



Contents

Company Profile	2
Directors' Review	3
Condensed Interim Balance Sheet	4
Condensed Interim Profit and Loss Account	6
Condensed Interim Statement of Changes in Equity	7
Condensed Interim Cash Flow Statement	8
Notes to the Condensed Interim Financial Information	9



Company Profile

Board of Directors	Auditors
Chairman Lt.Gen.(Retd) Ali Kuli Khan Khattak	Hameed Chaudhri & Co. Chartered Accountants
Chief Executive Mr. Mohammad Shahid Hussain	Legal Advisor Syed Iqbal Ahmed & Co.
Mr. Ahmed Kuli Khan Khattak Mr. Ikram Ul-Majeed Sehgal Mr. M. A. Faisal Khan Mr. Manzoor Ahmed Mr. Mazhar Sharif Mr. Nabil Daudur Rahman Mr. Raza Kuli Khan Khattak Dr. Willi Flamm	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
Company Secretary Mr. Asif Jameel	Branch Offices Lahore Plot No. 20, Shahrah-e-Fatima Jinnah, Lahore. Phone : 36308605-6 Fax : 36300108
Chief Financial Officer Mr. Ashraf Teli	Islamabad Plot No. 189-A, Korang Road, Sector I-10/3, Islamabad. Phone : 4449955-6 Fax : 4440916
Chairman Board Audit Committee Mr. Ahmed Kuli Khan Khattak Mr. Manzoor Ahmed Mr. Mazhar Sharif	Multan Plot No. 758-759/21, Khanewal Road, Multan Phone : 774407 Fax : 774408
Major Bankers Allied Bank Limited Askari Bank 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 United Bank Limited	Customer Care & Service Centre Lahore Plot No. 20, Shahrah-e-Fatima Jinnah, Lahore. Phone : 36308605-6 Fax : 36308607
	Share Registrar Management & Registration Services (Pvt.) Ltd. Business Executive Centre, F/17/3, Block-8, Clifton, Karachi Phone : 35375127-9



Directors' Review

The Directors of your Company are pleased to present the Accounts for the first quarter ending September 30, 2011.

BUSINESS REVIEW

The Company has not had a good start to its financial year with torrential rains and resultant flooding devastated most of Sindh province which affected our replacement market sales. Frequent power break downs, electric surges and law and order situation leading to strikes and market closures also badly affected the production and sales particularly in Karachi. Moreover, the issue of sales tax on tractors lingers on resulting in low production and sales of tractors hence, lower off-take of farm tyres by tractor OEMs.

Company's Net Sales in value terms, therefore, decreased by 8% from Rs.1,393 million to Rs.1,289 million from the same period last year (SPLY). However, in terms of volume the sales were down by 2% from SPLY. The sales of farm tyres were down 63% due to lower sales to tractor OEMs but were off-set to a large extent by increase in passenger tyres.

The Cost of Sales registered an increase in the first quarter under review because of higher priced raw material used compared to SPLY together with depreciation of Pak Rupee. Administrative, Selling and Distribution expenses increased by 7% which was much lower than the prevalent inflation rate, however, Finance Charges increased due to increase in mark-up rates and higher utilization of funds for working capital.


The combined effect of lower sales volume and increase in costs is a net loss before tax of Rs. 55 million compared to net profit before tax of Rs. 32 million in SPLY.

FUTURE PROSPECTS

The government needs to resolve the issue of sales tax on tractors as this is affecting all the vendors of the tractor manufacturers. This will also have a negative impact on Company's revenue and profits going forward. To mitigate the adverse impact, the Company is now focusing on Replacement Market to try and make recovery. This will not be easy, owing to the severe competition in the market, however, the Management hopes and is making efforts to make some headway in the coming season.

The cost of raw material has been stable for the moment but the Pak Rupee exchange rate has been very volatile. As Company imports all major raw material it uses, any depreciation in Pak Rupee will result in increase in cost.

For and on behalf of the Board of Directors.


Mohammad Shahid Hussain
Chief Executive


Nabil Daudur Rahman
Director

Karachi
Dated: October 27, 2011

**Condensed Interim Balance Sheet**

As at September 30, 2011

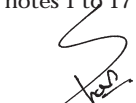
	Note	September 30,	June 30,
		2011	2011
		Unaudited	Audited
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
Share Capital and Reserve			
Authorised 75,000,000 (2011: 75,000,000) ordinary shares of Rs 10 each		750,000	750,000
Issued, subscribed and paid-up Unappropriated profit		597,713 686,634	597,713 872,014
		1,284,347	1,469,727
NON CURRENT LIABILITIES			
Long term loans		43,322	86,643
Staff benefits		161,100	158,026
Deferred taxation		188,086	220,360
Long term deposits from dealers		9,120	9,110
		401,628	474,139
CURRENT LIABILITIES			
Current maturity of long term loans		86,642	86,643
Short term finances		981,128	709,899
Running finances under mark-up arrangements		1,620,587	1,521,902
Trade and other payables		1,055,830	1,345,845
Accrued mark-up		104,015	81,326
Provisions		70,181	75,703
		3,918,383	3,821,318
		5,604,358	5,765,184
CONTINGENCIES AND COMMITMENTS			
	5		

**Condensed Interim Balance Sheet**

As at September 30, 2011

	Note	September 30,	June 30,
		2011	2011
		Unaudited	Audited
		(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	1,811,179	1,820,663
Intangible assets	7	504	291
Investments	8	695	836
Long term loans and advances		5,507	5,702
Long term deposits		7,234	7,234
		1,825,119	1,834,726
CURRENT ASSETS			
Stores and spares		374,735	372,207
Stocks		2,306,798	2,280,412
Trade debts		700,224	848,001
Loans and advances		42,766	30,380
Deposits and prepayments		38,790	21,846
Other receivables		32,878	31,328
Taxation		245,328	223,878
Cash and bank balances		37,720	122,406
		3,779,239	3,930,458
		5,604,358	5,765,184

The annexed notes 1 to 17 form an integral part of these condensed interim financial information.


 Mohammad Shahid Hussain
 Chief Executive



 Nabil Daudur Rahman
 Director


**Condensed Interim Profit And Loss Account (Unaudited)**

For the quarter ended September 30, 2011

	Note	September 30,	
		2011	2010
(Rupees in thousand)			
Net sales		1,288,509	1,393,328
Cost of sales	9	1,169,187	1,214,098
Gross profit		119,322	179,230
Administrative expenses		30,595	23,444
Distribution cost		40,806	43,439
		71,401	66,883
		47,921	112,347
Other operating expenses	10	5,597	10,885
		42,324	101,462
Other operating income		6,767	8,389
Operating profit		49,091	109,851
Finance cost		104,260	78,248
		(55,169)	31,603
Share of loss from an associated company		(141)	-
(Loss)/Profit before taxation		(55,310)	31,603
Taxation	11	19,358	(13,981)
(Loss)/Profit after taxation		(35,952)	17,622
Other comprehensive income		-	-
Total comprehensive (Loss)/income		(35,952)	17,622
(Loss)/Earnings per share (Rs.)		(0.60)	0.29

The annexed notes 1 to 17 form an integral part of these condensed interim financial information.


Mohammad Shahid Hussain
Chief Executive



Nabil Daudur Rahman
Director

**Condensed Interim Statement Of Changes In Equity**

For the quarter ended September 30, 2011

	Issued, Subscribed and paid-up share capital	Unappropriated profit	Total
	(Rupees in thousand)		
Balance as at July 1, 2010	597,713	732,957	1,330,670
Transaction with owners			
Final dividend for the year ended June 30, 2010 @ Rs.2.00 per share	-	(119,543)	(119,543)
Total comprehensive income for the quarter ended September 30, 2010	-	17,622	17,622
Balance as at September 30, 2010 (Unaudited)	597,713	631,036	1,228,749
Total comprehensive income for the nine months period ended June 30, 2011	-	240,978	240,978
Balance as at June 30, 2011 (Audited)	597,713	872,014	1,469,727
Transaction with owners			
Final dividend for the year ended June 30, 2011 @ Rs.2.50 per share	-	(149,428)	(149,428)
Total comprehensive loss for the quarter ended September 30, 2011	-	(35,952)	(35,952)
Balance as at September 30, 2011 (Unaudited)	597,713	686,634	1,284,347

The annexed notes 1 to 17 form an integral part of these condensed interim financial information.


Mohammad Shahid Hussain
Chief Executive


Nabil Daudur Rahman
Director



Condensed Interim Cash Flow Statement (Unaudited)

For the quarter ended September 30, 2011

	Note	September 30,	
		2011	2010
(Rupees in thousand)			
Cash flows from operating activities			
Cash (used)/ generated from operations	12	(265,811)	228,654
Staff retirement gratuity paid		(2,296)	(435)
Compensated absences paid		(526)	(118)
Long term deposits from dealers		10	120
Finance cost paid		(81,571)	(78,354)
Taxes paid		(34,366)	(28,325)
Long term loans and advances		195	(536)
Net cash (used)/ generated in operating activities		(384,365)	121,006
Cash flows from investing activities			
Fixed capital expenditure		(26,993)	(25,638)
Proceeds from disposal of operating fixed assets		-	1,142
Profit on bank deposits received		86	171
Net cash used in investing activities		(26,907)	(24,325)
Cash flows from financing activities			
Repayment of Long term loans		(43,322)	(102,697)
Short term and running finances		271,229	(100,178)
Dividends paid		(6)	(282)
Net cash generated/(used) in financing activities		227,901	(203,157)
Decrease in cash and cash equivalents		(183,371)	(106,476)
Cash and cash equivalents at the beginning of the period		(1,399,496)	(1,081,006)
Cash and cash equivalents at the end of the period	13	(1,582,867)	(1,187,482)

The annexed notes 1 to 17 form an integral part of these condensed interim financial information.

Mohammad Shahid Hussain
Chief Executive

Nabil Daudur Rahman
Director



Notes To The Condensed Interim Financial Information (Unaudited)

For the quarter ended September 30, 2011

1. STATUS AND NATURE OF BUSINESS

1.1 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. The Company's shares are quoted on the Karachi and Lahore stock exchanges. The registered office of the Company is situated at H-23/2, Landhi Industrial Trading Estate, Landhi, Karachi. The Company is engaged in the manufacturing of tyres and tubes for automobiles.

1.2 The Royalty Technical Service Agreement with Continental Tire North America Inc. (CTNAI) had expired on August 31, 2009 and arrangements were last extended upto June 30, 2010. The Company and Continental Tire the Americas, LLC (CTTA) formerly known as Continental Tire North America Inc. (CTNAI) has finally concluded a fresh TSA. The Company has signed the agreement and sent this to CTTA for their signature.

2. BASIS OF PREPARATION

2.1 These condensed interim financial information are unaudited and are required to be presented to the shareholders under Section 245 of the Companies Ordinance, 1984 and have been prepared in accordance with the requirements of the International Accounting Standard IAS-34, "Interim Financial Reporting", as applicable in Pakistan.

2.2 These condensed interim financial information do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2011.

2.3 These condensed interim financial information are presented in Pak Rupees, which is the functional and presentation currency of the Company. All the financial information presented in Pak Rupee has been rounded off to the nearest thousand.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies and method of computations adopted in the preparation of these condensed interim financial information are the same as those applied in the preparation of the financial statements of the company for the year ended June 30, 2011.

3.2 Amendments to certain existing standards and new interpretation on approved accounting standards effective during the period were not relevant to the Company's operation and did not have any impact on the accounting policies of the Company.

4. ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting



Notes To The Condensed Interim Financial Information (Unaudited) For the quarter ended September 30, 2011

policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended June 30, 2011.

	Note	September 30, June 30,	
		2011	2011
		Unaudited	Audited
		(Rupees in thousand)	
5. CONTINGENCIES AND COMMITMENTS			
5.1	Guarantees issued by a bank on behalf of the Company	80,318	78,228
5.2	Commitments in respect of:		
	- Letters of credit for capital expenditure	-	16,624
	- Purchase orders issued to local suppliers for capital expenditure	12,085	19,830
	- Sale contracts entered into by the Company	17,557	-
	- Tentative schedules for supply of tyres	789,283	1,233,712
	- Indemnity bond	16,775	16,775
	- Post dated cheques issued to the Collector of Customs against duty on imported plant and machinery, raw materials and stores and spares	31,475	42,089
6. PROPERTY, PLANT AND EQUIPMENT			
	Operating fixed assets	1,773,678	1,792,831
	Capital work-in-progress	37,501	27,832
		1,811,179	1,820,663
6.1	Operating fixed assets		
	Opening net book value	1,792,831	1,801,390
	Additions during the period	17,089	141,404
		1,809,920	1,942,794
	Less: Written down value of disposals	-	816
	Depreciation	36,242	149,147
		36,242	149,963
		1,773,678	1,792,831



Notes To The Condensed Interim Financial Information (Unaudited) For the quarter ended September 30, 2011

	Note	September 30, June 30,	
		2011	2011
		Unaudited	Audited
		(Rupees in thousand)	
6.2 Additions during the period			
	Building	-	1,375
	Electrical Installation	-	1,766
	Plant & Machinery	13,024	91,806
	Moulds	2,431	7,985
	Vehicles	-	19,252
	Furniture & fixtures	419	2,093
	Office equipments	445	6,930
	Computer equipments	770	10,197
		17,089	141,404
6.3 Written down value of disposals during the period			
	Computer equipments	-	33
	Vehicles	-	783
		-	816
7. INTANGIBLE ASSETS			
	Computer software		
	Opening net book value	291	21
	Additions during the period	235	350
		526	371
	Less: Amortization	22	80
		504	291
8. INVESTMENTS			
	Ghandhara Industries Limited - Equity basis	695	836
		695	836



Notes To The Condensed Interim Financial Information (Unaudited)

For the quarter ended September 30, 2011

Note	September 30, June 30,	
	2011	2011
	Unaudited	Audited
	(Rupees in thousand)	
8.1 Associated Company Gandhara Industries Limited - Equity basis 100,700 (June 30, 2011 : 100,700) ordinary shares of Rs 10 each		
Cost	2,447	2,447
Share of post acquisition profits	235	242
	<u>2,682</u>	<u>2,689</u>
Less: Dividend received to date Impairment	335	335
	<u>1,652</u>	<u>1,518</u>
	<u>1,987</u>	<u>1,853</u>
	<u>695</u>	<u>836</u>
8.2 The Company's holding in the investee company's shares as at September 30, 2011 was 0.473% (June 30, 2011: 0.473%). The investee company is an associate of the Company by virtue of common directorship.		
8.3 The share in the net assets of the associate has been determined on the basis of audited financial statements for the year ended June 30, 2011.		
	As at June 30,	As at March 31,
	2011	2011
	(Rupees in thousand)	
Particulars		
Assets	3,361,873	3,005,475
Liabilities	1,669,912	1,307,849
Net assets	<u>1,691,961</u>	<u>1,697,626</u>
	For the year ended	
	June 30, 2011	June 30, 2010
	(Rupees in thousand)	
Profit before taxation	<u>7,847</u>	<u>117,928</u>
Profit after taxation	<u>7,745</u>	<u>135,563</u>



Notes To The Condensed Interim Financial Information (Unaudited)

For the quarter ended September 30, 2011

8.4 The market value of the investment as at September 30, 2011 was Rs. 0.695 million (June 30, 2011: Rs. 0.836 million).

	For the quarter ended	
	September 30,	2010
	2011	2010
	(Rupees in thousand)	
9 COST OF SALES		
Opening stocks of finished goods	752,803	308,352
Cost of goods manufactured - note 9.1	1,138,225	1,474,641
Finished goods purchased	20,298	3,451
Royalty technical service fee	27,322	29,271
	<u>1,185,845</u>	<u>1,507,363</u>
	<u>1,938,648</u>	<u>1,815,715</u>
Less: Closing stocks of finished goods	769,461	601,617
	<u>1,169,187</u>	<u>1,214,098</u>
9.1 Cost of goods manufactured		
Opening stock of work-in-process	156,314	108,882
Raw materials consumed	857,734	1,193,510
Overheads	341,173	354,003
	<u>1,198,907</u>	<u>1,547,513</u>
	<u>1,355,221</u>	<u>1,656,395</u>
Less: Closing stock of work-in-process	216,996	181,754
	<u>1,138,225</u>	<u>1,474,641</u>
10 OTHER OPERATING EXPENSES		
Workers' profits participation fund	-	1,690
Workers' welfare fund	-	635
Donation	-	691
Exchange loss	5,597	7,869
	<u>5,597</u>	<u>10,885</u>



Notes To The Condensed Interim Financial Information (Unaudited)

For the quarter ended September 30, 2011

Note	For the quarter ended	
	September 30, 2011	September 30, 2010
	(Rupees in thousand)	
11 TAXATION		
Current	(12,916)	(13,831)
Deferred	32,274	(150)
	<u>19,358</u>	<u>(13,981)</u>
12 CASH GENERATED FROM OPERATIONS		
(Loss) / Profit before taxation	(55,310)	31,603
Adjustment for non-cash charges and other items:		
Depreciation	36,242	37,986
Amortization	22	5
Gain on disposal of fixed assets	-	(747)
Staff retirement gratuity	7,226	6,111
Employee compensated absences	152	726
Profit on bank deposits	(86)	(171)
Finance cost	104,260	78,248
Working capital changes	12.1 (358,317)	74,893
	<u>(265,811)</u>	<u>228,654</u>
12.1 Working capital changes		
(Increase) / decrease in current assets		
Stores and spares	(2,528)	(1,250)
Stocks	(26,386)	(200,250)
Trade debts	147,777	152,933
Loans and advances	(12,386)	(11,822)
Deposits and prepayments	(16,944)	(18,973)
Other receivables	(1,550)	(216)
	87,983	(79,578)
Increase / (decrease) in current liabilities and provisions		
Trade and other payables	(440,778)	145,579
Provisions	(5,522)	8,892
	(446,300)	154,471
Working capital changes	<u>(358,317)</u>	<u>74,893</u>
13 CASH AND CASH EQUIVALENTS		
Cash and bank balances	37,720	114,605
Running finances under mark-up arrangements	(1,620,587)	(1,302,087)
	<u>(1,582,867)</u>	<u>(1,187,482)</u>



Notes To The Condensed Interim Financial Information (Unaudited)

For the quarter ended September 30, 2011

14 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated companies, companies in which directors are interested, staff retirement benefits, directors, key management personnel and close members of the family of all the aforementioned related parties. The company in the normal course of business carries out transactions with various related parties. Transactions with related parties are executed on same terms as those prevailing at the time for comparable transactions with unrelated parties. There are no transactions with key management personnel other than under the terms of employment. Significant balances and transactions with related parties are as follows:

	Relationship	September 30, June 30,	
		2011	2011
		<u>Unaudited Audited</u>	
		(Rupees in thousand)	
Balances			
Long term loans and advances	Key management personnel	268	362
Trade debts	Associated undertaking	28,983	30,483
Loans and advances	Key management personnel	795	1,114
Cash and bank balances	Associated undertaking	716	794
Staff benefits - funded gratuity	Employees gratuity fund	20,057	18,576
Staff benefits - unfunded gratuity	Post employment benefits	147,355	143,906
Staff benefits - compensated absences	Post employment benefits	22,393	22,767
Short term finances	Associated undertaking	195,955	117,031
Trade and other payables	Related parties	211,812	189,210
Accrued expenses	Key management personnel	5,403	8,323
Staff provident fund	Employees provident fund	2,875	2,742
Accrued mark up	Associated undertaking	5,909	4,739
		For the quarter ended	
		September 30,	
		<u>2011</u>	<u>2010</u>
		(Rupees in thousand)	
Transactions			
Sales of goods	Associated undertaking	20,963	22,666
Services charges	Associated undertaking	212	177
Purchases of machinery and spare parts	Related party	4,489	1,343
Purchases of raw materials/supplies	Related party	-	9,131



Notes To The Condensed Interim Financial Information (Unaudited)

For the quarter ended September 30, 2011

		For the quarter ended	
		September 30,	September 30,
		2011	2010
(Rupees in thousand)			
Purchase of fixed assets	Associated undertaking	-	7,910
Insurance premium	Associated undertaking	793	4,430
Royalty technical service fee	Related party	24,839	26,610
Mark up on short term loans	Associated undertaking	5,616	-
Contribution - funded gratuity	Employees gratuity fund	1,481	870
Contribution - provident fund	Employees provident fund	3,252	3,065
Contribution - compensated absences	Post employment benefits	152	726
Contribution - unfunded gratuity	Post employment benefits	5,745	5,241
Salaries and other employee benefits	Key management personnel	36,538	26,957

15 APPROVAL OF CONDENSED INTERIM FINANCIAL INFORMATION

These condensed interim financial information were authorized for issue on October 27, 2011 by the board of directors of the company.

16 COMPARATIVES

Previous figures have been rearranged and reclassified wherever necessary for better presentation in the condensed interim financial information.

17 PRESENTATION

Figures have been rounded off to the nearest thousand rupees.

Mohammad Shahid Hussain
Chief Executive

Nabil Daudur Rahman
Director