

Contents

Company Profile	02
Directors' Review	03
Condensed Interim Statement of Financial Position	04
Condensed Interim Statement of Profit and Loss Account and other Comprehensive Income	06
Condensed Interim Statement of Cash Flow	07
Condensed Interim Statement of Changes in Equity	08
Notes to the Condensed Interim Financial Information	09
Directors' Review (in Urdu)	20

Company Profile

Board of Directors

Lt.Gen.(Retd) Ali Kuli Khan Khattak
Mr. Hussain Kuli Khan
Mr. Adnan Ahmed
Mr. Ahmad Kuli Khan Khattak
Mr. Atif Anwar
Mr. Mansur Khan
Mr. Manzoor Ahmed
Mr. Muhammad Kuli Khan Khattak
Mr. Raza Kuli Khan Khattak
Dr. Shaheen Kuli Khan Khattak

Chairman
Chief Executive

Major Bankers

Al-Baraka Bank Pakistan Limited
Askari Bank Limited
Bank Al-Falah Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
Industrial and Commercial Bank
of China Limited
MCB Bank Limited
National Bank of Pakistan
Samba Bank Limited
The Bank of Punjab
United Bank Limited

Company Secretary

Mr. Farhan Ahmad

Chief Financial Officer

Mr. Siraj A. Lawai

Board Audit Committee

Mr. Manzoor Ahmed
Mr. Adnan Ahmed
Mr. Ahmad Kuli Khan Khattak
Mr. Muhammad Kuli Khan Khattak

Chairman

HR & Remuneration Committee

Mr. Raza Kuli Khan Khattak
Mr. Ahmad Kuli Khan Khattak
Mr. Hussain Kuli Khan
Mr. Mansur Khan
Mr. Manzoor Ahmed

Chairman

Auditors

A.F.Ferguson & Co.
Chartered Accountants

Legal Advisor

Ahmed & Qazi
Advocates & Legal Consultants

Share Registrar

Share Registrar Department
Central Depository Company of Pakistan Limited
CDC House 99-B, Block-B, S.M.C.H.S.,
Main Shahra-e-Faisal Karachi-74400
UAN No. : (92-21) 111 111 500
Tel : Customer Support Services
(Toll Free) 0800-CDCPL (23275)
Fax: (92-21) 34326053, Email: info@cdcpak.com
Website: www.cdcpakistan.com

Registered Office & Factory

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

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 nine months ended March 31, 2018.

BUSINESS REVIEW


Net sales for the nine months under review have shown a growth of 19% in terms of value as compared to same period last year. This was mainly due to increase in sales of all category of tyres, specially increase in sales by 24% in Farm Rear tyres, 19% in Farm Front tyres, and 18% in Light Truck – Bias tyres. Although there is a substantial growth in sales from last year, the Company has not been able to achieve the planned sales target. The main reasons for non-achievement of the target are sluggish demand in a category, delay in some of the Government tender related sales. In February 2018 the Company has increased the price for Replacement Market (RM). It was essential because of increasing raw material prices and depreciation of Rupee. But the undocumented sector, which is not paying their full share of duties and taxes has not yet followed suit.

The Net Profit Before Tax for the nine months period under review has shown a decline of 30% from last year decreasing from Rs.1.19 billion to Rs.0.83 billion. The Company is in expansion phase, the main reason for decline in profitability was under absorption of additional Depreciation, Finance Cost and other overheads of the expansion; and not being able to fully pass on the increase in raw material prices and exchange loss to the customers.

FUTURE PROSPECTS

The weakening Rupee will ultimately have an impact on the imported tyres available in the market resulting in sales growth of the Company. The Company is also watching the movement in exchange rate and material prices very closely and also monitoring the prices of competition before further adjusting the prices of its tyres.

For and on behalf of the Board of Directors.



Hussain Kuli Khan
Chief Executive



Atif Anwar
Director

Karachi

Dated: April 26, 2018

Condensed Interim Statement of Financial Position

As at March 31, 2018

	(Unaudited) March 31,	(Audited) June 30,
	2018	2017
	----- Rupees in '000 -----	
EQUITY AND LIABILITIES		
Share capital and reserves		
Authorised capital		
75,000,000 (June 30, 2017: 75,000,000)		
ordinary shares of Rs 10 each	750,000	750,000
Issued, subscribed and paid-up capital	597,713	597,713
Reserve for capital expenditure	1,000,000	1,000,000
Unappropriated profit	1,882,824	2,198,673
Total equity	3,480,537	3,796,386
Liabilities		
Non current liabilities		
Long term finances	1,345,795	1,018,583
Deferred staff benefits	288,370	308,417
Deferred taxation	330,672	330,982
Long term deposits from dealers	9,350	9,471
	1,974,187	1,667,453
Current liabilities		
Current maturity of long term finances	438,717	438,717
Short term finances	146,181	157,736
Running finances under mark-up arrangements	2,328,213	1,082,880
Trade and other payables	1,939,682	1,264,646
Accrued mark-up	47,212	57,460
Unclaimed dividend	22,728	17,080
Provisions	134,734	120,528
	5,057,467	3,139,047
Total liabilities	7,031,654	4,806,500
Contingencies and commitments		
Total equity and liabilities	10,512,191	8,602,886

Note

5

5

6

7

Condensed Interim Statement of Financial Position


As at March 31, 2018

		(Unaudited) March 31,	(Audited) June 30,
		2018	2017
Note		----- Rupees in '000 -----	
ASSETS			
Non current assets			
	8	4,171,823	3,669,151
		52,551	62,480
		13,688	10,114
		6,897	7,325
		21,157	28,849
		4,266,116	3,777,919
Current assets			
		570,252	489,293
	9	2,964,798	2,074,728
		1,474,929	879,333
		268,158	310,247
		80,368	66,317
		225,320	264,397
		628,797	641,080
		33,453	99,572
		6,246,075	4,824,967
Total assets		10,512,191	8,602,886


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



Siraj A. Lawai
Chief Financial Officer



Hussain Kuli Khan
Chief Executive



Atif Anwar
Director

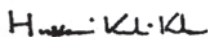
Condensed Interim Statement of Profit and Loss Account and other Comprehensive Income (Unaudited)

For the nine months period ended March 31, 2018


	Note	Quarter ended March 31,		Nine months period ended March 31,	
		2018	2017	2018	2017
----- Rupees in '000 -----					
Sales		2,923,399	2,686,400	8,774,674	7,385,200
Cost of sales	10	(2,419,065)	(2,069,465)	(7,140,875)	(5,533,193)
Gross profit		504,334	616,935	1,633,799	1,852,007
Administrative expenses		(79,141)	(61,916)	(228,409)	(185,035)
Distribution cost		(119,725)	(109,432)	(326,103)	(313,129)
Other income		22,085	12,322	45,029	39,374
Other expenses		(32,676)	(37,916)	(111,387)	(114,013)
Profit from operations		294,877	419,993	1,012,929	1,279,204
Finance cost		(71,893)	(31,907)	(183,089)	(89,082)
		222,984	388,086	829,840	1,190,122
Share of profit of an associated company - net of tax		2,131	1,170	5,085	4,153
Profit before taxation		225,115	389,256	834,925	1,194,275
Taxation	11	(71,288)	(114,373)	(254,205)	(356,268)
Profit for the period		153,827	274,883	580,720	838,007
Other comprehensive income		-	-	-	-
Total comprehensive income		153,827	274,883	580,720	838,007
----- Rupees -----					
Earnings per share basic and diluted	12	2.57	4.60	9.72	14.02



Siraj A. Lawai
Chief Financial Officer



Hussain Kuli Khan
Chief Executive



Atif Anwar
Director

Condensed Interim Statement of Cash Flow (Unaudited)

For the nine months period ended March 31, 2018

Nine months period ended
March 31,

2018

2017

Note

----- Rupees in '000 -----

CASH FLOWS FROM OPERATING ACTIVITIES

Cash generated from operations	13	516,261	1,169,156
Staff retirement gratuity paid		(61,846)	(42,760)
Compensated absences paid		(2,168)	(5,987)
Long term deposits from dealers - net		(121)	220
Finance cost paid		(193,337)	(76,204)
Taxes paid		(242,232)	(473,590)
Long term loans and advances - net		428	2,445
Long term deposits - net		7,692	730
Profit on bank deposits received		191	4,364
Net cash generated from operating activities		24,868	578,374

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property, plant and equipment		(758,563)	(673,472)
Purchase of intangible assets		(8,327)	(11,311)
Proceeds from sale of operating fixed assets		4,323	2,786
Dividend received		1,511	1,007
Net cash used in investing activities		(761,056)	(680,990)

CASH FLOWS FROM FINANCING ACTIVITIES

Long term finances - repaid		(372,788)	(91,409)
Long term finances - obtained		700,000	382,995
Short term finances repaid		(11,555)	(78,869)
Dividend paid		(890,921)	(283)
Net cash (utilised in) / generated from financing activities		(575,264)	212,434

Net (decrease) / increase in cash and cash equivalents		(1,311,452)	109,818
Cash and cash equivalents at beginning of the period		(983,308)	(504,169)
Cash and cash equivalents at end of the period	14	(2,294,760)	(394,351)


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



Siraj A. Lawai
Chief Financial Officer



Hussain Kuli Khan
Chief Executive



Atif Anwar
Director

Condensed Interim Statement of Changes in Equity

For the nine months period ended March 31, 2018

	Issued, subscribed and paid-up capital	Capital reserves for capital expenditure	Revenue Reserve Unappropri- ated profit	Total
	----- Rupees in '000 -----			
Balance as at July 1, 2016 (audited)	597,713	-	2,351,809	2,949,522
Transfer to reserve for capital expenditure	-	1,000,000	(1,000,000)	-
Total comprehensive income for the period ended March 31, 2017				
Profit for the period	-	-	838,007	838,007
Other comprehensive income	-	-	-	-
	-	-	838,007	838,007
Balance as at March 31, 2017 (un-audited)	597,713	1,000,000	2,189,816	3,787,529
Balance as at July 1, 2017 (audited)	597,713	1,000,000	2,198,673	3,796,386
Transaction with owners, recognised directly in equity				
- Final dividend for the year ended June 30, 2017 at the rate of Rs 15 per share	-	-	(896,569)	(896,569)
Total comprehensive income for the period ended March 31, 2018				
Profit for the period	-	-	580,720	580,720
Other comprehensive income	-	-	-	-
	-	-	580,720	580,720
Balance as at March 31, 2018 (un-audited)	597,713	1,000,000	1,882,824	3,480,537


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



Siraj A. Lawai
Chief Financial Officer



Hussain Kuli Khan
Chief Executive



Atif Anwar
Director

Notes to the Condensed Interim Financial Information (Unaudited)

For the nine months period ended March 31, 2018

1. LEGAL STATUS AND OPERATIONS

- 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. Its shares are listed on Pakistan Stock Exchange Limited. The registered office of the Company is situated at H - 23/2, Landhi Industrial Trading Estate, Landhi, Karachi with regional offices at Lahore, Multan and Islamabad. The Company is engaged in the manufacturing and trading of tyres and tubes for automobiles and motorcycles.
- 1.2 The Company concluded a new Royalty Technical Service Agreement (RTSA) with Continental Tire The Americas, LLC on March 08, 2018, which have been effective from January 01, 2018 under new arrangement the Company, shall continue to be entitled to use trademarks such as 'General', 'General Tire' and the logo big 'G' for a period of seven years from January 01, 2018.

2. BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

This condensed interim financial information is unaudited and have been prepared in accordance with the accounting and reporting standards and with the requirement of the International Accounting Standard (IAS) 34, Interim Financial Reporting, and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed.

- 2.2 This condensed interim financial information does not include all the information and disclosures required in an annual financial statements, and should be read in conjunction with the Company's annual audited financial statements for the year ended June 30, 2017.

3. SIGNIFICANT ACCOUNTING POLICIES

- 3.1 The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are consistent with those applied in the preparation of the annual audited financial statements for the year ended June 30, 2017.
- 3.2 **New standards, amendments to approved accounting standards and new interpretations**
- 3.2.1 Amendments to published approved accounting standards which were effective during the period ended March 31, 2018

There were certain amendments to approved accounting standards which were mandatory for the Company's annual accounting period which began on July 01, 2017. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been detailed in this condensed interim financial information.

3.2.2 Standards and amendments to published approved accounting standards that are not yet effective

There are certain new standards and amendments to the approved accounting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2018. However, these amendments will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in this condensed interim financial information. Further during the current period the SECP has adopted IFRS 9 'Financial Instruments' and IFRS 15 'Revenue from Customers', the impacts of which on the Company's future financial statements are being assessed. Further, certain new standards are yet to be adopted by the SECP.

4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

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

However, the management believes that the change in outcome of judgements, estimates and assumptions would not have a material impact on the amounts disclosed in this condensed interim financial information.

Judgements and estimates made by the management in the preparation of this condensed interim financial information are the same as those applied in the Company's financial statements for the year ended June 30, 2017.

The Company's financial risk management objectives and policies are consistent with those disclosed in the Company's financial statements for the year ended June 30, 2017.

5. LONG TERM FINANCES - Secured

		(Unaudited) March 31,	(Audited) June 30
	Note	2018	2017
----- Rupees in '000 -----			
Term finances - from banking companies			
Conventional			
- Samba Bank Limited	5.1	175,000	250,000
- Askari Bank Limited - an associated company	5.1	525,000	700,000
- United Bank Limited	5.2	700,000	-
Shariah compliant			
- Faysal Bank Limited	5.1	384,512	507,300
		1,784,512	1,457,300
Less: current maturity classified under current liabilities		438,717	438,717
		1,345,795	1,018,583

5.1 There have been no changes in the finance facilities as disclosed in notes 5.2, 5.3 and 5.4 to the Company's financial statements for the year ended June 30, 2017.

5.2 This represents a term finance facility of Rs.700 million obtained during the period to finance capital expenditure of which various tranches were drawn down amounting to Rs.700 million with effect from August 17, 2017. The principal amount drawn down is repayable in fourteen equal quarterly instalments to be commenced after a grace period of eighteen months from the date of disbursement (i.e. August 17, 2017). This finance facility carries mark-up at the rate of three months KIBOR plus 0.50% per annum and is secured by way of joint pari passu charge over stock, receivables and fixed assets (excluding land and building) of the Company to the extent of Rs.934 million.

6. TRADE AND OTHER PAYABLES	(Unaudited)	(Audited)
	March 31,	June 30
	2018	2017
	----- Rupees in '000 -----	
Trade creditors	120,308	109,859
Bills payable	994,883	203,700
Accrued expenses	593,813	512,620
Advances from customers	19,076	146,066
Staff provident fund payable	5,153	766
Staff retirement benefits	59,641	59,641
Short term deposits	1,671	968
Workers' profit participation fund	44,880	63,599
Workers' welfare fund	17,980	24,168
Payable to Waqf-e-Kuli Khan	14,521	56,196
Retention money	550	550
Sales tax payable	11,416	-
Interest payable on custom duties	29,933	29,933
Stamp duty payable	-	22,140
Others	25,857	34,440
	1,939,682	1,264,646

7. CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

7.1.1 During the period the Company has filed an appeal before Appellate Tribunal Inland Revenue against order dated June 7, 2017 issued by Commissioner Inland Revenue (Appeals - I) whereby the Company pleaded that the further tax amounting to Rs 156.020 million cannot be levied since the supplies were already subject to extra tax. The Company based on the advice of its legal counsel is anticipating favourable outcome and therefore no provision has been recognised in this condensed interim financial information.

- 7.1.2** During the period, the Deputy Commissioner Inland Revenue passed order and established sales tax demand amounting to Rs. 64.353 million. Against such order, the company filed appeal before Commissioner (Appeals-I) which is pending. Further, the Company also deposited twenty five percent of aforesaid demand i.e. Rs.17.928 million against abovementioned demand and classified this in other receivables as 'sales tax paid under protest' in terms of Section 48(1) of the Sales Tax Act, 1990. The company, based on advice of its legal counsel, is anticipating a favourable outcome of the abovementioned legal proceedings.
- 7.1.3** During the period the Additional Commissioner of Income tax passed an order and has made various additions and adjustment to the Company's taxable income for the tax year 2017 and created a demand of Rs.84.050 million. The Company has filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] against the abovementioned order which is pending for hearing.
- 7.1.4** There is no other significant change in the status of the contingencies as disclosed in note 14.1 to the audited financial statements of the Company for the year ended June 30, 2017.

	(Unaudited) March 31	(Audited) June 30
	2018	2017
	----- Rupees in '000 -----	
7.1.5 Guarantees issued by commercial banks on behalf of the Company	266,507	343,470
7.1.6 Post dated cheques issued to the Collector of Customs against duty on imported plant & machinery, raw materials and stores & spares	124,773	91,843
7.2 Commitments		
7.2.1 Commitments in respect of:		
- letters of credit for capital expenditure	586,971	312,550
- letters of credit for purchase of raw material and stores & spares	968,724	880,158
- purchase orders issued to local suppliers for capital expenditure	123,759	141,600
- sales contracts entered into by the Company	-	76,043
- tentative schedules for supply of tyres	2,319,373	2,620,164
- indemnity bond	16,775	16,775

7.2.2 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	(Unaudited)	(Audited)
		March 31,	June 30
		2018	2017
		----- Rupees in '000 -----	
Not later than 1 year		17,577	43,401
Over 1 year and not later than 5 years		4,253	15,024
		21,830	58,425
8. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	8.1	3,554,325	3,590,980
Capital work-in-progress		617,498	78,171
		4,171,823	3,669,151
8.1 Operating fixed assets			
Book value at beginning of the period / year		3,590,980	2,292,064
Additions during the period / year		219,236	1,560,928
Disposals costing Rs 15.776 million (June 30, 2017: Rs 24.186 million) book value		(1,633)	(8,046)
Written-off book value		-	(385)
Depreciation for the period / year		(254,258)	(253,581)
Book value at end of the period / year		3,554,325	3,590,980

8.2 Details of additions to operating fixed assets during the period are as follows:

(Unaudited)
Nine months period ended
March 31,

	2018	2017
	----- Rupees in '000 -----	
	Land	-
Buildings on lease hold land	32,579	-
Electrical installations	1,499	3,130
Plant and machinery	35,819	138,582
Boilers and accessories	16,514	20,629
Vehicles	50,370	15,257
Laboratory equipment	1,030	-
Moulds	41,633	33,143
Furniture and fixtures	1,969	2,280
Factory and office equipment	36,206	10,417
Computer equipment	1,617	34,975
	219,236	298,455

9. STOCKS

	Note	(Unaudited)	(Audited)
		March 31,	June 30
		2018	2017
----- Rupees in '000 -----			
Raw material			
- in hand		1,190,774	1,492,732
- in transit		788,800	-
		1,979,574	1,492,732
Work-in-process		116,221	117,897
Finished goods	9.1	869,003	464,099
		2,964,798	2,074,728

9.1 Finished goods include items costing Rs.100.236 million (June 30, 2017: Rs.34.352 million) which are stated at their net realisable values aggregating Rs.82.182 million (June 30, 2017: Rs.24.575 million). The aggregate amount charged to the condensed interim profit and loss account in respect of stocks written down to their net realisable values is Rs.18.054 million (June 30, 2017: Rs.9.777 million).

	Note	(Unaudited)			
		Quarter ended		Nine months period ended	
		March 31,		March 31,	
		2018	2017	2018	2017
----- Rupees in '000 -----					
Opening stock of finished goods		806,294	352,250	464,099	203,526
Cost of goods manufactured	10.1	2,355,187	1,951,777	7,201,544	5,347,693
Finished goods purchased		88,894	41,664	182,653	159,890
Royalty technical service fee		37,693	56,571	161,582	154,881
		2,481,774	2,050,012	7,545,779	5,662,464
		3,288,068	2,402,262	8,009,878	5,865,990
Closing stock of finished goods		869,003	332,797	869,003	332,797
		2,419,065	2,069,465	7,140,875	5,533,193
10.1 Cost of goods manufactured					
Opening work-in-process		145,452	165,212	117,897	162,244
Raw materials consumed		1,501,925	1,247,040	4,571,085	3,186,336
Factory overheads		824,031	739,786	2,628,783	2,199,374
		2,325,956	1,986,826	7,199,868	5,385,710
		2,471,408	2,152,038	7,317,765	5,547,954
Closing work-in-process		116,221	200,261	116,221	200,261
		2,355,187	1,951,777	7,201,544	5,347,693

		(Unaudited)			
		Quarter ended March 31,		Nine months period ended March 31,	
		2018	2017	2018	2017
		----- Rupees in '000 -----			
11. TAXATION					
	Current				
	- for the period	72,710	113,515	246,729	343,353
	- for prior period	-	-	7,787	-
		72,710	113,515	254,516	343,353
	Deferred	(1,422)	858	(311)	12,915
		71,288	114,373	254,205	356,268
12. EARNINGS PER SHARE - BASIC AND DILUTED					
	Basic earnings per share				
	Profit after taxation	153,827	274,883	580,720	838,007
		----- (Number of shares) -----			
	Weighted average number of ordinary shares outstanding	59,771,250	59,771,250	59,771,250	59,771,250
		----- Rupees -----			
	Earnings per share basic and diluted	2.57	4.60	9.72	14.02
13. CASH GENERATED FROM OPERATIONS					
				(Unaudited)	
				Nine months period ended March 31,	
				2018	2017
				----- Rupees in '000 -----	
	Note				
	Profit before taxation			834,925	1,194,275
	Adjustments for non-cash charges and other items				
	Depreciation			254,258	157,994
	Amortisation			18,256	1,962
	Provision for staff retirement gratuity			40,440	49,159
	Net realisable value charged on stocks			18,054	4,380
	Charge of employees compensated absences			3,528	4,522
	Provision for doubtful trade debts			8,551	7,347
	Profit on bank deposits			(191)	(4,364)
	Gain on sale of operating fixed assets			(2,690)	(2,060)
	Finance cost			183,089	89,082
	Share of profit of an associated company			(5,085)	(4,153)
	Working capital changes	13.1		(836,874)	(328,988)
				516,261	1,169,156

(Unaudited)
Nine months period ended
March 31,

2018 **2017**

----- Rupees in '000 -----

13.1 Working capital changes

(Increase) / decrease in current assets:

- Stores and spares	(80,959)	(15,446)
- Stocks	(908,124)	(354,609)
- Trade debts	(604,147)	(541)
- Loans and advances	42,089	51,405
- Deposits and prepayments	(14,051)	7,389
- Other receivables	39,077	(2,238)
	(1,526,115)	(314,040)

(Decrease) / increase in current liabilities:

- Trade and other payables	675,035	2,647
- Provisions	14,206	(17,595)
	689,241	(14,948)
	(836,874)	(328,988)

14. CASH AND CASH EQUIVALENTS

Running finances under mark-up arrangements	(2,328,213)	(488,266)
Cash and bank balances	33,453	93,915
	(2,294,760)	(394,351)

15. 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 as at March 31, 2018 are located in Pakistan. Revenues from external customers attributed to foreign countries in aggregate are not material. The Company has earned revenues from three (March 31, 2017: three) customers aggregating Rs.4,039.993 million (March 31, 2017: Rs.3,344.700 million) during the period which constituted 38.42% (March 31, 2017: 36.84%) of gross sales.

16. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

16.1 Transactions with related parties are as follows:

Name	Nature of transaction	(Unaudited) Nine months period ended March 31,	
		2018	2017
----- Rupees in '000 -----			
Associated companies / undertakings:			
Ghandhara Industries Limited (Investment share 0.473%)	Sales	299,607	200,580
	Services rendered	32	460
	Truck purchased	1,975	-
	Dividend received	1,511	1,007
Ghandhara Nissan Limited	Sales	72	41,278
Ghandhara DF (Private) Limited	Sales	24,666	11,970
Bibojee Services (Private) Limited	Dividend paid	249,131	-
	Rent	852	900
Gammon Pakistan Limited	Sales	-	52
	Construction services obtained	-	30,262
Pakistan Kuwait Investment Company (Pvt) Limited	Dividend paid	268,969	-
Waqf-e-Kuli Khan	Donation	14,521	20,950
Sui Northern Gas Pipelines Limited	Sales	6,430	39,850
Wackenhut Pakistan (Pvt) Limited	Service charges	496	2,194
Askari Bank Limited	Mark-up on long term and running finances	39,207	31,200
	Profit earned	192	203
	Long term finance obtained	-	350,000
Siemens Pakistan Engineering Company Limited	Software licenses purchased	16,329	34,140
	Purchase of stores and spares	3,703	11,288
Pak Kuwait Takaful Company Limited	Insurance premium	-	872

Name	Nature of transaction	(Unaudited) Nine months period ended March 31,	
		2018	2017
		----- Rupees in '000 -----	
Others related parties:			
Continental Reifen Deutschland GmbH	Purchase of machinery and spare parts / bladders	13,738	13,680
Continental Tire The Americas, LLC	Purchase of machinery and spare parts / bladders	-	106
	Purchase of raw materials	69,486	46,600
	Royalty technical service fee	146,893	140,801
Key management personnel	Remuneration and other short term benefits	209,771	171,812
	Sale of fixed assets	2,197	1,000
	Meeting fees	8,600	6,000
	Dividend paid	11,022	-
Staff provident fund	Contributions made	16,802	15,539
Staff gratuity fund	Contributions made	8,009	8,846
		(Unaudited) March 31,	(Audited) June 30
		2018	2017
		----- Rupees in '000 -----	

16.2 Period / year end balances are as follows:

Payables to associated companies / related parties

Staff retirement gratuity	11,093	42,948
Running finances under mark-up arrangements	222,132	80,355
Trade and other payables	161,719	133,215
Accrued mark-up	5,213	13,295

Receivables from associated companies / related parties

Long term loans and advances	1,733	1,654
Loans and advances	1,914	5,861
Trade debts	52,289	31,360
Cash and bank balances	8,096	5,020

17. GENERAL

17.1 Date of authorisation for issue


This condensed interim financial information was authorised for issue on April 26, 2018 by the Board of Directors of the Company.

17.2 Corresponding figures have been rearranged and reclassified for better presentation wherever considered necessary, the effect of which is not material except unclaimed dividend of Rs.17.080 million has been reclassified from trade and other payables to the face of the balance sheet. However there is no impact of this reclassification on total liabilities of the Company, therefore balance sheet as at July 1, 2016 has not been presented.

17.3 Figures have been rounded off to the nearest thousand of rupees, unless otherwise stated.



Siraj A. Lawai
Chief Financial Officer



Hussain Kuli Khan
Chief Executive



Atif Anwar
Director

ڈائریکٹرز کا تجزیہ۔

آپ کی کمپنی کے ڈائریکٹرز 31 مارچ 2018 کو ختم ہونے والے تین سرمایہ کی مالیاتی معلومات پیش کرتے ہوئے نہایت خوشی محسوس کرتے ہیں۔

کاروباری تجزیہ۔

خالص قیمت فروخت زیر جائزہ مدت میں 19 فیصد کا اضافہ پچھلے سال کے اسی دورانیہ کے مقابلے میں دیکھا گیا ہے جس کی مرکزی وجہ تمام اقسام کے ٹائرز میں اضافہ ہے خاص طور پر 24 فیصد زرعی ریئر ٹائرز اور 19 فیصد زرعی فرنٹ ٹائرز اور 18 فیصد لائٹ ٹرک باکس ٹائرز کی فروخت میں اضافہ ہے۔ اگرچہ فروخت میں پچھلے سال کے مقابلے میں اضافہ ہوا ہے لیکن کمپنی فروخت کا ہدف پورا نہ کر سکی۔ ہدف پورا نہ ہونے کی مرکزی وجہ سٹاک اور کچھ حکومتی ٹینڈر سیل میں تاخیر ہے۔ کمپنی نے فروری 2018 میں ریپبلک سٹ مارکیٹ کی قیمت فروخت میں اضافہ کیا ہے۔ خام مال کی قیمت میں اضافہ اور پاکستانی روپے کی قدر میں کمی کی وجہ سے قیمت میں اضافہ بہت ضروری تھا۔ لیکن غیر دستاویزی شعبہ جو اپنے حصے کا ٹیکس اور ڈیوٹی احسن طریقے سے ادا نہیں کر رہا ہے انہوں نے قیمتیں نہیں بڑھائی۔

ان تین سرمایہ کے پری ٹیکس منافع میں 30 فیصد کمی ہوئی جو پچھلے سال کے اسی دورانیہ کے مقابلے میں 1.19 ارب روپے سے 0.83 ارب روپے ہو گیا۔ کمپنی توسیع کے مرحلے میں ہے۔ منافع میں کمی کی مرکزی وجہ اضافی فرسودگی مالی چارجز اور توسیع کے دوسرے overheads کے خرچے ہیں جو کہ جذب نہ ہو سکے اور خام مال میں اضافہ اور زر مبادلہ کی شرح کا نقصان جو مکمل طور پر کسٹمرز کو منتقل نہیں ہو سکے۔

مستقبل کے امکانات۔

پاکستانی روپے کی قدر میں کمی کی وجہ سے درآمدی ٹائرز مہنگے ہوں گے جس کی وجہ سے کمپنی کی فروخت میں اضافہ ہوگا ہے۔ کمپنی زر مبادلہ کی شرح اور خام مال کی قیمت میں تبدیلی کا مسلسل جائزہ لے رہی ہے اور مزید اپنے ٹائرز کی قیمت کو ایڈجسٹ کرنے سے پہلے اپنے حریف کی قیمتوں کو بھی کو مدنظر رکھ رہی ہے۔

یورڈ آف ڈائریکٹرز کی جانب سے

عاطف انور
ڈائریکٹر

H. K. H.
حسین قلی خان
چیف ایگزیکٹو

کراچی 26 اپریل 2018