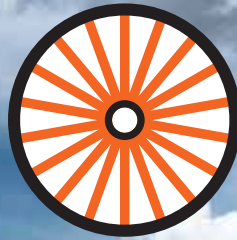


# QUARTERLY REPORT

SEPTEMBER 30, 2019 (Un-audited)



**GHANDHARA  
NISSAN  
LIMITED**



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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

Chairman  
President  
Chief Executive Officer

### Company Secretary

Mr. Muhammad Sheharyar Aslam

### Chief Financial Officer

Mr. Muhammad Umair

### 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  
Main Canal Road, Lahore

400/2, Gammon House  
Peshawar Road  
Rawalpindi Cantt.

### 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  
Summit Bank Limited  
The Bank of Punjab  
The Bank of Khyber  
Askari Commercial Bank Limited  
Meezan Bank Limited - (Shariah)  
Bank Al Habib Limited  
Bank Alfalah Islamic - (Shariah)  
Al Baraka Bank (Pakistan) Limited - (Shariah)  
JS Bank Limited  
Samba Bank Limited

### 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	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

**NTN:**

0802990-3

**Share Registrars**

M/s. T.H.K. Associates (Pvt.) Ltd.  
1st Floor, 40-C,  
Block-6, P.E.C.H.S  
Karachi-75400

**Sales Tax Registration No:**

12-03-8702-001-46

**Legal & Tax Advisors**

M/s. Khalid Anwer & Co.  
Advocate & Legal Consultants,  
153-K, Sufi Street, Block II,  
PECHS, Karachi-75500

M/s. Shekha & Mufti  
Chartered Accountants  
C-253, PECHS., Block 6  
Off Shahrah-e-Faisal  
Karachi.





## 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, 2019.

### Auto-Sector

During the first quarter of financial year 2019-20, the Auto sector experienced a major deterioration in the sales due to prolonged economic slowdown. Sales volumes of auto industry for light and heavy commercial vehicles (Truck segment) reported by PAMA have shown a decline of approx. 50%.

### Financial Results of the Company

The turnover has decreased to Rs.473.7 million during current period from Rs.631.0 million in the corresponding period last year. The gross profit has decreased to Rs.29.3 million from Rs.153.5 million.

The Company has made an after tax loss of Rs.15.3 million as against profit after tax of Rs.89.1 million in the corresponding period, Loss Per Share of the company is Rs.0.27 as compared to Earning of Rs.1.56 per share during corresponding period of last year.

### Reasons for the Loss

The main reason of loss during the period is reduction in sales volumes. This has resulted in under-absorption of factory overheads as well due to which gross profit has declined substantially.

### 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

To address the macro-economic challenges, your company believes that through focusing more on diversity in its product range and by upgrading the existing products, it can achieve customer satisfaction while sustaining these difficult times.

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

Polad Merwan Polad  
Director

Karachi

Dated: October 26, 2019





## ڈائریکٹرز رپورٹ

آپ کے ڈائریکٹرز کی جانب سے 30 ستمبر 2019 کو ختم ہونے والی پہلی سہ ماہی کے لیے گندھارا نسان لمیٹڈ کے مختصر عبوری مالیاتی گوشواروں کے ہمراہ ڈائریکٹرز رپورٹ پیش خدمت ہے۔

### آؤسیکفر

مالی سال 2019-20 کی پہلی سہ ماہی کے دوران طویل معاشی سست روی کی وجہ سے آؤسیکفر کو فروخت میں بھاری زوال کا سامنا کرنا پڑا۔ PAMA کی رپورٹ کے مطابق لائٹ اور ہیوی تجارتی گاڑیوں (ٹرک سیگمنٹ) کے لیے آؤانڈسٹری کے فروخت کے حجم میں لگ بھگ 50% کمی ہوئی ہے۔

### کمپنی کے مالیاتی نتائج

ٹرن اوور گزشتہ سال اسی مدت میں 631.0 ملین روپے سے موجودہ مدت کے دوران 473.7 ملین روپے تک کم ہو گیا ہے۔ مجموعی منافع 153.5 ملین روپے سے 29.3 ملین روپے تک گر گیا ہے۔

گذشتہ سال کی اسی مدت میں 89.1 ملین روپے کے بعد از ٹیکس منافع کے مقابلے میں اس سال 15.3 ملین روپے کے بعد از ٹیکس نقصان کمپنی کو ہوا اور گذشتہ سال کی اسی مدت کے دوران 1.56 روپے فی شیئر آمدنی کے مقابلے میں کمپنی کافی شیئر نقصان 0.27 روپے رہا ہے۔

### نقصان کی وجوہات

اس مدت کے دوران نقصان کی بنیادی وجہ فروخت کے حجم میں کمی ہے۔ اس کے نتیجے میں فیکٹری کے اخراجات (اور وہیڈز) بھی کم جذب ہوئے جس کے نتیجے میں مجموعی منافع میں بھاری کمی ہوئی۔

### متعلقہ پارٹی سے لین دین


متعلقہ پارٹیوں کے ساتھ تمام لین دین آزادانہ اور غیر جانب دارانہ انداز میں کیا گیا ہے اور عبوری مالیاتی گوشواروں کے متعلقہ نوٹ میں ان کا انکشاف کیا گیا ہے۔

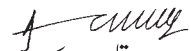
### مستقبل کی توقعات

مجموعی معاشی چیلنجوں سے نبر آزما ہونے کے لیے آپ کی کمپنی یقین رکھتی ہے کہ ہم اپنی پروڈکٹ رینج میں تنوع پر توجہ مرکوز کر کے اور موجودہ پروڈکٹس کی تجدید کے ذریعے ان آزمائش بھرے حالات میں اپنا وجود برقرار رکھتے ہوئے اپنے گاہکوں کا اطمینان حاصل کر سکتے ہیں۔

ڈائریکٹرز مسلسل سرپرستی اور معاونت پر اپنے پرنسپلز، کسٹمرز، ویینڈرز، بینکرز اور دیگر کاروباری ساتھیوں سے اظہار تشکر کرتے ہیں۔

برائے و مخانب بورڈ آف ڈائریکٹرز

  
پولاد مروان پولاد  
ڈائریکٹر

  
احمد قلی خان خٹک  
چیف ایگزیکٹو آفیسر

کراچی

تاریخ: 26 اکتوبر 2019



**Condensed Interim Statement of Financial Position**

As at September 30, 2019

	Note	Un-audited September 30, 2019	Audited June 30, 2019
----- Rupees in '000 -----			
<b>ASSETS</b>			
<b>Non current assets</b>			
Property, plant and equipment	5	3,963,768	3,912,436
Intangible assets		2,379	2,537
Long term investments		222,906	222,906
Long term loans		8,684	10,141
Long term deposits		17,093	13,368
Due from Subsidiary Company		506,389	650,757
		<u>4,721,219</u>	<u>4,812,145</u>
<b>Current assets</b>			
Stores, spares and loose tools		125,786	124,506
Stock-in-trade		945,371	1,069,654
Trade debts		300,973	252,479
Loans and advances		29,969	28,589
Deposits and prepayments		92,668	19,459
Investments		395,239	389,325
Other receivables		122,293	161,325
Accrued interest / mark-up		26,052	27,527
Taxation - net		73,434	62,870
Bank balances		113,286	150,109
		<u>2,225,071</u>	<u>2,285,843</u>
<b>Total assets</b>		<u><u>6,946,290</u></u>	<u><u>7,097,988</u></u>



**Condensed Interim Statement of Financial Position**


As at September 30, 2019

	Un-audited September 30, 2019	Audited June 30, 2019
Note	----- Rupees in '000 -----	
<b>EQUITY AND LIABILITIES</b>		
<b>Share capital and reserves</b>		
Authorised capital		
- 80,000,000 (June 30, 2019: 80,000,000)		
ordinary shares of Rs.10 each	800,000	800,000
Issued, subscribed and paid-up capital		
- 57,002,500 (June 30, 2019: 57,002,500)		
ordinary shares of Rs.10 each	570,025	570,025
<b>Capital reserve</b>		
- share premium	1,102,721	1,102,721
- surplus on revaluation of fixed assets	2,251,844	2,261,358
	3,354,565	3,364,079
<b>Revenue reserve - unappropriated profit</b>	2,144,073	2,149,861
<b>Total equity</b>	6,068,663	6,083,965
<b>Liabilities</b>		
<b>Non current liabilities</b>		
Liabilities against assets subject to finance lease	38,226	44,767
Long term deposits	8,611	8,611
Deferred taxation	352,962	354,312
	399,799	407,690
<b>Current liabilities</b>		
Trade and other payables	338,043	381,201
Accrued mark-up on running finance	8,023	22,287
Short term borrowings	101,427	173,670
Current portion of liabilities against assets subject to finance lease	19,725	18,564
Unclaimed dividend	10,610	10,611
	477,828	606,333
<b>Total liabilities</b>	877,627	1,014,023
<b>Contingencies and commitments</b>	6	
<b>Total equity and liabilities</b>	6,946,290	7,097,988

The annexed notes from 1 to 11 form an integral part of this condensed interim financial statements.

  
Ahmad Kuli Khan Khattak  
Chief Executive Officer

  
Polad Merwan Polad  
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, 2019

	Note	September 30, 2019	September 30, 2018
----- Rupees in '000 -----			
Revenue		473,741	631,029
Cost of sales	7	(444,470)	(477,568)
<b>Gross profit</b>		<b>29,271</b>	<b>153,461</b>
Distribution cost		(16,602)	(12,125)
Administrative expenses		(54,141)	(53,759)
Other income		42,213	51,410
Other expenses		-	(12,886)
<b>Profit from operations</b>		<b>741</b>	<b>126,101</b>
Finance cost		(10,158)	(3,732)
<b>(Loss) / profit before taxation</b>		<b>(9,417)</b>	<b>122,369</b>
Taxation		(5,885)	(33,266)
<b>(Loss) / profit after taxation</b>		<b>(15,302)</b>	<b>89,103</b>
Other comprehensive income		-	-
<b>Total comprehensive (loss) / income for the period</b>		<b>(15,302)</b>	<b>89,103</b>
----- Rupees -----			
<b>(Loss) / earnings per share - basic and diluted</b>		<b>(0.27)</b>	<b>1.56</b>

The annexed notes from 1 to 11 form an integral part of this condensed interim financial statements.

  
Ahmad Kuli Khan Khattak  
Chief Executive Officer

  
Polad Merwan Polad  
Director

  
Muhammad Umair  
Chief Financial Officer





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


For The Three Months Period Ended September 30, 2019

	Share capital	Subscription money against right issue	-----Capital reserve-----		Revenue Reserve Unappropriated profit	Total
			Share premium	Surplus on revaluation of fixed assets		
----- Rupees in '000 -----						
Balance as at July 1, 2018 (audited)	450,025	1,054,319	40,000	972,241	2,151,296	4,667,881
<b>Transactions with owners, recognised directly in equity</b>						
Subscription money received	-	131,694	-	-	-	131,694
Issuance cost	-	(3,292)	-	-	-	(3,292)
	-	128,402	-	-	-	128,402
Issuance of right shares at premium	120,000	(1,182,721)	1,062,721	-	-	-
<b>Total comprehensive income for the three months period ended September 30, 2018</b>						
Profit for the period	-	-	-	-	89,103	89,103
Other comprehensive income	-	-	-	-	-	-
	-	-	-	-	89,103	89,103
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred tax	-	-	-	(6,749)	6,749	-
<b>Balance as at September 30, 2018 (un-audited)</b>	<b>570,025</b>	<b>-</b>	<b>1,102,721</b>	<b>965,492</b>	<b>2,247,148</b>	<b>4,885,386</b>
Balance as at July 1, 2019	570,025	-	1,102,721	2,261,358	2,149,861	6,083,965
<b>Total comprehensive loss for the three months period ended September 30, 2019</b>						
Loss for the period	-	-	-	-	(15,302)	(15,302)
Other comprehensive income	-	-	-	-	-	-
	-	-	-	-	(15,302)	(15,302)
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred tax	-	-	-	(9,514)	9,514	-
<b>Balance as at September 30, 2019 (un-audited)</b>	<b>570,025</b>	<b>-</b>	<b>1,102,721</b>	<b>2,251,844</b>	<b>2,144,073</b>	<b>6,068,663</b>

The annexed notes from 1 to 11 form an integral part of this condensed interim financial statements.

  
Ahmad Kuli Khan Khattak  
Chief Executive Officer

  
Polad Merwan Polad  
Director

  
Muhammad Umair  
Chief Financial Officer



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

For The Three Months Period Ended September 30, 2019

	September 30, 2019	September 30, 2018
----- Rupees in '000 -----		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss) / profit before taxation	(9,417)	122,369
Adjustments for non-cash charges and other items:		
Depreciation and amortisation	33,478	25,759
Provision for gratuity	3,353	2,525
Interest income	(33,233)	(25,930)
Unrealised gain on investments at fair value through profit or loss	(6,031)	(18,186)
Finance cost	10,158	3,732
Exchange (gain) / loss - net	(1,616)	3,817
Operating (loss) / profit before working capital changes	(3,308)	114,086
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(1,280)	(10,008)
Stock-in-trade	124,283	95,730
Trade debts	(48,494)	888
Loans and advances	(1,380)	3,671
Deposit and prepayments	(73,209)	(67,888)
Other receivables	39,032	40,437
	38,952	62,830
Decrease in trade and other payables	(44,895)	(90,707)
Cash (used in) / generated from operations	(9,251)	86,209
Long term loans - net	1,457	1,024
Long term deposits - net	(3,725)	(89)
Finance cost paid	(24,422)	(8,338)
Taxes paid	(17,799)	(40,952)
Net cash (used in) / generated from operating activities	(53,740)	37,854
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(80,571)	(105,519)
Proceeds from disposal of property, plant and equipment	-	1,271
Interest income received	34,708	24,062
Due from Subsidiary Company - net	144,368	216,548
Short term investment - net	117	(1,200,000)
Net cash generated from / (used in) investing activities	98,622	(1,063,638)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Lease finances - net	(9,461)	(10,187)
Short term borrowings - net	(72,243)	-
Dividend paid	(1)	-
Subscription money against right issue	-	128,402
Net cash (used in) / generated from financing activities	(81,705)	118,215
Net decrease in cash and cash equivalents	(36,823)	(907,569)
Cash and cash equivalents - at beginning of the period	150,109	1,314,660
Cash and cash equivalents - at end of the period	113,286	407,091

The annexed notes from 1 to 11 form an integral part of this condensed interim financial statements.

Ahmad Kuli Khan Khattak  
Chief Executive OfficerPolad Merwan Polad  
DirectorMuhammad Umair  
Chief Financial Officer



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

For The Three Months Period Ended September 30, 2019

### 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 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 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, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as notified under the Companies Act, 2017; and
- Provision of and directives issued under the Companies Act, 2017.

Where the provision of and directives issues under the Companies Act, 2017 differ with the requirements of IAS 34 or IFAS, the provisions of and directives issued under the Companies Act, 2017 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, 2019.

2.3 This condensed interim financial statements are being submitted to the shareholders as required by the Listing Regulations of Pakistan Stock Exchange and section 237 of the Act.

### 3. ACCOUNTING POLICIES

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, 2019, except for the adoption of new and amended accounting standards effective as of July 1, 2019, which did not have any material effect on these condensed interim financial statements.

#### 3.1 New and amended standards adopted by the Company

IFRS 16 'Leases' - This standard is effective for periods beginning from or after January 01, 2019. IFRS16 replaces the previous lease standard: IAS 17 Leases. It will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short term and low value leases.

The other new standards, amendments to published accounting and reporting standards and interpretations that are mandatory in Pakistan for the financial year beginning on July 1, 2019 are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations.

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

For The Three Months Period Ended September 30, 2019

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 Company 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 condensed interim financial statements.

**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, 2019.

**5. PROPERTY, PLANT AND EQUIPMENT**

		Un-audited September 30, 2019	Audited June 30, 2019
	Note	----- Rupees in '000 -----	
Operating fixed assets	5.1	3,592,076	3,620,513
Capital work-in-progress		<u>371,692</u>	<u>291,923</u>
		<u>3,963,768</u>	<u>3,912,436</u>
<b>5.1 Operating fixed assets</b>			
Book value at beginning of the period / year		3,620,513	1,941,094
Additions during the period / year	5.2	4,883	382,784
Revaluation adjustments		-	1,431,103
Disposals costing Rs. Nil (June 30, 2019: Rs.33,207 thousand) - at book value		-	(15,084)
Depreciation charge for the period / year		<u>(33,320)</u>	<u>(119,384)</u>
Book value at end of the period / year		<u>3,592,076</u>	<u>3,620,513</u>

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

For The Three Months Period Ended September 30, 2019

5.2 Additions to operating fixed assets, including transfer from capital work-in-progress, during the period / year were as follows:	Un-audited September 30, 2019	Audited June 30, 2019
	----- Rupees in '000 -----	
Buildings on freehold land	-	8,489
Buildings on leasehold land	-	93,745
Leasehold improvements	-	42,455
Plant and machinery	-	174,253
Assembly Jigs	590	-
Furniture and fixtures	-	25,923
Vehicles		
- owned	-	15,029
- leased	4,081	19,607
Other equipment	-	1,692
Office equipment	95	690
Computers	117	901
	<u>4,883</u>	<u>382,784</u>

**6. CONTINGENCIES AND COMMITMENTS**

- 6.1 There is no material change in status of the contingencies as disclosed in note 28.1 of the audited annual financial statements of the Company for the year ended June 30, 2019.
- 6.2 Commitment in respect of irrevocable letters of credit as at September 30, 2019 aggregate to Rs.110,244 thousand (June 30, 2019: Rs.31,941 thousand).
- 6.3 Guarantees aggregating Rs.19,490 thousand (June 30, 2019: Rs.6,490 thousand) are issued by banks of the Company to various government and other institutions. Further, the Company has issued corporate guarantees aggregating Rs.357,780 thousand (June 30, 2019: Rs.466,100 thousand) to the commercial banks against banking facilities utilised by the Subsidiary Company.

**7. COST OF SALES**

7.1 Cost of goods manufactured	Note	-----Un-audited-----	
		Three months period ended September 30, 2019	2018
		----- Rupees in '000 -----	
Finished goods at beginning of the period		833,003	378,552
Cost of goods manufactured	7.1	385,115	573,974
Purchases - trading goods		26,873	116,111
		<u>411,988</u>	<u>690,085</u>
		1,244,991	1,068,637
Finished goods at end of the period		(800,521)	(591,069)
		<u>444,470</u>	<u>477,568</u>
Raw materials and parts consumed		231,834	423,718
Factory overheads		153,281	150,256
		<u>385,115</u>	<u>573,974</u>

**8. 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 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 ---	
		Three months period ended September 30,	
		2019	2018
<b>(i) Holding Company</b>		--- Rupees in '000 ---	
Bibojee Services (Private) Limited - 57.76% shares held in the Company	Corporate office rent Subscription money against right issue	1,500 -	1,500 81,734
<b>(ii) Subsidiary Company</b>			
Ghandhara DF (Private) Limited 99.99% shares held by the Company	Contract assembly revenue Purchase of parts Sale of parts Receipts against long term advances - net Interest income Guarantee commission	19,656 - 277 144,368 25,754 1,362	68,293 7 - 382,253 19,604 4,457
<b>(iii) Associated Companies</b>			
Ghandhara Industries Limited 19.09% shares held by the Company (8.1)	Contract assembly revenue Purchase of parts Head office rent	102,562 43 799	205,979 24 704
The General Tyre and Rubber Company of Pakistan (8.1)	Purchase of tyres, tubes and flaps	1,563	19
Gammon Pakistan Limited (8.1)	Regional office rent	750	750
Janana De Malucho Textile Mills Limited (8.1)	Reimbursement of expenses	547	399
<b>(iv) Others</b>			
Staff provident fund	Contribution made	2,662	2,281
Key management personnel	Remuneration and other short term benefits	21,303	23,582

8.1 Associated company by virtue of common directorship.

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

For The Three Months Period Ended September 30, 2019

**8.2 Period / year end balances are as follows:**

	Un-audited September 30, 2019	Audited June 30, 2019
----- Rupees in '000 -----		
<b>Debit balances / receivables from related parties</b>		
Long term investments	222,906	222,906
Long term loans	341	1,723
Trade debts	116,346	101,006
Loan and advances	1,320	1,996
Deposits and prepayments	2,240	-
Other receivables	1,362	1,834
Accrued interest / mark-up	25,754	27,230
<b>Payable to related parties</b>		
Trade and other payables	65,705	60,861

**9. FINANCIAL RISK MANAGEMENT**

The Group's financial risk management objectives and policies are consistent with those disclosed in the audited annual financial statements of the Group for the year ended June 30, 2019.

**10. CORRESPONDING FIGURES**

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim statement of financial position has been compared with the balances of audited annual financial statements of the Company for the year ended June 30, 2019, whereas, the condensed interim statement of profit or loss account and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows have been compared with the balances of comparable period of condensed interim financial statements of the Company for the period ended September 30, 2018. Corresponding figures have been rearranged and reclassified for better presentation wherever considered necessary, the effect of which is not material.

**11. DATE OF AUTHORISATION FOR ISSUE**

This condensed interim financial statements were authorised for issue on October 26, 2019 by the Board of Directors of the Holding Company.

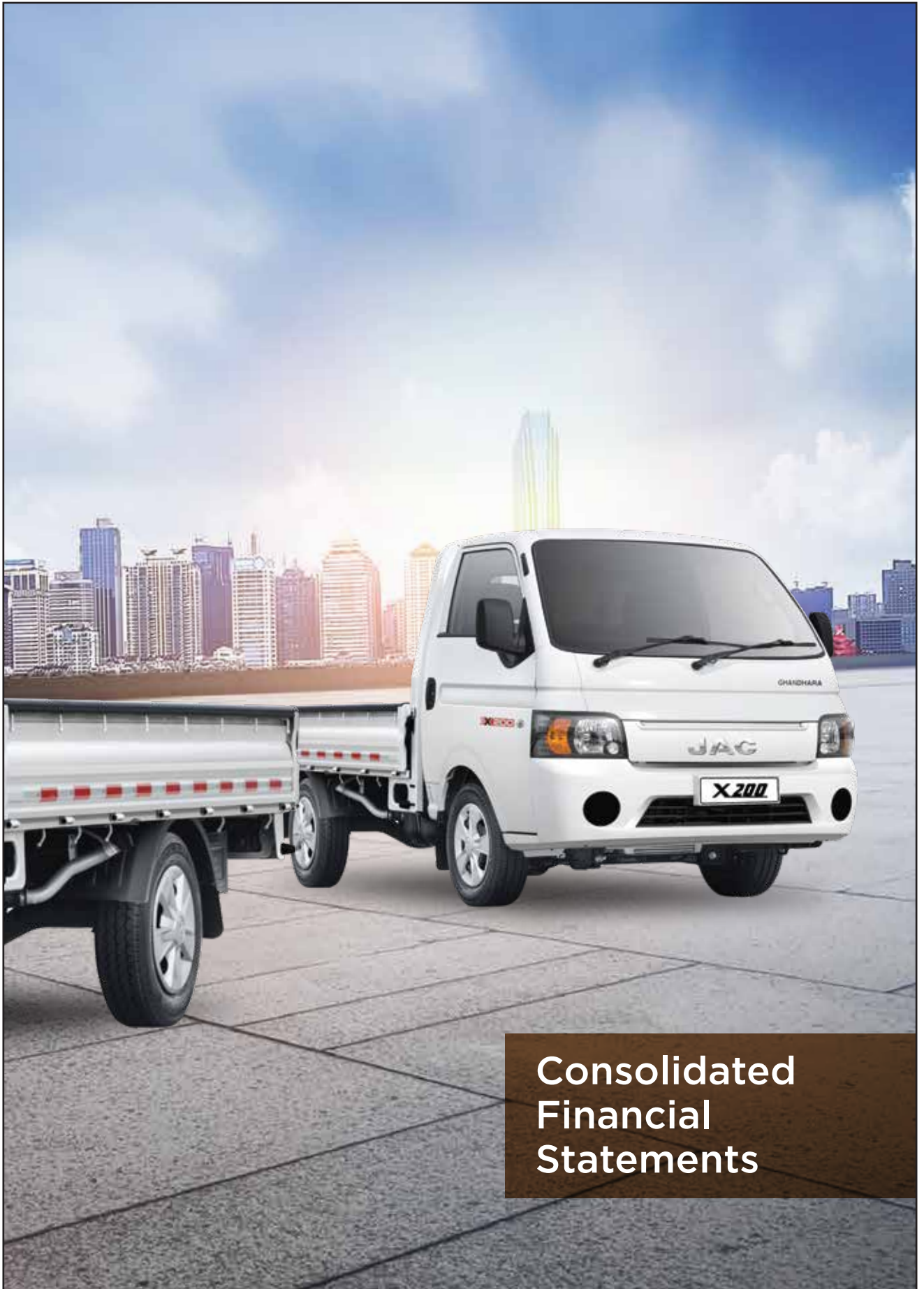
Ahmad Kuli Khan Khattak  
Chief Executive Officer

Polad Merwan Polad  
Director

Muhammad Umair  
Chief Financial Officer







**Consolidated  
Financial  
Statements**



## Directors' Report

The directors are pleased to present their report together with consolidated condensed interim financial statements of Ghandhara Nissan Limited (GNL) and its subsidiary Ghandhara DF (Pvt.) Limited (GDFPL) for the first quarter ended 30th September 2019.

The financial results for the first quarter ended September 30, 2019 are summarized below:

	September 30, 2019	September 30, 2018
	----- Rupees in '000 -----	
Revenue	<b>814,930</b>	1,783,984
Gross Profit	<b>77,444</b>	314,227
Operating (Loss)/ Profit	<b>(1,091)</b>	249,019
Net (Loss)/ Profit after Tax	<b>(114,054)</b>	193,280

The main reasons of loss during the period are reduction in sales volumes, increase in finance cost and share of loss accounted for an associated company under Equity method.

Due to economic slowdown, PKR devaluation and increased interest rates, the market has continued to show declining trend due to which the auto-sector and resultantly the group's financial results have been adversely affected.

Going forward, with the steady recovery in macro-economic variables, we are hopeful of steady improvement in financial performance of the group in the light of established Dongfeng business and promising outlook of JAC and Renault business.

For and on behalf of the Board of Directors

Ahmad Kuli Khan Khattak  
Chief Executive Officer

Polad Merwan Polad  
Director

Karachi

Dated: October 26, 2019



## ڈائریکٹرز رپورٹ

ڈائریکٹرز کی جانب سے 30 ستمبر 2019 کو ختم ہونے والی پہلی سہ ماہی کے لیے گندھارا انسان لمیٹڈ (GNL) اور اس کے ذیلی ادارے گندھارا ڈی ایف (پرائیویٹ) لمیٹڈ (GDFPL) کے مجموعی مختصر عبوری مالیاتی گوشواروں کے ہمراہ ڈائریکٹرز رپورٹ پیش خدمت ہے۔

30 ستمبر 2019 کو ختم ہونے والی پہلی سہ ماہی کے لیے مالیاتی نتائج کا خلاصہ درج ذیل ہے:

30 ستمبر 2018	30 ستمبر 2019	
1,783,984	814,930	آمدنی
314,227	77,444	مجموعی منافع
249,019	(1,091)	آپریٹنگ (نقصان) / منافع
193,280	(114,054)	بعد از ٹیکس خالص (نقصان) / منافع


----- (روپے ہزاروں میں) -----

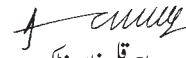
اس مدت کے دوران فروخت کے حجم میں کمی، مالیاتی لاگت میں اضافہ اور ایکویٹی میٹھڈ کے تحت ایک منسلکہ کمپنی کے نقصان کا حصہ خسارے کی بنیادی وجوہات ہیں۔

معاشی سست روی، پاکستانی روپے کی قدر میں کمی اور سود کی بڑھی ہوئی شرح کی وجہ سے کاروبار میں زوال کارہماں جاری رہا ہے۔ جس کی وجہ سے آٹو سیکٹر اور اس کے نتیجے میں اس گروپ کے مالی نتائج پر منفی اثرات مرتب ہوئے ہیں۔

مستقبل میں آگے بڑھتے ہوئے مجموعی معاشی قابل تغیر عوامل میں مستحکم بحالی کے ساتھ، ہم ڈونگ فینگ کے مستحکم کاروبار اور بے اسے اور رینالٹ کے کاروبار کے عمدہ امکانات کی روشنی میں گروپ کی مالیاتی کارکردگی میں بتدریج بہتری کی امید رکھتے ہیں۔

برائے و منجانب بورڈ آف ڈائریکٹرز

  
 پولاد مردان پولاد  
 ڈائریکٹر

  
 احمد قلی خان خٹک  
 چیف ایگزیکٹو آفیسر

کراچی

تاریخ: 26 اکتوبر 2019

**Consolidated Condensed Interim Statement of Financial Position**

As at September 30, 2019

	Note	Un-audited September 30, 2019	Audited June 30, 2019
----- Rupees in '000 -----			
<b>ASSETS</b>			
<b>Non current assets</b>			
Property, plant and equipment	6	3,981,647	3,927,906
Intangible assets		2,489	2,654
Long term investments	7	889,288	915,674
Long term loans		15,259	14,941
Long term deposits		30,405	26,680
		<u>4,919,088</u>	<u>4,887,855</u>
<b>Current assets</b>			
Stores, spares and loose tools		125,786	124,506
Stock-in-trade		1,734,324	2,127,741
Trade debts		1,055,130	987,340
Loans and advances		56,948	33,171
Deposits and prepayments		127,920	26,408
Investments		398,586	392,878
Other receivables		202,947	307,916
Taxation - net		428,455	417,107
Cash and bank balances		200,553	202,173
		<u>4,330,649</u>	<u>4,619,240</u>
<b>Total assets</b>		<u><u>9,249,737</u></u>	<u><u>9,507,095</u></u>



**Consolidated Condensed Interim Statement of Financial Position**

As at September 30, 2019

	Un-audited September 30, 2019	Audited June 30, 2019
Note	----- Rupees in '000 -----	
<b>EQUITY AND LIABILITIES</b>		
<b>Share capital and reserves</b>		
Authorised capital		
- 80,000,000 (June 30, 2019: 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, 2019: 57,002,500) ordinary shares of Rs.10 each	<u>570,025</u>	<u>570,025</u>
<b>Capital reserve</b>		
- share premium	1,102,721	1,102,721
- surplus on revaluation of fixed assets	2,601,980	2,574,149
- Items directly credited to equity by an Associate	72,168	71,811
	<u>3,776,869</u>	<u>3,748,681</u>
<b>Revenue reserve</b> - unappropriated profit	<u>3,030,261</u>	<u>3,134,966</u>
Equity attributable to shareholders of the Holding Company	<u>7,377,155</u>	<u>7,453,672</u>
Non-controlling interest	<u>55</u>	<u>58</u>
<b>Total equity</b>	<u>7,377,210</u>	<u>7,453,730</u>
<b>Liabilities</b>		
<b>Non current liabilities</b>		
Liabilities against assets subject to finance lease	55,194	71,017
Long term deposits	8,611	8,611
Deferred taxation	348,282	347,784
	<u>412,087</u>	<u>427,412</u>
<b>Current liabilities</b>		
Trade and other payables	441,673	647,970
Accrued mark-up	28,654	41,486
Short term borrowings	927,151	875,673
Current portion of liabilities against assets subject to finance lease	52,352	50,213
Unclaimed dividend	10,610	10,611
	<u>1,460,440</u>	<u>1,625,953</u>
<b>Total liabilities</b>	<u>1,872,527</u>	<u>2,053,365</u>
<b>Contingencies and commitments</b>	8	
<b>Total equity and liabilities</b>	<u>9,249,737</u>	<u>9,507,095</u>

The annexed notes from 1 to 13 form an integral part of this consolidated condensed interim financial statements

  
Ahmad Kuli Khan Khattak  
Chief Executive Officer

  
Polad Merwan Polad  
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, 2019

	Note	September 30, 2019	September 30, 2018
----- Rupees in '000 -----			
Revenue		814,930	1,783,984
Cost of sales	7	(737,486)	(1,469,757)
<b>Gross profit</b>		<b>77,444</b>	<b>314,227</b>
Distribution cost		(22,484)	(18,178)
Administrative expenses		(64,790)	(61,131)
Other income		16,672	28,157
Other expenses		(7,933)	(14,056)
<b>(Loss) / profit from operations</b>		<b>(1,091)</b>	<b>249,019</b>
Finance cost		(35,899)	(7,054)
		(36,990)	241,965
<b>Share of (loss) / profit of an Associate</b>		<b>(63,920)</b>	<b>17,393</b>
<b>(Loss) / profit before taxation</b>		<b>(100,910)</b>	<b>259,358</b>
Taxation		(13,144)	(66,078)
<b>(Loss) / profit after taxation</b>		<b>(114,054)</b>	<b>193,280</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Share of associate's:			
- surplus on revaluation of fixed assets		38,344	-
- re-measurement of staff retirement benefits - net		(168)	-
- effect of change in tax rates on balance of revaluation of fixed assets		(642)	-
<b>Other comprehensive income - net</b>		<b>37,534</b>	<b>-</b>
<b>Total comprehensive (Loss) / income</b>		<b>(76,520)</b>	<b>193,280</b>
<b>Attributable to:</b>			
- Shareholders of the Holding Company		(76,517)	193,271
- Non-controlling interest		(3)	9
		(76,520)	193,280
----- Rupees -----			
<b>(Loss) / earnings per share - basic and diluted</b>		<b>(2.00)</b>	<b>3.39</b>

The annexed notes from 1 to 13 form an integral part of this consolidated condensed interim financial statements

  
Ahmad Kuli Khan Khattak  
Chief Executive Officer

  
Polad Merwan Polad  
Director

  
Muhammad Umair  
Chief Financial Officer



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

For The Three Months Period Ended September 30, 2019

	Share capital	Subscription money against right issue	Share premium	Capital Reserve			Revenue reserve	Unappropriated profit <sup>a</sup>	Total	Non - controlling interest
				Surplus on revaluation of fixed assets	Items directly credited to equity by an Associate	Items directly credited to equity by an Associate				
	Rupees in '000									
Balance as at July 1, 2018 (audited)	450,025	1,054,319	40,000	1,286,608	70,235	2,966,287	5,867,474	44		
Transactions with owners, recognised directly in equity										
Subscription money received	-	131,694	-	-	-	-	131,694	-	-	-
Issuance cost	-	(3,292)	-	-	-	-	(3,292)	-	-	-
	-	128,402	-	-	-	-	128,402	-	-	-
Issuance of right shares at premium	120,000	(1,182,721)	1,062,721	-	-	-	-	-	-	-
Total comprehensive income for the three months period ended September 30, 2018										
Profit for the period	-	-	-	-	-	193,271	193,271	-	9	9
Other comprehensive income	-	-	-	-	-	193,271	193,271	-	-	9
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred tax	-	-	-	(6,749)	-	6,749	-	-	-	-
Effect of item directly credited in equity by an Associated Company	-	-	-	(408)	408	-	-	-	-	-
Balance as at September 30, 2018 (un-audited)	570,025	-	1,102,721	1,279,451	70,643	3,166,307	6,189,147	53		
Balance as at July 1, 2019 (audited)	570,025	-	1,102,721	2,574,149	71,811	3,134,966	7,453,672	58		
Total comprehensive loss for the three months period ended September 30, 2019										
Loss for the period	-	-	-	37,702	-	(114,051)	(114,051)	(3)	(3)	(3)
Other comprehensive income/ (loss)	-	-	-	37,702	-	(168)	(76,517)	(3)	(3)	(3)
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred tax	-	-	-	(9,514)	-	9,514	-	-	-	-
Effect of item directly credited in equity by an Associated Company	-	-	-	(357)	357	-	-	-	-	-
Balance as at September 30, 2019 (un-audited)	570,025	-	1,102,721	2,601,980	72,168	3,030,261	7,377,155	55		

The annexed notes from 1 to 13 form an integral part of this consolidated condensed interim financial statements



**Ahmad Kuli Khan Khattak**  
Chief Executive Officer



**Polad Merwan Polad**  
Director



**Muhammad Umair**  
Chief Financial Officer



GHANDHARA NISSAN LIMITED



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

For The Three Months Period Ended September 30, 2019

	September 30, 2019	September 30, 2018
	----- Rupees in '000 -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss) / profit before taxation	(100,910)	259,358
Adjustments for non-cash charges and other items:		
Depreciation and amortisation	34,067	26,186
Provision for gratuity	3,353	2,525
Interest income	(8,625)	(6,326)
Gain on disposal of vehicle	(178)	-
Share of (loss) / profit of an Associate	63,920	(17,393)
Unrealised gain on investments at fair value through profit or loss	(6,031)	(18,186)
Finance cost	35,899	7,054
Exchange loss - net	6,042	4,987
Operating profit before working capital changes	<u>27,537</u>	<u>258,205</u>
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(1,280)	(10,008)
Stock-in-trade	393,417	(59,927)
Trade debts	(67,790)	(39,434)
Loans and advances	(23,777)	(1,265)
Deposit and prepayments	(101,512)	(87,976)
Other receivables	<u>104,969</u>	<u>80,416</u>
	304,027	(118,194)
(Decrease) / increase in trade and other payables	<u>(215,692)</u>	<u>654,310</u>
Cash generated from operations	115,872	794,321
Long term loans - net	(318)	1,023
Long term deposits - net	(3,725)	(5,922)
Finance cost paid	(48,731)	(11,912)
Taxes paid	<u>(23,994)</u>	<u>(95,746)</u>
Net cash generated from operating activities	<u>39,104</u>	<u>681,764</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(83,973)	(105,519)
Proceeds from disposal of property, plant and equipment	589	1,271
Interest income received	8,625	6,326
Investments - net	<u>323</u>	<u>(1,200,000)</u>
Net cash used in investing activities	<u>(74,436)</u>	<u>(1,297,922)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Lease finances - net	(17,765)	(15,486)
Short term borrowings - net	51,478	(153,661)
Dividend paid	(1)	-
Subscription money against right issue	-	128,402
Net cash generated from / (used in) financing activities	<u>33,712</u>	<u>(40,745)</u>
Net decrease in cash and cash equivalents	<u>(1,620)</u>	<u>(656,903)</u>
Cash and cash equivalents at - beginning of the period	<u>202,173</u>	<u>1,323,012</u>
Cash and cash equivalents at - end of the period	<u>200,553</u>	<u>666,109</u>


The annexed notes from 1 to 13 form an integral part of this consolidated condensed interim financial statements



**Ahmad Kuli Khan Khattak**  
Chief Executive Officer



**Polad Merwan Polad**  
Director



**Muhammad Umair**  
Chief Financial Officer



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

For The Three Months Period Ended September 30, 2019

### 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 Nissan, Dongfeng and 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
- Provision 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, 2019 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 financial statements for the year ended June 30, 2019.

2.3 These Consolidated condensed interim financial statements are being submitted to the shareholders as required by the Listing Regulations of Pakistan Stock Exchange and section 237 of the Act.



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

For The Three Months Period Ended September 30, 2019

### 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 financial statements of the Group for the year ended June 30, 2019, except for the adoption of new and amended accounting standards effective as of July 1, 2019, which did not have any material effect on these consolidated condensed interim financial statements.

#### New and amended standards adopted by the Company

IFRS 16 'Leases' - This standard is effective for periods beginning from or after January 01, 2019. IFRS16 replaces the previous lease standard: IAS 17 Leases. It will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short term and low value leases.

The other new standards, amendments to published accounting and reporting standards and interpretations that are mandatory in Pakistan for the financial year beginning on July 1, 2019 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, 2019 ( June 30, 2019: 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 financial statements of the Group for the year ended June 30, 2019.

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

For The Three Months Period Ended September 30, 2019

6. PROPERTY, PLANT AND EQUIPMENT		Un-audited September 30, 2019	Audited June 30, 2019
		----- Rupees in '000 -----	
	Note		
Operating fixed assets	6.1	3,609,955	3,631,186
Capital work-in-progress		371,692	296,720
		<u>3,981,647</u>	<u>3,927,906</u>
<b>6.1 Operating fixed assets</b>			
Book value at beginning of the period / year		3,631,186	1,947,962
Additions during the period / year	6.2	13,083	388,895
Revaluation adjustments		-	1,431,103
Disposals costing Rs. 1,020 thousand (June 30, 2019: Rs.34,207 thousand) - at book value		(412)	(15,432)
Depreciation charge for the period / year		(33,902)	(121,342)
Book value at end of the period / year		<u>3,609,955</u>	<u>3,631,186</u>
<b>6.2 Additions to operating fixed assets, including transfer from capital work-in-progress, during the period / year were as follows:</b>			
Buildings on freehold land		-	8,489
Buildings on leasehold land		-	93,745
Leasehold improvements		-	42,455
Plant and machinery		-	174,253
Assembly Jigs		590	-
Furniture and fixtures		8,200	25,923
Vehicles			
- owned		-	15,029
- leased		4,081	25,718
Other equipment		-	1,692
Office equipment		95	690
Computers		117	901
		<u>13,083</u>	<u>388,895</u>
<b>7. LONG TERM INVESTMENTS</b>			
Associate - equity accounted investment	7.1	889,288	915,674
Others - available for sale	7.2	-	-
		<u>889,288</u>	<u>915,674</u>
<b>7.1 Ghandhara Industries Limited</b>			
Balance at beginning of the period / year		915,674	886,352
Share of (loss) / profit for the period / year		(63,920)	94,451
Share of other comprehensive income / (loss) for the period / year		37,534	(1,697)
Dividend received		-	(63,432)
Balance at end of the period / year		<u>889,288</u>	<u>915,674</u>



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

For The Three Months Period Ended September 30, 2019

- 7.1.1** Investment in Ghandhara Industries Limited (GIL) represents 8,132,336 (June 30, 2019: 8,132,336) fully paid ordinary shares of Rs.10 each representing 19.09% (June 30, 2019: 19.09%) of its issued, subscribed and paid-up capital as at September 30, 2019. 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, 2019. The latest financial statements of GIL as at September 30, 2019 are not presently available.
- 7.1.3** The market value of investment as at September 30, 2019 was Rs.644,325 thousand (June 30, 2019: Rs.710,522 thousand).

	Note	Un-audited September 30, 2019	Audited June 30, 2019
----- Rupees in '000 -----			
<b>7.2</b>	<b>Others - available for sale</b>		
	<b>Automotive Testing &amp; Training Centre (Private) Limited</b>		
	187,500 (June 30, 2019: 187,500) ordinary shares of Rs.10 each - cost	1,875	1,875
	Provision for impairment	(1,875)	(1,875)
		-	-
		-	-

### 8. CONTINGENCIES AND COMMITMENTS

- 8.1** There is no material change in status of the contingencies as disclosed in note 26.1 of the audited annual financial statements of the Group for the year ended June 30, 2019.
- 8.2** Commitment in respect of irrevocable letters of credit as at September 30, 2019 aggregate to Rs.200,425 thousand (June 30, 2019: Rs.133,345 thousand).
- 8.3** Guarantees aggregating Rs.19,999 thousand (June 30, 2019: Rs.6,999 thousand) are issued by banks of the Group to various government and other institutions. Further, the Holding Company has issued corporate guarantees aggregating Rs.357,780 thousand (June 30, 2019: Rs.466,100 thousand) to the commercial banks against financing facilities utilised by the Subsidiary Company.

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

For The Three Months Period Ended September 30, 2019

9. COST OF SALES		-----Un-audited-----	
		Three months period ended September 30,	
		2019	2018
		----- Rupees in '000 -----	
	Note		
Finished goods at beginning of the period		1,066,260	615,916
Cost of goods manufactured	9.1	689,982	1,526,644
Purchases - trading goods		34,073	116,939
		<u>724,055</u>	<u>1,643,583</u>
		1,790,315	2,259,499
Finished goods at end of the period		(1,052,829)	(789,742)
		<u>737,486</u>	<u>1,469,757</u>
<b>9.1 Cost of goods manufactured</b>			
Raw materials and parts consumed		518,233	1,364,885
Factory overheads		171,749	161,759
		<u>689,982</u>	<u>1,526,644</u>

## 10. 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 ---	
		Three months period ended September 30,	
		2019	2018
		--- Rupees in '000 ---	
<b>(i) Ultimate Holding Company</b>			
Bibojee Services (Private) Limited - 57.76% shares held in the Holding Company	Corporate office rent	3,000	3,000
	Subscription money against right issue	-	81,734
<b>(ii) Associated Companies</b>			
Ghandhara Industries Limited 19.09% shares held by the Holding Company (10.1)	Contract assembly revenue	102,562	205,979
	Purchase of parts	43	32
	Sale of parts	-	16
	Head office rent	1,597	704
The General Tyre and Rubber Company of Pakistan Limited (10.1)	Purchase of tyres, tubes and flaps	10,609	19
Gammon Pakistan Limited (10.1)	Regional office rent	750	750
Janana De Malucho Textile Mills Limited (10.1)	Reimbursement of expenses	547	399

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

For The Three Months Period Ended September 30, 2019

Related party name along with relation	Nature of transaction	--- Un-audited ---	
		Three months period ended September 30,	
		2019	2018
<b>(iii) Others</b>			
--- Rupees in '000 ---			
Staff provident fund	Contribution made	2,911	2,344
Key management personnel	Remuneration and other short term benefits	21,303	24,482
<b>10.1 Associated company by virtue of common directorship.</b>			
<b>10.2 Period / year end balances are as follows:</b>			
<b>Debit balances / receivables from related parties</b>		<b>Un-audited September 30, 2019</b>	<b>Audited June 30, 2019</b>
----- Rupees in '000 -----			
Long term loans		341	1,723
Trade debts		96,414	94,650
Loan and advances		1,320	1,996
Deposits and prepayments		6,505	-
<b>Payable to related parties</b>			
Trade and other payables		74,750	61,096

### 11. FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with those disclosed in the audited annual financial statements of the Group for the year ended June 30, 2019.

### 12. 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 financial statements of the Group for the year ended June 30, 2019, whereas, the Consolidated condensed interim statement of profit or loss account 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, 2018. Corresponding figures have been rearranged and reclassified for better presentation wherever considered necessary, the effect of which is not material.

### 13. DATE OF AUTHORISATION FOR ISSUE


This consolidated condensed interim financial statements were authorised for issue on October 26, 2019 by the Board of Directors of the Holding Company.



**Ahmad Kuli Khan Khattak**  
Chief Executive Officer



**Polad Merwan Polad**  
Director



**Muhammad Umair**  
Chief Financial Officer

**Notes**

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

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