



PANTHER

TYRES

3rd Quarterly Report March 2022



TAKING THE WHEELS OF LIFE TO
NEW HEIGHTS



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COMPANY INFORMATION

BOARD OF MANAGEMENT

Executive Directors

Mian Faisal Iftikhar - **CEO**

Zahid Mahmud

Independent Directors

Asad Sultan Chaudhary

Javed Masud

Iqbal Ahmed Khan

Non - Executive Directors

Mian Iftikhar Ahmed - **Chairman of the Board**

Ms. Samina Iftikhar

Audit Committee Members

Javed Masud - **Chairman**

Asad Sultan Chaudhary

Iqbal Ahmed Khan

HR Committee Members

Asad Sultan Chaudhary - **Chairman**

Iqbal Ahmed Khan

Mian Faisal Iftikhar

CHIEF OPERATING OFFICER

Khurram Javed

CHIEF FINANCIAL OFFICER

Ghulam Abbas FCA FCMA

COMPANY SECRETARY

Mohsin Muzaffar Butt FCA CIA



HEAD OF INTERNAL AUDIT

Mohsin Muzaffar Butt FCA CIA

AUDITORS

EY Ford Rhodes, Chartered Accountants

REGISTERED OFFICE

Panther House 97-B Aziz Avenue,
Gulberg 5, Canal bank Jail road,
Lahore Pakistan.

UAN: +42 111-554-444

SHARE REGISTRAR

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

FACTORY ADDRESS

29.5 KM, Lahore Sheikhupura Road,
Sheikhupura

BANKERS

Bank Alfalah Limited

Faysal Bank Limited

Meezan Bank Limited

National Bank of Pakistan

Samba Bank Limited

United Bank Limited

Standard Chartered Bank (Pakistan) Limited

Habib Metropolitan Bank Limited

JS Bank Limited

Industrial and Commercial Bank of China Ltd.

Pak Oman Investment Company Limited

PAIR Investment Company Limited

Bank Islami Pakistan Limited

Habib Bank Limited

Dubai Islamic Bank

WEBSITE

www.panther tyres.com

PANTHER HOUSE

DIRECTORS' REVIEW REPORT

Dear Valued Shareholders

On behalf of the Board of Directors, we feel pleasure in presenting un-audited financial statements of the Panther Tyres Limited for the third quarter and nine months period ended March 31, 2022.

REVIEW OF OPERATING RESULTS

During the period under review, the Company recorded net sales revenue of Rs.13,908 million as compared to Rs.11,574 million earned during the same period last year. This increase is mainly attributed to the increase in selling prices of the products, whereas the Company also experienced slight increase in volumes.

The gross profit of the Company remained under pressure and decreased to Rs.1,492 million as against Rs.1,839 million posted in comparable period last year. The prices of imported raw materials experienced rising trend globally throughout the nine months period. Russia-Ukraine conflict, surfaced during the quarter, has further aggravated the unfavorable conditions of the market. Disruption of energy supplies from the world's largest supplier Russia is resulting into hike in energy cost and material prices.

Following is the snapshot of financial performance of the Company for the nine months period ended on Mar 31, 2022:

Description	Nine months ended		%	Quarter ended		%
	2022	2021	Change	2022	2021	Change
Sales	13,908	11,574	20.2%	4,427	3,446	28.5%
Gross profit	1,492	1,839	-18.9%	448	548	-18.2%
Selling and distribution expenses	(484)	(399)	21.4%	(154)	(139)	10.6%
Administrative and general expenses	(225)	(226)	-0.6%	(77)	(77)	0.1%
Profit from operations	801	1,162	-31.0%	227	324	-29.9%
Financial cost	(408)	(251)	62.5%	(175)	(72)	141.6%
Profit for the period	270	652	-58.7%	10	181	-94.4%

Selling and distribution expenses during the nine months period ended on Mar 31, 2022 increased from Rs. 399 million to Rs. 484 million, mainly due to increase in freight cost and advertisement expenses. However, Administrative remained under control.

Finance cost for the period under review of Rs. 408 million is higher as compared to Rs. 251 million for the corresponding period of last year mainly due to increased utilization of working capital limits. Resultantly, the net profit after tax stood at Rs. 270 million for the nine months ended March 31, 2022.

FUTURE OUTLOOK AND CHALLENGES

The management acknowledges the uncertainty emanating from recent Covid restrictions in China and impact of Russia-Ukraine war on economy and business environment; different strategies are being devised to withstand with these developing circumstances. Unprecedented increase in material prices coupled with rising cost of utilities and weakening PKR have adversely affected the Company's margins so far. Further, rising cost of borrowing resulting from recent announcement by SBP to increase policy rate by 225 bps is another challenge to cope up with.

In this regard, we are aggressively working to restore margins without compromising on growth by devising different strategies. Sales prices are being increased gradually in the replacement market whereas negotiations are underway with OEM to further increase the rates to pass on the increased cost pressure. On the other hand, the Company is focusing on enhancing operational efficiencies, optimizing internal processes and better working capital management to navigate through this challenging time. All these aforesaid strategies will help the Company to deliver better margins in the 4th quarter.

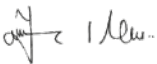
EXPANSION PROJECT

The details of expansion project have already been shared with the stakeholder vide "Progress Report" through PUCARS on Mar 31, 2022.

ACKNOWLEDGEMENT

The Board of Directors express their profound appreciation to the valued shareholders, customers, financial institutions, and suppliers of the Company for the confidence and faith they have always reposed in the company. The Board also place on record their appreciation to employees at all levels for their hard work, dedication and commitment during these testing times.

For and on behalf of the Board



Mian Faisal Iftikhar
Chief Executive Officer



Mian Iftikhar Ahmed
Chairman
Lahore: April 27, 2022

مستقبل کا منظر نامہ اور چیلنجز

کمپنی انتظامیہ کو حالیہ کوڈ و باکے پیش نظر چین میں لگنے والی پابندیوں اور روس۔ یوکرین جنگ کے معیشت اور کاروباری ماحول پر اثرات سے پیدا ہونے والی غیر یقینی صورتحال کا بخوبی ادراک ہے۔ اس صورتحال سے نمٹنے کے لیے مختلف نوعیت کی حکمت عملیاں وضع کی جارہی ہیں۔ خام مال کی قیمتوں میں غیر معمولی اضافے کے ساتھ ساتھ یوٹیلیٹیز کی بڑھتی ہوئی لاگت اور پاکستانی روپے کی قدر میں کمی نے کمپنی کے منافع کو بری طرح متاثر کیا ہے۔ مزید برآں، اسٹیٹ بینک کی جانب سے شرح سود میں 225 فیصد اضافے کے حالیہ اعلان کے نتیجے میں قرض کی بڑھتی ہوئی لاگت سے نمٹنا ایک بڑا چیلنج ہے۔

اس سلسلے میں ہم متنوع حکمت عملیاں وضع کر کے بڑھوتری پر سمجھوتہ کیے بغیر منافع کی شرح کو بحال کرنے کے لیے جارحانہ انداز میں کام کر رہے ہیں۔ مصنوعات کی قیمت فروخت میں بتدریج اضافہ کیا جا رہا ہے۔ بڑھتی ہوئی لاگت کے دباؤ کو منتقل کرنے کے لیے قیمتوں میں مزید اضافے کے لیے OEM کے ساتھ بات چیت جاری ہے۔ دوسری جانب، کمپنی اس مشکل وقت سے گزرنے کے لیے آپریشنل افادیت کو بڑھانے، اندرونی عوامل کو بہتر بنانے اور ورکنگ کپٹیل کے بہتر استعمال پر توجہ مرکوز کر رہی ہے۔ یہ تمام حکمت عملیاں کمپنی کو چوتھی سہ ماہی میں اپنے شرح منافع کو بہتر بنانے میں مدد فراہم کریں گی۔

توسیعی منصوبہ

توسیعی منصوبہ کی تفصیلات پہلے ہی 31 مارچ 2022ء کو PUCARS کے ذریعے تمام اسٹیک ہولڈرز کو بھیجوائی جا چکی ہیں۔

اعطیہ تشکر

بورڈ آف ڈائریکٹرز کمپنی کے قابل قدر شیئرز ہولڈرز، صارفین، مالیاتی اداروں اور سپلائرز کے کمپنی پر کیے جانے والے اعتماد اور بھروسے کے لیے تہہ دل سے مشکور ہے۔ بورڈ آزمائش کی ان گھڑیوں میں اپنے ہر سطح کے ملازمین کی محنت، لگن اور عزم کو بھی قدر کی نگاہ سے دیکھتا ہے۔

بورڈ کی طرف سے

Asif Ishaq

میاں فیصل افتخار
چیف ایگزیکٹو آفیسر

Vahid

میاں افتخار احمد
چیرمین

لاہور: 27 اپریل 2022ء

ڈائریکٹر ان کی جائزہ رپورٹ

معزز شیئر ہولڈرز!

ہم بورڈ آف ڈائریکٹرز کی جانب سے 31 مارچ 2022ء کو ختم ہونے والی تیسری سہ ماہی اور نو ماہی مدت کے لیے بینقٹر ٹائز لمیٹیڈ کے غیر آڈٹ شدہ مالیاتی حسابات پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

آپریٹنگ نتائج کا جائزہ:

زیر جائزہ مدت کے دوران، کمپنی کی مصنوعات کی فروخت سے ہونے والی خالص آمدن 13,908 ملین روپے رہی جو گزشتہ برس اسی مدت کے دوران 11,574 ملین روپے تھی۔ اس کی بنیادی وجہ مصنوعات کی قیمت فروخت میں اضافہ تھا۔ جبکہ کمپنی کی سائز کے حجم میں بھی معمولی اضافہ دیکھا گیا۔

کمپنی کا مجموعی منافع باؤڈ کا شکار ہا جو گزشتہ برس اسی مدت کے دوران 1,839 ملین روپے سے کم ہو کر 1,492 ملین روپے رہ گیا۔ زیر جائزہ نو ماہی کے دوران درآمد شدہ خام کی قیمتوں میں عالمی سطح پر اضافے کا رجحان رہا۔ اس سہ ماہی کے دوران کوویڈ وبا کے بعد روس۔ یوکرین تنازعے نے مارکیٹ کے ناموافق حالات کو مزید بڑھا دیا۔ دنیا کے سب سے بڑے ایندھن کے سپلائرز کی طرف سے رسد میں رکاوٹوں کی وجہ سے ایندھن اور خام مال کی قیمتوں میں بڑا اضافہ ہوا۔

31 مارچ 2022ء کو ختم ہونے والی نو ماہی مدت کے لیے کمپنی کی مالیاتی کارکردگی کا خاکہ ذیل میں ہے:

تفصیل	نو ماہی مختتمہ		سہ ماہی مختتمہ		فیصد تبدیلی
	2022	2021	2022	2021	
مصنوعات کی فروخت	13,908	11,574	4,427	3,446	28.5%
مجموعی منافع	1,492	1,839	448	548	-18.2%
فروخت اور ڈسٹری بیوشن اخراجات	(484)	(399)	(154)	(139)	10.6%
انتظامی و عمومی اخراجات	(225)	(226)	(77)	(77)	0.1%
آپریٹنگ سے منافع	801	1,162	227	324	-29.9%
مالیاتی لاگت	(408)	(251)	(175)	(72)	141.6%
مذکورہ مدت میں منافع	270	652	10	181	-94.4%

31 مارچ 2022ء کو ختم ہونے والی نو ماہی مدت کے دوران فروخت اور ڈسٹری بیوشن کے اخراجات 399 ملین روپے سے بڑھ کر 484 ملین روپے ہو گئے۔ جس کی بنیادی وجہ برادری کی لاگت اور ایڈورٹائزمنٹ کے اخراجات میں اضافہ تھا۔ تاہم انتظامی اخراجات کنٹرول میں رہے۔

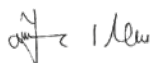
زیر جائزہ مدت کے دوران مالیاتی لاگت بڑھ کر 408 ملین روپے ہو گئی جو گزشتہ برس اسی مدت میں 251 ملین روپے تھی۔ اس اضافے کی وجہ ورکنگ کیپیٹل کی مالیاتی سہولیات کا زیادہ استعمال رہا۔ جس کے نتیجے میں 31 مارچ 2022ء کو ختم ہونے والی نو ماہی مدت میں خالص منافع بعد از ٹیکس 270 ملین روپے رہا۔

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at March 31, 2022

	Note	(Un-audited) March 31, 2022	(Audited) June 30, 2021
(Rupees)			
NON CURRENT ASSETS			
Property, plant and equipment	5	8,076,963,280	5,816,577,447
Right-of-use assets		105,784,655	128,908,469
Intangible assets		4,870,989	7,479,437
Long term deposits		54,924,314	31,880,839
		8,242,543,238	5,984,846,192
CURRENT ASSETS			
Stores and spares		191,313,909	158,032,988
Stock in trade	6	4,565,592,781	3,234,587,665
Trade debts - considered good - unsecured		3,779,037,685	3,303,967,188
Advances, deposits, prepayments and other receivables		1,100,305,903	782,639,678
Cash and bank balances		673,319,441	806,059,464
		10,309,569,719	8,285,286,983
TOTAL ASSETS		18,552,112,957	14,270,133,175
EQUITY AND LIABILITIES			
Authorized Share Capital			
300,000,000 (30 June 2021: 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 2021: 140,000,000) Ordinary shares of Rs. 10/- each		1,680,000,000	1,400,000,000
Share Premium		1,294,433,658	1,574,433,658
Accumulated Profit		2,779,491,047	2,747,555,295
Surplus on revaluation of property, plant and equipment		823,999,685	854,801,883
		6,577,924,390	6,576,790,836
NON CURRENT LIABILITIES			
Long term finances	7	2,712,862,121	1,656,150,488
Deferred grant		5,554,724	17,485,130
Deferred taxation		545,043,866	616,765,947
		3,263,460,711	2,290,401,565
CURRENT LIABILITIES			
Current portion of long term finances		241,673,792	346,406,256
Short term financing - secured	8	7,178,422,584	4,111,847,806
Unclaimed dividend		435,714	—
Trade and other payables		1,072,413,811	892,883,152
Accrued mark-up		217,781,955	51,803,560
		8,710,727,856	5,402,940,774
Contingencies and commitments	9		
TOTAL EQUITY AND LIABILITIES		18,552,112,957	14,270,133,175

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.


Chief Executive Officer


Director

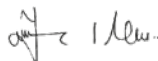

Chief Financial Officer

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the nine-months period ended 31 March 2022

	Note	Nine months period ended		Three months period ended	
		31 March 2022 (Un-audited)	31 March 2021 (Un-Audited)	31 March 2022 (Un-audited)	31 March 2021 (Un-audited)
		Rupees	Rupees	Rupees	Rupees
Sales	10	13,908,330,430	11,574,424,161	4,427,377,486	3,446,315,704
Cost of sales	11	(12,416,071,551)	(9,735,011,262)	(3,979,529,383)	(2,898,644,546)
Gross profit		1,492,258,879	1,839,412,899	447,848,103	547,671,158
Selling and distribution expenses		(484,069,795)	(398,840,302)	(153,648,756)	(138,977,586)
Administrative expenses		(224,784,795)	(226,197,007)	(76,800,912)	(76,719,367)
Other operating expenses		(31,356,890)	(69,048,167)	(4,370,837)	(18,395,264)
Other operating income		49,052,538	16,394,998	14,158,769	10,720,235
Profit from operations		801,099,937	1,161,722,421	227,186,368	324,299,176
Finance cost		(408,165,556)	(251,203,155)	(175,046,662)	(72,440,251)
Profit before taxation		392,934,381	910,519,266	52,139,706	251,858,925
Taxation		(123,284,085)	(258,137,246)	(41,978,418)	(71,105,981)
Profit after taxation		269,650,296	652,382,020	10,161,288	180,752,944
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:					
Deferred tax on revaluation surplus due to increase in effective tax rate		11,483,258	11,768,928	2,644	4,674,629
Total other comprehensive income		11,483,258	11,768,928	2,644	4,674,629
Total comprehensive income		281,133,554	664,150,948	10,163,932	185,427,573
Earnings per share					
- Basic and diluted (Rs.)	12	1.61	3.88	0.06	1.08

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.


Chief Executive Officer


Director

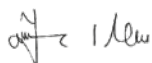

Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For the nine-months period ended 31 March 2022

	Capital Reserve			Revenue Reserve	
	Issued subscribed and paid up Capital	Share premium	Surplus on revaluation of property, plant and equipment	Unappropriated profit	Total
	(Rupees)				
Balance as on 01 July 2020 (audited)	1,000,000,000	-	670,459,820	1,941,964,836	3,612,424,656
Issuance of bonus shares	100,000,000	-	-	(100,000,000)	-
30,000,000 ordinary shares issued @ Rs. 10 per share	300,000,000	-	-	-	300,000,000
Share premium @ Rs. 55.8 per share	-	1,674,000,000	-	-	1,674,000,000
Transaction cost on issuance of shares	-	(99,566,342)	-	-	(99,566,342)
Profit for the period	-	-	-	652,382,020	652,382,020
Other comprehensive income	-	-	-	11,768,928	11,768,928
Total comprehensive income for the period	-	-	-	664,150,948	664,150,948
Surplus on revaluation of property, plant and equipment realized through incremental depreciation charged on related assets for the period	-	-	(26,621,795)	26,621,795	-
Balance as at 31 March 2021 (un-audited)	1,400,000,000	1,574,433,658	643,838,025	2,532,737,579	6,151,009,262
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
Issue of bonus shares for the year ended 30 June 2021 at rate of 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)
Profit for the period	-	-	-	269,650,296	269,650,296
Other comprehensive income - net of tax	-	-	-	11,483,258	11,483,258
Total comprehensive income for the period	-	-	-	281,133,554	281,133,554
Surplus on revaluation of property, plant and equipment realized through incremental depreciation charged on related assets for the period	-	-	(30,802,198)	30,802,198	-
Balance as at 31 March 2022 (un-audited)	1,680,000,000	1,294,433,658	823,999,685	2,779,491,047	6,577,924,390

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.


Chief Executive Officer

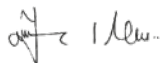

Director


Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS

For the nine-months period ended 31 March 2022

	Nine months period ended	
	(Un-audited) March 31, 2022	(Un-audited) March 31, 2021
	(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before taxation	392,934,381	910,519,266
Adjustment for non cash charges and other items:		
Depreciation - owned assets	235,153,949	214,876,775
Depreciation - right-of-use assets	23,123,814	23,123,815
Amortization	2,608,447	2,608,447
Deferred Grant	(11,930,406)	37,455,421
Gain on sale of fixed assets	(11,014,304)	(6,021,505)
Provision for contribution to provident fund trust	16,836,452	15,468,829
WPPF provision	21,214,564	48,978,372
WWF provision	10,142,326	20,069,795
Allowance of expected credit loss	3,746,798	22,758,084
Provision for slow moving stock - stock in trade	449,858	-
Income from TDR	(24,505,708)	-
Mark-up on lease liabilities - rented premises	16,671,025	10,795,879
Mark-up on loans from financial institutions	62,762,743	53,212,062
Mark-up on short term finances under mark-up arrangements	311,752,250	174,310,716
	657,011,808	617,636,690
Operating profit before working capital change	1,049,946,189	1,528,155,956
Adjustment for working capital items		
Increase in stores and spares	(33,280,921)	(66,340,758)
Increase in stock in trade	(1,331,454,974)	(1,289,304,943)
Increase in trade debtors	(478,817,295)	(276,962,575)
Increase in advances, deposits, prepayments and other receivables	(148,929,745)	(294,473,746)
Increase in trade payables	218,447,548	7,195,951
	(1,774,035,387)	(1,919,886,071)
Cash used in operations	(724,089,198)	(391,730,115)
Contribution paid to provident fund trust	(15,954,689)	(14,481,953)
WPPF paid	(61,013,216)	-
Mark-up paid	(212,940,677)	(312,006,550)
Income tax paid - net	(349,381,908)	(309,609,700)
Net cash used in from operating activities	(1,363,379,688)	(1,027,828,318)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2,499,400,478)	(745,249,412)
Long term deposits	(23,043,475)	(92,900)
Sale proceeds from disposal of property, plant and equipment	14,875,000	8,090,500
Net cash used in investing activities	(2,507,568,953)	(737,251,812)
CASH FLOW FROM FINANCING ACTIVITIES		
Long-term loan obtained from financial institutions	1,062,396,568	381,807,480
Long-term loan repaid to financial institutions	(235,362,813)	(344,882,156)
Short term running finance - net	3,066,574,779	(777,174,786)
Proceeds from issuance of shares - Net of transaction cost	-	1,874,433,658
Lease rentals paid - IFRS 16	(25,399,916)	(30,229,016)
Loan from director	150,000,000	620,000,000
Dividend paid	(280,000,000)	-
Net cash generated from financing activities	3,738,208,618	1,723,955,180
NET DECREASE IN CASH AND CASH EQUIVALENTS	(132,740,023)	(41,124,950)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	806,059,464	150,847,714
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	673,319,441	109,722,764



Chief Executive Officer



Director



Chief Financial Officer

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the nine-months period ended 31 March 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 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:

- 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 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 The condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Company for the year ended 30 June 2021.

2.3 The condensed interim financial statements have been prepared under the historical cost convention except for few items of property, plant and equipment which are carried under revaluation model. These financial statements are prepared in Pak Rupees, which is the functional currency of the Company. Figures have been rounded off to the nearest Pak Rupees.

2.4 Provisions in respect of taxation, Workers' Profit Participation Fund (WPPF) and Workers' Welfare Fund (WWF) are provisional and subject to final adjustments in the annual audited financial statements.

3 Significant accounting policies

The accounting policies adopted are consistent with those of the previous financial year, except for the following new amended standards effective for annual period beginning on 01 July 2021, as listed below. The Company has not early-adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

New Standards, Interpretations and Amendments

IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2 – Amendments

The adoption of above amendment applied for the first time in the period did not have any material impact on the condensed interim financial statements of the Company.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the nine-months period ended 31 March 2022

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 2021.

	Note	(Un-audited) March 31, 2022 (Rupees)	(Audited) June 30, 2021
5 Property, plant and equipment			
Operating fixed assets		4,214,573,042	4,342,201,351
Capital work in progress	5.2	3,862,390,238	1,474,376,096
		8,076,963,280	5,816,577,447

5.1 Following are the additions / disposals (at cost) in the operating fixed assets:

	(Un-Audited)		(Audited)	
	Additions Mar-2022 Rupees	Disposals Mar-2022 Rupees	Additions Jun-2021 Rupees	Disposals Jun-2021 Rupees
Free-hold land	30,410,430	–	103,567,491	–
Building on free-hold land	2,162,820	–	2,423,300	–
Plant and machinery	29,741,101	–	258,518,547	–
Moulds	–	–	41,987,415	–
Furniture and fixtures	5,493,623	–	1,084,432	–
Office equipment	3,821,127	–	5,165,638	–
Motor vehicles	39,672,042	(16,050,106)	87,167,710	(21,338,335)
	111,301,143	(16,050,106)	499,914,533	(21,338,335)

5.2 Capital work-in-progress

	(Un-audited)			
	Opening Rupees	Additions Rupees	Transfers Rupees	Closing Rupees
31 March 2022				
Building	118,540,457	415,821,715	–	534,362,171
Plant and machinery	1,273,453,752	1,878,971,557	6,076,079	3,146,349,230
Moulds	75,631,991	85,145,879	–	160,777,870
General	6,749,896	20,900,967	6,749,896	20,900,967
	1,474,376,096	2,400,840,117	12,825,975	3,862,390,238
30 June 2021				
Building	2,024,401	118,939,356	2,423,300	118,540,457
Plant and machinery	108,174,520	1,423,797,779	258,518,547	1,273,453,752
Moulds	1,522,515	116,096,891	41,987,415	75,631,991
General	2,245,284	4,504,612	–	6,749,896
	113,966,720	1,663,338,638	302,929,262	1,474,376,096

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the nine-months period ended 31 March 2022

	Note	(Un-audited) March 31, 2022	(Audited) June 30, 2021
		(Rupees)	
6 Stock in trade			
Raw materials		1,539,127,950	1,622,151,248
Packing materials		60,659,024	46,349,833
Work in process		450,473,471	252,440,107
Finished goods- Manufactured		1,924,744,558	883,769,671
Finished goods- Trading Material		95,110,848	90,404,557
		4,070,115,851	2,895,115,416
Raw materials in transit		508,523,287	352,068,748
Less: Provision for slow moving items		(13,046,357)	(12,596,499)
		4,565,592,781	3,234,587,665
7 Long term finances			
Loan from financial institutions - Secured		2,037,053,240	1,206,727,630
Accrued mark-up		10,599,904	18,296,184
Less: Current portion shown under current liabilities		(221,230,833)	(324,492,096)
	7.1	1,826,422,311	900,531,718
Lease liabilities - rented premises		136,882,769	157,532,930
Less: Current maturity shown under current liabilities		(20,442,959)	(21,914,160)
		116,439,810	135,618,770
Loan from Chairman - related party	7.2	770,000,000	620,000,000
		2,712,862,121	1,656,150,488
7.1 Loan from financial institutions - secured			
Samba Bank Limited	7.1.1	213,064,912	380,337,550
PAIR Investment Company Limited	7.1.2	386,609,033	225,400,332
Pak Oman Investment Company Limited	7.1.2	110,439,555	168,681,318
United Bank Limited	7.1.2	200,000,000	—
Meezan Bank limited	7.1.2	464,091,156	246,152,738
Habib Metropolitan Bank Limited	7.1.2	170,861,000	121,584,000
National Bank Limited	7.1.2	497,542,308	82,056,822
		2,042,607,964	1,224,212,760
Add: Accrued markup		10,599,904	18,296,184
Less: Deferred grant		(5,554,724)	(17,485,130)
Less: Current portion shown under current liabilities		(221,230,833)	(324,492,096)
		1,826,422,311	900,531,718

7.1.1 The Company has obtained term finance under refinance scheme for payment of wages and salaries to the workers and employees of business concerns of up to Rs. 390 million (30 June 2021: Rs. 254.2 million) to finance salaries and wages expense for five months from May 2020 to September 2020. This facility carried markup at 3 months KIBOR plus 2% per annum till grant of refinance from State Bank of Pakistan (SBP), and afterwards SBP rate + 2% per annum payable quarterly whereas the principal is repayable in eight equal quarterly installments starting from February 2021. The facility is secured against first joint pari passu charge on the fixed assets of the Company.

7.1.2 These represent loans from financial institutions bearing mark up at the rates ranging from 2.5% per annum to 12.29% per annum (30 June 2021: 2.25% per annum to 9.04% 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.

7.2 These represent loan obtained from Chairman (Mian Iftikhar Ahmed). The loan is repayable on demand from lender, but not prior to January 2023. It carries interest at the rate of 3 Month KIBOR minus 1% spread per annum.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the nine-months period ended 31 March 2022

8 Short term borrowings - secured

Short term finances aggregating to Rs. 8.123 billion (30 June 2021: Rs. 5.22 billion) are available from commercial banks under mark up arrangements. The mark up is charged at the rates ranging from 3.00% per annum to 13.52% per annum (30 June 2021: 3.00% per annum to 8.89% 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 2021.

Commitments

Commitments from various banks against letter of credit and letter of guarantees are Rs. 2,261 million (30 June 2021: 1,875 million) and Rs. 178 million (30 June 2021: Rs. 96.01 million) respectively.

	Nine months period ended		Three months period ended	
	31 March 2022 (Un-audited)	31 March 2021 (Un-Audited)	31 March 2022 (Un-audited)	31 March 2021 (Un-audited)
	Rupees			
10 Sales				
Local sales	12,560,407,013	10,588,191,205	4,013,988,533	3,089,704,122
Export sales	1,347,923,417	986,232,956	413,388,953	356,611,582
	13,908,330,430	11,574,424,161	4,427,377,486	3,446,315,704

11 Cost of sales

Cost of goods manufactured	13,065,892,658	9,703,427,683	4,149,822,179	3,277,471,902
Add: Finished goods - opening	974,174,228	847,888,132	1,702,249,129	544,818,360
	14,040,066,886	10,551,315,815	5,852,071,308	3,822,290,262
Add: Finished goods purchased	395,860,071	216,202,856	147,313,481	108,861,693
Less: Finished goods - closing	2,019,855,406	1,032,507,409	2,019,855,406	1,032,507,409
Cost of goods sold	12,416,071,551	9,735,011,262	3,979,529,383	2,898,644,546

12 Earnings per share - basic and diluted

Profit after taxation (Rupees)	269,650,296	652,382,020	10,161,288	180,752,944
		(Restated)		(Restated)
Weighted average number of shares	168,000,000	168,000,000	168,000,000	168,000,000
Earnings per share (Rupees)	1.61	3.88	0.06	1.08

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the nine-months period ended 31 March 2022

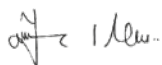
13 Transactions with related parties

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:

Name of Company and relationship	Nature of Transaction	(Un-audited)	
		March 31, 2022	March 31, 2021
		(Rupees)	
Mian Iftikhar Ahmed - Director	Rent of head office	17,968,500	16,335,000
Contribution to staff provident fund	Contribution to staff provident fund	16,836,452	15,466,269
Mian Iftikhar Ahmed - Director	Loan from director obtained	150,000,000	620,000,000
Mian Iftikhar Ahmed - Director	Mark up on loan from director	39,512,417	3,793,041
Mian Faisal Iftikhar - Director	Land Purchase	—	11,480,000

14 General

These condensed interim financial statements were authorized for issue by the Board of Directors of the Company on April 27, 2022.



Chief Executive Officer



Director



Chief Financial Officer



Panther Tyres Limited

Panther House, 97-B, Aziz Avenue,

Jail Road, Lahore-Pakistan

UAN: +92 42 111 55 4444

info@panthertyres.com

www.panthertyres.com