



PANTHER TYRES

Half Yearly Report December 2021



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

WEBSITE

www.panthertyres.com

DIRECTORS' REVIEW REPORT

Dear Valued Shareholders

The Directors are pleased to present their review on the financial statements for the half year ended on December 31, 2021 together with review report thereon issued by auditors of the Company.

REVIEW OF OPERATING RESULTS

During the period under review, the Company continued its momentum of growth and posted 17% growth in top line which was closed at Rs.9,481 million as against Rs.8,128 million reported in the same period last year. This increase is mainly attributed to the increase in selling prices of the products. However, the overall quantitative demand of tyres and tube remained slightly under pressure due to inflationary pressures that is mounting since the last six months.

The gross profit during the period decreased to Rs.1,044 million as against Rs.1,292 million posted in comparable period last year. Prices of imported raw materials remained on higher end throughout the period which along-with the exponential rise in sea freights and devaluation of PKR negatively impacted the margins. During the period under review, supply of raw materials also remained disrupted and affected the productivity of the production operations. On the other hand, higher energy costs resulting from sharp increase in coal price and oil price in the international markets also played its role as fuel to the fire during the quarter.

Following is the snapshot of financial performance of the Company for the half year ended on Dec 31, 2021:

Description	Half Year ended		%	Quarter ended		%
	2021	2020	Change	2021	2020	Change
Sales	9,481	8,128	16.6%	4,570	3,717	23.0%
Gross profit	1,044	1,292	-19.1%	598	608	-1.6%
Selling and distribution expenses	(330)	(260)	27.2%	(158)	(128)	23.1%
Administrative and general xpenses	(148)	(149)	-1.0%	(77)	(69)	11.1%
Profit from operations	574	837	-31.5%	365	386	-5.4%
Financial cost	(233)	(179)	30.4%	(135)	(79)	71.0%
Profit for the period	259	472	-45.0%	149	218	-31.5%

Selling and distribution expenses during the half year ended on December 31, 2021 increased from Rs. 260 million to Rs. 330 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. 233 million is higher as compared to Rs. 179 million for the corresponding period of last year. Policy rate hikes especially in the second quarter coupled with increased working capital requirement pushed the finance cost higher, even though finances availed under concessionary financing schemes of SBP have subsided the impact to an extent. Resultantly, the net profit after tax stood at Rs. 259 million for the half year ended December 31, 2021.

FUTURE OUTLOOK AND CHALLENGES

Going forward, the COVID-19 Omicron variant appears to be milder and the resultant disruptions to economic activity have been minimal as compared to the previous variants of the virus. Despite the challenging business environment, the Company has always been able to continue its operations while maintaining the standard operating procedures (SOPs) for the safety of all employees.

Management is cognizant of the current scenario and confident that quantitative growth in demand for products coupled with enhanced production capacities will enable the Company to maximize the sales volumes and improve the market share.

A well thought pricing strategy is in place to recover the cost escalations in line with market conditions and prices are being adjusted to achieve better profit margins during the second half of the year in the prevailing scenario of significant cost upsurge. Moreover, cost optimization and cost control exercises are already underway to ease-off the pressure of cost inflation and we are hopeful to achieve it very soon.

While navigating through the aforementioned challenges, the Company remains focused on minimizing the negative impacts and serving its stakeholders by delivering enduring value; strengthening stakeholder relationships and leveraging its diversified product portfolio in line with its growth aspirations.

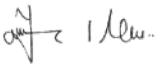
EXPANSION PROJECT

The expansion project is progressing gradually, some delays have been observed due to unforeseen circumstance, yet the management is working hard for its completion at earliest. Detailed progress report of the project is currently in process and will be shared with shareholders in first week of March 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: February 24, 2022

مستقبل کا منظر نامہ اور چیلنجز

آگے بڑھتے ہوئے، کوویڈ 19 کا ادبی کروں ویرینٹ اس وائرس کی پچھلی اقسام سے ہلکا دکھائی دیتا ہے جس کی وجہ سے معاشی سرگرمیوں میں رکاوٹیں کم سے کم ہیں۔ کاروباری ماحول کے چیلنجز کے باوجود، کمپنی اپنے تمام ملازمین کی حفاظت کو ایس او بیز کے ذریعے یقینی بناتے ہوئے، اپنا کام جاری رکھنے میں کامیاب رہی۔

انتظامیہ موجودہ منظر نامے سے باخبر ہے اور اسے یقین ہے کہ مصنوعات کی مانگ میں اضافے اور پیداواری صلاحیت کو بڑھا کر کمپنی اپنی مصنوعات کی فروخت کے حجم اور مارکیٹ شیئر کو بہتر کرنے کے قابل ہوگی۔

مارکیٹ کے حالات کو مد نظر رکھتے ہوئے، لاگت میں ہونے والے اضافے کو ریکور کرنے کے لیے مصنوعات کی قیمتوں کو تعین کرنے کے لیے ایک حکمت عملی ترتیب دی گئی ہے اور لاگت میں نمایاں اضافے کے موجودہ منظر نامے میں سال کی دوسری ششماہی میں منافع کے بہتر مارجن کے حصول کے لیے قیمتوں کو ایڈجسٹ کیا جا رہا ہے۔ مزید برآں، لاگت کو بہتر بنانے، اس پر قابو پانے اور افراط زر کے دباؤ کو کم کرنے کے لیے پہلے سے ہی کام ہو رہا ہے اور ہم اسے بہت جلد حاصل کرنے کے لیے پرامید ہیں۔

متذکرہ بالا چیلنجز سے گزرتے ہوئے، کمپنی، منفی اثرات کو کم سے کم کرنے، اسٹیک ہولڈرز سے تعلق کو مضبوط بنانے اور آگے بڑھنے کے عزم کے ساتھ اپنی مصنوعات کے پورٹ فولیو کو متنوع بنانے پر توجہ مرکوز کیے ہوئے ہے۔

توسیعی منصوبہ

توسیعی منصوبہ بتدریج آگے بڑھ رہا ہے، غیر متوقع حالات کی وجہ سے کچھ تاخیر ہوئی ہے لیکن انتظامیہ اپنی بھرپور کوشش کے ذریعے اس منصوبے کو جلد تکمیل کر لے گی۔ ابھی اس ترقیاتی منصوبے کی تفصیلی رپورٹ تکمیل کے مراحل میں ہے جو مارچ ۲۰۲۲ کے پہلے ہفتہ میں شیئر ہولڈرز کو دے دی جائے گی۔

اظہار تشکر

بورڈ آف ڈائریکٹرز، کمپنی کے معزز شیئر ہولڈرز، صارفین، مالیاتی اداروں اور سپلائرز کا کمپنی پر اعتماد اور بھروسے کے لیے ان کا شکریہ ادا ہے۔ آزمائش کی ان گھڑیوں میں، بورڈ اپنے سرط کے ملازمین کی محنت، لگن اور عزم کو بھی سراہتا ہے۔

بورڈ کی طرف سے

Chief Executive Officer

میاں فیصل افتخار
چیف ایگزیکٹو آفیسر

Chairman

میاں افتخار احمد
چیئر مین

لاہور 24 فروری 2022

ڈائریکٹر ان کی جائزہ رپورٹ

معزز شیئر ہولڈرز!

کمپنی کے ڈائریکٹر ان ششماہی ختمہ 31 دسمبر 2021، کمپنی کے مالیاتی حسابات پر اپنی جائزہ رپورٹ مع آڈیٹرز جائزہ رپورٹ پیش کرتے ہوئے خوش محسوس کرتے ہیں۔

آپریٹنگ نتائج کا جائزہ:

زیر جائزہ مدت کے دوران، کمپنی نے اپنی ترقی کی رفتار کو جاری رکھا اور ناپ لائن میں 17 فیصد اضافہ کیا جو کہ گزشتہ برس اسی مدت میں 8,128 ملین روپے کے مقابلے میں 9,481 ملین روپے پر بند ہوا۔ اس اضافے کی بنیادی وجہ کمپنی مصنوعات کی قیمت فروخت میں اضافہ تھا۔ تاہم پچھلے چھ ماہ سے بڑھتی ہوئی مہنگائی کی وجہ سے مائٹروں اور ٹیوبز کی مجموعی مانگ قدرے دباؤ میں رہی۔

اس مدت کے دوران مجموعی منافع کم ہو کر 1,044 ملین روپے ہو گیا جو پچھلے سال اسی مدت کے دوران 1,292 ملین روپے تھا۔ درآمدی خام مال کی قیمتیں زیر جائزہ مدت کے دوران اونچے سطح پر رہیں جس کے ساتھ ساتھ سمندری مال برداری میں غیر معمولی اضافے اور پاکستانی روپے کی قدر میں کمی نے منافع پر منفی اثر ڈالا۔ اس مدت کے دوران خام مال کی فراہمی میں بھی خلل پڑا جس نے پروڈکشن آپریٹنگز کی پیداواری صلاحیت کو متاثر کیا۔ دوسری جانب، اس سہ ماہی میں بین الاقوامی منڈیوں میں کوئلے اور تیل کی قیمتوں میں تیزی سے اضافے کے نتیجے میں توانائی کی قیمتوں میں اضافہ ہوا جس نے جلتی پرتیل کا کام کیا۔

31 دسمبر 2021 کو ختم ہونے والی ششماہی کے لیے کمپنی کی مالیاتی کارکردگی درج ذیل ہے:

تفصیل	ششماہی ختمہ		فیصد	سہ ماہی ختمہ		فیصد
	2021	2020		تبدیلی	2021	2020
مصنوعات کی فروخت	9,481	8,128	16.6%	4,570	3,717	23.0%
مجموعی منافع	1,044	1,292	-19.1%	598	608	-1.6%
فروخت اور ڈسٹری بیوٹن اخراجات	(330)	(260)	27.2%	(158)	(128)	23.1%
ایڈمنسٹریٹو اور عام اخراجات	(148)	(149)	-1.0%	(77)	(69)	11.1%
آپریٹنگ منافع	574	837	-31.5%	365	386	-5.4%
مالیاتی لاگت	(233)	(179)	30.4%	(135)	(79)	71.0%
مذکورہ مدت میں منافع	259	472	-45.0%	149	218	-31.5%

1 دسمبر 2021 کو ختم ہونے والی ششماہی کے دوران مصنوعات کی فروخت اور ڈسٹری بیوٹن کے اخراجات 260 ملین روپے سے بڑھ کر 330 ملین روپے ہو گئے۔ جس کی وجہ کرایوں اور ایڈورٹائزمنٹ کے اخراجات میں اضافہ تھا۔ تاہم انتظامی کنٹرول رہا۔

زیر جائزہ مدت کے لیے مالیاتی لاگت زیادہ ہو کر 233 ملین روپے رہی جو پچھلے برس اسی مدت کے دوران 179 ملین روپے تھی۔ خاص طور پر دوسری سہ ماہی میں شرح سود میں اضافے کے ساتھ ساتھ ورننگ کپیٹل کی بڑھتی ہوئی ضرورت نے مالیاتی لاگت کو بڑھا دیا حالانکہ اسٹیٹ بینک کی رعایتی فنانسنگ اسکیموں کے تحت حاصل کردہ مالیاتی سہولتوں نے اس اثر کو ایک حد تک کم کیا۔ اس کے نتیجے میں 31 دسمبر 2021 کو ختم ہونے والی ششماہی کے لیے منافع بعد از ٹیکس 259 ملین روپے رہا۔

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF PANTHER TYRES LIMITED

Report on review of Condensed Interim Financial Statements for six-month period ended 31 December 2021

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Panther tyre Limited as at 31 December 2021 and the related condensed interim statement of profit or loss and 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 (herein-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed 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 condensed 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 profit or loss and condensed interim statement of comprehensive income for the three-month periods ended 31 December 2021 and 31 December 2020 along with related notes have not been reviewed, as we are required to review only the cumulative figures for the six-month period ended 31-Dec-2021.

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



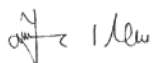
EY Ford Rhodes
Chartered Accountants
Lahore: February 24, 2022

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at December 31, 2021

	Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
(Rupees)			
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	7,418,829,958	5,816,577,447
Right-of-use assets		113,492,593	128,908,469
Intangible assets		5,740,472	7,479,437
Long term deposits		55,432,442	31,880,839
		7,593,495,464	5,984,846,192
CURRENT ASSETS			
Stores and spares		242,010,124	158,032,988
Stock in trade	6	4,647,881,452	3,234,587,665
Trade debts - considered good - unsecured		3,549,179,211	3,303,967,188
Advances, deposits, prepayments and other receivables		1,116,303,310	782,639,678
Cash and bank balances		1,032,951,869	806,059,464
		10,588,325,966	8,285,286,983
TOTAL ASSETS		18,181,821,430	14,270,133,175
EQUITY AND LIABILITIES			
Authorized Share Capital			
300,000,000 (30 June 2021: 300,000,000) ordinary shares of 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 - capital reserve		1,294,433,658	1,574,433,658
Revaluation surplus on property, plant and equipment - capital reserve		834,058,091	854,801,883
Unappropriated profit - revenue reserve		2,759,268,710	2,747,555,295
		6,567,760,459	6,576,790,836
NON CURRENT LIABILITIES			
Long term finances	7	2,475,278,065	1,656,150,488
Deferred grant		8,846,925	17,485,130
Deferred taxation		562,265,314	616,765,947
		3,046,390,303	2,290,401,565
CURRENT LIABILITIES			
Current portion of long term finances	7	335,036,750	346,406,256
Short term financing - secured	8	7,057,983,609	4,111,847,806
Unclaimed dividend		461,889	–
Trade and other payables		1,041,190,545	892,883,152
Accrued mark-up		132,997,875	51,803,560
		8,567,670,668	5,402,940,774
Contingencies and commitments	9		
TOTAL EQUITY AND LIABILITIES		18,181,821,430	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

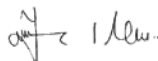

Chief Financial Officer

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the six-month period ended 31 December 2021

	Note	Six month period ended		Three month period ended	
		31 December 2021 (Un-audited)	31 December 2020 (Un-Audited)	31 December 2021 (Un-audited)	31 December 2020 (Un-audited)
		Rupees	Rupees	Rupees	Rupees
Sales	10	9,480,952,944	8,128,108,457	4,570,083,177	3,716,903,142
Cost of sales	11	(8,436,542,168)	(6,836,366,716)	(3,972,182,381)	(3,109,188,917)
Gross profit		1,044,410,776	1,291,741,741	597,900,796	607,714,225
Selling and distribution expenses		(330,421,039)	(259,862,716)	(157,558,429)	(128,036,376)
Administrative expenses		(147,983,883)	(149,477,640)	(76,728,527)	(69,071,238)
Other operating expenses		(26,986,053)	(50,652,903)	(18,516,995)	(25,812,387)
Other operating income		34,893,769	5,674,763	19,719,348	887,741
Profit from operations		573,913,569	837,423,245	364,816,192	385,681,965
Finance cost		(233,118,894)	(178,762,904)	(135,211,228)	(79,061,364)
Profit before taxation		340,794,675	658,660,341	229,604,964	306,620,601
Taxation		(81,305,667)	(187,031,265)	(80,404,178)	(88,741,400)
Profit after taxation	A	259,489,008	471,629,076	149,200,786	217,879,201
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		11,480,614	7,094,299	8,939,945	3,076,729
Total other comprehensive income	B	11,480,614	7,094,299	8,939,945	3,076,729
Total comprehensive income	A+B	270,969,623	478,723,375	158,140,732	220,955,930
Earnings per share			(Restated)		(Restated)
- Basic and diluted (Rs.)	12	1.54	2.81	0.89	1.30

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


Chief Executive Officer


Director

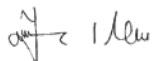

Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For the six-month period ended 31 December 2021

	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 at 1 July 2020 (audited)	1,000,000,000	-	670,459,820	1,941,964,836	3,612,424,656
Issue of bonus shares for the year ended 30 June 2020 at rate of 10%	100,000,000	-	-	(100,000,000)	-
Profit for the period		-	-	471,629,076	471,629,076
Other comprehensive income	-	-	-	7,094,299	7,094,299
Total comprehensive income for the period	-	-	-	478,723,375	478,723,375
Surplus on revaluation of property, plant and equipment realized through incremental depreciation charged on related assets for the period	-	-	(17,953,616)	17,953,616	-
Balance as at 31 December 2020 (un-audited)	1,100,000,000	-	652,506,204	2,338,641,827	4,091,148,031
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	-	-	-	259,489,008	259,489,008
Other comprehensive income - net of tax	-	-	-	11,480,614	11,480,614
Total comprehensive income for the period	-	-	-	270,969,623	270,969,623
Surplus on revaluation of property, plant and equipment realized through incremental depreciation charged on related assets for the period	-	-	(20,743,792)	20,743,792	-
Balance as on 31 December 2021 (un-audited)	1,680,000,000	1,294,433,658	834,058,091	2,759,268,710	6,567,760,459

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


Chief Executive Officer


Director

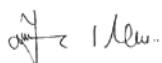

Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS

For the six-month period ended 31 December 2021

	Six month period ended	
	(Un-audited) December 31, 2021	(Audited) December 31, 2020
	(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before taxation	340,794,675	658,660,341
Adjustment for non cash charges and other items:		
Depreciation - owned assets	155,911,646	141,809,087
Depreciation - right-of-use assets	15,415,876	15,415,877
Amortization	1,738,965	1,738,963
Gain on sale of fixed assets	(10,226,303)	(1,700,265)
Grant income	(8,638,205)	-
Provision for contribution to provident fund trust	21,469,266	9,958,868
Provision for slow moving stock - stock in trade	449,858	-
WPPF provision	18,676,862	35,465,662
WWF provision	8,309,191	15,187,241
Allowance of expected credit loss	3,746,798	8,516,562
Income from TDR	(15,168,140)	-
Mark-up on lease liabilities - rented premises	10,996,200	8,042,005
Mark-up on loans from financial institutions	37,058,104	34,791,344
Mark-up on short term finances under mark-up arrangements	174,397,155	127,837,395
	414,137,272	397,062,739
Operating profit before working capital change	754,931,948	1,055,723,080
Adjustment for working capital items		
Increase in stores and spares	(83,977,136)	(19,801,346)
Increase in stock in trade	(1,413,743,645)	(111,149,809)
Increase in trade debtors	(248,958,821)	(145,053,189)
Increase in advances, deposits, prepayments and other receivables	(196,812,178)	(135,098,515)
(Decrease) / increase in trade and other payables	182,411,052	(75,179,628)
	(1,761,080,728)	(486,282,487)
Cash used in operations	(1,006,148,781)	569,440,593
Contribution paid to provident fund trust	(21,545,759)	(8,664,710)
Income tax paid - net	(246,009,000)	(175,140,328)
WPPF paid	(61,013,218)	-
Mark-up paid	(136,311,746)	(223,718,585)
Net cash (used in) / generated from operating activities	(1,471,028,503)	161,916,970
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,761,762,853)	(389,122,278)
Long term deposits	(23,551,603)	(92,900)
Sale proceeds from disposal of property, plant and equipment	13,825,000	2,090,000
Net cash used in investing activities	(1,771,489,456)	(387,125,178)
CASH FLOW FROM FINANCING ACTIVITIES		
Long-term loan obtained from financial institutions	819,927,212	368,295,308
Long-term loan repaid to financial institutions	(142,315,169)	-
Short term running finance - net	2,946,135,803	(20,924,236)
Lease rentals paid - IFRS 16	(24,799,371)	(20,049,912)
Loan from director	150,000,000	-
Dividend paid	(279,538,111)	-
Net cash generated from financing activities	3,469,410,365	327,321,160
NET INCREASE IN CASH AND CASH EQUIVALENTS	226,892,405	102,112,952
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	1,032,951,869	252,960,666

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



Chief Executive Officer



Director



Chief Financial Officer

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the six-month period ended 31 December 2021

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 These condensed interim financial statements are unaudited but subject to limited scope review by the auditors and being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 and the Listing Companies (Code of Corporate Governance) Regulations, 2019.

2.4 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.

2.5 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 six-month period ended 31 December 2021

4 Significant accounting judgements, estimates and assumptions

The preparation of unconsolidated 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) December 31, 2021 (Rupees)	(Audited) June 30, 2021
5 Property, plant and equipment			
Operating fixed assets	5.1	4,278,177,420	4,342,201,351
Capital work in progress	5.2	3,140,652,537	1,474,376,096
		7,418,829,958	5,816,577,447

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

	(Un-Audited)		(Audited)	
	Additions Dec-2021 Rupees	Disposals Dec-2021 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	20,055,306	–	258,518,547	–
Moulds	–	–	41,987,415	–
Furniture and fixtures	5,475,076	–	1,084,432	–
Office equipment	2,136,845	–	5,165,638	–
Motor vehicles	35,160,742	(14,985,606)	87,167,710	(21,338,335)
	95,401,220	(14,985,606)	499,914,533	(21,338,335)

5.2 Capital work-in-progress

	(Un-Audited)			
	Opening Rupees	Additions Rupees	Transfers Rupees	Closing Rupees
31 December 2021				
Building	118,540,457	271,456,135	–	389,996,592
Plant and machinery	1,273,453,752	1,354,572,655	6,076,079	2,621,950,328
Moulds	75,631,991	51,396,344	–	127,028,335
General	6,749,896	1,677,282	6,749,896	1,677,282
	1,474,376,096	1,679,102,416	12,825,975	3,140,652,537
31 December 2020				
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

	Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021 (Rupees)
6 Stock in trade			
Raw materials		1,911,551,664	1,622,151,248
Packing materials		46,820,774	46,349,833
Work in process		281,972,660	252,440,107
Finished goods- Manufactured		1,602,514,814	883,769,671
Finished goods- Trading Material		99,734,315	90,404,557
		3,942,594,226	2,895,115,416
Raw materials in transit		718,333,583	352,068,748
Less: Provision for slow moving items		(13,046,357)	(12,596,499)
		4,647,881,452	3,234,587,665
7 Long term finances			
Loan from financial institutions - Secured		1,884,339,674	1,206,727,630
Accrued mark-up		12,245,382	18,296,184
Less: Current portion shown under current liabilities		(314,593,791)	(324,492,096)
	7.1	1,581,991,265	900,531,718
Lease liabilities - rented premises		143,729,759	157,532,930
Less: Current maturity shown under current liabilities		(20,442,959)	(21,914,160)
		123,286,800	135,618,770
Loan from Chairman - related party	7.2	770,000,000	620,000,000
		2,475,278,065	1,656,150,488
7.1 Loan from financial institutions - secured			
Samba Bank Limited	7.1.1	268,822,450	380,337,550
PAIR Investment Company Limited	7.1.2	364,740,104	225,400,332
Pak Oman Investment Company Limited	7.1.2	134,615,382	168,681,318
United Bank Limited	7.1.2	200,000,000	-
Meezan Bank limited	7.1.2	430,759,319	246,152,738
Habib Metropolitan Bank Limited	7.1.2	170,861,000	121,584,000
National Bank Limited	7.1.2	323,388,344	82,056,822
		1,893,186,599	1,224,212,760
Add: Accrued markup		12,245,382	18,296,184
Less: Deferred grant		(8,846,925)	(17,485,130)
Less: Current portion shown under current liabilities		(314,593,791)	(324,492,096)
		1,581,991,265	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 10.34% 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 six-month period ended 31 December 2021

8 Short term borrowings - secured

Short term finances aggregating to Rs. 7.875 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 12.55% 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. 1,502 million (30 June 2021: 1,875 million) and Rs. 173 million (30 June 2021: Rs. 96.01 million) respectively.

	Six month period ended		Three month period ended	
	31 December 2021 (Un-audited)	31 December 2020 (Un-Audited)	31 December 2021 (Un-audited)	31 December 2020 (Un-audited)
	Rupees	Rupees	Rupees	Rupees
10 Sales				
Local sales	8,546,418,480	7,498,487,083	4,016,995,622	3,435,435,639
Export sales	934,534,464	629,621,374	553,087,555	281,467,503
	9,480,952,944	8,128,108,457	4,570,083,177	3,716,903,142
11 Cost of sales				
Cost of goods manufactured	8,916,070,479	6,425,955,781	4,210,517,460	3,292,635,600
Add: Finished goods - opening	974,174,228	847,888,132	1,277,166,853	308,940,466
	9,890,244,707	7,273,843,913	5,487,684,313	3,601,576,066
Add: Finished goods purchased	248,546,590	107,341,163	186,747,197	52,431,211
Less: Finished goods - closing	1,702,249,129	544,818,360	1,702,249,129	544,818,360
Cost of goods sold	8,436,542,168	6,836,366,716	3,972,182,381	3,109,188,917
12 Earnings per share - basic and diluted				
Profit after taxation (Rupees)	259,489,008	471,629,076	149,200,786	217,879,201
Weighted average number of shares	168,000,000	(Restated) 168,000,000	168,000,000	(Restated) 168,000,000
Earnings per share (Rupees)	1.54	2.81	0.89	1.30

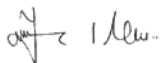
13 Transactions with related parties

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)	
		Six-months period ended	
		December 31, 2021	December 31, 2020
		(Rupees)	
Mian Iftikhar Ahmed - Director	Rent of head office	11,979,000	10,890,000
Contribution to staff provident fund	Contribution to staff provident fund	11,119,755	9,958,868
Mian Iftikhar Ahmed - Director	Loan from director obtained	150,000,000	–
Mian Iftikhar Ahmed - Director	Mark up on loan from director	21,399,485	–

14 General

These condensed interim financial statements were authorized for issue by the Board of Directors of the Company on February 24, 2022.



Chief Executive Officer



Director



Chief Financial Officer



Panther Tyres Limited

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