



**GHANDHARA**  
NISSAN LIMITED

# First Quarterly Report **September 30, 2021** (Un-Audited)



On the  
**Road to Excellence**  
and **Value Creation**

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**JAC**  
MOTORS





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# COMPANY PROFILE

## Board of Directors

Mr. Raza Kuli Khan Khattak  
 Lt. Gen. (Retd.) Ali Kuli Khan Khattak  
 Mr. Ahmad Kuli Khan Khattak  
 Mrs. Shahnaz Sajjad Ahmad  
 Mr. Mohammad Zia  
 Syed Haroon Rashid  
 Mr. Muhammad Saleem Baig  
 Mr. Polad Merwan Polad  
 Mr. Salman Rasheed (FCA)  
 Mr. Muhammad Jawaid Iqbal (CFA)

Chairman  
 President  
 Chief Executive Officer

## Chief Financial Officer

Mr. Muhammad Umair (FCA)

## Company Secretary

Mr. Muhammad Sheharyar Aslam (ACA)

## Audit Committee

Mr. Polad Merwan Polad	Chairman
Lt. Gen. (Retd.) Ali Kuli Khan Khattak	Member
Mr. Salman Rasheed (FCA)	Member
Mr. Muhammad Zia	Member
Mr. Muhammad Saleem Baig	Member

## Human Resource & Remuneration Committee

Mr. Muhammad Jawaid Iqbal (CFA)	Chairman
Mr. Ahmad Kuli Khan Khattak	Member
Mrs. Shahnaz Sajjad Ahmad	Member
Mr. Mohammad Zia	Member
Mr. Polad Merwan Polad	Member

## Auditors

M/s. Shinewing Hameed Chaudhri & Co.  
 Chartered Accountants  
 5th Floor, Karachi Chambers  
 Hasrat Mohani Road  
 Karachi

## Bankers of the Company

National Bank of Pakistan  
 Faysal Bank Limited  
 Habib Bank Limited  
 Allied Bank Limited  
 United Bank Limited  
 Soneri Bank Limited  
 MCB Bank Limited  
 Standard Chartered Bank (Pakistan) Limited  
 Industrial & Commercial Bank of China  
 The Bank of Punjab  
 The Bank of Khyber  
 Meezan Bank Limited - (Shariah)  
 Bank Al Habib Limited  
 Bank Alfalah Islamic - (Shariah)  
 Al Baraka Bank (Pakistan) Limited - (Shariah)  
 JS Bank Limited  
 Samba Bank Limited  
 Bank Islami Pakistan Limited  
 Dubai Islamic Bank Pakistan Limited - (Shariah)



**NTN:**

0802990-3

**Sales Tax Registration No:**

12-03-8702-001-46

**Share Registrar**

**CDC Share Registrar Services Ltd.**

CDC House, 99-B, Block-B

S.M.C.H.S., Main Shahra-e-Faisal  
Karachi.

**Legal & Tax Advisors**

**LEX FIRMA**

Advocates, Barristers & Legal Consultants  
418, Continental Trade Centre, Clifton, Karachi.

**M/s. Shekha & Mufti**

Chartered Accountants  
C-253, PECHS., Block 6  
Off Shahrah-e-Faisal  
Karachi.

**Registered Office**

F-3, Hub Chowki Road, S.I.T.E., Karachi

**Factory**

Truck / Car Plants

Port Bin Qasim, Karachi

**Regional Offices**

First Floor, Laban's Arcade 400/2, Gammon House

Main Canal Road, Lahore Peshawar Road Rawalpindi Cantt.



# DIRECTORS' REPORT

Your Directors are pleased to present the quarterly report alongwith the condensed interim financial statements of Ghandhara Nissan Limited for the first quarter ended September 30, 2021.

## Economy at a Glance

The robust recovery in domestic demand, coupled with higher international commodity prices, is leading to a strong pick-up in imports and consequently a rise in the current account deficit. There has been a resultant pressure on PKR which has devalued by more than 9% this fiscal year to date. Further, State Bank of Pakistan has increased the policy rate by 25 basis points to 7.25 percent during the quarter.

## Auto-Sector

The Automobile Industry maintained a positive momentum for the period under review. Subsidized financing schemes introduced by the Government of Pakistan together with surplus demand resulted in noticeable recovery in the market.

As per PAMA, sales volumes of auto industry for Heavy Commercial Vehicles (HCVs) were 1,570 units during the quarter ended September 30, 2021 as compared to 783 units during the corresponding period of last year showing a growth of 101%. Similarly, for Light Commercial Vehicles (LCVs), sales were 4,338 units during the quarter ended September 30, 2021 as compared to 2,138 units during the corresponding period of last year showing a growth of 103%.

## Financial Results of the Company

The financial results for the period ended September 30, 2021 are summarized below:

	Quarter ended	
	September 2021	September 2021
(Rupees in thousands)		
Revenue	969,916	690,472
Gross Profit	142,842	73,441
Operating Profit	93,682	22,898
Net Profit after tax	67,067	2,204
Earnings Per Share (Rupees)	1.18	0.04

## Related Party Transactions

All transactions with related parties have been executed at arm's length and have been disclosed in the financial statements.

## Future Outlook

The financial year has commenced with indicators of recovery in business activities and investor confidence is in the process of restoration.

Economic momentum and certainty coupled with the Company's strategy to diversify and expand its customer base would be the key to contribute to Company's growth during FY-2021-22.

The directors are grateful to the Principals, customers, vendors, bankers and other business associates for their continued patronage and support.

For and on behalf of the Board of Directors

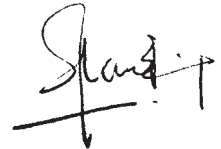


**Ahmad Kuli Khan Khattak**

Chief Executive Officer

Karachi

Dated: October 29, 2021



**Muhammad Saleem Baig**

Director

## کمپنی کے مالیاتی نتائج

30 ستمبر 2021 کو ختم ہونے والی سہ ماہی کے مالیاتی نتائج کا خلاصہ درج ذیل ہے:

ختم ہونے والی سہ ماہی

ستمبر 2020	ستمبر 2021
690,472	969,916
73,441	142,842
22,898	93,682
2,204	67,067
0.04	1.18

(روپے ہزاروں میں)

آمدنی

مجموعی منافع

آپریٹنگ منافع

خالص منافع بعد از ٹیکس

فی حصص آمدنی (روپے)

## متعلقہ پارٹی سے لین دین

متعلقہ پارٹیوں سے تمام لین دین اثر و رسوخ سے آزاد انداز میں سرانجام دیا گیا ہے اور مالیاتی گوشواروں میں انکشاف کیا گیا ہے۔

## مستقبل کا منظر نامہ

مالی سال کا آغاز کاروباری سرگرمیوں میں بحالی کے اشارے کے ساتھ ہوا ہے اور سرمایہ کاروں کا اعتماد بحال ہونے کے مراحل میں ہے۔

اقتصادی تیز رفتاری اور یقین کے ساتھ، کمپنی کی حکمت عملی برائے کسٹمر بیس کو متنوع بنانا اور وسعت دینا، سب ساتھ مل کر مالی سال

2021-22 کے دوران کمپنی کی ترقی میں اہم کردار ادا کریں گے۔

ڈائریکٹرز مسلسل سرپرستی اور تعاون کے لیے اپنے پرنسپلز، صارفین، وینڈرز، بینکرز اور دیگر کاروباری ساتھیوں کے شکر گزار ہیں۔

برائے ومنجانب بورڈ آف ڈائریکٹرز

*Signature*

محمد سلیم بیگ

ڈائریکٹر

*Signature*

احمد قلی خان خٹک

چیف ایگزیکٹو آفیسر

کراچی

تاریخ: 29 اکتوبر 2021

## ڈائریکٹرز رپورٹ

آپ کے ڈائریکٹرز نہایت مسرت کے ساتھ 30 ستمبر 2021 کو ختم ہونے والی پہلی سہ ماہی کے لیے گندھارا انسان لمیٹڈ کے عبوری مالیاتی گوشواروں کے ہمراہ اپنی سہ ماہی رپورٹ پیش کر رہے ہیں۔

### معیشت پر نظر

ملک کی اندرونی طلب کی مضبوط بحالی، اجناس کی بلند بین الاقوامی قیمتوں کے ساتھ مل کر درآمدات میں زبردست اضافے کا سبب بن رہی ہے اور اس کے نتیجے میں کرنٹ اکاؤنٹ کے خسارے میں اضافہ ہو رہا ہے۔ اس کے باعث پاکستانی روپے پر دباؤ پڑا ہے جس کی قدر میں اس مالی سال میں اب تک 9% سے زیادہ کمی ہو چکی ہے۔ مزید برآں، بینک دولت پاکستان نے سہ ماہی کے دوران پالیسی ریٹ میں 25 بنیادی پوائنٹس کا اضافہ کر کے اسے 7.25 فیصد کر دیا ہے۔

### آٹوموبائل

آٹوموبائل انڈسٹری نے زیر جائزہ مدت کے لیے مثبت رفتار برقرار رکھی۔ حکومت پاکستان کی طرف سے متعارف کرائی گئی رعایتی مالیاتی اسکیموں کے ساتھ ساتھ اضافی طلب کے نتیجے میں مارکیٹ میں نمایاں بحالی ہوئی۔

PAMA کے مطابق، 30 ستمبر 2021 کو ختم ہونے والی سہ ماہی کے دوران ہیوی کمرشل و ہیکلز (HCVs) کے لیے آٹو انڈسٹری کی فروخت کا حجم 1,570 گاڑیاں تھیں جو گزشتہ سال کی اسی مدت کے دوران 783 گاڑیوں کے مقابلے میں 101 فیصد اضافہ دکھاتا ہے۔ اسی طرح، ہلکی کمرشل گاڑیوں (LCVs) کے لیے، 30 ستمبر 2021 کو ختم ہونے والی سہ ماہی کے دوران فروخت 4,338 گاڑیاں تھی جو کہ گزشتہ سال کی اسی مدت کے دوران 2,138 گاڑیوں کے مقابلے میں 103 فیصد اضافہ دکھاتی ہے۔



## Condensed Interim Statement of Financial Position

As at September 30, 2021

		Un-audited <b>September 30, 2021</b>	Audited June 30, 2021
	Note	----- Rupees '000 -----	
<b>ASSETS</b>			
<b>Non current assets</b>			
Property, plant and equipment	5	4,089,174	4,065,389
Intangible assets		1,853	1,976
Long term investments		222,906	222,906
Long term loans		3,928	5,834
Long term deposits		28,117	27,461
Due from Subsidiary Company		541,412	549,285
		4,887,390	4,872,851
<b>Current assets</b>			
Stores, spares and loose tools		152,913	136,467
Stock-in-trade	6	940,168	687,788
Trade debts		406,079	355,971
Loans and advances		11,718	9,899
Deposits and prepayments		58,509	60,601
Other receivables		10,652	16,439
Accrued interest / mark-up		29,255	20,405
Taxation - net		133,915	110,855
Bank balances	7	956,305	1,029,202
		2,699,514	2,427,627
<b>Total assets</b>		<b>7,586,904</b>	<b>7,300,478</b>

## Condensed Interim Statement of Financial Position


As at September 30, 2021

	Un-audited September 30, 2021	Audited June 30, 2021
Note	----- Rupees '000 -----	
<b>EQUITY AND LIABILITIES</b>		
<b>Share capital and reserves</b>		
<b>Authorised capital</b>		
- 80,000,000 (June 30, 2021: 80,000,000) ordinary shares of Rs.10 each	<u>800,000</u>	<u>800,000</u>
<b>Issued, subscribed and paid-up capital</b>		
- 57,002,500 (June 30, 2021: 57,002,500) ordinary shares of Rs.10 each	<u>570,025</u>	<u>570,025</u>
<b>Capital reserves</b>		
- share premium	<u>1,102,721</u>	<u>1,102,721</u>
- surplus on revaluation of fixed assets - net	<u>2,167,811</u>	<u>2,176,240</u>
	<u>3,270,532</u>	<u>3,278,961</u>
<b>Revenue reserve - unappropriated profits</b>	<u>2,234,126</u>	<u>2,158,630</u>
<b>Total equity</b>	<u>6,074,683</u>	<u>6,007,616</u>
<b>Liabilities</b>		
<b>Non current liabilities</b>		
Lease liabilities	<u>70,791</u>	<u>62,858</u>
Long term borrowings	<u>21,332</u>	<u>46,397</u>
Deferred income - government grant	<u>242</u>	<u>953</u>
Long term deposits	<u>27,726</u>	<u>27,726</u>
Deferred taxation - net	<u>298,735</u>	<u>296,879</u>
	<u>418,826</u>	<u>434,813</u>
<b>Current liabilities</b>		
Trade and other payables	<u>657,583</u>	<u>601,834</u>
Accrued mark-up	<u>9,614</u>	<u>5,386</u>
Short term borrowings	<u>269,786</u>	<u>100,000</u>
Current portion of lease liabilities	<u>17,510</u>	<u>23,928</u>
Current maturity of long term borrowings	<u>122,599</u>	<u>109,100</u>
Current portion of deferred income - government grant	<u>5,702</u>	<u>7,200</u>
Unclaimed dividend	<u>10,601</u>	<u>10,601</u>
	<u>1,093,395</u>	<u>858,049</u>
<b>Total liabilities</b>	<u>1,512,221</u>	<u>1,292,862</u>
<b>Contingencies and commitments</b>	<u>9</u>	
<b>Total equity and liabilities</b>	<u>7,586,904</u>	<u>7,300,478</u>

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

  
Ahmad Kuli Khan Khattak  
Chief Executive Officer

  
Muhammad Saleem Baig  
Director


  
Muhammad Umair  
Chief Financial Officer

## Condensed Interim Statement of Profit or Loss and Other Comprehensive Income (Un-audited)

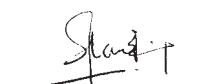
For the three months period ended September 30, 2021

		Quarter ended <b>September 30, 2021</b>	Quarter ended September 30, 2020
	Note	----- Rupees '000 -----	----- Rupees '000 -----
<b>Revenue - net</b>		<b>969,916</b>	690,472
Cost of sales	10	<b>(827,074)</b>	(617,031)
<b>Gross profit</b>		<b>142,842</b>	73,441
Distribution cost		<b>(25,091)</b>	(24,261)
Administrative expenses		<b>(53,342)</b>	(46,555)
Other income		<b>39,453</b>	21,527
Other expenses		<b>(10,180)</b>	(1,254)
<b>Profit from operations</b>		<b>93,682</b>	22,898
Finance cost		<b>(12,268)</b>	(7,194)
<b>Profit before taxation</b>		<b>81,414</b>	15,704
Taxation		<b>(14,347)</b>	(13,500)
<b>Profit after taxation</b>		<b>67,067</b>	2,204
Other comprehensive income		-	-
<b>Total comprehensive income for the period</b>		<b>67,067</b>	2,204
		----- Rupees -----	
<b>Earnings per share - basic and diluted</b>		<b>1.18</b>	0.04


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



Ahmad Kuli Khan Khattak  
Chief Executive Officer



Muhammad Saleem Baig  
Director



Muhammad Umair  
Chief Financial Officer

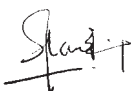
## Condensed Interim Statement of Changes in Equity (Un-audited)


For the three months period ended September 30, 2021

	Issued Subscribed and paid up capital	Capital Reserves		Revenue Reserve	Total
		Share premium	Surplus on revaluation of fixed assets	Unappro- priated profits	
----- Rupees '000 -----					
<b>Balance as at July 1, 2020</b>	570,025	1,102,721	2,223,294	1,982,600	5,878,640
<b>Total comprehensive income for the three months period ended September 30, 2020</b>					
Profit for the period	-	-	-	2,204	2,204
Other comprehensive income	-	-	-	-	-
	-	-	-	2,204	2,204
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred taxation	-	-	(9,027)	9,027	-
<b>Balance as at September 30, 2020</b>	<u>570,025</u>	<u>1,102,721</u>	<u>2,214,267</u>	<u>1,993,831</u>	<u>5,880,844</u>
<b>Balance as at July 1, 2021</b>	570,025	1,102,721	2,176,240	2,158,630	6,007,616
<b>Total comprehensive income for the three months period ended September 30, 2021</b>					
Profit for the period	-	-	-	67,067	67,067
Other Comprehensive income	-	-	-	-	-
	-	-	-	67,067	67,067
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred taxation	-	-	(8,429)	8,429	-
<b>Balance as at September 30, 2021</b>	<u>570,025</u>	<u>1,102,721</u>	<u>2,167,811</u>	<u>2,234,126</u>	<u>6,074,683</u>

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

  
Ahmad Kuli Khan Khattak  
Chief Executive Officer

  
Muhammad Saleem Baig  
Director

  
Muhammad Umair  
Chief Financial Officer

## Condensed Interim Statement of Cash Flows (Un-audited)

For the three months period ended September 30, 2021

	September 30, 2021	September 30, 2020
	----- Rupees '000 -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	81,414	15,704
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation and amortisation	32,881	34,384
Provision for gratuity	3,167	2,979
Interest income	(34,268)	(16,055)
Gain on disposal of operating fixed assets	-	(850)
Dividend income	-	(414)
Finance cost	11,872	6,911
Exchange loss / (gain) - net	4,146	(428)
	<hr/>	<hr/>
<b>Operating profit before working capital changes</b>	<b>99,212</b>	<b>42,231</b>
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(16,446)	6,189
Stock-in-trade	(252,380)	107,555
Trade debts	(50,108)	(20,547)
Loans and advances	(1,819)	(2,540)
Deposit and prepayments	2,092	(19,563)
Other receivables	5,787	84,532
	<hr/>	<hr/>
Increase / (decrease) in trade and other payables	48,436	(19,875)
<b>Cash (used in) / generated from operations</b>	<b>(165,226)</b>	<b>177,982</b>
Long term loans - net	1,906	944
Long term deposits - net	(656)	178
Finance cost paid	(7,644)	(13,794)
Income taxes (paid) / refund - net	(35,551)	83,989
	<hr/>	<hr/>
<b>Net cash (used in) / generated from operating activities - carried forward</b>	<b>(207,171)</b>	<b>249,299</b>

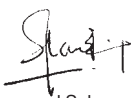
## Condensed Interim Statement of Cash Flows (Un-audited)

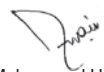
For the three months period ended September 30, 2021

	September 30, 2021	September 30, 2020
	----- Rupees '000 -----	
<b>Net cash (used in) / generated from operating activities - brought forward</b>	<b>(207,171)</b>	249,299
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for fixed capital expenditure	<b>(44,753)</b>	(31,819)
Proceeds from disposal of property, plant and equipment	714	1,269
Interest income received	25,418	14,121
Dividend received	-	414
Due from Subsidiary Company - net	7,873	(143,907)
<b>Net cash generated from / (used in) investing activities</b>	<b>(10,748)</b>	(159,922)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Lease liabilities - net	<b>(10,989)</b>	(6,694)
Long term loans - net	<b>(11,566)</b>	35,459
Deferred income - government grant	<b>(2,209)</b>	1,050
Short term borrowings - net	<b>169,786</b>	(50,721)
<b>Net cash generated from / (used in) financing activities</b>	<b>145,022</b>	(20,906)
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(72,897)</b>	68,471
Cash and cash equivalents at beginning of the period	1,029,202	311,091
<b>Cash and cash equivalents at end of the period</b>	<b>956,305</b>	379,562

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

  
Ahmad Kuli Khan Khattak  
Chief Executive Officer

  
Muhammad Saleem Baig  
Director

  
Muhammad Umair  
Chief Financial Officer

## Notes to the Condensed Interim Financial Statements (Un-audited)

For the three months period ended September 30, 2021

### 1. THE COMPANY AND ITS OPERATIONS

Ghandhara Nissan Limited (the Company) was incorporated on August 8, 1981 in Pakistan as a private limited company and subsequently converted into a public limited company on May 24, 1992. The Company is a subsidiary of Bibojee Services (Private) Limited. The registered office of the Company is situated at F-3, Hub Chowki Road, S.I.T.E., Karachi. Its manufacturing facilities are located at Port Qasim, Karachi and regional offices in Lahore and Rawalpindi. The Company's shares are listed on Pakistan Stock Exchange Limited.

The principal business of the Company is assembly / progressive manufacturing of vehicles including JAC Trucks, import and sale of parts / Nissan, Dongfeng and Renault vehicles in completely built-up condition and assembly of other vehicles under contract agreement.

### 2. BASIS OF PREPARATION

#### 2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Act differ with the requirements of IAS 34 or IFAS, the provisions of and directives issued under the Act have been followed.

- 2.2 These condensed interim financial statements do not include all the statements and disclosures as 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, 2021.

### 3. ACCOUNTING POLICIES

- 3.1 The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of audited annual financial statements of the Company for the year ended June 30, 2021.

There are certain International Financial Reporting Standards, amendments to published standards and interpretations that are mandatory for the financial year beginning on July 1, 2021. These are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations and are, therefore, not disclosed in these condensed interim financial statements.

- 3.2 Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.
- 3.3 Actuarial valuations are carried out on annual basis. The last actuarial valuation was carried out on June 30, 2021. The impact of re-measurement of post-employment benefit plans has not been incorporated in these condensed interim financial statements.

## Notes to the Condensed Interim Financial Statements (Un-audited)

For the three months period ended September 30, 2021

### 4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these condensed interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. 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 the expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

During the preparation of these condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the audited annual financial statements of the Company for the year ended June 30, 2021.

	Un-audited	Audited
	September 30, 2021	June 30, 2021
Note	-----	-----
	Rupees '000	-----

### 5. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	5.1	3,355,045	3,370,264
Right of use assets	5.2	99,969	93,403
Capital work-in-progress		634,160	601,722
		<u>4,089,174</u>	<u>4,065,389</u>

#### 5.1 Operating fixed assets

Book value at beginning of the period / year		3,370,264	3,490,332
Additions during the period / year	5.1.1	12,316	20,873
Transfer from right of use asset		-	1,153
Disposals costing Rs. Nil			
(June 30, 2021: Rs.67,648 thousand) - at book value		-	(19,562)
Written off costing Rs. Nil			
(June 30, 2021: Rs.5,246 thousand) - at book value		-	(4,746)
Depreciation charge for the period / year		(27,535)	(117,786)
Book value at end of the period / year		<u>3,355,045</u>	<u>3,370,264</u>



## Notes to the Condensed Interim Financial Statements (Un-audited)

For the three months period ended September 30, 2021

Un-audited	Audited
September 30, 2021	June 30, 2021

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

### 5.1.1 Additions to operating fixed assets, including transfer from capital work-in-progress, during the period / year were as follows:

Buildings on freehold land	-	3,094
Plant and machinery	744	7,651
Furniture and fixtures	-	43
Owned vehicles	10,145	-
Other equipment	1,023	3,280
Office equipment	-	310
Computers	404	6,495
	<u>12,316</u>	<u>20,873</u>

### 5.2 Right of use assets

Book value at beginning of the period / year	93,403	94,690
Additions during the period / year	12,504	21,444
Disposals costing Rs. 1,406 thousand (June 30, 2021: Rs.1,814 thousand) - at book value	(714)	(882)
Transferred to operating fixed assets	-	(1,153)
Depreciation charged during the period / year	(5,224)	(20,696)
Net book value at end of the period	<u>99,969</u>	<u>93,403</u>

### 6. STOCK IN TRADE

Raw materials	220,200	86,531
- in hand	85,641	-
- in transit	305,841	86,531
Finished goods	530,504	531,270
- in hand	103,823	69,987
- in transit	634,327	601,257
	<u>940,168</u>	<u>687,788</u>

## Notes to the Condensed Interim Financial Statements (Un-audited)

For the three months period ended September 30, 2021

	Un-audited September 30, 2021	Audited June 30, 2021
	----- Rupees '000 -----	
<b>7. BANK BALANCES</b>		
Cash at banks in:		
- current accounts	16,715	49,687
- saving accounts	34,188	75,954
- deposit account @ 6.25%	409,314	406,473
- term deposits receipts - @ 6.40% to 7.25%	500,000	501,000
	<u>960,217</u>	<u>1,033,114</u>
Provision for doubtful bank balances	(3,912)	(3,912)
	<u>956,305</u>	<u>1,029,202</u>
<b>8. LONG TERM BORROWINGS</b>		
Loan under refinance scheme for payment of wages and salaries - opening balance	155,497	218,200
Adjustment pertaining to fair value of loan at below market interest rate	2,210	(8,153)
Payment during the period / year	(13,776)	(54,550)
	<u>143,931</u>	<u>155,497</u>
Current portion grouped under current liabilities	(122,599)	(109,100)
	<u>21,332</u>	<u>46,397</u>
<b>9. CONTINGENCIES AND COMMITMENTS</b>		
<b>9.1</b>	There is no change in status of the contingencies as disclosed in note 27.1 of the audited annual financial statements of the Company for the year ended June 30, 2021.	
<b>9.2</b>	Commitment in respect of irrevocable letters of credit as at June 30, 2021 aggregate to Rs.1,570,937 thousand (June 30, 2021: Rs.1,561,635 thousand).	
<b>9.3</b>	Guarantees aggregating Rs.21,344 thousand (June 30, 2021: Rs.23,830 thousand) are issued by banks of the Company to various government and other institutions. Further, the Company has issued corporate guarantees aggregating Rs.867,992 thousand (June 30, 2021: Rs.484,716 thousand) to the commercial banks against banking facilities utilised by the Subsidiary Company.	

## Notes to the Condensed Interim Financial Statements (Un-audited)

For the three months period ended September 30, 2021

Un-audited Three months period ended <b>September 30, 2021</b>	Un-audited September 30, 2020
----- Rupees '000 -----	

### 10. COST OF SALES

Finished goods at beginning of the period	531,270	749,729
Cost of goods manufactured	675,930	492,584
Purchases - trading goods	150,388	6,212
	826,318	498,796
	1,357,588	1,248,525
Finished goods at end of the period	(530,514)	(631,494)
	827,074	617,031

#### 10.1 Cost of goods manufactured

Raw materials and parts consumed	471,840	318,142
Factory overheads	204,090	174,442
	675,930	492,584

### 11. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of the Holding Company, the Subsidiary Company, Associated Companies, directors of the Company, companies in which directors are interested, staff retirement benefit plans, key management personnel (head of department) and close members of the families of the directors & key management personnel. The Company in the normal course of business carries out transactions with various related parties and are settled in ordinary course of business. Significant transactions with and balance of related parties are as follows:

Related party name along with relation	Nature of transaction	Un-audited <b>September 30, 2021</b>	Un-audited September 30, 2020
--- Rupees in '000 ---			

#### (i) Holding Company

Bibojee Services (Private) Limited - 57.76% shares held in the Company	Corporate office rent	1,815	1,650
	Contract assembly charges	2,106	-

#### (ii) Subsidiary Company

Ghandhara DF (Private) Limited 99.99% shares held by the Company	Contract assembly charges	5,054	5,054
	Purchase of parts	463	-
	Sale of parts	39	437
	Long term advances given - net	-	143,907
	Receipts against long term advances - net	7,873	-
	Interest income	12,029	16,028
	Guarantee commission	1,341	687

## Notes to the Condensed Interim Financial Statements (Un-audited)

For the three months period ended September 30, 2021

Related party name along with relation	Nature of transaction	Un-audited	Un-audited
		September 30, 2021	September 30, 2020
--- Rupees in '000 ---			
<b>(iii) Associated Companies</b>			
Ghandhara Industries Limited 19.09% shares held by the Company (11.1)	Contract assembly charges	220,993	144,200
	Purchase of parts	78	7
	Head office rent	966	878
	Fabrication of vehicle	750	-
The General Tyre and Rubber Company of Pakistan Limited (11.1)	Purchase of tyres, tubes and flaps	4,361	1,789
Gammon Pakistan Limited (11.1)	Office rent	908	825
Janana De Malucho Textile Mills Limited (11.1)	Reimbursement of expenses	-	476
<b>(iv) Others</b>			
Staff provident fund	Contribution made	3,007	3,013
Key management personnel	Remuneration and other short term benefits	23,621	25,207

11.1 Associated company by virtue of common directorship.

Un-audited	Audited
September 30, 2021	June 30, 2021

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

11.2 Period / year end balances are as follows:

### Debit balances / receivables from related parties

Long term investments	222,906	222,906
Long term loans	291	579
Trade debts	102,685	29,679
Loan and advances	1,157	1,172
Deposits and prepayments	4,235	6,050
Other receivables	1,341	1,280
Accrued interest / mark-up	12,029	11,354
<b>Payable to related parties</b>		
Trade and other payables	35,850	31,467

## 12. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the audited annual financials statements of the Company for the year ended June 30, 2021.

## Notes to the Condensed Interim Financial Statements (Un-audited)

For the three months period ended September 30, 2021

### 13. CORRESPONDING FIGURES

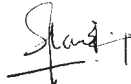
In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', corresponding figures in the condensed interim statement of financial position comprise of balances as per the audited annual financial statements of the Company for the year ended June 30, 2021 and the corresponding figures in the condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity comprise of balances of comparable period as per the condensed interim financial statements of the Company for the three months period ended September 30, 2020. Corresponding figures have been rearranged and reclassified for better presentation wherever considered necessary, the effect of which is not material.

### 14. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on October 29, 2021 by the Board of Directors of the Company.



Ahmad Kuli Khan Khattak  
Chief Executive Officer



Muhammad Saleem Baig  
Director



Muhammad Umair  
Chief Financial Officer

A white Dongpeng truck is parked in front of a building with a red and white logo on top. The truck is a heavy-duty model with a large cab and a flatbed trailer. The building has a white sign with the text "CONSOLIDATED FINANCIAL STATEMENTS" and a red and white logo on top. The sky is blue with some clouds.

# CONSOLIDATED FINANCIAL STATEMENTS

# Directors' Report on Consolidated Condensed Financial Statements

The directors are presenting their report together with consolidated condensed interim financial statements of Ghandhara Nissan Limited and its subsidiary Ghandhara DF (Pvt.) Limited for the period ended 30th September, 2021.

The financial results for the period ended September 30, 2021 are summarized below:

	-----Quarter Ended-----	
	2021	2020
	(Rupees in thousands)	
Revenue	<b>1,131,457</b>	917,589
Gross profit	<b>180,874</b>	116,632
Operating profit	<b>103,909</b>	31,453
Net profit/ (loss) after tax	<b>105,434</b>	(153,105)
Earnings/ (loss) per share (rupees)	<b>1.85</b>	(2.69)

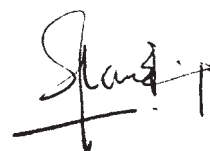
With the commencement of the current financial year, the Auto-sector has shown some positive signs reflecting the resumption in market activity. The recent measures taken by Government of Pakistan to curtail imports in order to contain current account deficit together with acute PKR devaluation have lately resulted in reconsideration of the decisions by the stakeholders of Auto-sector.

Considering the current situation, the Group is taking adequate measures to bring efficiencies and create value for the stakeholder, aims to capitalize on the opportunities to achieve cost reduction in order to improve margins.

For and on behalf of the Board of Directors



**Ahmad Kuli Khan Khattak**  
 Chief Executive Officer



**Muhammad Saleem Baig**  
 Director

Karachi  
 Dated: October 29, 2021

## مجموعی عبوری مالیاتی حسابات پر ڈائریکٹرز رپورٹ

ڈائریکٹرز 30 ستمبر 2021 کو ختم ہونے والی مدت کے لیے گندھار انسان لمیٹڈ اور اس کی ذیلی کمپنی گندھار DF (پرائیویٹ) لمیٹڈ کے اجتماعی مالیاتی حسابات کے ہمراہ اپنی رپورٹ پیش کر رہے ہیں۔

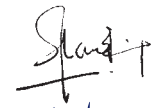
30 ستمبر 2021 کو ختم ہونے والی مدت کے لیے مالیاتی نتائج کا خلاصہ درج ذیل ہے:

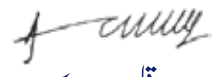
ختم ہونے والی سہ ماہی		
2020	2021	
(روپے ہزاروں میں)		
917,589	1,131,457	آمدنی
116,632	180,874	مجموعی منافع
31,453	103,909	آپریٹنگ منافع
(153,105)	105,434	بعد از ٹیکس خالص منافع / (نقصان)
(2.69)	1.85	فی حصص نفع / (نقصان) روپے

موجودہ مالی سال کے آغاز کے ساتھ ہی، آٹوسیکٹر نے کچھ مثبت اشارے دکھائے ہیں جو مارکیٹ کی سرگرمیوں کے دوبارہ شروع ہونے کی عکاسی کرتے ہیں۔ پاکستانی روپے کی قدر میں شدید کمی کے ساتھ ساتھ کرنٹ اکاؤنٹ خسارے پر تقابلاً پانے اور درآمدات کو کم کرنے کے لیے حکومت پاکستان کے حالیہ اقدامات کے نتیجے میں حال ہی میں آٹوسیکٹر کے اسٹیک ہولڈر کی طرف سے اپنے فیصلوں پر نظر ثانی کی گئی ہے۔

موجودہ صورتحال کو مدنظر رکھتے ہوئے، گروپ استعداد کار بڑھانے اور اسٹیک ہولڈر کے لیے قدر پیدا کرنے کے لیے خاطر خواہ اقدامات کر رہا ہے، اس کا مقصد لاگت میں کمی کے مواقع سے فائدہ اٹھا کر منافع جات کو بہتر بنانا ہے۔

برائے و مخانب بورڈ آف ڈائریکٹرز

  
محمد سلیم بیگ  
ڈائریکٹر

  
احمد قاسمی خان خٹک  
چیف ایگزیکٹو آفیسر  
کراچی

تاریخ: 29 اکتوبر 2021



## Consolidated Condensed Interim Statement of Financial Position

As at September 30, 2021

		Un-audited <b>September 30, 2021</b>	Audited June 30, 2021
<b>ASSETS</b>	Note	----- Rupees '000 -----	
<b>Non current assets</b>			
Property, plant and equipment	6	4,106,771	4,154,782
Intangible assets		3,838	4,094
Long term investments	7	1,085,219	1,049,588
Long term loans		12,367	14,529
Long term deposits		29,832	29,139
		<b>5,238,027</b>	<b>5,252,132</b>
<b>Current assets</b>			
Stores, spares and loose tools		152,913	136,467
Stock-in-trade	8	1,806,672	1,262,448
Trade debts		904,297	897,206
Loans and advances		13,033	11,965
Deposits and prepayments	9	131,277	73,888
Accrued interest / mark-up		17,667	9,342
Other receivables		26,928	18,048
Taxation - net		343,700	312,247
Cash and bank balances	10	967,482	1,085,823
		<b>4,363,969</b>	<b>3,807,434</b>
<b>Total assets</b>		<b>9,601,996</b>	<b>9,059,566</b>

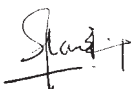
## Consolidated Condensed Interim Statement of Financial Position


As at September 30, 2021

	Un-audited <b>September 30, 2021</b>	Audited June 30, 2021
	Note	----- Rupees '000 -----
<b>EQUITY AND LIABILITIES</b>		
<b>Share capital and reserves</b>		
<b>Authorised capital</b>		
- 80,000,000 (June 30, 2021: 80,000,000) ordinary shares of Rs.10 each	<b>800,000</b>	800,000
<b>Issued, subscribed and paid-up capital</b>		
- 57,002,500 (June 30, 2021: 57,002,500) ordinary shares of Rs.10 each	<b>570,025</b>	570,025
<b>Capital reserves</b>		
- share premium	<b>1,102,721</b>	1,102,721
- surplus on revaluation of fixed assets - net	<b>2,840,543</b>	2,849,529
- Items directly credited to equity by an Associate	<b>75,922</b>	75,365
	<b>4,019,186</b>	4,027,615
<b>Revenue reserve</b> - unappropriated profits	<b>2,987,648</b>	2,874,533
Equity attributable to shareholders of the Holding Company	<b>7,576,859</b>	7,472,173
Non-controlling interest	<b>54</b>	54
<b>Total equity</b>	<b>7,576,913</b>	7,472,227
<b>Liabilities</b>		
<b>Non current liabilities</b>		
Lease liabilities	<b>75,428</b>	67,234
Long term borrowings	<b>21,332</b>	46,397
Deferred income - government grant	<b>242</b>	953
Long term deposits	<b>33,226</b>	33,226
Deferred taxation - net	<b>290,840</b>	289,062
	<b>421,068</b>	436,872
<b>Current liabilities</b>		
Trade and other payables	<b>945,623</b>	748,911
Accrued mark-up	<b>14,725</b>	8,784
Short term borrowings	<b>486,201</b>	240,189
Current portion of lease liabilities	<b>18,564</b>	25,682
Current maturity of long term borrowings	<b>122,599</b>	109,100
Current portion of deferred income - government grant	<b>5,702</b>	7,200
Unclaimed dividend	<b>10,601</b>	10,601
	<b>1,604,015</b>	1,150,467
<b>Total liabilities</b>	<b>2,025,083</b>	1,587,339
<b>Contingencies and commitments</b>	12	
<b>Total equity and liabilities</b>	<b>9,601,996</b>	9,059,566

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

  
Ahmad Kuli Khan Khattak  
Chief Executive Officer

  
Muhammad Saleem Baig  
Director


  
Muhammad Umair  
Chief Financial Officer

## Consolidated Condensed Interim Statement of Profit or Loss and Other Comprehensive Income (Un-audited)

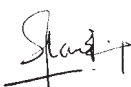
For the three months period ended September 30, 2021

		Quarter ended <b>September 30, 2021</b>	Quarter ended September 30, 2020
	Note	----- Rupees '000 -----	
<b>Revenue - net</b>		1,131,457	917,589
Cost of sales	13	<b>(950,583)</b>	(800,957)
<b>Gross profit</b>		<b>180,874</b>	116,632
Distribution cost		<b>(33,097)</b>	(33,278)
Administrative expenses		<b>(62,541)</b>	(55,731)
Other income		<b>28,853</b>	5,084
Other expenses		<b>(10,180)</b>	(1,254)
<b>Profit from operations</b>		<b>103,909</b>	31,453
Finance cost		<b>(18,470)</b>	(11,258)
		<b>85,439</b>	20,195
Share of profit / (loss) of an Associate		<b>36,379</b>	(156,239)
<b>Profit / (loss) before taxation</b>		<b>121,818</b>	(136,044)
Taxation		<b>(16,384)</b>	(17,061)
<b>Profit / (loss) after taxation</b>		<b>105,434</b>	(153,105)
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Share of other comprehensive income of an Associate of:			
- surplus on revaluation of fixed assets - net		-	326,350
- re-measurement of staff retirement benefit obligation - net		<b>(748)</b>	(140)
Other comprehensive (loss) / income - net of tax		<b>(748)</b>	326,210
<b>Total comprehensive income for the period</b>		<b>104,686</b>	173,105
<b>Attributable to:</b>			
- Shareholders of the Holding Company		<b>104,686</b>	173,105
- Non-controlling interest		-	-
		<b>104,686</b>	173,105
		----- Rupees -----	
<b>Earnings / (loss) per share - basic and diluted</b>		<b>1.85</b>	(2.69)


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



Ahmad Kuli Khan Khattak  
Chief Executive Officer



Muhammad Saleem Baig  
Director




Muhammad Umair  
Chief Financial Officer

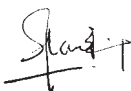
## Consolidated Condensed Interim Statement of Changes in Equity (Un-audited)


For the three months period ended September 30, 2021

	Capital Reserves					Total	Non - controlling interest
	Share capital	Share premium	Surplus on revaluation of fixed assets	Items directly credited to equity by an Associate	Revenue Reserve Unappropri- ated profit		
	----- Rupees '000 -----						
Balance as at July 1, 2020 (audited)	570,025	1,102,721	2,572,286	73,312	2,702,610	7,020,954	47
<b>Total comprehensive income for the three months period ended September 30, 2020</b>							
Loss for the period	-	-	-	-	(153,105)	(153,105)	-
Other comprehensive income / (loss)	-	-	326,350	-	(140)	326,210	-
	-	-	326,350	-	(153,245)	173,105	-
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred tax	-	-	(9,027)	-	9,027	-	-
Effect of item directly credited in equity by an Associate	-	-	(381)	381	-	-	-
<b>Balance as at September 30, 2020 (un-audited)</b>	<b>570,025</b>	<b>1,102,721</b>	<b>2,889,228</b>	<b>73,693</b>	<b>2,558,392</b>	<b>7,194,059</b>	<b>47</b>
<b>Balance as at July 1, 2021 (audited)</b>	<b>570,025</b>	<b>1,102,721</b>	<b>2,849,529</b>	<b>75,365</b>	<b>2,874,533</b>	<b>7,472,173</b>	<b>54</b>
<b>Total comprehensive income for the three months period ended September 30, 2021</b>							
Profit for the year	-	-	-	-	105,434	105,434	-
Other comprehensive loss	-	-	-	-	(748)	(748)	-
	-	-	-	-	104,686	104,686	-
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred tax	-	-	(8,429)	-	8,429	-	-
Effect of item directly credited in equity by an Associate	-	-	(557)	557	-	-	-
<b>Balance as at September 30, 2021 (un-audited)</b>	<b>570,025</b>	<b>1,102,721</b>	<b>2,840,543</b>	<b>75,922</b>	<b>2,987,648</b>	<b>7,576,859</b>	<b>54</b>

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

  
Ahmad Kuli Khan Khattak  
Chief Executive Officer

  
Muhammad Saleem Baig  
Director

  
Muhammad Umair  
Chief Financial Officer

## Consolidated Condensed Interim Statement of Cash Flows (Un-audited)

For the three months period ended September 30, 2021

**September 30,**  
**2021**      September 30,  
 2020  
 ----- Rupees '000 -----

### CASH FLOWS FROM OPERATING ACTIVITIES

Profit / (loss) before taxation	121,818	(136,044)
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation and amortisation	33,662	35,154
Provision for gratuity	3,760	2,979
Interest income	(22,239)	(108)
Gain on disposal of property, plant and equipment	(2,191)	(850)
Share of (profit) / loss of an Associate	(36,379)	156,239
Finance cost	18,470	11,258
Exchange (gain) / loss - net	4,146	428
<b>Operating profit before working capital changes</b>	<b>121,047</b>	<b>69,056</b>
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(16,446)	6,189
Stock-in-trade	(544,224)	119,921
Trade debts	(7,091)	(65,575)
Loans and advances	(1,068)	(3,055)
Deposit and prepayments	(57,389)	(28,095)
Other receivables	(8,880)	72,900
	<b>(635,098)</b>	<b>102,285</b>
Increase in trade and other payables	<b>188,805</b>	<b>152,388</b>
<b>Cash (used in) / generated from operations</b>	<b>(325,246)</b>	<b>323,729</b>
Long term loans - net	2,162	1,070
Long term deposits - net	-	2,368
Finance cost paid	(12,529)	(24,879)
Income taxes (paid) / refunds - net	(46,057)	216,457
<b>Net cash (used in) / generated from operating activities</b>	<b>(381,670)</b>	<b>518,745</b>
<b>- carried forward</b>	<b>(381,670)</b>	<b>518,745</b>

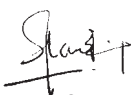
## Consolidated Condensed Interim Statement of Cash Flows (Un-audited)

For the three months period ended September 30, 2021

	September 30, 2021	September 30, 2020
	----- Rupees '000 -----	
<b>Net cash (used in) / generated from operating activities - brought forward</b>	<b>(381,670)</b>	518,745
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for fixed capital expenditure	(44,828)	(31,819)
Proceeds from disposal of property, plant and equipment	74,127	1,270
Interest income received	13,914	108
Long term deposits - net	(693)	(1,000)
<b>Net cash generated from / (used in) investing activities</b>	<b>42,520</b>	(31,441)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Lease finances - net	(11,428)	(12,784)
Long term borrowings obtained - net	(11,566)	35,459
Government grants - net	(2,209)	1,050
Short term borrowings - net	246,012	(355,929)
<b>Net cash generated from / (used in) financing activities</b>	<b>220,809</b>	(332,204)
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(118,341)</b>	155,100
Cash and cash equivalents at beginning of the period	1,085,823	353,516
<b>Cash and cash equivalents at end of the period</b>	<b>967,482</b>	508,616

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

  
Ahmad Kuli Khan Khattak  
Chief Executive Officer

  
Muhammad Saleem Baig  
Director

  
Muhammad Umair  
Chief Financial Officer

# Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

For the three months period ended September 30, 2021

## 1. THE GROUP AND ITS OPERATIONS

1.1 The Group consists of Ghandhara Nissan Limited (the Holding Company) and Ghandhara DF (Private) Limited (the Subsidiary Company).

### 1.2 Ghandhara Nissan Limited

Ghandhara Nissan Limited (the Holding Company) was incorporated on August 8, 1981 in Pakistan as a private limited company and subsequently converted into a public limited company on May 24, 1992. The registered office of the Holding Company is situated at F-3, Hub Chowki Road, S.I.T.E., Karachi. Its manufacturing facilities are located at Port Qasim, Karachi and regional offices in Lahore and Rawalpindi. The Holding Company's shares are listed on Pakistan Stock Exchange Limited. Bibojee Services (Private) Limited is the ultimate holding company of the Group.

The principal business of the Holding Company is assembly / progressive manufacturing of vehicles including JAC Trucks, import and sale of parts and Nissan, Dongfeng & Renault vehicles in Completely Built-up condition and assembly of other vehicles under contract agreement.

### 1.3 Ghandhara DF (Private) Limited

Ghandhara DF (Private) Limited (the Subsidiary Company) was incorporated on June 25, 2013 in Pakistan as a private limited company. The registered office of the Subsidiary Company is situated at F-3, Hub Chowki Road, S.I.T.E., Karachi. It has outsourced assembly of the vehicles to the Holding Company.

The Subsidiary Company has cooperation agreement with DongFeng Commercial Vehicles Limited dated December 11, 2013 as well as 'Motor Vehicles & Related Products Distribution' agreements with Wuhan DongFeng Foreign Trade Company Limited (a subsidiary company of DongFeng Automobile Company Limited) dated January 24, 2014.

## 2. BASIS OF PREPARATION

### 2.1 Statement of compliance

These consolidated condensed interim financial statements have been prepared in accordance with the approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Act differ with the requirements of IAS 34, the provisions of and directives issued under the Act have been followed. These consolidated condensed interim financial statements of the Group for the three months period ended September 30, 2021 is un-audited.

2.2 These consolidated condensed interim financial statements do not include all the statements and disclosures as required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended June 30, 2021.

## Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

For the three months period ended September 30, 2021

### 3. ACCOUNTING POLICIES

- 3.1 The accounting policies and the methods of computation adopted in the preparation of these consolidated condensed interim financial statements are consistent with those applied in the preparation of audited annual consolidated financial statements of the Group for the year ended June 30, 2021.

There are certain International Financial Reporting Standards, amendments to published standards and interpretations that are mandatory for the financial year beginning on July 1, 2021 are considered not to be relevant or to have any significant effect on the Group's financial reporting and operations.

- 3.2 Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.
- 3.3 The Group follows the practice of conducting actuarial valuations annually at the year end. Hence, the impact of remeasurement of post-employment benefit plans has not been incorporated in the consolidated condensed interim financial statements.

### 4. PRINCIPLES OF CONSOLIDATION

These consolidated condensed interim financial statements include the condensed interim financial statements of Holding Company and its Subsidiary Company. The Holding Company's direct interest in the Subsidiary Company is 99.99% as at September 30, 2021 ( June 30, 2021: 99.99%).

Consolidated condensed financial statements combines like items of assets, liabilities, equity, income, expenses and cash flows of the Holding Company with those of its Subsidiary, offset (eliminate) the carrying amount of the Holding Company's investment in Subsidiary and the Holding Company's portion of equity of Subsidiary and eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group.

Non-controlling interest is equity in the Subsidiary Company not attributable, directly or indirectly, to the Holding Company.

### 5. ACCOUNTING ESTIMATES AND JUDGEMENTS

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

During the preparation of these consolidated condensed interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the audited annual consolidated financial statements of the Group for the year ended June 30, 2021.



## Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

For the three months period ended September 30, 2021

		Un-audited <b>September 30, 2021</b>	Audited June 30, 2021
Note		----- Rupees '000 -----	
<b>6. PROPERTY, PLANT AND EQUIPMENT</b>			
	Operating fixed assets	6.1 <b>3,366,032</b>	3,380,514
	Right of use assets	6.2 <b>104,857</b>	99,602
	Capital work-in-progress	<b>635,882</b>	674,666
		<b>4,106,771</b>	4,154,782
<b>6.1 Operating fixed assets</b>			
	Book value at beginning of the period / year	<b>3,380,514</b>	3,501,648
	Additions during the period / year	6.1 <b>12,390</b>	21,331
	Transfer from right of use asset	6.2 -	1,153
	Disposals costing Rs. Nil (June 30, 2021: Rs.67,648 thousand) - at book value	-	(19,562)
	Written off costing Rs. Nil (June 30, 2021: Rs.5,246 thousand) - at book value	-	(4,746)
	Depreciation charge for the period / year	<b>(26,872)</b>	(119,310)
	Book value at end of the period / year	<b>3,366,032</b>	3,380,514
<b>6.1.1 Additions to operating fixed assets, including transfer from capital work-in-progress, during the period / year were as follows:</b>			
	Buildings on freehold land	-	3,094
	Plant and machinery	744	7,651
	Furniture and fixtures	74	390
	Owned vehicles	10,145	-
	Other equipment	1,023	3,280
	Office equipment	-	357
	Computers	404	6,559
		<b>12,390</b>	21,331
<b>6.2 Right of use assets</b>			
	Book value at beginning of the period / year	<b>99,602</b>	102,439
	Additions during the period / year	<b>12,504</b>	21,444
	Disposals costing Rs. 1,406 thousand (June 30, 2021 : Rs. 1,814 thousand) - at book value	<b>(714)</b>	(882)
	Transferred to operating fixed assets	6.1 -	(1,153)
	Depreciation charged during the period / year	<b>(6,535)</b>	(22,246)
	Net book value at end of the period	<b>104,857</b>	99,602

## Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

For the three months period ended September 30, 2021

		Un-audited <b>September 30, 2021</b>	Audited June 30, 2021
	Note	----- Rupees '000 -----	
<b>7. LONG TERM INVESTMENTS</b>			
Associate - equity accounted investment	7.1	<b>1,085,219</b>	1,049,588
Others - available for sale	7.2	-	-
		<b>1,085,219</b>	1,049,588
<b>7.1 Ghandhara Industries Limited</b>			
Balance at beginning of the period / year		<b>1,049,588</b>	800,676
Share of profit / (loss) for the period / year		<b>36,379</b>	(77,298)
Share of other comprehensive (loss) / income for the period / year		<b>(748)</b>	326,210
Balance at end of the period / year		<b>1,085,219</b>	1,049,588
<b>7.1.1</b>	Investment in Ghandhara Industries Limited (GIL) represents 8,132,336 (June 30, 2021: 8,132,336) fully paid ordinary shares of Rs.10 each representing 19.09% (June 30, 2021: 19.09%) of its issued, subscribed and paid-up capital as at September 30, 2021. GIL was incorporated on February 23, 1963 and its shares are quoted on Pakistan Stock Exchange Limited. The principal activity of GIL is the assembly, progressive manufacturing and sale of Isuzu trucks and buses.		
<b>7.1.2</b>	The value of investment in GIL is based on financial statements of the investee company as at June 30, 2021. The latest financial statements of GIL as at September 30, 2021 are not presently available.		
<b>7.1.3</b>	The market value of investment as at September 30, 2021 was Rs.1,585,562, thousand (June 30, 2021: Rs.2,269,084).		
<b>7.2 Others - available for sale</b>		Un-audited <b>September 30, 2021</b>	Audited June 30, 2021
		----- Rupees '000 -----	
Automotive Testing & Training Centre (Private) Limited			
187,500 (June 30, 2021: 187,500) ordinary shares of Rs.10 each - cost		<b>1,875</b>	1,875
Provision for impairment		<b>(1,875)</b>	(1,875)
		-	-

## Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

For the three months period ended September 30, 2021

	Un-audited <b>September 30, 2021</b>	Audited June 30, 2021
	----- Rupees '000 -----	
<b>8. STOCK IN TRADE</b>		
Raw materials		
- in hand	682,157	266,388
- in transit	85,641	-
	<u>767,798</u>	<u>266,388</u>
Finished goods		
- in hand	918,693	926,073
- in transit	120,181	69,987
	<u>1,038,874</u>	<u>996,060</u>
	<u>1,806,672</u>	<u>1,262,448</u>
<b>9. DEPOSITS AND PREPAYMENTS</b>		
Deposits	1,470	260
Prepaid		
- rent	8,625	12,374
- insurance	8,858	5,000
	<u>17,483</u>	<u>17,374</u>
Current account balances with statutory authorities	112,324	56,254
	<u>131,277</u>	<u>73,888</u>
<b>10. CASH AND BANK BALANCES</b>		
Cash in hand	393	393
Cash at banks in:		
- current accounts	18,837	52,922
- saving accounts	36,350	121,447
- deposit accounts @ 6.25%	409,314	406,473
- term deposits receipts - @ 6.40% to 7.25%	506,500	508,500
	<u>971,001</u>	<u>1,089,342</u>
Provision for doubtful bank balances	(3,912)	(3,912)
	<u>967,482</u>	<u>1,085,823</u>
<b>11. LONG TERM BORROWINGS</b>		
Loan under refinance scheme for payment of wages and salaries	155,497	218,200
Adjustment pertaining to fair value of loan at below market interest rate	2,210	(8,153)
Payment during the period / year	(13,776)	(54,550)
	<u>143,931</u>	<u>155,497</u>
Current portion grouped under current liabilities	(122,599)	(109,100)
	<u>21,332</u>	<u>46,397</u>

## Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

For the three months period ended September 30, 2021

### 12. CONTINGENCIES AND COMMITMENTS

- 12.1** There is no material change in status of the contingencies as disclosed in note 25.1 of the audited annual consolidated financial statements of the Group for the year ended June 30, 2021.
- 12.2** Commitment in respect of irrevocable letters of credit as at September 30, 2021 aggregate to Rs. 1,949,078 thousand (June 30, 2021: Rs.1,876,651 thousand).
- 12.3** Guarantees aggregating Rs.21,344 thousand (June 30, 2021: Rs.23,830 thousand) are issued by banks of the Group to various government and other institutions. Further, the Holding Company has issued corporate guarantees aggregating Rs.867,992 thousand (June 30, 2021: Rs.484,716 thousand) to the commercial banks against running finances and letters of credit facilities utilised by the Subsidiary Company.

		Un-audited Three months period ended <b>September 30, 2021</b>	Un-audited September 30, 2020
	Note	----- Rupees '000 -----	
<b>13. COST OF SALES</b>			
Finished goods at beginning of the period		<b>926,073</b>	1,120,180
Cost of goods manufactured	13.1	<b>766,458</b>	558,062
Purchases - trading goods		<b>176,755</b>	35,163
		<b>943,213</b>	593,225
		<b>1,869,286</b>	1,713,405
Finished goods at end of the period		<b>(918,703)</b>	(912,448)
		<b>950,583</b>	800,957
<b>13.1 Cost of goods manufactured</b>			
Raw materials and parts consumed		<b>552,477</b>	376,679
Factory overheads		<b>213,981</b>	181,383
		<b>766,458</b>	558,062

### 14. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of the ultimate Holding Company, Associated Companies, directors of the Holding and subsidiary Company, companies in which directors are interested, staff retirement benefit plans, key management personnel and close members of the families of the directors & key management personnel. The Group in the normal course of business carries out transactions with various related parties and are settled in ordinary course of business. Significant transactions with and balance of related parties are as follows:

## Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

For the three months period ended September 30, 2021

Related party name along with relation	Nature of transaction	Un-audited	Un-audited
		Three months period ended September 30,	
		2021	2020
--- Rupees in '000 ---			
<b>(i) Ultimate Holding Company</b>			
Bibojee Services (Private) Limited - 57.76% shares held in the Company	Corporate office rent Contract assembly revenue	3,630 2,106	3,300 -
<b>(ii) Associated Companies</b>			
Ghandhara Industries Limited 19.09% shares held by the Holding Company (14.1)	Contract assembly revenue Purchase of parts Sale of parts Fabrication of vehicle Head office rent	220,993 78 - 750 1,933	144,200 7 4 - 1,757
The General Tyre and Rubber Company of Pakistan Limited (14.1)	Purchase of tyres, tubes and flaps	4,361	1,789
Rehman Cotton Mills Limited (14.1)	Sale of pre-fabricated building structure	86,878	-
Gammon Pakistan Limited (14.1)	Office rent	908	825
Janana De Malucho Textile Mills Limited (14.1)	Reimbursement of expenses	-	476
<b>(iii) Others</b>			
Staff provident fund Key management personnel	Contribution made Remuneration and other short term benefits	3,532 23,954	3,341 25,509

14.1 Associated company by virtue of common directorship.

Un-audited	Audited
September 30, 2021	June 30, 2021

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

14.2 Period / year end balances are as follows:

### Debit balances / receivables from related parties

Long term loans	291	579
Loan and advances	1,157	1,172
Trade debts	98,055	19,325
Deposits and prepayments	8,470	12,100

### Payable to related parties

Trade and other payables	39,847	34,871
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## 15. FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with those disclosed in the audited annual financials statements of the Group for the year ended June 30, 2021.



## Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

For the three months period ended September 30, 2021

### 16. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the Consolidated condensed interim statement of financial position has been compared with the balances of audited annual consolidated financial statements of the Group for the year ended June 30, 2021, whereas, the Consolidated condensed interim statement of profit or loss and other comprehensive income, Consolidated condensed interim statement of changes in equity and Consolidated condensed interim statement of cash flows have been compared with the balances of comparable period of Consolidated condensed interim financial statements of the Group for the period ended September 30, 2020. Corresponding figures have been rearranged and reclassified for better presentation wherever considered necessary, the effect of which is not material.

### 17. DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements were authorised for issue on October 29, 2021 by the Board of Directors of the Holding Company.

Ahmad Kuli Khan Khattak  
Chief Executive Officer

Muhammad Saleem Baig  
Director

Muhammad Umair  
Chief Financial Officer

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












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