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Company Profile

Board of Directors

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

Chief Executive Mr. Ahmad 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

Mr. Farhan Ahmad

Chief Financial Officer

Mr. Ashraf Teli

Board Audit Committee

Chairman Mr. Manzoor Ahmed
Mr. Ikram Ul-Majeed Sehgal
Mr. Mazhar Sharif

HR & Remuneration Committee

Chairman Mr. M. A. Faisal Khan
Mr. Ahmad Kuli Khan Khattak
Mr. Raza Kuli Khan Khattak
Mr. Manzoor Ahmed

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 : 021-35375127-9

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
MCB Bank Limited
National Bank of Pakistan
Samba Bank Limited
The Bank of Punjab
United Bank Limited

Registered Office & Factory

H-23/2, Landhi Industrial Trading Estate,
Landhi, Karachi.
Phone : 021-35080172-81, 021-38020207-13
UAN : 111 487 487
Fax : 021-35081212, 021-35080171,
021-35084121
Website : www.generaltyre.com.pk

Branch Offices

Lahore Plot No. 20, Shahrah-e-Fatima Jinnah, Lahore. Phone : 042-36308605-6 Fax : 042-36300108	Islamabad Plot No. 189-A, Korang Road, Sector I-10/3, Islamabad. Phone : 051-4449955-6 Fax : 051-4440916
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Multan

Plot No. 758-759/21,
Khanewal Road,
Multan
Phone : 061-774407
Fax : 061-774408

Customer Care & Service Centre

Lahore
Plot No. 20,
Shahrah-e-Fatima Jinnah,
Lahore.
Phone : 042-36308605-6
Fax : 042- 36308607

Directors' Review

The Directors of your Company are pleased to present the Accounts for the first quarter ended September 30, 2015.

BUSINESS REVIEW

The Company's sales in number of units sold increased by 38% from 399K tyres sold in first quarter of last year to 551K tyres sold in the current period. The growth in Motor Cycle tyres also did not lag behind and grew by 47%. In terms of tonnage, the volumes for the period under review showed an increase of 22% over the same period last year which was also reflected in the growth of Net Sales value which grew by 18%.

Original Equipment Manufacturers (OEMs) were the main contributors to the growth, increasing by 55% over the same period last year with increase coming from Passenger Car Tyres, Light Truck Tyres and Truck/Bus Tyre categories. There is fierce competition in the Replacement Market segment due to availability of smuggled/under invoiced tyres in the market, further aggravated by lowering of duties on tyres by the Government.


Sales growth, efficient procurement coupled with decreasing prices, better working capital management all contributed towards improvement in Company's gross margins resulting in higher current period Pre-tax Profit of Rs. 260 million compared to Rs. 88 million achieved in the corresponding period of last year depicting a growth of 195%.

FUTURE PROSPECTS

The implementation of Company's 'Mixing Plant' project is going on smoothly and is expected to be commissioned in the last quarter of the current financial year. This will boost our capacity to produce, inter alia, more Farm tyres for which the market exists. During the intervening period the Company is taking alternate measures to boost the production of Farm tyres to satisfy the market needs. Our one OEM which was awarded the contract to supply vehicles for Punjab Taxi Scheme has completed its supply and, therefore, our sales to OEM for Light Truck tyres will taper off enabling our sales to the replacement market to recommence.

On the other hand, the decision of government to reduce duty on tyres in the last Budget will put pressure on the prices of Company's products and adversely affect the margins.

For and on behalf of the Board of Directors.



Manzoor Ahmed

Director



Mazhar Sharif

Director

Karachi
Dated: October 29, 2015

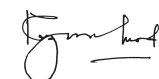
Condensed Interim Balance Sheet As at September 30, 2015

	Note	September 30, June 30,	
		2015	2015
		Unaudited	Audited
(Rupees in thousand)			
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital 75,000,000 (2015: 75,000,000) ordinary shares of Rs.10 each		<u>750,000</u>	750,000
Issued, subscribed and paid-up capital		<u>597,713</u>	597,713
Unappropriated profit		<u>1,522,330</u>	1,760,434
Total equity		<u>2,120,043</u>	2,358,147
Liabilities			
Non current liabilities			
Long term finance		<u>341,667</u>	383,334
Staff benefits		<u>245,651</u>	241,157
Deferred taxation		<u>213,440</u>	210,871
Long term deposits from dealers		<u>8,990</u>	8,990
		<u>809,748</u>	844,352
Current liabilities			
Current maturity of long term finance		<u>141,667</u>	116,666
Short term finances		<u>32,647</u>	86,030
Running finances under mark-up arrangements		<u>774,799</u>	666,389
Trade and other payables		<u>1,526,342</u>	1,183,356
Accrued mark-up		<u>15,374</u>	17,331
Provisions		<u>53,159</u>	75,794
		<u>2,543,988</u>	2,145,566
Total liabilities		<u>3,353,736</u>	2,989,918
Contingencies and commitments	5		
Total equity and liabilities		<u>5,473,779</u>	<u>5,348,065</u>

Condensed Interim Balance Sheet As at September 30, 2015

	Note	September 30, June 30,	
		2015	2015
		Unaudited	Audited
(Rupees in thousand)			
ASSETS			
Non current assets			
Property, plant and equipment	6	<u>2,029,967</u>	1,935,858
Intangible assets		<u>1,712</u>	2,048
Investment in an Associated Company	7	<u>4,079</u>	3,321
Long term loans and advances		<u>8,616</u>	10,493
Long term deposits		<u>32,763</u>	33,567
		<u>2,077,137</u>	1,985,287
Current assets			
Stores and spares		<u>485,445</u>	491,657
Stocks		<u>1,454,218</u>	1,456,593
Trade debts	8	<u>1,106,078</u>	851,269
Loans and advances		<u>64,357</u>	61,501
Deposits and prepayments		<u>147,594</u>	125,443
Other receivables		<u>31,156</u>	30,982
Taxation - net		<u>54,622</u>	103,564
Cash and bank balances		<u>53,172</u>	241,769
		<u>3,396,642</u>	3,362,778
Total assets		<u>5,473,779</u>	<u>5,348,065</u>

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



Manzoor Ahmed
Director



Mazhar Sharif
Director

Condensed Interim Profit and Loss Account (Unaudited)

For the first quarter ended September 30, 2015

	Note	For the first quarter ended September 30,	
		2015	2014
(Rupees in thousand)			
Sales - net		2,153,252	1,818,354
Cost of sales	9	(1,709,824)	(1,503,557)
Gross profit		443,428	314,797
Administrative expenses		(57,678)	(66,072)
Distribution cost		(81,691)	(76,151)
Other income		12,588	11,906
Other expenses		(30,793)	(16,639)
Profit from operations		285,854	167,841
Finance cost		(26,227)	(79,792)
		259,627	88,049
Share of profit of an Associated Company		758	62
Profit before taxation		260,385	88,111
Taxation	10	(80,090)	(31,450)
Profit after taxation		180,295	56,661
Other comprehensive income		-	-
Total comprehensive income		180,295	56,661
----- Rupees -----			
Earnings per share - basic and diluted		3.02	0.95

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


Manzoor Ahmed
Director


Mazhar Sharif
Director

Condensed Interim Cash Flow Statement (Unaudited)

For the first quarter ended September 30, 2015

	Note	For the first quarter ended September 30,	
		2015	2014
(Rupees in thousand)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used)/generated from operations	11	(27,952)	561,949
Staff retirement gratuity paid		(4,339)	(516)
Compensated absences paid		(3,974)	(1,810)
Long term deposits from dealers		-	(20)
Finance cost paid		(28,184)	(94,067)
Taxes paid		(28,580)	(43,353)
Long term loans and advances		1,877	707
Long term deposits		804	(279)
Net cash (used)/generated from operating activities		(90,348)	422,611
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(137,654)	(43,104)
Proceeds from sale of operating fixed assets		985	49
Profit on bank deposits received		79	91
Net cash used in investing activities		(136,590)	(42,964)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term finance - repaid		(16,666)	(16,667)
Short term finances - net		(53,383)	(64,774)
Dividend paid		(20)	-
Net cash used in from financing activities		(70,069)	(81,441)
Net increase in cash and cash equivalents		(297,007)	298,206
Cash and cash equivalents - at beginning of the period		(424,620)	(1,959,971)
Cash and cash equivalents - at end of the period	12	(721,627)	(1,661,765)

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


Manzoor Ahmed
Director


Mazhar Sharif
Director


Condensed Interim Statement of Changes in Equity

For the first quarter ended September 30, 2015

	Issued, Subscribed and paid-up share capital	Unappropriated profit	Total
	(Rupees in thousand)		
Balance as at July 1, 2014	597,713	1,433,277	2,030,990
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>597,713</u>	<u>1,101,425</u>	<u>1,699,138</u>
Total comprehensive income for the nine month period ended June 30, 2015	-	659,009	659,009
Balance as at June 30, 2015 (audited)	<u>597,713</u>	<u>1,760,434</u>	<u>2,358,147</u>
Transaction with owners, recognised directly in equity			
Final dividend for the year ended June 30, 2015 at the rate of Rs.7.00 per share	-	(418,399)	(418,399)
Total comprehensive income for the period ended September 30, 2015	-	180,295	180,295
Balance as at September 30, 2015 (unaudited)	<u><u>597,713</u></u>	<u><u>1,522,330</u></u>	<u><u>2,120,043</u></u>

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


Manzoor Ahmed
Director


Mazhar Sharif
Director

Notes to the Condensed Interim Financial Information (Unaudited)

For the first quarter ended September 30, 2015

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, 2015.

3. ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are consistent with those applied in the preparation of audited annual financial statements for the year ended June 30, 2015 except as described below.

The Company has adopted all the new standards and amendments to standards, including any consequential amendments to other standards which are applicable for the financial year beginning on July 1, 2015. The adoption of these new and amended standards did not have any impact on the Company.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates

In preparing this condensed interim financial information, 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 audited annual financial statements for the year ended June 30, 2015.

5. CONTINGENCIES AND COMMITMENTS

5.1 Contingencies

There is no change in status of the contingencies as disclosed in note 14.1 of the audited annual financial statements of the Company for the year ended June 30, 2015

	September 30, June 30,	
	2015 2015	
	Unaudited	Audited
	(Rupees in thousand)	
5.2 Guarantees issued by commercial banks on behalf of the Company	<u>146,925</u>	<u>146,925</u>
5.3 Post dated cheques issued to the Collector of Customs against duty on imported plant & machinery, raw materials and stores & spares	<u>55,908</u>	<u>55,908</u>
5.2 Commitments		
5.2.1 Commitments in respect of :		
- letters of credit for capital expenditure	<u>645,425</u>	<u>532,935</u>
- purchase orders issued to local suppliers for capital expenditure	<u>147,535</u>	<u>236,764</u>
- sales contracts entered into by the Company	<u>38,958</u>	<u>40,598</u>
- tentative schedules for supply of tyres	<u>1,571,188</u>	<u>1,801,064</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:		
	September 30, June 30,	
	2015 2015	
	Unaudited	Audited
	(Rupees in thousand)	
	Note	
Not later than 1 year	<u>70,231</u>	<u>71,984</u>
Over 1 year and no later than 5 years	<u>117,208</u>	<u>143,405</u>
	<u>187,439</u>	<u>215,389</u>

	Note	September 30, June 30,	
		2015 2015	
		Unaudited	Audited
		(Rupees in thousand)	
6. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	6.1	<u>1,894,324</u>	1,886,894
Capital work-in-progress		<u>135,643</u>	48,964
		<u>2,029,967</u>	<u>1,935,858</u>
6.1 Operating fixed assets			
Book value at beginning of the period/year		<u>1,886,894</u>	1,852,530
Addition during the period/year		<u>51,802</u>	204,124
Disposal costing Rs.6.488 million (June 30 2015: Rs.9.993 million) at book value		<u>(828)</u>	(863)
Depreciation for the period/year		<u>(43,544)</u>	(168,897)
Book value at end of the period/year		<u>1,894,324</u>	<u>1,886,894</u>
6.2 Additions to operating fixed assets, including capital work-in-progress during the, period / year were as follows:			
Buildings		<u>863</u>	13,340
Electrical installation		-	15,112
Plant and machinery		<u>28,190</u>	88,715
Laboratory equipments		-	33
Vehicles		<u>6,004</u>	9,827
Moulds		<u>12,685</u>	48,776
Furniture and fixtures		<u>734</u>	1,198
Factory and office equipments		<u>2,693</u>	25,229
Computer equipment		<u>633</u>	1,894
		<u>51,802</u>	<u>204,124</u>
7. INVESTMENTS IN AN ASSOCIATED COMPANY - Quoted Ghandhara Industries Limited - Equity basis			
100,700 (2015: 100,700) ordinary shares of Rs.10 each - cost		<u>2,447</u>	2,447
Equity held: 0.473% (2015: 0.473%)		<u>1,967</u>	1,209
Share of post acquisition profit		<u>4,414</u>	3,656
Dividends received to date		<u>(335)</u>	(335)
		<u>4,079</u>	<u>3,321</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 annual financial statement of the investee company for the year ended June 30, 2015			

As at As at
June 30, 2015 March 31, 2015
(Rupees in thousand)

Assets	<u>3,347,427</u>	3,493,133
Liabilities	<u>1,098,040</u>	1,405,990
Unappropriated profit	<u>365,002</u>	<u>204,648</u>

For the year ended
June 30,
2015 2014

(Rupees in thousand)

Profit before taxation	<u>327,016</u>	<u>15,812</u>
Profit after taxation	<u>223,790</u>	<u>24,068</u>

7.3 The market value of the investment as at September 30, 2015 was Rs.15.115 million (June 30, 2015 : Rs.7.173 million)

September 30, June 30,
2015 2015

Unaudited Audited

(Rupees in thousand)

8. TRADE DEBTS - Unsecured

Consider good

- an Associated Companies Gandhara Industries Limited	<u>14,088</u>	-
- others	<u>1,091,990</u>	851,269
	<u>1,106,078</u>	851,269
Considered doubtful - others	<u>33,025</u>	31,551
	<u>1,139,103</u>	882,820
Provision for doubtful debts	<u>(33,025)</u>	(31,551)
	<u>1,106,078</u>	851,269

For the first quarter ended
September 30,
2015 2014

Note (Rupees in thousand)

9. COST OF SALES

Opening stock of finished goods		411,187	543,789
Cost of goods manufactured	9.1	1,637,787	1,727,351
Finished goods purchased		15,561	112,321
Royalty technical service fee		45,417	36,405
Closing stock of finished goods		<u>(400,128)</u>	<u>(916,309)</u>
		<u>1,709,824</u>	<u>1,503,557</u>

9.1 Cost of goods manufactured

Opening stock of work-in-process		195,481	284,536
Raw materials consumed		920,594	1,006,390
Factory overheads		717,675	642,950
Closing stock of work-in-process		<u>(195,963)</u>	<u>(206,525)</u>
		<u>1,637,787</u>	<u>1,727,351</u>

10. TAXATION

Current tax		77,522	43,750
Deferred tax		<u>2,568</u>	<u>(12,300)</u>
		<u>80,090</u>	<u>31,450</u>

11. CASH GENERATED FROM OPERATIONS

Profit before taxation		260,385	88,111
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Adjustments for non-cash charges and other items

Depreciation		43,544	45,162
Amortisation		335	374
Provision for staff retirement gratuity		11,895	10,486
Charge of employee compensated absences		914	945
Profit on bank deposits		(79)	(91)
Gain on disposal of operating fixed assets		(985)	(49)
Finance cost		26,227	79,792
Share of profit of an Associated Company		(758)	(62)
Working capital changes	11.1	<u>(369,430)</u>	337,281
		<u>(27,952)</u>	<u>561,949</u>

**For the first quarter ended
September 30,
2015 2014**
(Rupees in thousand)

11.1 Working capital changes

(Increase) / decrease in current assets:

- Stores and spares	6,212	14,144
- Stocks	2,375	111,023
- Trade debts	(254,809)	273,342
- Loans and advances	(2,856)	(21,482)
- Deposits and prepayments	(22,151)	97,059
- Other receivables	(174)	3,953
	(271,403)	478,039

(Decrease) / increase in current liabilities:

- Trade and other payables	(75,392)	(142,144)
- Provisions	(22,635)	1,386
	(98,027)	(140,758)
	(369,430)	337,281

12. CASH AND CASH EQUIVALENTS

Running finances under mark-up arrangements	(774,799)	(1,751,045)
Cash and bank balances	53,172	89,280
	(721,627)	(1,661,765)

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, 2015 are located in Pakistan. Revenues from external customers attributed to foreign countries in aggregate are not material. The Company has earned revenues from three (2014: three) customers aggregating Rs.1,125.181 million (2014: Rs.689.881 million) during the period which constituted 44.10% (2014: 31.82%).

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, 2015.

There has been no change in Company's sensitivity to these risks since June 30, 2015 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, 2015.

**For the first quarter ended
September 30,
2015 2014**
(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	80,512	46,463
Services charges	Associated companies/undertaking	83,817	1,027
Interest earned	Associated companies	79	-
Rent paid	Associated companies	225	150
Purchases of machinery and spare parts	Related party	6,680	585
Purchases of raw materials / supplies	Related party	27,257	11,515
Insurance premium	Associated companies	2,913	720
Royalty technical service fee	Related party	41,287	33,096
Mark-up on running finances	Associated companies	4,023	8,989
Donation	Associated undertaking	4,511	1,400
Provision for gratuity	Employees gratuity fund	11,895	10,486
Contribution towards provident fund	Employees provident fund	3,978	4,615
Salaries and other employee benefits	Chief executive and executives	91,813	85,738

September 30, June 30,
2015 2015
Unaudited Audited
(Rupees in thousand)

15.2 Period / year end balances are as follows:

Payables to related parties

Staff benefits	25,061	24,956
Running finances under mark-up arrangements	311,772	28,254
Trade and other payables	58,796	101,640
Accrued mark-up	4,017	2,182

Receivables from related parties

Long term loans and advances	1,950	1,862
Loans and advances	1,798	2,856
Other receivables	8,220	7,189
Cash and bank balances	16,939	31,805

16. GENERAL

16.1 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorized for issue on October 29, 2015 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.


 Manzoor Ahmed
 Director


 Mazhar Sharif
 Director