TYRE AND RUBBER COMPANY OF PAKISTAN LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2020

	Note	March 31, 2020 (Unaudited)	June 30, 2019 (Audited)
----- Rupees in '000 -----			
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	8	5,191,261	5,127,169
Intangible assets		8,562	26,562
Investment in an associated company		14,944	16,091
Long term loans and advances		6,946	6,860
Long term deposits		19,035	19,950
		5,240,748	5,196,632
CURRENT ASSETS			
Stores and spares		629,122	659,566
Stocks	9	4,291,086	3,721,748
Trade debts		1,024,535	1,237,309
Loans and advances		123,992	174,359
Deposits and prepayments		67,840	67,228
Other receivables		179,519	202,594
Taxation - net		1,164,734	1,059,685
Cash and bank balances		47,133	155,931
		7,527,961	7,278,420
TOTAL ASSETS		12,768,709	12,475,052

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive



Chief Financial Officer



Chief Executive



Director

THE GENERAL TYRE AND RUBBER COMPANY OF PAKISTAN LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020

	Note	For the quarter ended March 31,		For the nine months period ended March 31,	
		2020	2019	2020	2019
----- (Rupees in '000) -----					
Sales - net		1,823,689	2,477,028	6,388,009	7,493,119
Cost of sales	10	(1,533,202)	(2,156,998)	(5,344,887)	(6,431,480)
Gross profit		290,487	320,030	1,043,122	1,061,639
Administrative expenses		(67,952)	(69,397)	(205,651)	(227,647)
Distribution cost		(105,970)	(92,032)	(310,925)	(293,475)
Other income		6,600	16,216	75,148	54,296
Other expenses		(41,279)	(804)	(46,025)	(72,528)
Profit from operations		81,886	174,013	555,669	522,285
Finance cost		(241,372)	(167,434)	(671,101)	(389,729)
		(159,486)	6,579	(115,432)	132,556
Share of (loss) / profit of an associated company - net of tax		(558)	375	(1,147)	3,814
(Loss)/Profit before taxation		(160,044)	6,954	(116,579)	136,370
Taxation	11	25,452	(2,117)	11,277	(40,420)
(Loss)/Profit for the period		(134,592)	4,837	(105,302)	95,950
Other comprehensive income		-	-	-	-
Total comprehensive (loss)/Income for the period		(134,592)	4,837	(105,302)	95,950
		Rupees	Rupee	Rupee	Rupee
			(Restated)		(Restated)
(Loss)/Earnings per share - basic and diluted	12	(1.10)	0.04	(0.86)	0.79

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive



Chief Financial Officer



Chief Executive

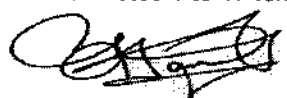


Director

THE GENERAL TYRE AND RUBBER COMPANY OF PAKISTAN LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020

	Issued, subscribed and paid-up share capital	Capital Reserve Reserve for capital expenditure	Revenue Reserve Unappro- priated profit	Total
----- Rupees in '000 -----				
Balance as at July 1, 2018 (audited)	597,713	1,000,000	1,973,483	3,571,196
Transaction with owners				
- Final dividend for the year ended June 30, 2018 at the rate of Rs 6 per share	-	-	(358,628)	(358,628)
- Bonus share issue for the year ended June 30, 2018 at the rate of 70% i.e. 7 shares for every 10 shares	418,399	-	(418,399)	-
Total comprehensive income for the period ended March 31, 2019	-	-	95,950	95,950
Balance as at March 31, 2019 (un-audited)	<u>1,016,112</u>	<u>1,000,000</u>	<u>1,292,406</u>	<u>3,308,518</u>
Balance as at July 1, 2019 (audited)	1,016,112	1,000,000	1,324,670	3,340,782
Effect of initial application of IFRS-16 - net of tax [note 3(a)]	-	-	(15,614)	(15,614)
Transaction with owners				
- Bonus share issue for the year ended June 30, 2019 at the rate of 20% i.e. 2 shares for every 10 shares	203,222	-	(203,222)	-
- First interim dividend for the year ending June 30, 2020 at the rate of Re 0.5 per share	-	-	(60,967)	(60,967)
Total comprehensive (loss)/income for the period ended March 31, 2020	-	-	(105,302)	(105,302)
Balance as at March 31, 2020 (un-audited)	<u>1,219,334</u>	<u>1,000,000</u>	<u>939,565</u>	<u>3,158,899</u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.



 Chief Financial Officer



 Chief Executive



 Chief Financial Officer



 Chief Executive



 Director

THE GENERAL TYRE AND RUBBER COMPANY OF PAKISTAN LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020

		For the nine months period ended March 31,	
		2020	2019
		----- Rupees in '000 -----	
Note			
CASH FLOWS FROM OPERATING ACTIVITIES			
	Cash generated from / (used in) operations	391,844	(201,080)
	Staff retirement gratuity paid	(18,081)	(26,138)
	Compensated absences paid	(1,483)	(7,042)
	Long term deposits from dealers - net	409	(200)
	Finance cost paid	(554,529)	(318,696)
	Taxes paid	(201,808)	(437,771)
	Long term loans and advances - net	(86)	(823)
	Long term deposits - net	915	(472)
	Profit on bank deposits received	787	540
	Net cash used in operating activities	(382,032)	(991,682)
CASH FLOWS FROM INVESTING ACTIVITIES			
	Purchase of property, plant and equipment	(362,171)	(842,801)
	Purchase of intangible assets	-	(4,205)
	Proceeds from sale of operating fixed assets	28,535	3,792
	Dividend received	-	1,571
	Net cash used in investing activities	(333,636)	(841,643)
CASH FLOWS FROM FINANCING ACTIVITIES			
	Long term finances - repaid	(517,294)	(372,787)
	Long term finances - obtained	149,975	-
	Short term finances - net	53,507	1,028,268
	Lease rentals paid	(18,974)	-
	Dividend paid	(62,718)	(359,793)
	Net cash used in financing activities	(395,504)	295,688
	Net decrease in cash and cash equivalents	(1,111,172)	(1,537,637)
	Cash and cash equivalents at beginning of the period	(3,370,254)	(1,651,446)
	Cash and cash equivalents at end of the period	(4,481,426)	(3,189,083)

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive



Chief Financial Officer



Chief Executive



Director

THE GENERAL TYRE AND RUBBER COMPANY OF PAKISTAN LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2020

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, under the Companies Act 1913, repealed and replaced by the Companies Ordinance, 1984 which in turn got replaced by the Companies Act 2017, and was subsequently converted into a public limited company. Its shares are quoted on Pakistan Stock Exchange. The registered office 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 of the Company for the period ended March 31, 2020 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

(a) International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

(b) Provisions of and directives issued under the Companies Act, 2017.

Where the 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 do not include all the information and disclosures required in the annual audited financial statements, and should be read in conjunction with Company's annual audited financial statements for the year ended June 30, 2019.

3. SUMMARY OF 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, 2019 except those stated in note 3.2 below.

3.2 Change in accounting standards, interpretations and amendments to published accounting and reporting standards

- (a) **Standards and amendments to accounting and reporting standards which were effective during the period ended March 31, 2020:**

There were certain amendments to accounting and reporting standards which became mandatory for the Company during the current period but are considered not to be relevant or have any significant effect on the Company's financial reporting therefore have not been disclosed in these condensed interim financial statements. In addition to this, a new standard i.e. IFRS 16 became applicable during the current period. IFRS 16 'Leases' - replaced existing leasing guidance, including IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC-15 'Operating Leases-Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. Under IFRS 16, a new concept of right to use leased item has been introduced requiring recognition of right of use asset and a financial liability to pay rentals. The only exceptions are short-term and low-value leases.

The Company applied IFRS 16 and recognised right of use assets and corresponding lease liabilities in relation to leases which had previously been classified as 'operating lease'. Right of use assets amounting to Rs 60.871 million were measured at the amount equal to the carrying amount as if IFRS 16 had been applied since the lease commencement date, but discounted using the Company's incremental borrowing rate at the date of initial application i.e. July 1, 2019. Corresponding lease liabilities amounting to Rs 82.862 million were measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate as of July 1, 2019. On initial application, deferred tax asset amounting to Rs 6.377 million was recorded. Right of use assets and corresponding liabilities have not been recognized in respect of leases having remaining lease term of 12 months or less as of July 1, 2019.

(b) Standards, interpretations and amendments to accounting and reporting standards that are not yet effective:

There is a new standard and certain amendments and an interpretation to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2020. However, the standard, amendments and interpretation will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim financial statements.

4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

4.1 The preparation of 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.

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 these 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 annual audited financial statements for the year ended June 30, 2019.

The Company's financial risk management objectives and policies are consistent with those disclosed in the Company's annual audited financial statements for the year ended June 30, 2019.

4.2 In order to contain the widespread of COVID-19 (Coronavirus) within the Province of Sindh, the Provincial Government on March 22, 2020, directed its citizens as well as businesses to complete lockdown. The lockdown period was further extended by Sindh /Federal Governments. In compliance with these directives, General tyre also closed its operations since that date. The potential impact of the COVID-19 situation, on the overall operations Company is undeterminable at the date, these financial statements were approved and authorised for issue. However, the management and the Board of Directors of the Company would continue to monitor the evolving situation in relation to the pandemic.

5. LONG TERM FINANCES - Secured

	March 31, 2020 (Unaudited)	June 30, 2019 (Audited)
	----- Rupees in '000 -----	
Term finance - from banking companies		
Conventional	1,204,573	1,449,105
Shariah compliant	57,079	179,866
	<u>1,261,652</u>	<u>1,628,971</u>
Less: current maturity grouped under current liabilities	(432,079)	(608,223)
	<u>829,573</u>	<u>1,020,748</u>

6. TRADE AND OTHER PAYABLES

	March 31, 2020 (Unaudited)	June 30, 2019 (Audited)
	----- Rupees in '000 -----	
Trade creditors	351,889	201,215
Bills payable	294,948	761,848
Accrued expenses	619,632	578,270
Royalty fee payable	22,048	36,190
Advances from customers	21,616	59,373
Staff provident fund payable	4,534	4,316
Staff retirement gratuity	74,282	74,282
Short term deposits	2,226	1,261
Workers' profit participation fund	-	3,604
Workers' welfare fund	5,237	5,237
Payable to Waqf-e-Kuli Khan	3,070	3,070
Interest payable on custom duties	29,933	29,933
Stamp duty payable	-	488
Others	27,806	24,670
	<u>1,457,221</u>	<u>1,783,757</u>

7. CONTINGENCIES AND COMMITMENTS**7.1 Contingencies**

There is no other 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, 2019, except for the following:

7.1.1 During the period, the Company filed an appeal on August 22, 2019 before Appellate Tribunal Inland Revenue against order dated July 31, 2019 whereby Commissioner Inland Revenue (Appeals) upheld alleged sales tax demands amounting to Rs 63.248 million along with default surcharge in respect of inadmissible input tax on goods and services and penalty for the tax periods from July 2015 to June 2016. The Company has paid Rs 17.928 million to obtain stay against the aforementioned demand order. The Company based on the advice of its tax consultant is expecting favourable outcome and therefore no provision has been recognised in these condensed interim financial statements.

7.1.2 During the period, the Company filed an appeal on September 13, 2019 before Appellate Tribunal Inland Revenue against order dated August 22, 2019 whereby Commissioner Inland Revenue (Appeals) upheld alleged sales tax demands amounting to Rs 234.034 million along with default surcharge in respect of inadmissible input tax on goods and services, short payment of further tax and sales tax withholding claimed by the Company and penalty for the tax periods from July 2016 to June 2018. The Company based on the advice of its tax consultant is expecting favourable outcome and therefore no provision has been recognised in these condensed interim financial statements.

	March 31, 2020 (Unaudited)	June 30, 2019 (Audited)
	----- Rupees in '000 -----	
7.1.3 Guarantees issued by commercial banks on behalf of the Company	304,195	288,321
7.1.4 Post dated cheques issued to the Collector of Customs against duty on imported plant & machinery, raw materials and stores & spares	89,134	80,547
7.2 Commitments		
7.2.1 Commitments in respect of:		
- letters of credit for capital expenditure	379,773	559,389
- letters of credit for purchase of raw material and stores & spares	693,687	830,087
- purchase orders issued to local suppliers for capital expenditure	43,770	55,713
- indemnity bond	16,775	16,775
7.2.2 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:		

	Note	March 31, 2020 (Unaudited) ----- Rupees in '000 -----	June 30, 2019 (Audited)
Not later than 1 year		229	2,518
8. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	8.1	4,863,027	4,431,955
Right of use assets	8.2	47,884	-
Capital work-in-progress		280,350	695,214
		<u>5,191,261</u>	<u>5,127,169</u>
8.1 Operating fixed assets			
Book value at beginning of the period / year		4,431,955	3,728,209
Transfers from CWIP during the period / year	8.3	777,037	1,089,267
Net book value of disposals having cost of Rs 26.445 million (June 30, 2019: Rs 12.796 million)		(14,143)	(3,934)
Depreciation for the period / year		(331,822)	(381,587)
Book value at end of the period / year		<u>4,863,027</u>	<u>4,431,955</u>
8.2 Right of use assets			
Initial application of IFRS-16		60,871	-
Depreciation for the period		(12,987)	-
Book value at end of the period		<u>47,884</u>	<u>-</u>
8.3 Details of transfers to operating fixed assets during the period are as follows:			
		For the nine months period ended	
		March 31,	
		2020	2019
		(Unaudited)	
		----- Rupees in '000 -----	
Buildings on lease hold land		137,085	38,079
Electrical installations		6,284	15,120
Plant and machinery	8.3.1	467,594	475,742
Boilers and accessories		10,405	35,334
Vehicles		58,470	54,917
Moulds		88,039	61,524
Furniture and fixtures		-	1,795
Factory and office equipment		6,341	8,713
Computer equipment		2,819	3,071
		<u>777,037</u>	<u>694,295</u>

8.3.1 This includes borrowing cost amounting to Rs 43.509 million directly attributable to the acquisition cost incurred during the period. The capitalisation rate used to determine the amount of borrowing cost eligible for capitalisation is 14%.

9. STOCKS

	Note	March 31, 2020 (Unaudited)	June 30, 2019 (Audited)
----- Rupees in '000 -----			
Raw materials			
- in hand		933,917	1,478,193
- in transit		154,381	373,518
		1,088,298	1,851,711
Work-in-process		207,872	194,266
Finished goods	9.1	2,994,916	1,675,771
		4,291,086	3,721,748

9.1 Finished goods include items costing Rs 86.699 million (June 30, 2019: Rs 95.924 million) which are stated at the net realisable values aggregating Rs 66.585 million (June 30, 2019: Rs 67.512 million). The aggregate amount charged to profit or loss in respect of stocks written down to the net realisable value is Rs 20.114 million (June 30, 2019: Rs 28.412 million).

10. COST OF SALES

	Note	For the quarter ended		For the nine months period ended	
		March 31,		March 31,	
		2020	2019	2020	2019
----- Rupees in '000 -----					
Opening stock of finished goods		2,645,654	1,757,590	1,675,771	742,344
Cost of goods manufactured	10.1	1,864,239	2,182,375	6,609,166	7,351,722
Finished goods purchased		18,225	12,011	54,866	132,392
		1,882,464	2,194,386	6,664,032	7,484,114
		4,528,118	3,951,976	8,339,803	8,226,458
Closing stock of finished goods		2,994,916	1,794,978	2,994,916	1,794,978
		1,533,202	2,156,998	5,344,887	6,431,480

10.1 Cost of goods manufactured

Opening work-in-process	178,890	139,466	194,266	179,905
Raw materials consumed	1,059,563	1,484,998	3,950,605	4,534,053
Factory overheads	833,658	765,803	2,672,167	2,845,656
	1,893,221	2,250,801	6,622,772	7,379,709
	2,072,111	2,390,267	6,817,038	7,559,614
Closing work-in-process	207,872	207,892	207,872	207,892
	1,864,239	2,182,375	6,609,166	7,351,722

11. TAXATION	For the quarter ended March 31,		For the nine months period ended March 31,	
	2020	2019	2020	2019
	-----Rupees in '000-----			
Current				
- for the period	27,661	3,129	96,759	56,657
- for prior period	-	-	-	16,667
	<u>27,661</u>	<u>3,129</u>	<u>96,759</u>	<u>73,324</u>
Deferred	(53,113)	(1,012)	(108,036)	(32,904)
	<u>(25,452)</u>	<u>2,117</u>	<u>(11,277)</u>	<u>40,420</u>
12. EARNINGS PER SHARE - BASIC AND DILUTED	For the quarter ended March 31,		For the nine months period ended March 31,	
	2020	2019	2020	2019
		(Restated)		(Restated)
	-----Rupees in '000-----			
Basic earnings per share				
(Loss)/Profit after taxation	(134,592)	4,837	(105,302)	95,950
	----- (Number of shares) -----			
Weighted average number of ordinary shares outstanding	121,933,350	121,933,350	121,933,350	121,933,350
	Rupees	Rupee	Rupee	Rupee
(Loss)/Earnings per share - basic and diluted	(1.10)	0.04	(0.86)	0.79
12.1	Earnings per share has been restated to account for the impact of issue of bonus shares.			
13. CASH GENERATED FROM OPERATIONS			For the nine months period ended March 31,	
			2020	2019
			(Unaudited)	
			----- Rupees in '000 -----	
	Note			
(Loss)/Profit before taxation			(116,579)	136,370
Adjustments for non-cash charges and other items				
Depreciation on operating assets			331,822	279,717
Depreciation on right of use asset			12,987	-
Amortisation			18,000	18,195
Provision for staff retirement gratuity			60,061	45,854
Charge of employees compensated absences			8,310	5,162
(Reversal) / provision for doubtful trade debts			(5,320)	14,162
Net realisable value (reversed) / charged on stocks			(8,298)	(15,919)
Finance cost			664,325	389,729
Finance cost related to lease liability			6,776	-
Gain on sale of operating fixed assets			(14,392)	(444)
Profit on bank deposits			(787)	(540)
Share of loss / (profit) of an associated company - net of tax			1,147	(3,814)
Working capital changes	13.1		(566,208)	(1,069,552)
			<u>391,844</u>	<u>(201,080)</u>

		For the nine months period ended	
		March 31,	
		2020	2019
		(Unaudited)	
		----- Rupees in '000 -----	
13.1	Working capital changes		
	Increase / (decrease) in current assets:		
	- Stores and spares	30,444	(45,978)
	- Stocks	(561,040)	(346,752)
	- Trade debts	218,094	(312,005)
	- Loans and advances	50,367	95,309
	- Deposits and prepayments	(612)	23,000
	- Other receivables	23,075	17,582
		<u>(239,672)</u>	<u>(568,844)</u>
	Increase / (decrease) in current liabilities:		
	- Trade and other payables	(326,536)	(500,708)
		<u>(566,208)</u>	<u>(1,069,552)</u>
14.	CASH AND CASH EQUIVALENTS		
	Running finances under mark-up arrangements	(4,528,559)	(3,278,323)
	Cash and bank balances	47,133	89,240
		<u>(4,481,426)</u>	<u>(3,189,083)</u>

15. 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 March 31, 2020 are located in Pakistan. Revenues from external customers attributed to foreign countries in aggregate are not material. The Company has earned revenues from one (March 31, 2019: two) customer aggregating Rs 1,066.433 million (March 31, 2019: Rs 2,511.476 million) during the period which constituted 13.76% (March 31, 2019: 27.82%) of gross sales.

16. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties comprise of associated companies, companies in which directors are interested, staff retirement benefit funds, key management personnel and close members of the families of key management personnel. The Company in the normal course of business carries out transactions with various related parties.

For the nine months period ended
March 31,
2020 **2019**
(Unaudited)
--- Rupees in '000 ---

16.1 Transactions with related parties are as follows:

Associated companies / undertakings:

Sale of goods	140,159	204,282
Services rendered	10,529	14,634
Rent	1,350	1,350
Interest earned	787	540
Mark-up on running and long term finance	73,378	54,915
Donation	-	2,401
Dividend paid	35,231	207,240
Bonus shares issued	117,436	-
Dividend received	-	1,571

Other related parties:

Provision towards gratuity staff fund	11,184	10,393
Contribution towards employees provident fund	15,652	16,889
Salaries and other employee benefits to key management personnel	167,678	182,532
Meeting fees to key management personnel	5,800	6,200
Sale of fixed assets to key management personal under the Company policy	1,326	3,276
Dividend paid	732	4,408
Bonus shares issued	2,440	-

March 31, **June 30,**
2020 **2019**
(Unaudited) **(Audited)**
----- Rupees In '000 -----

16.2 Period / year end balances are as follows:

Payables to associated companies / related parties

Staff retirement gratuity	39,770	33,589
Long term and running finances	603,173	737,697
Trade and other payables	15,680	17,830
Accrued mark-up	35,563	20,884

Receivables from associated companies / related parties

Long term loans and advances	540	1,030
Loans and advances	1,199	1,090
Bank balances	11,028	7,362

17. GENERAL

17.1 Date of authorisation for issue

These condensed interim financial statements were authorised for issue on April 30, 2020 by the Board of Directors of the Company.


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



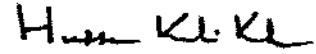
Chief Financial Officer



Chief Financial Officer



Chief Executive



Chief Executive



Director