



GHANDHARA
NISSAN LIMITED

Half Yearly Report **December 31, 2021** (Un-Audited)



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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 - (Shariah)
 Dubai Islamic Bank Pakistan Limited - (Shariah)
 Habib Metropolitan Bank Limited



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

M/s. 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' REVIEW

Your Directors are pleased to present the report alongwith the unaudited condensed interim financial statements of Ghandhara Nissan Limited for the half year ended December 31, 2021.

Macro-economic Environment

The continuity of the pandemic, owing to a new variant, has augmented uncertainty around global economic prospects. Pakistan has, however, successfully managed previous waves and the Government has taken swift measures to curtail the spread of the new variant. The economic recovery, which was underway since FY21, continues as reflected by most indicators of domestic demand.

The Government has been maintaining the market-determined exchange rate and has taken measures to reduce large current account deficit, while inflation has remained slightly above 10 percent for the entire reporting period. The Country is expected to achieve GDP growth of more than 4% during FY-2022.

Auto-Sector

Compared to pre-pandemic levels, the automotive market has effectively recovered to embark on a new level with robust demand, especially from the SUV segment of the passenger car market.

During the second quarter of FY-22, the floating exchange rate has remained highly unstable rendering input cost unpredictable alongwith adverse impacts of unprecedented rise in ocean freights.

As per PAMA, sales volumes of auto industry for Heavy Commercial Vehicles (HCVs) were 2,802 units during the half year ended December 31, 2021 as compared to 1,650 units during the corresponding period of last year showing a growth of 70%. For Light Commercial Vehicles (LCVs), sales were 8,719 units during the half year ended December 31, 2021 as compared to 5,005 units during the corresponding period of last year showing a growth of 74%.

Financial Results of the Company

The financial results for the half year ended December 31, 2021 are summarized below:

	----- Half Year Ended -----	
	December 2021	December 2020
	(Rupees in thousands)	
Revenue	2,064,618	1,336,031
Gross Profit	252,768	114,205
Operating Profit	161,022	25,773
Net Profit after tax	112,063	6,938
Earnings Per Share (Rupees)	1.97	0.12

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 Company is all set to launch the Chery Passenger Cars in Pakistan starting with the latest generation of Tiggo Series SUVs of Chery Automobile Co. Ltd., which is the leading automobile export company of China.

We wish all the best to the entire team for a great journey ahead.

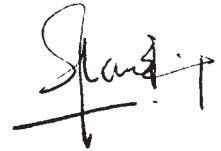
The directors are grateful to the Principals, customers, vendors, bankers and other business associates for their continued patronage and support.

For and on behalf of the Board of Directors



Ahmad Kuli Khan Khattak
Chief Executive Officer

Karachi
Dated: February 24, 2022



Muhammad Saleem Baig
Director

ادارے کے مالیاتی نتائج

31 دسمبر 2021 کو ختم ہونے والے نصف سال کے مالی نتائج کا خلاصہ ذیل میں دیا گیا ہے:

ختم ہونے والے نصف سال

دسمبر 2021 دسمبر 2020

(روپے ہزاروں میں)

1,336,031	2,064,618	آمدنی
114,205	252,768	مجموعی منافع
25,773	161,022	آپریٹنگ منافع
6,938	112,063	بعد از ٹیکس خالص منافع
0.12	1.97	فی حصص آمدنی (روپے میں)

متعلقہ فریق سے لین دین

متعلقہ فریقوں کے ساتھ تمام لین دین آزادانہ اور غیر جانب دارانہ انداز میں کیا گیا ہے اور مالیاتی گوشواروں میں ان کا انکشاف کر دیا گیا ہے۔

مستقبل کا منظر نامہ

پاکستان میں چیری پسنجر کار لانچ کرنے کے لیے ادارہ پوری طرح تیار ہے۔ جس کا آغاز، چیری آٹوموبائل کمپنی لمیٹڈ (چیری جو کہ چین کی معروف آٹوموبائل ایکسپورٹ کمپنی ہے) کی جدید ترین جزیٹن Tiggo سیریز SUVs سے کیا جا رہا ہے۔

ہم پوری ٹیم کے لیے آئندہ کے بہترین سفر کے لیے نیک خواہشات کا اظہار کرتے ہیں۔

ڈائریکٹرز مسلسل سرپرستی اور معاونت پر اپنے نرسپلز، صارفین کسٹمرز، ویڈرز، بینکرز اور دیگر کاروباری ساتھیوں سے اظہار تشکر کرتے ہیں۔



محمد سلیم بیگ

ڈائریکٹر



احمد قلی خان خٹک

چیف ایگزیکٹو آفیسر

کراچی

تاریخ: 24 فروری 2022

ڈائریکٹرز کا جائزہ

آپ کے ڈائریکٹرز 31 دسمبر 2021 کو ختم ہونے والے نصف سال کے لیے گندھارا انسان لمیٹڈ کے غیر آڈٹ مختصر عبوری گوشواروں کے ہمراہ اپنی رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

وسیع معاشی ماحول

عالمی وبا کے تسلسل اور اسکی نئی شکل نے عالمی اقتصادی معیشت کے گرد غیر یقینی صورتحال بڑھادی ہے۔ تاہم، پاکستان نے پچھلی لہروں کو کامیابی کے ساتھ سنبھالا ہے اور حکومت نے نئی قسم کے پھیلاؤ کو روکنے کے لیے تیزی سے اقدامات کیے ہیں۔ معاشی بحالی، جس کا سلسلہ مالی سال 2021 سے جاری تھا اور اب بھی جاری ہے جس کا اظہار مقامی طلب کے زیادہ تر اشاروں سے عیاں ہو رہا ہے۔

حکومت مارکیٹ کی تعین کردہ شرح زر مبادلہ برقرار رکھنے میں مصروف ہے اور اس نے بڑھے ہوئے کرنٹ اکاؤنٹ خسارے کو کم کرنے کے لیے اقدامات کیے ہیں، جب کہ پوری ششماہی مدت میں افراط زر 10 فیصد سے تھوڑا سا اوپر رہا ہے۔ مالی سال 2022 کے دوران ملک کی جی ڈی پی کی شرح نمو 4 فیصد سے زیادہ ہونے کی توقع ہے۔

آٹوموبائل

عالمی وبا سے پہلے کے امور و شمار کے مقابلے میں، آٹوموبیل مارکیٹ نے مضبوط مانگ کے ساتھ ایک نئی سطح کی طرف پیش قدمی کے لیے مؤثر طریقے سے بحالی کی ہے، خاص طور پر پینچر کار مارکیٹ کے SUV سیکمنٹ میں زیادہ پیش قدمی ہوئی۔

مالی سال 2022 کی دوسری سہ ماہی کے دوران، سمندری مال برداری کے کرایوں میں غیر مستحکم اضافے کے منفی اثرات کے ساتھ متغیر شرح زر مبادلہ میں زبردست اتار چڑھاؤ کے نتیجے میں خام مال کی لاگت غیر متوقع رہی ہے۔

PAMA کے مطابق، 31 دسمبر 2021 کو ختم ہونے والی ششماہی کے دوران ہیوی کمرشل وہیکلز (HCVs) کے لیے آٹو انڈسٹری کی فروخت کا حجم 2,802 گاڑیاں تھا جو کہ گزشتہ سال کی اسی مدت کے دوران 1,650 گاڑیوں کے مقابلے میں 70 فیصد اضافہ دکھاتا ہے۔ ہلکی کمرشل گاڑیوں (LCVs) کے لیے، 31 دسمبر 2021 کو ختم ہونے والے ششماہی کے دوران 8,719 گاڑیوں کی فروخت ہوئی جو کہ گزشتہ سال کی اسی مدت کے دوران 5,005 گاڑیوں کے مقابلے میں 74 فیصد اضافے کی عکاسی کرتی ہے۔

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF GHANDHARA NISSAN LIMITED

Report on Review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Ghandhara Nissan Limited as at December 31, 2021 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the half year then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

The figures of the condensed interim statement of profit or loss and other comprehensive income for the quarters ended December 31, 2021 and 2020 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2021.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is Osman Hameed Chaudhri.

ShineWing Hameed Chaudhri & Co.

SHINEWING HAMEED CHAUDHRI & CO.

CHARTERED ACCOUNTANTS

KARACHI: February 25, 2022

UDIN : RR20211010460G8Jz2V4

Condensed Interim Statement of Financial Position

As at December 31, 2021

		Un-audited December 31, 2021	Audited June 30, 2021
	Note	----- Rupees '000 -----	
ASSETS			
Non current assets			
Property, plant and equipment	5	5,226,375	4,065,389
Intangible assets		1,729	1,976
Long term investments		222,906	222,906
Long term loans		5,937	5,834
Long term deposits		24,030	27,461
Due from the Subsidiary Company		580,339	549,285
		6,061,316	4,872,851
Current assets			
Stores, spares and loose tools		130,311	136,467
Stock-in-trade	6	1,069,197	687,788
Trade debts		336,814	355,971
Loans and advances		27,988	9,899
Deposits and prepayments		30,528	60,602
Other receivables	7	201,178	16,439
Accrued interest / mark-up		25,815	20,405
Taxation - net		159,637	110,854
Bank balances		1,041,771	1,029,202
		3,023,239	2,427,627
Total assets		9,084,555	7,300,478

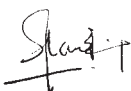
Condensed Interim Statement of Financial Position

As at December 31, 2021

	Un-audited December 31, 2021	Audited June 30, 2021
Note	----- Rupees '000 -----	
EQUITY AND LIABILITIES		
<i>Share capital and reserves</i>		
Authorised capital		
- 80,000,000 (June 30, 2021: 80,000,000) ordinary shares of Rs.10 each	<u>800,000</u>	<u>800,000</u>
Issued, subscribed and paid-up capital		
- 57,002,500 (June 30, 2021: 57,002,500) ordinary shares of Rs.10 each	<u>570,025</u>	<u>570,025</u>
Capital reserves		
- share premium	1,102,721	1,102,721
- surplus on revaluation of fixed assets - net	2,159,382	2,176,240
	<u>3,262,103</u>	<u>3,278,961</u>
Revenue reserve - unappropriated profits	<u>2,287,551</u>	<u>2,158,630</u>
Total equity	<u>6,119,679</u>	<u>6,007,616</u>
<i>Liabilities</i>		
Non current liabilities		
Lease liabilities	53,355	62,858
Long term borrowings	8 791,346	46,397
Deferred income - government grant	8 108,336	953
Long term deposits	76,726	27,726
Deferred taxation - net	286,218	296,879
	<u>1,315,981</u>	<u>434,813</u>
Current liabilities		
Trade and other payables	771,467	601,834
Accrued mark-up	18,506	5,386
Short term borrowings	9 704,108	100,000
Current portion of lease liabilities	21,613	23,928
Current maturity of long term borrowings	8 118,935	109,100
Current portion of deferred income - government grant	3,665	7,200
Unclaimed dividend	10,601	10,601
	<u>1,648,895</u>	<u>858,049</u>
Total liabilities	<u>2,964,876</u>	<u>1,292,862</u>
Contingencies and commitments	10	
Total equity and liabilities	<u>9,084,555</u>	<u>7,300,478</u>

The annexed notes from 1 to 15 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)

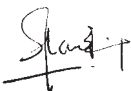
For the half year ended December 31, 2021

	Note	Quarter ended		Half year ended	
		December 30, 2021	December 30, 2020	December 30, 2021	December 30, 2020
		----- Rupees '000 -----		----- Rupees '000 -----	
Revenue - net		1,094,702	645,559	2,064,618	1,336,031
Cost of sales	11	(984,776)	(604,795)	(1,811,850)	(1,221,826)
Gross profit		109,926	40,764	252,768	114,205
Distribution cost		(21,967)	(23,920)	(47,058)	(48,181)
Administrative expenses		(53,070)	(51,355)	(106,412)	(97,910)
Other income		39,977	38,124	79,430	59,651
Other expenses		(7,526)	(738)	(17,706)	(1,992)
Profit from operations		67,340	2,875	161,022	25,773
Finance cost		(20,743)	(2,119)	(33,011)	(9,313)
Profit before taxation		46,597	756	128,011	16,460
Taxation		(1,601)	3,978	(15,948)	(9,522)
Profit after taxation		44,996	4,734	112,063	6,938
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		44,996	4,734	112,063	6,938
		----- Rupees -----		----- Rupees -----	
Earnings per share - basic and diluted		0.79	0.08	1.97	0.12

The annexed notes from 1 to 15 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

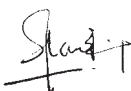
Condensed Interim Statement of Changes in Equity (Un-audited)

For the half year ended December 31, 2021

	Issued	Capital Reserves		Revenue Reserve	Total
	Subscribed and paid-up capital	Share premium	Surplus on revaluation of fixed assets	Unappropriated profits	
----- Rupees '000 -----					
Balance as at July 1, 2020 (audited)	570,025	1,102,721	2,223,294	1,982,600	5,878,640
Total comprehensive income for the six months period ended December 31, 2020					
Profit for the period	-	-	-	6,938	6,938
Other comprehensive income	-	-	-	-	-
	-	-	-	6,938	6,938
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred taxation	-	-	(18,055)	18,055	-
Balance as at December 31, 2020 (un-audited)	570,025	1,102,721	2,205,239	2,007,593	5,885,578
Balance as at July 1, 2021 (audited)	570,025	1,102,721	2,176,240	2,158,630	6,007,616
Total comprehensive income for the six months period ended December 31, 2021					
Profit for the period	-	-	-	112,063	112,063
Other Comprehensive income	-	-	-	-	-
	-	-	-	112,063	112,063
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred taxation	-	-	(16,858)	16,858	-
Balance as at December 31, 2021 (un-audited)	570,025	1,102,721	2,159,382	2,287,551	6,119,679

The annexed notes from 1 to 15 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 half year ended December 31, 2021

	December 31, 2021	December 31, 2020
	----- Rupees '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	128,011	16,460
Adjustments for non-cash charges and other items:		
Depreciation and amortisation	65,443	68,662
Provision for gratuity	6,332	5,958
Provision for expected credit losses	-	797
Interest income	(63,907)	(38,092)
Gain on disposal of operating fixed assets	(554)	(2,365)
Dividend income	-	(276)
Liabilities written back	-	(9,995)
Finance cost	32,021	8,562
Exchange loss - net	8,218	1,242
Operating profit before working capital changes	175,564	50,953
Decrease / (increase) in current assets:		
Stores, spares and loose tools	6,156	1,587
Stock-in-trade	(381,409)	35,780
Trade debts	19,157	(16,625)
Loans and advances	(18,089)	(2,810)
Deposit and prepayments	30,074	(22,260)
Other receivables	(184,739)	62,083
	(528,850)	57,755
Increase in trade and other payables	169,947	157,990
Cash (used in) / generated from operations	(183,339)	266,698
Gratuity paid	(14,864)	(10,513)
Long term loans - net	(103)	1,244
Long term deposits - net	3,431	(3,313)
Finance cost paid	(18,901)	(19,488)
Income taxes (paid) / refund - net	(75,392)	76,409
Net cash (used in) / generated from operating activities - carried forward	(289,168)	311,037

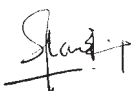
Condensed Interim Statement of Cash Flows (Un-audited)

For the half year ended December 31, 2021

	December 31, 2021	December 31, 2020
	----- Rupees '000 -----	
Net cash (used in) / generated from		
operating activities - brought forward	(289,168)	311,037
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for fixed capital expenditure	(1,221,187)	(68,793)
Payments for intangible asset	-	(112)
Proceeds from disposal of property, plant and equipment	8,063	7,142
Interest income received	58,497	37,868
Dividend received	-	276
Due from Subsidiary Company - net	(31,054)	214,125
Short term investment - net	-	(340,235)
Net cash used in investing activities	(1,185,681)	(149,729)
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease liabilities - net	(24,322)	(8,228)
Long term borrowings - obtained	899,682	144,563
Long term borrowings - repaid	(41,050)	-
Long term deposits - net	49,000	5,116
Short term borrowings - net	604,108	31,359
Net cash generated from financing activities	1,487,418	172,810
Net increase in cash and cash equivalents	12,569	334,118
Cash and cash equivalents at beginning of the period	1,029,202	311,091
Cash and cash equivalents at end of the period	1,041,771	645,209

The annexed notes from 1 to 15 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 half year ended December 31, 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 have been subjected to limited scope review by the auditors, as required under section 237 of Companies Act, 2017 and do not include all the statements and disclosures as required in the annual financial statements, so should be read in conjunction with audited annual financial statements of the Company 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 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 half year ended December 31, 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
	December 31, 2021	June 30, 2021
Note	-----	-----
	Rupees '000	-----

5. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	5.1	3,350,374	3,370,264
Right of use assets	5.2	89,780	93,403
Capital work-in-progress	5.3	1,786,221	601,722
		<u>5,226,375</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	36,688	20,873
Transfer from right of use asset		-	1,153
Disposals costing Rs. 3,013 thousand (June 30, 2021: Rs.67,648 thousand) - at book value		(977)	(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		(55,601)	(117,786)
Book value at end of the period / year		<u>3,350,374</u>	<u>3,370,264</u>

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

For the half year ended December 31, 2021

Un-audited	Audited
December 31, 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	22,075	7,651
Furniture and fixtures	926	43
Owened vehicles	10,145	-
Other equipment	1,112	3,280
Office equipment	454	310
Computers	1,976	6,495
	<u>36,688</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.10,148 thousand (June 30, 2021: Rs.1,814 thousand) - at book value	(6,532)	(882)
Transferred to operating fixed assets	-	(1,153)
Depreciation charged during the period / year	(9,595)	(20,696)
Net book value at end of the period	<u>89,780</u>	<u>93,403</u>

5.3 Includes Chery's car project related capital expenditure aggregating Rs.1,181,575 thousand (June 30, 2021: Rs.7,466 thousand).

Un-audited	Audited
December 31, 2021	June 30, 2021
----- Rupees '000 -----	

6. STOCK IN TRADE

Raw materials		
- in hand	255,577	86,531
- in transit	57,677	-
	<u>313,254</u>	<u>86,531</u>
Finished goods		
- in hand	592,671	531,270
- in transit	163,272	69,987
	<u>755,943</u>	<u>601,257</u>
	<u>1,069,197</u>	<u>687,788</u>

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

For the half year ended December 31, 2021

7. Includes sales tax refundable / adjustable aggregating Rs. 138,307 thousand (June 30, 2021: Rs. Nil) and margins against letter of credit Rs. 53,643 thousand (June 30, 2021: Rs. 1,249 thousand).

	Un-audited	Audited
	December 31, 2021	June 30, 2021
Note	----- Rupees '000 -----	
8. LONG TERM BORROWINGS		
Loan under refinance scheme for payment of wages and salaries	8.1 -	46,397
Term loan from JS Bank Limited	499,682	-
Loan from Dubai Islamic Bank Limited under Islamic Temporary Economic Refinance Facility (ITERF)	400,000	-
Adjustment pertaining to fair value of loan at below market interest rate (government grant)	(108,336)	-
	291,664	-
	<u>791,346</u>	<u>46,397</u>

8.1 Movement in 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	4,488	(8,153)
Payments during the period / year	(41,050)	(54,550)
	<u>118,935</u>	<u>155,497</u>
Current portion grouped under current liabilities	(118,935)	(109,100)
Closing balance	<u>-</u>	<u>46,397</u>

9. SHORT TERM BORROWINGS - Secured

Running finances / musharakah	240,823	-
Finance against trust receipts	38,853	-
Finance against imported merchandise	135,432	-
Short term loans	289,000	100,000
	<u>704,108</u>	<u>100,000</u>

10. CONTINGENCIES AND COMMITMENTS

- 10.1 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.
- 10.2 Commitment in respect of irrevocable letters of credit as at December 31, 2021 aggregate to Rs.1,222,236 thousand (June 30, 2021: Rs.1,561,635 thousand).

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

For the half year ended December 31, 2021

- 10.3** Guarantees aggregating Rs.20,633 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.970,618 thousand (June 30, 2021: Rs.484,716 thousand) to the commercial banks against banking facilities utilised by the Subsidiary Company.

Note	Un-audited		Un-audited	
	Three months period ended		Six months period ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020

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

11. COST OF SALES

Finished goods at beginning of the period	530,514	631,494	531,270	749,729
Cost of goods manufactured	831,467	527,041	1,507,397	1,019,625
Purchases - trading goods	215,466	88,462	365,854	94,674
	<u>1,046,933</u>	<u>615,503</u>	<u>1,873,251</u>	<u>1,114,299</u>
	<u>1,577,447</u>	<u>1,246,997</u>	<u>2,404,521</u>	<u>1,864,028</u>
Finished goods at end of the period	(592,671)	(642,202)	(592,671)	(642,202)
	<u>984,776</u>	<u>604,795</u>	<u>1,811,850</u>	<u>1,221,826</u>

11.1 Cost of goods manufactured

Raw materials and parts consumed	631,115	352,438	1,102,955	670,580
Factory overheads	200,352	174,603	404,442	349,045
	<u>831,467</u>	<u>527,041</u>	<u>1,507,397</u>	<u>1,019,625</u>

12. 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:

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

For the half year ended December 31, 2021

Related party name along with relation	Nature of transaction	Un-audited	Un-audited
		December 31, 2021	December 31, 2020
--- Rupees in '000 ---			
(i) Holding Company			
Bibojee Services (Private) Limited - 57.76% shares held in the Company	Corporate office rent	3,630	3,300
	Contract assembly charges	2,106	-
	Sale of fleet vehicle	2,600	-
(ii) Subsidiary Company			
Gandhara DF (Private) Limited 99.99% shares held by the Company	Contract assembly charges	22,745	11,372
	Purchase of parts	514	1
	Sale of parts	130	865
	Long term advances given - net	31,054	-
	Payments received against long term advances - net	-	214,125
	Rental income	2,250	-
	Interest income	30,454	29,406
	Guarantee commission	3,798	1,646
(iii) Associated Companies			
Gandhara Industries Limited 19.09% shares held by the Company (12.1)	Contract assembly charges	379,223	266,152
	Purchase of parts	83	16
	Head office rent	1,932	1,757
	Fabrication of vehicle	750	-
	Reimbursement of expenses	35	490
Gandhara Tyre and Rubber Company Limited (12.1)	Purchase of tyres, tubes and flaps	16,559	12,421
Gammon Pakistan Limited (12.1)	Office rent	1,815	1,650
Janana De Malucho Textile Mills Limited (12.1)	Reimbursement of expenses	1,344	1,067
Balushistan Wheels Limited (12.1)	Purchase of rims	19,972	10,990
(iv) Others			
Staff provident fund	Contribution made	5,914	5,998
Staff gratuity fund	Contribution made	14,864	10,513
Key management personnel	Remuneration and other short term benefits	47,835	48,861
	Sale of fleet vehicles	-	2,932

12.1 Associated company by virtue of common directorship.

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

For the half year ended December 31, 2021

Un-audited	Audited
December 31, 2021	June 30, 2021
----- Rupees '000 -----	

12.2 Period / year end balances are as follows:

Debit balances / receivables from related parties

Long term investments	222,906	222,906
Long term loans	3	579
Trade debts	53,486	29,679
Loan and advances	1,165	1,172
Deposits and prepayments	2,420	6,050
Other receivables	3,957	1,280
Accrued interest / mark-up	18,425	11,354

Payable to related parties

Trade and other payables	29,229	31,467
--------------------------	--------	--------

13. 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.

14. CORRESPONDING FIGURES

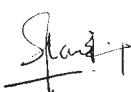
In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', corresponding figures in the condensed interim statement of financial position comprise of balances as per the audited annual financial statements of the Company for the year ended June 30, 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 six months ended December 31, 2020. Corresponding figures have been rearranged and reclassified for better presentation wherever considered necessary, the effect of which is not material.

15. DATE OF AUTHORISATION FOR ISSUE


These condensed interim financial statements were authorised for issue on February 24, 2022 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' Review on Consolidated Condensed Financial Statements

The directors are presenting their report together with consolidated financial statements of Ghandhara Nissan Limited and its subsidiary Ghandhara DF (Pvt.) Limited for the half year ended 31st December, 2021.

The economic landscape of the country is undergoing gradual improvement creating hopes for better prospects for a broad base recovery. Despite the challenges of exchange rate fluctuations, rising commodity prices, energy tariff hikes and policy rate increase, the management is committed and making its efforts for sustainable growth.

The financial results for the half year ended December 31, 2021 are summarized below:

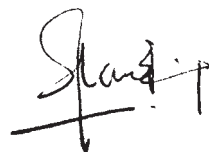
	-----Half Year Ended-----	
	December 2021	December 2020
	(Rupees in thousands)	
Revenue	2,416,707	1,785,813
Gross profit	322,066	200,674
Operating profit	150,629	46,470
Net profit/ (loss) after tax	205,819	(169,815)
Earnings/ (loss) per share (rupees)	3.61	(2.98)

For and on behalf of the Board of Directors



Ahmad Kuli Khan Khattak
 Chief Executive Officer

Karachi
 Dated: February 24, 2022



Muhammad Saleem Baig
 Director

مجموعی عبوری مالیاتی حسابات پر ڈائریکٹرز کا جائزہ

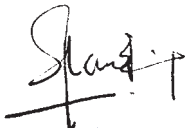
ڈائریکٹرز 31 دسمبر 2021 کو ختم ہونے والے نصف سال کے لیے گندھارا انسان لمیٹڈ اور اس کی ذیلی کمپنی گندھارا DFI (پرائیویٹ) لمیٹڈ کے مجموعی عبوری مالیاتی حسابات کے ہمراہ اپنی رپورٹ پیش کر رہے ہیں۔

ملک کا معاشی منظر نامہ بتدریج بہتری کی طرف بڑھ رہا ہے جس سے وسیع بنیاد پر بحالی کے بہتر امکانات کی امید پیدا ہو رہی ہے۔ شرح مبادلہ میں اتار چڑھاؤ، اجناس کی بڑھتی ہوئی قیمتوں، توانائی کے نرخوں میں اضافے اور پالیسی ریٹ میں اضافے کے چیلنجوں کے باوجود انتظامیہ پر عزم ہے اور پائیدار ترقی کے لیے اپنی کوششیں کر رہی ہے۔

31 دسمبر 2021 کو ختم ہونے والے نصف سال کے لیے مالیاتی نتائج کا خلاصہ درج ذیل ہے:

ختم ہونے والے نصف سال		
دسمبر 2020	دسمبر 2021	
(روپے ہزاروں میں)		
1,785,813	2,416,707	آمدنی
200,674	322,066	مجموعی منافع
46,470	150,629	آپریٹنگ منافع
(169,815)	205,819	بعد از ٹیکس خالص منافع / (نقصان)
(2.98)	3.61	فی حصص نفع / (نقصان) روپے میں

برائے و منجانب بورڈ آف ڈائریکٹرز


محمد سلیم بیگ
ڈائریکٹر



احمد قسبی خان خٹک
چیف ایگزیکٹو آفیسر
کراچی

تاریخ: 24 فروری 2022

Consolidated Condensed Interim Statement of Financial Position

As at December 31, 2021

		Un-audited December 31, 2021	Audited June 30, 2021
ASSETS	Note	----- Rupees '000 -----	
Non current assets			
Property, plant and equipment	6	5,243,324	4,154,782
Intangible assets		3,582	4,094
Long term investments	7	1,171,866	1,049,588
Long term loans		14,287	14,529
Long term deposits		26,745	29,139
		6,459,804	5,252,132
Current assets			
Stores, spares and loose tools		130,311	136,467
Stock-in-trade	8	2,335,389	1,262,448
Trade debts		757,829	897,206
Loans and advances		30,725	11,965
Deposits and prepayments		43,210	73,888
Accrued interest / mark-up		7,756	9,342
Other receivables	9	248,246	18,048
Taxation - net		356,462	312,247
Cash and bank balances		1,063,290	1,085,823
		4,973,218	3,807,434
Total assets		11,433,022	9,059,566

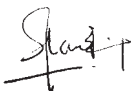
Consolidated Condensed Interim Statement of Financial Position

As at December 31, 2021

	Un-audited December 31, 2021	Audited June 30, 2021
	Note	----- Rupees '000 -----
EQUITY AND LIABILITIES		
<i>Share capital and reserves</i>		
Authorised capital		
- 80,000,000 (June 30, 2021: 80,000,000) ordinary shares of Rs.10 each	800,000	800,000
Issued, subscribed and paid-up capital		
- 57,002,500 (June 30, 2021: 57,002,500) ordinary shares of Rs.10 each	570,025	570,025
Capital reserves		
- share premium	1,102,721	1,102,721
- surplus on revaluation of fixed assets - net	2,831,556	2,849,529
- Items directly credited to equity by an Associate	76,480	75,365
	4,010,757	4,027,615
Revenue reserve - unappropriated profits	3,096,465	2,874,533
Equity attributable to shareholders of the Holding Company	7,677,247	7,472,173
Non-controlling interest	51	54
Total equity	7,677,298	7,472,227
<i>Liabilities</i>		
Non current liabilities		
Lease liabilities	57,132	67,234
Long term borrowings	10 791,346	46,397
Deferred income - government grant	10 108,336	953
Long term deposits	82,226	33,226
Deferred taxation - net	278,548	289,062
	1,317,588	436,872
Current liabilities		
Trade and other payables	1,121,617	748,911
Accrued mark-up	24,354	8,784
Short term borrowings	11 1,135,875	240,189
Current portion of lease liabilities	23,089	25,682
Current maturity of long term borrowings	10 118,935	109,100
Current portion of deferred income - government grant	3,665	7,200
Unclaimed dividend	10,601	10,601
	2,438,136	1,150,467
Total liabilities	3,755,724	1,587,339
Contingencies and commitments	12	
Total equity and liabilities	11,433,022	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 half year ended December 31, 2021

	Quarter ended		Half year ended	
	December 30, 2021	December 31, 2020	December 30, 2021	December 31, 2020
Note	----- Rupees '000 -----		----- Rupees '000 -----	
Revenue - net	1,285,250	868,224	2,416,707	1,785,813
Cost of sales	13 (1,144,058)	(784,182)	(2,094,641)	(1,585,139)
Gross profit	141,192	84,042	322,066	200,674
Distribution cost	(30,571)	(33,825)	(63,668)	(67,103)
Administrative expenses	(69,821)	(60,792)	(132,362)	(116,523)
Other income	18,257	26,330	47,110	31,414
Other expenses	(12,337)	(738)	(22,517)	(1,992)
Profit from operations	46,720	15,017	150,629	46,470
Finance cost	(28,563)	(4,529)	(47,033)	(15,787)
	18,157	10,488	103,596	30,683
Share of profit / (loss) of an Associate	86,647	(27,423)	123,026	(183,662)
Profit / (loss) before taxation	104,804	(16,935)	226,622	(152,979)
Taxation	(4,419)	225	(20,803)	(16,836)
Profit / (loss) after taxation	100,385	(16,710)	205,819	(169,815)
Other comprehensive income				
Items that will not be reclassified to profit or loss				
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	-	-	(748)	(140)
Other comprehensive (loss) / income - net of tax	-	-	(748)	326,210
Total comprehensive income / (loss) for the period	100,385	(16,710)	205,071	156,395
Attributable to:				
- Shareholders of the Holding Company		(16,711)	205,074	156,394
- Non-controlling interest	-	1	(3)	1
	100,385	(16,710)	205,071	156,395
	----- Rupees -----		----- Rupees -----	
Earnings / (loss) per share - basic and diluted	1.76	(0.29)	3.61	(2.98)


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 half year ended December 31, 2021

	Share capital	Capital Reserves			Revenue Reserve	Total	Non - controlling interest
		Share premium	Surplus on revaluation of fixed assets	Items directly credited to equity by an Associate	Unappropriated 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
Total comprehensive income for the six months period ended December 31, 2020							
Loss for the period	-	-	-	-	(169,816)	(169,816)	1
Other comprehensive income / (loss)	-	-	326,350	-	(140)	326,210	-
	-	-	326,350	-	(169,956)	156,394	1
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred tax	-	-	(18,055)	-	18,055	-	-
Effect of item directly credited in equity by an Associate	-	-	(763)	763	-	-	-
Balance as at December 31, 2020 (un-audited)	570,025	1,102,721	2,879,818	74,075	2,550,709	7,177,348	48
Balance as at July 1, 2021 (audited)	570,025	1,102,721	2,849,529	75,365	2,874,533	7,472,173	54
Total comprehensive income for the six months period ended December 31, 2021							
Profit for the year	-	-	-	-	205,822	205,822	(3)
Other comprehensive loss	-	-	-	-	(748)	(748)	-
	-	-	-	-	205,074	205,074	(3)
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred tax	-	-	(16,858)	-	16,858	-	-
Effect of item directly credited in equity by an Associate	-	-	(1,115)	1,115	-	-	-
Balance as at December 31, 2021 (un-audited)	570,025	1,102,721	2,831,556	76,480	3,096,465	7,677,247	51

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 half year ended December 31, 2021

	December 31, 2021	December 31, 2020
	----- Rupees '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	226,622	(152,979)
Adjustments for non-cash charges and other items:		
Depreciation and amortisation	67,004	70,204
Provision for gratuity	7,517	5,958
Provision for expected credit losses	-	797
Interest income	(34,758)	(8,686)
Gain on disposal of property, plant and equipment	(2,745)	(2,365)
Dividend income	-	(276)
Liabilities written back	-	(9,995)
Share of (profit) / loss of an Associate	(123,026)	183,662
Finance cost	47,033	16,492
Exchange loss - net	13,029	3,134
Operating profit before working capital changes	200,676	105,946
Decrease / (increase) in current assets:		
Stores, spares and loose tools	6,156	1,587
Stock-in-trade	(1,072,941)	101,694
Trade debts	139,377	(46,321)
Loans and advances	(18,760)	(5,135)
Deposit and prepayments	30,678	(24,532)
Other receivables	(230,198)	55,737
	(1,145,688)	83,030
Increase in trade and other payables	370,428	395,302
Cash (used in) / generated from operations	(574,584)	584,278
Gratuity paid	(18,268)	(10,513)
Long term loans - net	242	(1,526)
Long term deposits - net	2,394	5,557
Finance cost paid	(31,463)	(37,549)
Income taxes (paid) / refunds - net	(75,532)	221,043
Net cash (used in) / generated from operating activities		
activities - carried forward	(697,211)	761,290

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

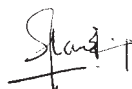
For the half year ended December 31, 2021

	December 31, 2021	December 31, 2020
	----- Rupees '000 -----	
Net cash (used in) / generated from operating activities - brought forward	(697,211)	761,290
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for fixed capital expenditure	(1,221,261)	(68,793)
Payments for intangible assets	-	(112)
Proceeds from disposal of property, plant and equipment	81,476	7,142
Interest income received	36,344	8,686
Dividend received	-	276
Investments - net	-	(340,235)
Net cash used in investing activities	(1,103,441)	(393,036)
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease finances - net	(25,199)	(26,405)
Long term borrowings - obtained	899,682	144,563
Long term borrowings - repaid	(41,050)	-
Long term deposits - net	49,000	5,116
Short term borrowings - net	895,686	(41,068)
Net cash generated from financing activities	1,778,119	82,206
Net (decrease) / increase in cash and cash equivalents	(22,533)	450,460
Cash and cash equivalents at beginning of the period	1,085,823	353,516
Cash and cash equivalents at end of the period	1,063,290	803,976

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 half year ended December 31, 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 six months period ended December 31, 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 half year ended December 31, 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 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 December 31, 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 half year ended December 31, 2021

		Un-audited December 31, 2021	Audited June 30, 2021
Note		----- Rupees '000 -----	
6. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	6.1	3,360,363	3,380,514
Right of use assets	6.2	95,018	99,602
Capital work-in-progress	6.3	1,787,943	674,666
		5,243,324	4,154,782
6.1 Operating fixed assets			
Book value at beginning of the period / year		3,380,514	3,501,648
Additions during the period / year	6.1.1	36,762	21,331
Transfer from right of use asset	6.2	-	1,153
Disposals costing Rs. 3,013 thousand (June 30, 2021: Rs.67,648 thousand) - at book value		(977)	(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		(55,936)	(119,310)
Book value at end of the period / year		3,360,363	3,380,514
6.1.1 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		22,075	7,651
Furniture and fixtures		1,000	390
Owned vehicles		10,145	-
Other equipment		1,112	3,280
Office equipment		454	357
Computers		1,976	6,559
		36,762	21,331
6.2 Right of use assets			
Book value at beginning of the period / year		99,602	102,439
Additions during the period / year		12,504	21,444
Disposals costing Rs.10,148 thousand (June 30, 2021: Rs.1,814 thousand) - at book value		(6,532)	(882)
Transferred to operating fixed assets	6.1	-	(1,153)
Depreciation charged during the period / year		(10,556)	(22,246)
Net book value at end of the period		95,018	99,602
6.3	Includes Chery's car project related capital expenditure aggregating Rs.1,181,575 thousand (June 30, 2021: Rs.7,466 thousand).		

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

For the half year ended December 31, 2021

		Un-audited December 31, 2021	Audited June 30, 2021
	Note	----- Rupees '000 -----	
7. LONG TERM INVESTMENTS			
Associate - equity accounted investment	7.1	1,171,866	1,049,588
Others - available for sale	7.2	-	-
		<u>1,171,866</u>	<u>1,049,588</u>
7.1 Ghandhara Industries Limited			
Balance at beginning of the period / year		1,049,588	800,676
Share of profit / (loss) for the period / year		123,026	(77,298)
Share of other comprehensive (loss) / income for the period / year		(748)	326,210
Balance at end of the period / year		<u>1,171,866</u>	<u>1,049,588</u>

7.1.1 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 December 31, 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.

7.1.2 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 December 31, 2021 are not presently available.

7.1.3 The market value of investment as at December 31, 2021 was Rs.1,431,291, thousand (June 30, 2021: Rs.2,269,084 thousand).

		Un-audited December 31, 2021	Audited June 30, 2021
		----- Rupees '000 -----	
7.2 Others - available for sale			
Automotive Testing & Training Centre (Private) Limited			
187,500 (June 30, 2021: 187,500) ordinary shares of Rs.10 each - cost		1,875	1,875
Provision for impairment		(1,875)	(1,875)
		<u>-</u>	<u>-</u>

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

For the half year ended December 31, 2021

	Un-audited December 31, 2021	Audited June 30, 2021
	----- Rupees '000 -----	
8. STOCK IN TRADE		
Raw materials		
- in hand	820,832	266,388
- in transit	57,677	-
	<u>878,509</u>	<u>266,388</u>
Finished goods		
- in hand	1,293,608	926,073
- in transit	163,272	69,987
	<u>1,456,880</u>	<u>996,060</u>
	<u>2,335,389</u>	<u>1,262,448</u>
9.	Includes sales tax refundable / adjustable aggregating Rs.188,269 thousand (June 30, 2021: Rs. Nil) and margins against letter of credit Rs.53,643 thousand (June 30, 2021: Rs. 1,249 thousand).	
	Un-audited December 31, 2021	Audited June 30, 2021
	----- Rupees '000 -----	
10. LONG TERM BORROWINGS		
Loan under refinance scheme for payment of wages and salaries	-	46,397
Term loan from JS Bank Limited	499,682	-
Loan from Dubai Islamic Bank Limited under Islamic Temporary Economic Refinance Facility (ITERF)	400,000	-
Adjustment pertaining to fair value of loan at below market interest rate (government grant)	(108,336)	-
	<u>291,664</u>	<u>-</u>
	<u>791,346</u>	<u>46,397</u>
10.1 Movement in 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	4,488	(8,153)
Payments during the period / year	(41,050)	(54,550)
	<u>118,935</u>	<u>155,497</u>
Current portion grouped under current liabilities	(118,935)	(109,100)
Closing balance	-	46,397

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

For the half year ended December 31, 2021

	Un-audited	Audited
	December 31, 2021	June 30, 2021
	----- Rupees '000 -----	
11. SHORT TERM BORROWINGS - Secured		
Running finances / musharakah	532,590	189
Finance against trust receipts	38,853	-
Finance against imported merchandise	135,432	-
Short term loans	429,000	240,000
	<u>1,135,875</u>	<u>240,189</u>

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 December 31, 2021 aggregate to Rs. 1,880,199 thousand (June 30, 2021: Rs.1,876,651 thousand).

12.3 Guarantees aggregating Rs.20,633 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.970,618 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.

13. COST OF SALES

	Un-audited		Un-audited	
	Three months period ended December 31, 2021	December 31, 2020	Six months period ended December 31 2021	December 31, 2020
	Note ----- Rupees '000 -----		----- Rupees '000 -----	
Finished goods at beginning of the period	918,703	912,448	926,073	1,120,180
Cost of goods manufactured	1,170,051	624,268	1,936,509	1,182,330
Purchases - trading goods	348,912	108,422	525,667	143,585
	<u>2,437,666</u>	<u>732,690</u>	<u>2,462,176</u>	<u>1,325,915</u>
	2,437,666	1,645,138	3,388,249	2,446,095
Finished goods at end of the period	(1,293,608)	(860,956)	(1,293,608)	(860,956)
	<u>1,144,058</u>	<u>784,182</u>	<u>2,094,641</u>	<u>1,585,139</u>
13.1 Cost of goods manufactured				
Raw materials and parts consumed	940,384	439,589	1,492,861	816,268
Factory overheads	229,667	184,679	443,648	366,062
	<u>1,170,051</u>	<u>624,268</u>	<u>1,936,509</u>	<u>1,182,330</u>

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

For the half year ended December 31, 2021

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:

Related party name along with relation	Nature of transaction	Un-audited	Un-audited
		December 31, 2021	December 31, 2020
--- Rupees in '000 ---			
(i) Ultimate Holding Company			
Bibojee Services (Private) Limited - 57.76% shares held in the Holding Company	Corporate office rent Contract assembly revenue Sale of fleet vehicle	7,260 2,106 2,600	6,600 - -
(ii) Associated Companies			
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 Reimbursement of expenses	379,223 83 - 750 3,864 35	266,152 16 4 - 3,514 490
Ghandhara Tyre and Rubber Company Limited (14.1)	Purchase of tyres, tubes and flaps	16,559	12,421
Rehman Cotton Mills Limited	Sale of pre-fabricated building structure	86,878	-
Gammon Pakistan Limited (14.1)	Office rent	1,815	1,650
Janana De Malucho Textile Mills Limited (14.1)	Reimbursement of expenses	1,344	1,067
Balushistan Wheels Limited (14.1)	Purchase of rims	19,972	10,990
(iii) Others			
Staff provident fund	Contribution made	6,963	6,659
Staff gratuity fund	Contribution made	18,268	10,513
Key management personnel	Remuneration and other short term benefits	48,500	49,466

14.1 Associated company by virtue of common directorship.

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

For the half year ended December 31, 2021

Un-audited	Audited
December 31, 2021	June 30, 2021

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

14.2 Period / year end balances are as follows:

Debit balances / receivables from related parties

Long term loans	3	579
Trade debts	48,945	19,325
Loan and advances	1,165	1,172
Deposits and prepayments	4,840	12,100

Payable to related parties

Trade and other payables	30,414	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.

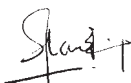
16. CORRESPONDING FIGURES

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 December 31, 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 February 24, 2022 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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