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Company Profile

Board of Directors

Chairman Lt.Gen.(Retd) Ali Kuli Khan Khattak

Chief Executive Mr. Mohammad Shahid Hussain
Mr. Ahmed Kuli Khan Khattak
Mr. Ikram Ul-Majeed Sehgal
Mr. M. A. Faisal Khan
Mr. Mansur Khan
Mr. Manzoor Ahmed
Mr. Mazhar Sharif
Mr. Raza Kuli Khan Khattak
Dr. Willi Flamm

Company Secretary & CFO

Mr. Ashraf Teli

Board Audit Committee

Chairman Mr. Manzoor Ahmed
Mr. Ahmed Kuli Khan Khattak
Mr. Mazhar Sharif

HR & Remuneration Committee

Chairman Mr. M. A. Faisal Khan
Mr. Raza Kuli Khan Khattak
Mr. Manzoor Ahmed
Mr. Mohammad Shahid Hussain

Auditors

Hameed Chaudhri & Co.
Chartered Accountants

Legal Advisor

Syed Iqbal Ahmed & Co.

Share Registrar

Management & Registration
Services (Pvt.) Ltd.
Business Executive Centre,
F/17/3, Block-8, Clifton, Karachi
Phone : 35375127-9

Major Bankers

Allied Bank Limited
Askari Bank Limited
Al-Baraka Bank Pakistan Limited
Bank Al-Falah Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
Meezan Bank Limited
MCB Bank Limited
National Bank of Pakistan
Soneri Bank Limited
Standard Chartered Bank Pakistan Ltd
Summit Bank Limited
The Bank of Punjab
United Bank Limited

Registered Office & Factory

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

Branch Offices

Lahore Plot No. 20, Shahrah-e-Fatima Jinnah, Lahore. Phone : 36308605-6 Fax : 36300108	Islamabad Plot No. 189-A, Korang Road, Sector I-10/3, Islamabad. Phone : 4449955-6 Fax : 4440916
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Multan

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

Customer Care & Service Centre

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

Directors' Review

The Directors of your Company are pleased to present the Accounts for the first quarter ended September 30, 2014.

BUSINESS REVIEW

The Company's sales in terms of tonnage for the period under review showed increase of 2% over the same period last year. This increase is also reflected in Net Sales which also increased by same percentage over last year to Rs. 1.82 billion from Rs. 1.78 billion of last year's first quarter.

The Company, however, had to cope with number of challenges in first quarter of the current year. The country is going through political turmoil and the floods in upper parts of Pakistan have taken its toll on the business activities. These factors mainly affected the Replacement Market (RM) sales in units which were down by 14%. However, contrary to this, sales to Original Equipment Manufacturers (OEM) were higher by 8%, showing increases in all categories, and offsetting the shortfall in sales to RM to a large extent.

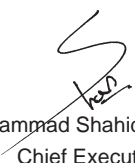
In spite of above adverse condition, the increased sales together with better sales mix resulted in better gross margin culminating into higher current period Pre-tax Profit of Rs. 88 million compared to Rs. 55 million achieved in the corresponding period of last year.

FUTURE PROSPECTS

The uplift of tyres by OEMs has shown promising growth. If this momentum continues and the political atmosphere of the country changes for better, there is no reason why the Company should not be able to repeat its last year performance.

The Management of the Company is alive to the changing scenarios and continuously carries out balancing and capacity enhancement exercises so that the Company is ready to meet requirements of its customers in terms of quality and quantity.

For and on behalf of the Board of Directors.


Mohammad Shahid Hussain
Chief Executive


Mazhar Sharif
Director

Karachi
Dated: October 23, 2014

Condensed Interim Balance Sheet

As at September 30, 2014


	Note	September 30, June 30,	
		2014	2014
		Unaudited	Audited
(Rupees in thousand)			
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital			
75,000,000 (2014: 75,000,000) ordinary shares of Rs.10 each		<u>750,000</u>	750,000
Issued, subscribed and paid-up capital		597,713	597,713
Unappropriated profit		<u>1,101,425</u>	1,433,277
Total equity		1,699,138	2,030,990
Liabilities			
Non current liabilities			
Long term finance		<u>83,333</u>	100,001
Staff benefits		<u>206,777</u>	197,673
Deferred taxation		<u>229,719</u>	242,018
Long term deposits from dealers		<u>11,150</u>	11,170
		530,979	550,862
Current liabilities			
Current maturity of long term finance		<u>66,667</u>	66,666
Short term finances		<u>649,639</u>	714,413
Running finances under mark-up arrangements		<u>1,751,045</u>	2,180,130
Trade and other payables		<u>1,084,796</u>	838,429
Accrued mark-up		<u>64,042</u>	78,317
Provisions		<u>104,743</u>	103,357
		3,720,932	3,981,312
Total liabilities		4,251,911	4,532,174
Contingencies and commitments	5		
Total equity and liabilities		5,951,049	6,563,164

Condensed Interim Balance Sheet

As at September 30, 2014

	Note	September 30, June 30,	
		2014	2014
		Unaudited	Audited
(Rupees in thousand)			
ASSETS			
Non current assets			
Property, plant and equipment	6	1,911,509	1,913,568
Intangible assets		2,047	2,422
Investment in an Associated Company	7	2,986	2,924
Long term loans and advances		9,302	10,009
Long term deposits		31,291	31,012
		1,957,135	1,959,935
Current assets			
Stores and spares		448,020	462,164
Stocks		1,888,133	1,999,156
Trade debts	8	1,117,211	1,390,553
Loans and advances		57,664	36,182
Deposits and prepayments		149,189	246,248
Other receivables		29,789	33,742
Taxation - net		214,628	215,025
Cash and bank balances		89,280	220,159
		3,993,914	4,603,229
Total assets		5,951,049	6,563,164

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.


 Mohammad Shahid Hussain
 Chief Executive



 Mazhar Sharif
 Director

Condensed Interim Profit And Loss Account (Unaudited)

For the quarter ended September 30, 2014

	Note	For the first quarter ended	
		September 30,	
		2014	2013
(Rupees in thousand)			
Sales - net		1,818,354	1,776,992
Cost of sales	9	(1,503,557)	(1,509,064)
Gross profit		314,797	267,928
Administrative expenses		(66,072)	(46,783)
Distribution cost		(76,151)	(66,585)
Other income		11,906	13,351
Other expenses		(16,639)	(45,135)
Profit from operations		167,841	122,776
Finance cost		(79,792)	(68,779)
		88,049	53,997
Share of profit of an Associated Company		62	594
Profit before taxation		88,111	54,591
Taxation	10	(31,450)	(18,750)
Profit after taxation		56,661	35,841
Other comprehensive income		-	-
Total comprehensive income		56,661	35,841
----- Rupees -----			
Earnings per share - basic and diluted		0.95	0.60

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.


 Mohammad Shahid Hussain
 Chief Executive



 Mazhar Sharif
 Director

Condensed Interim Cash Flow Statement (Unaudited)

For the quarter ended September 30, 2014

	Note	For the first quarter ended	
		September 30,	
		2014	2013
(Rupees in thousand)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated/(used) from operations	11	561,949	(384,648)
Staff retirement gratuity paid		(516)	(2,640)
Compensated absences paid		(1,810)	(222)
Long term deposits from dealers		(20)	-
Finance cost paid		(94,067)	(82,417)
Taxes paid		(43,353)	(61,875)
Long term loans and advances		707	5,090
Long term deposits		(279)	609
Net cash generated/(used) from operating activities		422,611	(526,103)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(43,104)	(18,684)
Proceeds from sale of operating fixed assets		49	1,115
Profit on bank deposits received		91	90
Net cash used in investing activities		(42,964)	(17,479)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term finance - repaid		(16,667)	-
Short term finances - net		(64,774)	(84,187)
Dividend paid		-	(66,243)
Net cash used in from financing activities		(81,441)	(150,430)
Net increase in cash and cash equivalents		298,206	(694,012)
Cash and cash equivalents - at beginning of the period		(1,959,971)	(1,010,889)
Cash and cash equivalents - at end of the period	12	(1,661,765)	(1,704,901)

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.


 Mohammad Shahid Hussain
 Chief Executive

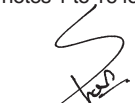

 Mazhar Sharif
 Director

Condensed Interim Statement Of Changes In Equity

For the quarter ended September 30, 2014

	Issued, Subscribed and paid-up share capital	Unappropriated profit	Total
	———— (Rupees in thousand) ————		
Balance as at July 1, 2013 (as previously reported)	597,713	1,195,797	1,793,510
Transaction with owners, recognised directly in equity			
Final dividend for the year ended June 30, 2013 at the rate of Rs.4.50 per share	-	(268,971)	(268,971)
Total comprehensive income for the period ended September 30, 2013	-	35,841	35,841
Balance as at September 30, 2013 (unaudited)	<u>597,713</u>	<u>962,667</u>	<u>1,560,380</u>
Total comprehensive income for the nine month period ended June 30, 2014	-	470,610	470,610
Balance as at June 30, 2014 (audited)	<u>597,713</u>	<u>1,433,277</u>	<u>2,030,990</u>
Transaction with owners, recognised directly in equity			
Final dividend for the year ended June 30, 2014 at the rate of Rs.6.50 per share	-	(388,513)	(388,513)
Total comprehensive income for the period ended September 30, 2014	-	56,661	56,661
Balance as at September 30, 2014 (unaudited)	<u><u>597,713</u></u>	<u><u>1,101,425</u></u>	<u><u>1,699,138</u></u>

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.


Mohammad Shahid Hussain
Chief Executive


Mazhar Sharif
Director

Notes to the Condensed Interim Financial Information (Unaudited)

For the quarter ended September 30, 2014

1. LEGAL STATUS AND OPERATIONS

The General Tyre and Rubber Company of Pakistan Limited (the Company) was incorporated in Pakistan on March 7, 1963 as a private limited company and was subsequently converted into a public limited company. Its shares are quoted on Karachi and Lahore Stock Exchanges. The registered office is situated at H - 23 / 2, Landhi Industrial Trading Estate, Landhi, Karachi. The Company is engaged in the manufacturing and trading of tyres and tubes for automobiles and motorcycles.

2. BASIS OF PREPARATION

This condensed interim financial information is unaudited and has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This condensed interim financial information does not include all the information required for annual financial statements and therefore should be read in conjunction with the audited annual financial statements of the Company for the year ended June 30, 2014.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of audited annual financial statements for the year ended June 30, 2014.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. However, actual results may differ from these estimates.

During the preparation of this condensed interim financial information, the significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that were applied to the audited annual financial statements for the year ended June 30, 2014.

5. CONTINGENCIES AND COMMITMENTS

5.1 Contingencies

There is no change in status of the contingencies as disclosed in note 15.1 of the audited annual financial statements of the Company for the year ended June 30, 2014

	September 30, June 30,	
	2014	2014
	Unaudited	Audited
	(Rupees in thousand)	
5.2 Guarantees issued by commercial banks on behalf of the Company	<u>71,593</u>	<u>153,044</u>
5.3 Post dated cheques issued to the Collector of Customs against duty on imported plant & machinery, raw materials and stores & spares	<u>50,175</u>	<u>49,352</u>
5.2 Commitments		
5.2.1 Commitments in respect of :		
- letters of credit for capital expenditure	<u>48,511</u>	<u>28,977</u>
- purchase orders issued to local suppliers for capital expenditure	<u>24,019</u>	<u>19,114</u>
- sales contracts entered into by the Company	<u>75,638</u>	<u>84,492</u>
- tentative schedules for supply of tyres	<u>1,492,421</u>	<u>872,093</u>
- indemnity bond	<u>16,775</u>	<u>16,775</u>

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

	Note	September 30, June 30,	
		2014	2014
		Unaudited	Audited
		(Rupees in thousand)	
Not later than 1 year		<u>68,401</u>	63,703
Over 1 year and no later than 5 years		<u>167,722</u>	<u>186,220</u>
		<u>236,123</u>	<u>249,923</u>

6. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	6.1	<u>1,822,213</u>	1,852,530
Capital work-in-progress	6.3	<u>89,296</u>	<u>61,038</u>
		<u>1,911,509</u>	<u>1,913,568</u>

September 30, June 30,
2014 2014

Note Unaudited Audited
(Rupees in thousand)

6.1 Operating fixed assets

Book value at begning of the period/year		<u>1,852,530</u>	1,871,595
Addition during the period/year	6.2	<u>14,846</u>	<u>143,923</u>
Disposal costing Rs.70 thousand (June 30 2014: Rs.17,407 thousand) at book value		<u>(1)</u>	<u>(743)</u>
Writte-off Rs.Nil (June 30 2014: Rs.17,869 thousand) at book value		-	(1)
Depreciation for the period/year		<u>(45,162)</u>	<u>(162,244)</u>
Book value at end of the period/year		<u>1,822,213</u>	<u>1,852,530</u>

6.2 Addition during the period/year

Buildings	-	-	26,995
Electrical installation	-	-	5,373
Plant and machinery	<u>2,038</u>	-	<u>59,218</u>
Boilers and accessories	-	-	1,378
Laboratory equipments	-	-	62
Moulds	<u>12,389</u>	-	<u>8,344</u>
Furniture and fixtures	<u>302</u>	-	<u>5,976</u>
Office equipment	-	-	33,958
Computer equipment	<u>117</u>	-	<u>2,619</u>
		<u>14,846</u>	<u>143,923</u>

6.3 Capital work-in-progress

Buildings	<u>15,960</u>	-	<u>10,591</u>
Electrical installation	<u>7,702</u>	-	<u>4,903</u>
Plant and machinery	<u>18,492</u>	-	<u>2,915</u>
Moulds	<u>3,033</u>	-	<u>137</u>
Vehicles	<u>7,388</u>	-	<u>6,291</u>
Office equipment	<u>38,863</u>	-	<u>38,476</u>
Computer equipment	<u>133</u>	-	<u>-</u>
	<u>91,571</u>	-	<u>63,313</u>
Provision for a doubtful advance	<u>(2,275)</u>	-	<u>(2,275)</u>
	<u>89,296</u>	-	<u>61,038</u>

7. INVESTMENTS IN AN ASSOCIATED COMPANY - Quoted

Gandhara Industries Limited - Equity basis 100,700 (2014: 100,700) ordinary shares of Rs.10 each - cost		<u>2,447</u>	<u>2,447</u>
Equity held: 0.473% (2014: 0.473%)			
Share of post acquisition profit		<u>874</u>	<u>812</u>
		<u>3,321</u>	<u>3,259</u>
Dividends received to date		<u>(335)</u>	<u>(335)</u>
		<u>2,986</u>	<u>2,924</u>

7.1 The investee company is an Associate of the Company by virtue of common directorship.

7.2 Key information about an associate

The following information is from audited financial statement of the investee company for the year ended June 30, 2014

	As at June 30, 2014	As at March 31, 2014
(Rupees in thousand)		
Assets	<u>3,719,025</u>	<u>4,020,286</u>
Liabilities	<u>1,698,813</u>	<u>2,011,546</u>
Unappropriated profit	<u>133,989</u>	<u>120,817</u>
For the year ended June 30,		
	2014	2013
(Rupees in thousand)		
Profit before taxation	<u>15,812</u>	<u>183,166</u>
Profit after taxation	<u>24,068</u>	<u>127,736</u>

7.3 The market value of the investment as at September 30, 2014 was Rs.3.424 million (June 30, 2014 : Rs.3.391 million)

		September 30, 2014	June 30, 2014
	Note	Unaudited	Audited
(Rupees in thousand)			
8. TRADE DEBTS - Unsecured Consider good			
- from Associated Companies	8.1	-	3
- others		<u>1,117,211</u>	<u>1,390,550</u>
		<u>1,117,211</u>	<u>1,390,553</u>
Considered doubtful - others		<u>38,991</u>	<u>30,927</u>
		<u>1,156,202</u>	<u>1,421,480</u>
Provision for doubtful debts		<u>(38,991)</u>	<u>(30,927)</u>
		<u>1,117,211</u>	<u>1,390,553</u>
8.1 Trade debts include following amounts due from Associated Companies:			
Gandhara Nissan Limited		-	3
		-	3

For the first quarter ended
September 30,

	Note	2014	2013
(Rupees in thousand)			
9. COST OF SALES			
Opening stock of finished goods		<u>543,789</u>	293,552
Cost of goods manufactured	9.1	<u>1,727,351</u>	1,606,922
Finished goods purchased		<u>112,321</u>	43,452
Royalty technical service fee		<u>36,405</u>	38,403
Closing stock of finished goods		<u>(916,309)</u>	(473,265)
		<u>1,503,557</u>	<u>1,509,064</u>
9.1 Cost of goods manufactured			
Opening stock of work-in-process		<u>284,536</u>	186,181
Raw materials consumed		<u>1,006,390</u>	1,121,315
Factory overheads		<u>642,950</u>	531,252
Closing stock of work-in-process		<u>(206,525)</u>	(231,826)
		<u>1,727,351</u>	<u>1,606,922</u>
10. TAXATION			
Current tax		<u>43,750</u>	24,670
Deferred tax		<u>(12,300)</u>	(5,920)
		<u>31,450</u>	<u>18,750</u>
11. CASH GENERATED FROM OPERATIONS			
Profit before taxation		<u>88,111</u>	54,591
Adjustments for non-cash charges and other items			
Depreciation		<u>45,162</u>	39,932
Amortisation		<u>374</u>	161
Provision for staff retirement gratuity		<u>10,486</u>	8,068
Charge of employee compensated absences		<u>945</u>	755
Profit on bank deposits		<u>(91)</u>	(90)
Gain on disposal of operating fixed assets		<u>(49)</u>	(1,115)
Finance cost		<u>79,792</u>	68,779
Share of profit of an Associated Company		<u>(62)</u>	(594)
Working capital changes	11.1	<u>337,281</u>	(555,135)
		<u>561,949</u>	<u>(384,648)</u>
11.1 Working capital changes (Increase) / decrease in current assets:			
- Stores and spares		<u>14,144</u>	803
- Stocks		<u>111,023</u>	(165,853)
- Trade debts		<u>273,342</u>	4,234
- Loans and advances		<u>(21,482)</u>	(27,859)
- Deposits and prepayments		<u>97,059</u>	(42,811)
- Other receivables		<u>3,953</u>	(5,340)
		<u>478,039</u>	<u>(236,826)</u>

For the first quarter ended
September 30,
2014 2013
(Rupees in thousand)

Decrease) / increase in current liabilities:

- Trade and other payables	(142,144)	(328,265)
- Provisions	1,386	9,956
	<u>(140,758)</u>	<u>(318,309)</u>
	<u>337,281</u>	<u>(555,135)</u>

12. CASH AND CASH EQUIVALENTS

Running finances under mark-up arrangements	(1,751,045)	(1,812,832)
Cash and bank balances	89,280	107,931
	<u>(1,661,765)</u>	<u>(1,704,901)</u>

13. OPERATING SEGMENT

This condensed interim financial information has been prepared on the basis of a single reportable segment. All non-current assets of the Company at September 30, 2014 are located in Pakistan. Revenues from external customers attributed to foreign countries in aggregate are not material. The Company has earned revenues from three (2013: three) customers aggregating Rs.689.881 million (2013: Rs.625.677 million) during the period which constituted 31.82% (2013: 29.68%).

14. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The condensed interim financial information does not include all financial risk management information and disclosures required in the audited annual financial statements and should be read in conjunction with the audited annual financial statement for the year ended June 30, 2014.

There has been no change in Company's sensitivity to these risks since June 30, 2014 except for general exposure to fluctuations in foreign currency and interest rates. There have been no change in the risk management policies during the period.

There have been no significant changes in the business or economic circumstances during the period that would have affected the fair values of the financial assets of the Company. Further, no re-classifications in the categories of financial assets have been made since June 30, 2014.

For the first quarter ended
September 30,
2014 2013
(Rupees in thousand)

15. TRANSACTIONS WITH RELATED PARTIES

15.1 Significant transactions with related parties are as follows:

Transactions	Relationship		
Sales of goods	Associated companies	46,463	20,675
Services charges	Associated companies/undertaking	1,027	774
Rent paid	Associated companies	150	150
Purchases of machinery and spare parts	Related party	585	1,695
Purchases of raw materials / supplies	Related party	11,515	24,752
Insurance premium	Associated companies	720	1,625
Royalty technical service fee	Related party	33,096	33,797
Mark-up on short term and running finances	Associated companies	8,989	7,900
Donation	Associated undertaking	1,400	900
Provision for gratuity	Employees gratuity fund	10,486	8,068
Contribution towards provident fund	Employees provident fund	4,615	4,025
Salaries and other employee benefits	Chief executive and executives	85,738	75,771

September 30, June 30,
2014 2014
Unaudited Audited
(Rupees in thousand)

15.2 Period / year end balances are as follows:
Payables to related parties

Staff benefits	19,952	18,093
Running finances under mark-up arrangements	339,145	331,671
Trade and other payables	106,268	75,990
Accrued mark-up	8,990	8,660

Receivables from related parties

Long term loans and advances	2,743	1,596
Loans and advances	2,181	1,575
Other receivables	6,158	4,104
Cash and bank balances	23,072	39,502

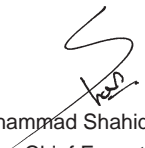
16. GENERAL

16.1 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorized for issue on October 23, 2014 by the Board of Directors of the Company.

16.2 CORRESPONDING FIGURES

Figures have been rounded off to the nearest thousand rupees except stated otherwise.


 Mohammad Shahid Hussain
 Chief Executive


 Mazhar Sharif
 Director