



PANTHER

HALF YEARLY REPORT DECEMBER

2022

WHEELS OF THE
NATION
MOVING TOWARDS PROSPERITY



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PANTHER



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VISION & MISSION STATEMENT

OUR VISION

To be the Leading and innovative Tyre Company of Pakistan, driving the Nation to achieve speed with safety by moving the wheels of economy towards shared Growth and Prosperity of all stakeholders.



OUR MISSION

To enable People and Businesses to realize their full potential and maximize Value to all stakeholders.

COMPANY INFORMATION



BOARD OF DIRECTORS

Mr. Mian Iftikhar Ahmed	Chairman/ Non-Executive Director
Mr. Mian Faisal Iftikhar	Chief Executive Officer
Ms. Ayesha Iftikhar	Executive Director
Mr. Zahid Mahmud	Non-Executive Director
Mr. Javed Masud	Independent Director
Mr. Asad Sultan Chaudhary	Independent Director
Mr. Iqbal Ahmad Khan	Independent Director



AUDIT COMMITTEE

Mr. Javed Masud	Chairman/Independent Director
Mr. Asad Sultan Chaudhary	Member/Independent Director
Mr. Iqbal Ahmad Khan	Member/Independent Director
Mr. Zahid Mahmud	Member/Non-Executive Director
Mr. Mohsin Muzaffar Butt	Secretary of Audit Committee



HR & REMUNERATION COMMITTEE

Mr. Asad Sultan Chaudhary	Chairman/Independent Director
Mr. Mian Faisal Iftikhar	Member/Chief Executive Director
Mr. Iqbal Ahmad Khan	Member/Independent Director
Mr. Mohsin Muzaffar Butt	Secretary of HR & R Committee



RISK MANAGEMENT COMMITTEE

Mr. Javed Masud	Chairman/Independent Director
Mr. Mian Faisal Iftikhar	Member/Chief Executive Director
Mr. Zahid Mahmud	Member/ Non-Executive Director
Mr. Mohsin Muzaffar Butt	Secretary of Risk Management Committee



NOMINEE COMMITTEE

Mr. Mian Iftikhar Ahmed	Chairman/ Non-Executive Director
Mr. Mian Faisal Iftikhar	Member/Chief Executive Director
Mr. Mohsin Muzaffar Butt	Secretary of Nominee Committee



CHIEF FINANCIAL OFFICER

Ghulam Abbas FCA FCMA



FACTORY ADDRESS

29.5 KM Lahore Sheikhpura
Road Sheikhpura



COMPANY SECRETARY

Mohsin Muzaffar Butt FCA CIA



BANKERS

- JS Bank Limited
- Habib Bank Limited
- Faysal Bank Limited
- United Bank Limited
- Bank Alfalah Limited
- Samba Bank Limited
- Meezan Bank Limited
- National Bank of Pakistan
- Bank Islami Pakistan Limited
- Habib Metropolitan Bank Limited
- PAIR Investment Company Limited
- Pak Oman Investment Company Limited
- Standard Chartered Bank (Pakistan) Limited
- Industrial and Commercial Bank of China Ltd.
- Dubai Islamic Bank Limited



HEAD OF INTERNAL AUDIT

Mohsin Muzaffar Butt FCA CIA



AUDITORS

EY Fords Rhodes Chartered Accountants



REGISTERED OFFICE

Panther House 97-B Aziz Avenue,
Gulberg 5, Canal bank Jail Road,
Lahore-5400, Pakistan.
UAN: +42 111-554-444



SHARE REGISTRAR

Corplink (Private) Limited
Wings Arcade, 1-K, Commercial,
Model Town, Lahore.



WEBSITE

www.pantherityres.com

DIRECTORS' REVIEW

The Board of Directors of the Company are pleased to present the directors' review report and condensed interim financial statements of the company for the half year ended December 31, 2022.

OVERVIEW OF ECONOMY AND BUSINESS ENVIRONMENT

Pakistan entered into the FY 2023 with chronic inflation and economic & political uncertainty; six months average inflation has clocked-in at 25%. It's not only the Pakistan but the whole world is facing challenges of soaring inflation and recession. Earlier covid led financial packages and subsequently higher gas and commodity prices, in the wake of Ukraine war, are fueling inflation and dampening growth of the economies across the globe. Economy of Pakistan has its unique challenge of critical scarcity of dollars, the gap between dollar exchange rates in the interbank and open markets has significantly spread out, which is drastically hurting the dollar inflows and diverting remittances from the legal banking channel to the grey market. Resultantly, SBP's reserves plunged to around \$4 billion which has sent the panic signals across the economy. Further to this, in the recent monetary policy meeting held on January 23, 2023 State Bank of Pakistan has raised the policy rate to 17%, highest in two decades. The higher interest rates coupled with galloping inflation that too in uncertain political environment has affected badly the overall business sentiments of the country. Uncertainties are also looming about the rupee dollar parity which again will affect the businesses at large. So, the businesses are likely to face headwinds in the times to come.

OPERATIONAL PERFORMANCE

In spite of many challenges on business front, the Company has been able to post sale at Rs.9.30 billion during the six months period ended on December 31, 2022, which is 1.8% lower than that of last year. Major decline in sales was witnessed in OEM category whereas growth in exports compensated the deficit a bit. Apart from inflation which has reduced the purchasing power of consumers, catastrophic floods in our country also played key role in the slow-down of product off take in replacement market.

Following are the key financial results of the company;

	Three Months			Six Months		
	Dec-22	Dec-21	Change	Dec-22	Dec-21	Change
PKR in millions except EPS						
Revenue	4,814	4,570	5.3%	9,306	9,481	-1.8%
Gross profit	604	598	1%	972	1,044	-7%
Operating profit	305	365	-16%	386	574	-33%
Finance cost	221	135	64%	549	233	136%
Pfotit / loss	132	149	-11%	(135)	259	-152%
Earning per share	0.78	0.89	-12%	(0.81)	1.54	-153%

The company earned gross profit of Rs. 972 million during the half year as compared to Rs. 1,044 million earned during the same period last year. Decrease in gross margin from 11.0% to 10.4% is mainly due to PKR depreciation, higher energy cost and negative growth in sale against the budgeted number of the period.

Selling and distribution expenses increased from 330.42 million to 400.65 million due to investment in sales and brand promotional activities.

Financial charges for the period have increased significantly from Rs.233.12 million to Rs.549.25 million mainly because of the increase in discount rate from 7.25% to 16%. Moreover, average utilization of working capital limits during period remained on higher side due to higher level of inventories resulting from un-expected drop in sales.

Resultantly, all the above elements put the earning of the company in negative zone during the period. The company suffered net loss 135.40 million as compared to Rs.259.49 million profit earned during the same period last year.

FUTURE OUTLOOK

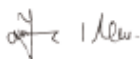
Due to the prevailing tough economic situations in local as well as in global markets coupled with political situation of Pakistan, the business in current financial year is likely to face headwinds. However, the global recession have led to softening of global commodity prices and downward trend in the prices of oil, natural rubber, butyl, carbon and many other raw materials is being witnessed recently. This will help the Company to partially off-set likely adverse impact of rupee dollar parity. However, higher interest rates and slow demand are like to exist in remaining quarters of the year. The management of company is cognizant with emerging challenges and devising the strategies to cope with them successfully.

Nonetheless, we are sure that the long-term growth potential of tyre industry is intact and new opportunities for import substitution are likely to emerge with the expected depreciation of the rupee and also due to curbs on un-necessary imports. During the six months under review, the tyre imports have plunged by approximately 60% as compared to same period last year. This will create a supply side gap in the ensuing times. The management of the Company is closely monitoring the situation and has rightly positioned itself to capitalize on the business opportunities arising out of current economic situation. However, un-interrupted supply of raw material will be an important area to constantly look into.

ACKNOWLEDGMENT

The Board takes this opportunity to express its gratitude towards the employees, customers, banks, suppliers and other stakeholders for the confidence and faith they have always reposed in the company.

For and on behalf of Board of Directors



Mian Faisal Iftikhar
Chief Executive Officer



Mian Iftikhar Ahmed
Chairman

Lahore: January 25, 2023

ڈائریکٹر جائزہ رپورٹ

کمپنی کے بورڈ آف ڈائریکٹران 31 دسمبر 2022ء کو ختم ہونے والی ششماہی کے لیے اپنی جائزہ رپورٹ اور عبوری مالیاتی گوشوارے پیش کرتے ہوئے خوش محسوس کرتے ہیں۔

معیشت اور کاروباری کارکردگی کا جائزہ:

پاکستان مالی سال 2023 میں مہنگائی اور معاشی سیاسی بے یقینی کے ماحول میں داخل ہوا۔ زیر جائزہ مدت کے دوران مہنگائی کی اوسط شرح 25 فیصد تک رہی۔ ناصرف پاکستان بلکہ پوری دنیا کو مہنگائی اور کساد بازاری کے چیلنجز کا سامنا ہے۔ پہلے کوویڈ وبا میں دیے گئے مالیاتی چیلنجز اور اس کے بعد یوکرین کی جنگ کے تناظر میں کموڈٹیز اور گیس کی بلند قیمتیں مہنگائی کو ہوادے رہی اور پوری دنیا کی معیشتوں کی شرح نمو کو کم کر رہی ہیں۔ پاکستان کی معیشت کو ڈالر کی شدید کمی کی وجہ سے اپنی نوعیت کے منفرد چیلنجز کا سامنا ہے۔ انٹر بینک اور اوپن مارکیٹ میں ڈالر کی شرح تبادلہ میں بہت زیادہ فرق ہے جس کی وجہ سے ڈالر کی آمد شدید متاثر ہو رہی ہے جو ترسیلات زر کو قانونی بینکنگ چینل سے غیر قانونی مارکیٹ کی طرف موڑ رہا ہے۔ اس کے نتیجے میں اسٹیٹ بینک کے زرمبادلہ کے ذخائر 4 ارب ڈالر تک گر گئے۔ جس نے معاشی حلقوں میں خوف و ہراس کی لہر پیدا کر دی۔ اس کے علاوہ 23 جنوری 2023ء کو ہونے والے مالیاتی مانیٹرنگ پالیسی اجلاس میں اسٹیٹ بینک آف پاکستان نے شرح سود کو بڑھا کر 17 فیصد کر دیا ہے جو دو دہائیوں میں بلند ترین شرح ہے۔ غیر یقینی سیاسی ماحول میں تیزی سے بڑھتی ہوئی مہنگائی کے ساتھ بلند شرح سود نے ملک کے مجموعی کاروباری ماحول کو بری طرح متاثر کیا ہے۔ روپے اور ڈالر کی شرح مبادلہ کے بارے میں غیر یقینی صورتحال پیدا ہو رہی ہے، جس سے دوبارہ بڑے پیمانے پر کاروبار متاثر ہوگا۔ اس صورتحال میں آنے والے دنوں میں کاروبار کو شدید مشکلات کا سامنا کرنا پڑ سکتا ہے۔

آپریٹیشنل کارکردگی

کاروباری محاذ پر بہت سے چیلنجز کے باوجود کمپنی 9.3 ارب روپے کی مصنوعات فروخت کرنے میں کامیاب رہی جو گزشتہ برس کی اسی مدت سے 1.8 فیصد کم ہے۔ OEM کیگیمیری میں فروخت میں بڑی کمی دیکھی گئی جبکہ برآمدات میں اضافے نے خسارے کو تھوڑا کم کیا۔ مہنگائی جس نے صارفین کی قوت خرید کم کیا، کے علاوہ ملک میں آنے والے تباہ کن سیلاب نے بھی متبادل مارکیٹ میں مصنوعات کی فروخت کو سست روی کا شکار رکھا۔

کمپنی کے اہم مالیاتی نتائج کا خلاصہ ذیل میں ہے:

	Three Months			Six Months		
	Dec-22	Dec-21	Change	Dec-22	Dec-21	Change
PKR in millions except EPS						
Revenue	4,814	4,570	5.3%	9,306	9,481	-1.8%
Gross profit	604	598	1%	972	1,044	-7%
Operating profit	305	365	-16%	386	574	-33%
Finance cost	221	135	64%	549	233	136%
Pfotit / loss	132	149	-11%	(135)	259	-152%
Earning per share	0.78	0.89	-12%	(0.81)	1.54	-153%

کمپنی نے رواں ششماہی کے دوران 972 ملین روپے کا مجموعی منافع کمایا جو گزشتہ برس اسی مدت کے دوران 1044 ملین روپے تھا۔ مجموعی منافع میں 11.0 فیصد سے 10.4 فیصد کی اسباب میں پاکستانی روپے کی قدر میں کمی، توانائی کی لاگت میں اضافہ اور مصنوعات کی تخفیف سے کم فروخت شامل ہیں۔

مصنوعات کی فروخت اور برائڈ کی پروموشن کی سرگرمیوں میں سرمایہ کاری کی وجہ سے فروخت اور ڈسٹری بیوشن کے اخراجات 330.42 ملین روپے سے بڑھ کر 400.65 ملین روپے ہو گئے۔

ڈسکاؤنٹ ریٹ کے 7.25 فیصد سے 16 فیصد تک بڑھنے کی وجہ سے زیرہ جائزہ مدت میں مالیاتی چارجز میں نمایاں اضافہ ہوا جو 233.12 ملین روپے سے بڑھ کر 549.25 ملین روپے ہو گئے۔ مزید برآں، اس مدت کے دوران ورکنگ کیپٹل limits کے استعمال میں بھی اضافے کا رجحان رہا جس کی بنیادی وجہ انویسٹریز میں اضافہ اور مصنوعات کی فروخت میں غیر متوقع کمی تھی۔

نتیجتاً، زیرہ جائزہ مدت میں مندرجہ بالا عوامل نے کمپنی کی آمدن کو نفی زون میں ڈالے رکھا۔ کمپنی کو 135.40 ملین روپے کا خالص نقصان ہوا جو گزشتہ برس اسی مدت میں 259.49 ملین روپے منافع تھا۔

مستقبل کا منظر نامہ:


پاکستان کی سیاسی صورتحال کے ساتھ ساتھ مقامی اور عالمی منڈیوں میں موجودہ سخت معاشی حالات کی وجہ سے رواں مالی برس میں کاروبار کو شدید مشکلات کا سامنا کرنا پڑ سکتا ہے۔ تاہم، عالمی کساد بازاری کی وجہ سے کموڈٹیز کی عالمی قیمتوں میں کمی آئی ہے اور حال ہی میں تیل، قدرتی ریز، بیوٹائل، کاربن اور دیگر کئی خام مال کی قیمتوں میں کمی کا رجحان دیکھا جا رہا ہے۔ اس سے کمپنی کو روپے اور ڈالر کی شرح مبادلہ کے کمزور اثرات کو جزوی طور پر ختم کرنے میں مدد ملے گی، تاہم، بلند شرح سود اور مصنوعات کی طلب میں سست روی سال کی بقیہ سہ ماہیوں میں موجود رہے گی۔ کمپنی کی انتظامیہ ابھرتے ہوئے چیلنجز سے بخوبی آگاہ ہے اور صورتحال پر گہری نظر رکھے ہوئے ہے اور ان حالات سے کامیابی کے ساتھ نمٹنے کے لیے حکمت عملی وضع کر رہی ہے۔


تاہم، ہمیں یقین ہے کہ ٹرانڈسٹری کی طویل مدتی ترقی کرنے کی صلاحیت برقرار رہے گی۔ روپے کی قدر میں متوقع گراؤٹ اور غیر ضروری درآمدات پر پابندی سے درآمدی اشیاء کے مقامی متبادل کے نئے مواقع پیدا ہونے کے امکانات ہیں۔ زیرہ جائزہ ششماہی میں ٹائزوں کی درآمدات میں گزشتہ برس کی اسی مدت کے مقابلے میں 60 فیصد کمی واقع ہوئی ہے، اس سے مستقبل میں رسد کا غلاء پیدا ہوگا۔ کمپنی کی انتظامیہ صورتحال پر گہری نظر رکھے ہوئے ہے اور اس موقع سے فائدہ اٹھانے کے لیے خود کو تیار کر رکھا ہے۔ تاہم، خام مال کی بلا تعلق فراہمی ایک ایسا شعبہ ہے جو مسلسل غور و خوض کا متقاضی ہے۔

اظہار تشکر

بورڈ اس موقع پر اپنے ملازمین، کسٹمرز، میٹیکول، سپلائرز اور دیگر اسٹیک ہولڈرز کا ان کی طرف سے کمپنی پر کیے جانے والے مسلسل اعتماد کا تہہ دل سے شکریہ ادا کرتا ہے۔

بورڈ کی جانب سے


میاں افتخار احمد
چیئر مین


میاں فیصل افتخار
چیف ایگزیکٹو آفیسر
لاہور 25 جنوری 2023ء



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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Panther Tyres Limited

Report on review of Condensed Interim Financial Statements for the period
ended 31 December 2022

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Panther Tyres Limited** as at 31 December 2022 and the related condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows and notes to the financial statements for the six-month period 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.

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 condensed 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.

Other matters

The figures of the condensed interim statement of comprehensive income for the quarters ended 31 December 2022 and 31 December 2021 have not been reviewed, as we are required to review only the cumulative figures for the six-month period ended 31 December 2022.

The engagement partner on the audit resulting in this independent auditor's review report is Abdullah Fahad Masood.



EY Ford Rhodes
Chartered Accountants
Lahore: 27 January 2023
UDIN: RR202210177E9HVjnbvq

FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED
DECEMBER 31, 2022




CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2022

	Note	Un-audited December 31, 2022	Audited June 30, 2022
Rupees			
NON CURRENT ASSETS			
Property, plant and equipment	5	9,865,708,853	8,977,076,235
Right-of-use assets		71,734,221	79,984,230
Intangible assets		3,407,824	4,165,119
Long term deposits and receivables		29,310,389	55,226,561
		9,970,161,287	9,116,452,145
CURRENT ASSETS			
Stores and spares		192,900,716	189,610,372
Stock in trade		4,056,032,293	4,340,368,037
Trade debts		3,987,687,597	4,298,059,971
Advances, deposits, prepayments and other receivables		956,979,797	736,800,810
Cash and cash equivalents		382,428,098	714,370,353
		9,576,028,501	10,279,209,543
TOTAL ASSETS			
		19,546,189,788	19,395,661,688
EQUITY AND LIABILITIES			
Authorized Share Capital			
300,000,000 (30 June 2022: 300,000,000) ordinary shares of Rs.10/- each		3,000,000,000	3,000,000,000
Issued, subscribed and paid up capital			
168,000,000 (30 June 2022: 168,000,000) ordinary shares of Rs. 10/- each		1,680,000,000	1,680,000,000
Share premium		1,294,433,658	1,294,433,658
Unappropriated profits		2,637,077,174	2,911,101,732
Surplus on revaluation of property, plant and equipment		953,382,644	970,251,032
		6,564,893,476	6,855,786,422
NON CURRENT LIABILITIES			
Long term liabilities	6	1,615,305,761	1,603,538,653
Loan from directors	7	947,187,539	692,433,562
Deferred grant		129,810,257	135,785,007
Deferred taxation		491,023,979	656,154,055
		3,183,327,536	3,087,911,277
CURRENT LIABILITIES			
Trade and other payables		1,969,640,770	1,642,431,647
Current portion of long term liabilities		199,469,405	294,555,177
Accrued mark-up		389,847,514	299,479,274
Short term financing - secured	8	7,238,396,639	7,215,101,096
Unclaimed dividend		614,448	396,795
		9,797,968,776	9,451,963,989
TOTAL EQUITY AND LIABILITIES			
		19,546,189,788	19,395,661,688
CONTINGENCIES AND COMMITMENTS			
	9		

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR

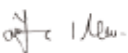

CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED DECEMBER 31, 2022

	Note	Three Months Period Ended		Six Months Period Ended	
		31 December 2022 (Un-audited) Rupees	31 December 2021 (Un-audited) Rupees	31 December 2022 (Un-audited) Rupees	31 December 2021 (Un-audited) Rupees
Revenue from contracts with customers - net	10	4,814,422,052	4,570,083,177	9,305,668,695	9,480,952,944
Cost of sales	11	(4,210,466,759)	(3,972,182,381)	(8,333,939,463)	(8,436,542,168)
Gross profit		603,955,293	597,900,796	971,729,232	1,044,410,776
Selling and distribution expenses		(189,944,333)	(157,558,429)	(400,650,792)	(330,421,039)
Administrative expenses		(112,685,445)	(76,728,527)	(204,849,891)	(147,983,883)
Other operating expenses		(19,127,514)	(18,516,995)	(25,373,449)	(26,986,053)
Other operating income		22,357,941	19,719,348	44,917,606	34,893,769
Profit from operations		304,555,942	364,816,192	385,772,706	573,913,569
Finance cost		(220,759,526)	(135,211,228)	(549,249,708)	(233,118,894)
Profit / (loss) before taxation		83,796,416	229,604,964	(163,477,002)	340,794,675
Taxation		48,059,476	(80,404,178)	28,080,094	(81,305,667)
Profit / (loss) after taxation		131,855,892	149,200,786	(135,396,908)	259,489,008
Other comprehensive income					
Items to be reclassified to profit or loss in subsequent periods:					
		-	-	-	-
Items not to be reclassified to profit or loss in subsequent periods:					
Due to change in effective tax rate		4,381,813	8,939,945	12,504,013	11,480,614
Total other comprehensive income		4,381,813	8,939,945	12,504,013	11,480,614
Total comprehensive (loss) / income		136,237,705	158,140,731	(122,892,895)	270,969,622
Earnings / (Loss) per share					
- Basic and diluted (Rs.)	12	0.78	0.89	(0.81)	1.54

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

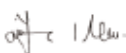
FOR THE HALF YEAR ENDED DECEMBER 31, 2022

Capital Reserve			Revenue Reserve	
Issued, subscribed and paid-up capital	Share premium	Revaluation surplus on property, plant and equipment	Unappropriated profit	Total

-----Rupees-----

Balance as on 01 July 2021 (audited)	1,400,000,000	1,574,433,658	854,801,883	2,747,555,295	6,576,790,836
Issuance of bonus shares for the year ended 30 June 21 at the rate 20%	280,000,000	(280,000,000)	-	-	-
Final dividend for the year ended 30 June 2021 at the rate of Rs. 2 per share	-	-	-	(280,000,000)	(280,000,000)
Net Profit for the period	-	-	-	259,489,008	259,489,008
Other comprehensive income - net of tax	-	-	-	11,480,614	11,480,614
Total comprehensive income for the period	-	-	-	270,969,622	270,969,622
Surplus on revaluation of property, plant and equipment realized through incremental depreciation charged on related assets - net of tax	-	-	(20,743,792)	20,743,792	-
Balance as at 31 Dec 2021 (un-audited)	1,680,000,000	1,294,433,658	834,058,091	2,759,268,709	6,567,760,458
Balance as on 01 July 2022 (audited)	1,680,000,000	1,294,433,656	970,251,032	2,911,101,732	6,855,786,422
Net loss for the period	-	-	-	(135,396,908)	(135,396,908)
Final dividend for the year ended 30 June 2022 at the rate of Rs.1 per share	-	-	-	(168,000,000)	(168,000,000)
Other comprehensive income - net of tax	-	-	-	12,504,013	12,504,013
Total comprehensive income for the period	-	-	-	(290,892,894)	(290,892,894)
Surplus on revaluation of property, plant and equipment realized through incremental depreciation charged on related assets - net of tax	-	-	(16,868,336)	16,868,336	-
Balance as at 31 December 2022 (un-audited)	1,680,000,000	1,294,433,656	953,382,696	2,637,077,174	6,564,893,528

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR

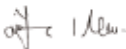

CHIEF FINANCIAL OFFICER


CONDENSED INTERIM STATEMENT OF CASH FLOW

FOR THE HALF YEAR ENDED DECEMBER 31, 2022

	Six Months Period Ended	
	December 31, 2022	December 31, 2021
	Un-audited	Un-audited
	Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss)/Profit before taxation	(163,477,002)	340,794,675
Adjustment for non cash charges and other items:		
Depreciation - owned assets	179,417,908	155,911,646
Depreciation - right-of-use assets	8,250,004	15,415,876
Amortization	757,294	1,738,965
Grant income	(36,351,804)	(8,638,205)
Gain on sale of fixed assets	(3,533,376)	(10,226,303)
Provision for contribution to provident fund trust	12,189,045	11,119,755
WPPF provision	-	18,676,862
WWF provision	-	8,309,191
Allowance of expected credit loss	22,145,199	3,746,798
Provision for slow moving stock in trade	(4,813,845)	449,858
Income from TDR	(2,728,426)	(15,168,140)
Impact of IFRS-9 on employees loan	(12,380,528)	-
Impact of IFRS-9 on directors loan	37,753,977	-
Mark-up on WPPF loan	3,549,411	-
Mark-up on lease liabilities - rented premises	9,363,912	10,996,200
Mark-up on long term loans	62,331,113	37,058,104
Mark up on short term finances under mark-up arrangements	461,833,058	174,397,155
	737,782,943	403,787,761
Operating profit before working capital change	574,305,941	744,582,437
Adjustment for working capital items		
Increase in stores and spares	(3,290,344)	(83,977,136)
Decrease/(Increase) in stock in trade	284,335,744	(1,413,743,645)
Decrease/(Increase) in trade debtors	292,437,279	(248,958,821)
Increase in deposits, prepayments and other receivables	(175,107,130)	(196,812,178)
Increase in trade payables	376,484,158	182,411,052
	774,859,707	(1,761,080,728)
Cash generated from / (used in) operations	1,349,165,648	(1,016,498,292)
Contribution paid to provident fund trust	(12,663,007)	(11,196,248)
WPPF Paid	(40,161,439)	(61,013,218)
Mark-up paid	(400,730,780)	(136,311,746)
Income tax paid - net	(162,589,864)	(246,009,000)
Net cash generated from / (used in) operating activities A	733,020,559	(1,471,028,503)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,077,471,204)	(1,761,762,853)
Long term deposits	25,916,172	(23,551,603)
Sale proceeds from disposal of property, plant and equipment	12,954,002	13,825,000
Net cash used in investing activities B	(1,038,601,030)	(1,771,489,456)
CASH FLOW FROM FINANCING ACTIVITIES		
Long-term loan obtained from financial institutions	-	819,927,212
Long-term loan repaid to financial institutions	(113,625,427)	(142,315,169)
Dividend paid	(168,000,000)	(279,538,111)
Short term running finance - net	23,295,543	2,946,135,803
Loan from director	246,000,000	150,000,000
Lease rentals paid	(14,031,900)	(24,799,371)
Net cash (used in) / generated from financing activities C	(26,361,784)	3,469,410,365
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(331,942,255)	226,892,405
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	714,370,353	806,059,464
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	382,428,098	1,032,951,869

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER



PANTHER



COMMITTED To
QUALITY



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2022

1. THE COMPANY AND ITS OPERATIONS

The Company was incorporated as a private limited company under the Companies Act, 1913 and was converted into a public limited company with effect from 10 October 2003. The Company changed its name from Mian Tyre and Rubber Company Limited to Panther Tyres Limited on 25 October 2011. The Company got listed on Pakistan Stock Exchange on 22 February 2021. The Company is principally engaged in the manufacture and sale of tyres and tubes for vehicles.

Following are the business units of the Company along with their respective locations:

BUSINESS UNIT	LOCATION
Registered Office	Panther House, 97-B Aziz Avenue, Jail Road, Lahore
Production Plant	29.5 Km, Sheikhpura Road, Sheikhpura
Regional Office	4th Floor, Shafi Courts, Mereweather Road, Karachi

2. STATEMENT OF COMPLIANCE

2.1 These condensed interim financial statements comprise the condensed interim statement of financial position of the Company as at December 31, 2022 and the related condensed interim statement of comprehensive income, the condensed interim statement of changes in equity and the condensed interim statement of cash flows together with the notes forming part thereof.

- These condensed interim financial statements are un-audited and are being submitted to the shareholders as required under section 237 of the Companies Act, 2017 and the Listing Regulations of Pakistan Stock Exchange Limited.
- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act 2017.
- 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 required for annual financial statements and should be read in conjunction with the annual audited financial statements as at and for the year ended June 30, 2022. Comparative condensed interim statement of financial position is stated from annual audited financial statements as of June 30, 2022, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows and related notes are extracted from condensed interim financial statements of the Company for the six month period ended December 31, 2021.

2.3 These Financial Statements are unaudited but subject to limited review by Company's statutory auditors.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended June 30, 2022, except as mentioned in note 3.2.

- 3.2 The Company adopted following new amendments to the approved accounting standards which became effective during the period, however these are not considered to be relevant or have any significant effect on the financial statements:

New Standards, Interpretations and Amendments

IFRS 3	Reference to conceptual framework — (Amendments)
IAS 16	Property, plant and equipment: Proceeds before intended use — (Amendments)
IAS 37	Onerous contracts - costs of fulfilling a contract — (Amendments)
AIP IFRS 1	First-time Adoption of International Financial Reporting Standards — Subsidiary as a first-time adopter
AIP IFRS 9	Fees in the '10 per cent' test for derecognition of financial liabilities

- 3.3 Standards, interpretation and amendments to published approved accounting standards that are not yet effective:

The following revised standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or Interpretation		Effective date (annual periods beginning on or after)
IAS 1	Classification of liabilities as current or non-current — (Amendments)	January 01, 2023
IAS 8	Definition of accounting estimates — (Amendments)	January 01, 2023
"IAS 1 and IFRS Practice Statement 2"	Disclosure of accounting policies — (Amendments)	January 01, 2023
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction — (Amendments)	January 01, 2023
IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its associate or Joint Venture — (Amendments)	Not yet finalized

The Company expects that such improvements to the standards will not have any material impact on the Company's condensed interim financial statements in the period of initial application.

In addition to the above standards and amendments, improvements to various accounting standards and conceptual framework have also been issued by the IASB. Such improvements are generally effective for accounting periods beginning on or after January 01, 2022.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard or Interpretation		Effective date (annual periods beginning on or after)
IFRS 1	First-time Adoption of International Financial Reporting Standard	July 01, 2009
IFRS 17	Insurance Contracts	January 01, 2023

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and judgements that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements 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 annual audited financial statements of the Company for the year ended 30 June 2022.

5. PROPERTY, PLANT AND EQUIPMENT

	Note	Un-audited December 31, 2022	Audited June 30, 2022
Rupees			
Operating fixed assets	5.1	4,961,971,944	4,925,494,944
Capital work in progress	5.2	4,903,736,909	4,051,581,291
		<u>9,865,708,853</u>	<u>8,977,076,235</u>
5.1 Operating fixed assets			
Opening book value		4,925,494,944	4,342,201,351
Additions / Transfers during the period		225,315,536	731,671,310
Written down value of disposals		(9,420,626)	(2,414,535)
Revaluation/Impairment adjustment		-	172,456,220
Depreciation for the period		(179,417,909)	(318,419,402)
Closing Value		4,961,971,944	4,925,494,944
5.2 Capital work-in-progress			
Opening book value		4,051,581,291	1,474,376,096
Addition during the period		1,033,155,578	3,198,385,300
Transfer during the period		(180,999,960)	(621,180,105)
Closing Book Value		4,903,736,909	4,051,581,291

	Note	Un-audited December 31, 2022	Audited June 30, 2022
Rupees			
6. LONG TERM LIABILITIES			
Loan from financial institutions - secured	6.1	1,800,141,462	1,913,766,889
Less: Deferred grant		(164,689,564)	(202,525,291)
Less: Current portion shown under current liabilities		(126,540,970)	(199,527,017)
		1,508,910,929	1,511,714,581
Lease liabilities - rented premises		115,443,960	120,111,948
Less: Current maturity shown under current liabilities		(9,049,128)	(28,287,876)
		106,394,832	91,824,072
		<u>1,615,305,761</u>	<u>1,603,538,653</u>

- 6.1 'These represent long term loans from financial institutions bearing mark up at the rates ranging from 2.5% per annum to 17.79% per annum (30 June 2022: 2.25% per annum to 15.64% per annum). These are repayable in quarterly instalments up to March 2030. The aggregate long term finances are secured by joint pari passu charge on the fixed assets of the Company.

	Note	Un-audited December 31, 2022	Audited June 30, 2022
Rupees			
7. LOAN FROM DIRECTORS			
Opening balance		770,000,000	620,000,000
Obtained during the year		246,000,000	150,000,000
		1,016,000,000	770,000,000
IFRS-9 discounting impact		(39,812,461)	(77,566,438)
Current portion shown under current liabilities		(29,000,000)	-
Closing balance		947,187,539	692,433,562

8. FINANCING

Short term finances aggregating to Rs. 8.273 billion (30 June 2022: Rs. 8.123 billion) are available from commercial banks and DFIs under mark up arrangements. The mark up is charged at the rates ranging from 3.00% per annum to 18.07% per annum (30 June 2022: 3.00% per annum to 16.74% per annum). The aggregate running finances are secured by joint pari passu charge on the current and fixed assets of the Company.

9. CONTINGENCIES AND COMMITMENTS

CONTINGENCIES

There is no material change in the contingencies since the last audited financial statements for the year ended 30 June 2022.

COMMITMENTS

Commitments from various banks against letter of credit and letter of guarantees are Rs. 1,435.54 million (30 June 2022: 1,884.52 million) and Rs.199.71 million (30 June 2022: Rs. 178.34 million) respectively.

	Three-months period ended		Six-months period ended	
	31 Dec 2022 (Un-audited) Rupees	31 Dec 2021 (Un-audited) Rupees	31 Dec 2022 (Un-audited) Rupees	31 Dec 2021 (Un-audited) Rupees
10 REVENUE FROM CONTRACTS WITH CUSTOMERS - NET				
Local sales	4,087,330,627	4,016,995,622	7,958,874,510	8,546,418,480
Export sales	727,091,425	553,087,555	1,346,794,185	934,534,464
	4,814,422,052	4,570,083,177	9,305,668,695	9,480,952,944
11 COST OF SALES				
Cost of goods manufactured	3,652,648,284	4,210,517,460	8,472,249,243	8,916,070,479
Add: Finished goods - opening	2,659,037,010	1,277,166,853	1,759,156,475	974,174,228
	6,311,685,294	5,487,684,313	10,231,405,718	9,890,244,707
Add: Finished goods purchased	102,534,072	186,747,197	306,286,352	248,546,590
Less: Finished goods - closing	2,203,752,607	1,702,249,129	2,203,752,607	1,702,249,129
	4,210,466,759	3,972,182,381	8,333,939,463	8,436,542,168
12 (LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED				
Profit / (Loss) after taxation - Rupees	131,855,892	149,200,786	(135,396,908)	259,489,008
Weighted average number of shares	168,000,000	168,000,000	168,000,000	168,000,000
Earnings / (Loss) per share-Rupees	0.78	0.89	(0.81)	1.54

13 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of shareholders, directors of the Company, employees benefit funds and key management employees. The Company carries out transactions with its related parties in the normal course of business. Significant related party transactions are as follows:

Transactions with related parties:

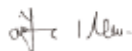
Name of Related Party	Nature of Transaction	Un-audited Six months period ended	
		December 31, 2022 Rupees	December 31, 2021 Rupees
Mian Iftikhar Ahmed - Director	Rent of head office	13,176,900	11,979,000
Contribution to staff provident fund	Contribution to staff provident fund	12,189,045	11,119,755
Mian Iftikhar Ahmed - Director	Loan from director obtained	217,000,000	150,000,000
Mian Faisal Iftikhar - Director	Loan from director obtained	15,000,000	-
Ms. Samina Iftikhar - sponsor	Spouse of Mian Iftikhar (Director)	14,000,000	-
Mian Iftikhar Ahmed - Director	Markup on loan from director	19,408,219	21,399,485

14 Segment Reporting

The chief operating decision maker (i.e. the Board of Directors) consider the whole business as one operating segment.

15 GENERAL

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER



PANTHER

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