



GHANDHARA
NISSAN LIMITED

Third Quarterly Report **March 31, 2022** (Un-Audited)



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COMPANY PROFILE

Board of Directors

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)
 Mr. Sikandar Kuli Khan Khattak*

Chairman
 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
 MCB Islamic Bank Limited - (Shariah)

*Formalities are under process.



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 Nine months ended March 31, 2022.

Macro-economic Environment

The economy is facing significant macroeconomic imbalances specially the twin deficits and depleting Forex reserves. It will take some time for the new Government to address the challenges through administrative and relief measures, therefore, only nominal economic recovery is expected during the last quarter of current financial year.

The increased economic activity and rising imports had burdened the current account and balance of payment position, however this also had favorable implications for tax revenues, which helped maintain the fiscal consolidation despite a growth-oriented budget.

Auto-Sector

The government has released the Auto Industry Development and Export Policy 2021-26 during the year. Besides 'Make in Pakistan' notion in the new policy, interalia, Meri Gari Scheme, New Product Policy and setting up of export targets have been introduced. All these are welcomed by the auto industry and it is expected that these initiatives would soon show some progress. However, in the upcoming quarter the demand is expected on lower side, as disposable incomes would decline with higher inflation, exchange rates and increasing interest rates, amongst other things.

Financial Results of the Company

The financial results of the Company for the period ended March 31, 2022 are summarized below:

	----- Nine Months Ended -----	
	March 2022	March 2021
	(Rupees in thousands)	
Revenue	3,395,350	2,271,635
Gross Profit	398,129	224,764
Operating Profit	260,090	85,290
Net Profit after tax	163,917	45,601
Earnings Per Share (Rupees)	2.88	0.80

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

Considering volatility of exchange rate, stringent measures taken by State Bank of Pakistan to curb imports, changes in political landscape and other macro-economic challenges of local economy, the business environment is exposed to uncertainty.

On a separate note, the company is confident that the commencement of local assembly of Chery SUVs will add value to the company's portfolio.

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



Salman Rasheed
Director

Karachi
Dated: April 27, 2022

نوماء كا اختتام

مارچ 2021	مارچ 2022	
		(روپے ہزاروں میں)
2,271,635	3,395,350	آمدنی
224,764	398,129	مجموعی منافع
85,290	260,090	آپریٹنگ منافع
45,601	163,917	بعد از ٹیکس خالص منافع
0.80	2.88	نی 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 کیا گیا ہے۔


مستقبل کی توقعات

شرح مبادلہ کے اتار چڑھاؤ، بینک دولت پاکستان کی جانب سے درآمدات کو روکنے کے لیے کیے گئے سخت اقدامات، سیاسی منظر نامے میں تبدیلی اور مقامی معیشت کے دیگر مجموعی اقتصادی چیلنجوں کو مد نظر رکھتے ہوئے، کاروباری ماحول کی صورتحال غیر یقینی ہو رہی ہے۔ ایک علیحدہ نوٹ پر، ادارے کو یقین ہے کہ Chery SUVs کی مقامی اسمبلی کا آغاز ادارے کے پورٹ فولیو کی قدر میں اضافہ کرے گا۔

ڈائریکٹرز اپنے پرنسپلز، صارفین، دکانداروں، بینکرز اور دیگر کاروباری ساتھیوں کی مسلسل سرپرستی اور معاونت پر ان کے شکرگزار ہیں۔

برائے ومخانب بورڈ آف ڈائریکٹرز


سلمان رشید
ڈائریکٹر


احمد قلی خان مختک
چیف ایگزیکٹو آفیسر
کراچی
تاریخ: 27 اپریل 2022

ڈائریکٹرز کا جائزہ

آپ کے ڈائریکٹرز 31 مارچ 2022 کو ختم ہونے والے (9) نومبر کے لیے گندھارا انسان لمیٹڈ کے غیر آڈٹ شدہ مختصر عبوری مالیاتی گوشواروں کے ہمراہ اپنی رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

وسیع معاشی ماحول

معیشت کو نمایاں معاشی عدم توازن کا سامنا ہے خاص طور پر دہرا خسارہ اور غیر ملکی زرمبادلہ کے ذخائر میں کمی۔ نئی حکومت کو انتظامی اور امدادی اقدامات کے ذریعے چیلنجوں سے نمٹنے میں کچھ وقت لگے گا، اس لیے رواں مالی سال کی آخری سہ ماہی کے دوران صرف برائے نام معاشی بحالی کی توقع ہے۔

بڑھتی ہوئی اقتصادی سرگرمی اور بڑھتی ہوئی درآمدات نے کرنٹ اکاؤنٹ اور ادائیگی کے توازن کی پوزیشن پر بوجھ ڈالا، تاہم اس کے ٹیکس آمدنی پر بھی سازگار اثرات مرتب ہوئے، جس سے ترقی پزیر بجٹ کے باوجود مالیاتی استحکام کو مجموعی طور پر برقرار رکھنے میں مدد ملی۔

آٹو سیکٹر

حکومت نے رواں سال کے دوران آٹو انڈسٹری ڈویلپمنٹ اینڈ ایکسپورٹ پالیسی 2021-26 جاری کر دی ہے۔ نئی پالیسی میں میک ان پاکستان کے تصور کے ساتھ ساتھ، میری گاڑی اسکیم، نئی پروڈکٹ پالیسی اور برآمدی اہداف کا تعین بھی متعارف کرایا گیا ہے۔ آٹو انڈسٹری کی طرف سے اس سب کا خیر مقدم کیا گیا ہے اور توقع ہے کہ یہ اقدامات جلد ہی کچھ پیش رفت کا مظاہرہ کریں گے۔ تاہم، آنے والی سہ ماہی میں طلب زریں سمت رہنے متوقع ہے، کیونکہ دیگر امور کے علاوہ، بلند افراط زر، شرح مبادلہ اور بڑھتی ہوئی شرح سود کے ساتھ قابل تصرف آمدنی میں کمی آئے گی۔

ادارے کے مالیاتی نتائج

31 مارچ 2022 کو ختم ہونے والی مدت کے لیے ادارے کے مالی نتائج کا خلاصہ ذیل میں دیا گیا ہے:

Condensed Interim Statement of Financial Position

As at March 31, 2022

		Un-audited	Audited
		March 31, 2022	June 30, 2021
Note		----- Rupees '000 -----	
ASSETS			
Non current assets			
Property, plant and equipment	5	5,380,618	4,065,389
Intangible assets		1,606	1,976
Long term investments		222,906	222,906
Long term loans		5,521	5,834
Long term deposits		24,259	27,461
Due from the Subsidiary Company		778,731	549,285
		<u>6,413,641</u>	<u>4,872,851</u>
Current assets			
Stores, spares and loose tools		138,260	136,467
Stock-in-trade	6	2,403,215	687,788
Trade debts		314,627	355,971
Loans and advances		29,825	9,899
Deposits and prepayments		17,433	60,602
Other receivables	7	285,525	16,439
Accrued interest / mark-up		33,026	20,405
Taxation - net		244,359	110,854
Bank balances		1,145,251	1,029,202
		<u>4,611,521</u>	<u>2,427,627</u>
Total assets		<u><u>11,025,162</u></u>	<u><u>7,300,478</u></u>

Condensed Interim Statement of Financial Position

As at March 31, 2022

	Un-audited March 31, 2022	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	2,150,953	2,176,240
	<u>3,253,674</u>	<u>3,278,961</u>
Revenue reserve - unappropriated profits	<u>2,347,834</u>	<u>2,158,630</u>
Total equity	<u>6,171,533</u>	<u>6,007,616</u>
<i>Liabilities</i>		
Non current liabilities		
Lease liabilities	49,477	62,858
Long term borrowings	868,360	46,397
Deferred income - government grant	171,604	953
Long term deposits	26,726	27,726
Deferred taxation - net	274,900	296,879
	<u>1,391,067</u>	<u>434,813</u>
Current liabilities		
Trade and other payables	1,647,287	601,834
Accrued mark-up	49,624	5,386
Short term borrowings	1,445,300	100,000
Current portion of lease liabilities	22,389	23,928
Current maturity of long term borrowings	244,285	109,100
Current portion of deferred income - government grant	43,076	7,200
Unclaimed dividend	10,601	10,601
	<u>3,462,562</u>	<u>858,049</u>
Total liabilities	<u>4,853,629</u>	<u>1,292,862</u>
Contingencies and commitments	10	
Total equity and liabilities	<u>11,025,162</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


Salman Rasheed
Director


Muhammad Umair
Chief Financial Officer

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

For the Nine Months Period Ended March 31, 2022

	Note	Quarter ended		Nine months ended	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
		----- Rupees '000 -----		----- Rupees '000 -----	
Revenue - net		1,330,732	935,604	3,395,350	2,271,635
Cost of sales	11	(1,185,371)	(825,045)	(2,997,221)	(2,046,871)
Gross profit		145,361	110,559	398,129	224,764
Distribution cost		(33,382)	(22,790)	(80,440)	(70,971)
Administrative expenses		(57,936)	(55,426)	(164,348)	(153,336)
Other income		48,298	33,864	127,728	93,515
Other expenses		(3,273)	(6,690)	(20,979)	(8,682)
Profit from operations		99,068	59,517	260,090	85,290
Finance cost		(41,454)	(4,698)	(74,465)	(14,011)
Profit before taxation		57,614	54,819	185,625	71,279
Taxation		(5,760)	(16,156)	(21,708)	(25,678)
Profit after taxation		51,854	38,663	163,917	45,601
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		51,854	38,663	163,917	45,601
		----- Rupees -----		----- Rupees -----	
Earnings per share - basic and diluted		0.91	0.68	2.88	0.80


The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.



Ahmad Kuli Khan Khattak
Chief Executive Officer



Salman Rasheed
Director



Muhammad Umair
Chief Financial Officer

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


For the Nine Months Period Ended March 31, 2022

	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 nine months period ended March 31, 2021					
Profit for the period	-	-	-	45,601	45,601
Other comprehensive income	-	-	-	-	-
	-	-	-	45,601	45,601
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred taxation	-	-	(27,082)	27,082	-
Balance as at March 31, 2021 (un-audited)	<u>570,025</u>	<u>1,102,721</u>	<u>2,196,212</u>	<u>2,055,283</u>	<u>5,924,241</u>
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 nine months period ended March 31, 2022					
Profit for the period	-	-	-	163,917	163,917
Other Comprehensive income	-	-	-	-	-
	-	-	-	163,917	163,917
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred taxation	-	-	(25,287)	25,287	-
Balance as at March 31, 2022 (un-audited)	<u>570,025</u>	<u>1,102,721</u>	<u>2,150,953</u>	<u>2,347,834</u>	<u>6,171,533</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


Salman Rasheed
Director


Muhammad Umair
Chief Financial Officer

Condensed Interim Statement of Cash Flows (Un-audited)

For the Nine Months Period Ended March 31, 2022

	March 31, 2022	March 31, 2021
	----- Rupees '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	185,625	71,279
Adjustments for non-cash charges and other items:		
Depreciation and amortisation	113,722	103,273
Provision for gratuity	9,498	8,936
Provision for expected credit losses	-	797
Interest income	(107,287)	(50,602)
Gain on disposal of operating fixed assets	(554)	(2,417)
Dividend income	-	(6,004)
Liabilities written back	-	(9,995)
Fixed asset written-off	-	4,747
Finance cost	71,113	12,991
Exchange loss - net	7,222	300
Operating profit before working capital changes	279,339	133,305
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(1,793)	2,576
Stock-in-trade	(1,715,427)	114,184
Trade debts	41,344	(144,917)
Loans and advances	(19,926)	(5,477)
Deposit and prepayments	43,169	(67,048)
Other receivables	(269,086)	116,987
	(1,921,719)	16,305
Increase in trade and other payables	1,043,598	125,878
Cash (used in) / generated from operations	(598,782)	275,488
Gratuity paid	(14,864)	(10,513)
Long term loans - net	313	3,405
Long term deposits - net	3,202	(4,343)
Finance cost paid	(26,875)	(22,299)
Income taxes (paid) / refund - net	(177,192)	48,940
Net cash (used in) / generated from operating activities - carried forward	(814,198)	290,678

Condensed Interim Statement of Cash Flows (Un-audited)

For the Nine Months Period Ended March 31, 2022

	March 31, 2022	March 31, 2021
	----- Rupees '000 -----	
Net cash (used in) / generated from operating activities - brought forward	(814,198)	290,678
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for fixed capital expenditure	(1,421,447)	(76,392)
Payments for intangible asset	-	(112)
Proceeds from disposal of property, plant and equipment	8,063	8,011
Interest income received	94,666	53,906
Dividend received	-	6,004
Due from Subsidiary Company - net	(229,446)	156,298
Short term investment - net	-	(443,895)
Net cash used in investing activities	(1,548,164)	(296,180)
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease liabilities - net	(29,564)	(21,482)
Long term borrowings - obtained	1,232,000	131,064
Long term borrowings - repaid	(68,325)	(13,776)
Long term deposits - net	(1,000)	6,616
Short term borrowings - net	1,345,300	(33,647)
Net cash generated from financing activities	2,478,411	68,775
Net increase in cash and cash equivalents	116,049	63,273
Cash and cash equivalents at beginning of the period	1,029,202	311,091
Cash and cash equivalents at end of the period	1,145,251	374,364

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.


Ahmad Kuli Khan Khattak
Chief Executive Officer


Salman Rasheed
Director


Muhammad Umair
Chief Financial Officer

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

For the Nine Months Period Ended March 31, 2022

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 & Chery SUVs, import and sale of parts / Nissan, Dongfeng and Renault vehicles in completely built-up condition and assembly of other vehicles under contract agreement.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

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

3. ACCOUNTING POLICIES

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

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

- 3.2 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 Nine Months Period Ended March 31, 2022

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
	March 31, 2022	June 30, 2021
Note	-----	Rupees '000 -----

5. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	5.1	4,536,838	3,370,264
Right of use assets	5.2	86,315	93,403
Capital work-in-progress		757,465	601,722
		<u>5,380,618</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	1,265,703	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		(98,152)	(117,786)
Book value at end of the period / year		<u>4,536,838</u>	<u>3,370,264</u>

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

For the Nine Months Period Ended March 31, 2022

	Un-audited March 31, 2022	Audited 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	443,944	7,651
Assembly jigs	794,036	-
Furniture and fixtures	10,962	43
Owened vehicles	10,145	-
Other equipment	2,842	3,280
Office equipment	528	310
Computers and servers	3,246	6,495
	<u>1,265,703</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	14,644	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	(15,200)	(20,696)
Net book value at end of the period	<u>86,315</u>	<u>93,403</u>
6. STOCK IN TRADE		
Raw materials		
- in hand	882,719	86,531
- in transit	628,199	-
	<u>1,510,918</u>	86,531
Finished goods		
- in hand	870,797	531,270
- in transit	21,500	69,987
	<u>892,297</u>	601,257
	<u>2,403,215</u>	<u>687,788</u>
7.		
Includes sales tax refundable / adjustable aggregating Rs.266,265 thousand (June 30, 2021: Rs. Nil) and margins against letter of credit Rs.5,738 thousand (June 30, 2021: Rs. 1,249 thousand).		

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

For the Nine Months Period Ended March 31, 2022

		Un-audited	Audited
		March 31, 2022	June 30, 2021
	Note	----- Rupees '000 -----	
8. LONG TERM BORROWINGS			
Loan under refinance scheme for payment of wages and salaries	8.1	-	46,397
Demand finance loan	8.2	181,259	-
Loan from Dubai Islamic Bank Limited under Islamic Temporary Economic Refinance Facility (ITERF)		400,000	-
Loan from JS Bank Limited under TERF		499,682	-
Adjustment pertaining to fair value of loan at below market interest rate (government grant) - net		(212,581)	-
		687,101	-
		<u>868,360</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		6,054	(8,153)
Payments during the period / year		(68,325)	(54,550)
		93,226	155,497
Current portion grouped under current liabilities		(93,226)	(109,100)
Closing balance		-	46,397
8.2 Demand finance loan			
Loan received during the period		332,318	-
Current portion grouped under current liabilities		(151,059)	-
		<u>181,259</u>	<u>-</u>
9. SHORT TERM BORROWINGS - Secured			
Running finances / musharakah		454,493	-
Finance against trust receipts		229,590	-
Finance against imported merchandise		353,587	-
Short term loans		407,630	100,000
		<u>1,445,300</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 March 31, 2022 aggregate to Rs.1,154,710 thousand (June 30, 2021: Rs.1,561,635 thousand).		

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

For the Nine Months Period Ended March 31, 2022

- 10.3** Guarantees aggregating Rs.12,480 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.717,023 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		Nine months period ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021

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

11. COST OF SALES

Finished goods at beginning of the period	592,671	642,202	531,270	749,729
Cost of goods manufactured	993,471	466,313	2,500,868	1,485,938
Purchases - trading goods	470,026	180,331	835,880	275,005
	1,463,497	646,644	3,336,748	1,760,943
	2,056,168	1,288,846	3,868,018	2,510,672
Finished goods at end of the period	(870,797)	(463,801)	(870,797)	(463,801)
	1,185,371	825,045	2,997,221	2,046,871

11.1 Cost of goods manufactured

Raw materials and parts consumed	736,279	270,780	1,839,234	941,360
Factory overheads	257,192	195,533	661,634	544,578
	993,471	466,313	2,500,868	1,485,938

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 Nine Months Period Ended March 31, 2022

Related party name along with relation	Nature of transaction	Un-audited	Un-audited
		March 31, 2022	March 31, 2021
--- Rupees in '000 ---			
(i) Holding Company			
Bibojee Services (Private) Limited - 57.76% shares held in the Company	Corporate office rent	5,445	4,950
	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	30,397	40,435
	Purchase of parts	570	23
	Sale of parts	162	1,251
	Long term advances given - net	229,446	-
	Payments received against long term advances - net	-	156,298
	Rental income	4,500	-
	Interest income	54,590	38,667
	Guarantee commission	6,536	2,939
(iii) Associated Companies			
Gandhara Industries Limited 19.09% shares held by the Company (12.1)	Contract assembly charges	635,679	415,072
	Purchase of parts	173	26
	Head office rent	2,898	2,635
	Fabrication of vehicle	750	-
	Reimbursement of expenses	65	631
Gandhara Tyre and Rubber Company Limited (12.1)	Purchase of tyres, tubes and flaps	20,748	19,727
Gammon Pakistan Limited (12.1)	Office rent	2,723	2,475
Janana De Malucho Textile Mills Limited (12.1)	Reimbursement of expenses	1,985	1,638
Balushistan Wheels Limited (12.1)	Purchase of rims	32,818	15,921
(iv) Others			
Staff provident fund	Contribution made	8,816	9,208
Staff gratuity fund	Contribution made	14,864	10,513
Key management personnel	Remuneration and other short term benefits	73,615	76,759
	Sale of fleet vehicles	-	3,520

12.1 Associated company by virtue of common directorship.

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

For the Nine Months Period Ended March 31, 2022

Un-audited	Audited
March 31, 2022	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	-	579
Trade debts	44,254	29,679
Loan and advances	867	1,172
Deposits and prepayments	605	6,050
Other receivables	6,488	1,280
Accrued interest / mark-up	24,136	11,354
Payable to related parties		
Trade and other payables	31,700	31,467

13. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the audited annual financial 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 nine months ended March 31, 2022. 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 April 27, 2022 by the Board of Directors of the Company.



Ahmad Kuli Khan Khattak
Chief Executive Officer



Salman Rasheed
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 has 'DONGPENG' written on the front grille. The building has a red and white logo on top, which is a stylized wheel or sunburst design. 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 Nine months ended March 31, 2022.

Despite multiple macroeconomic challenges and recent change in Government regime, Pakistan's economy is expected to move steadily with sustainable growth. The recent momentum towards industrialization and infrastructural projects indicates signs of revival for the Auto-sector.

The financial results of the Company for the period ended March 31, 2022 are summarized below:

	-----Nine Months Ended-----	
	March 2022	March 2021
	(Rupees in thousands)	
Revenue	4,033,657	3,184,563
Gross profit	518,911	393,547
Operating profit	250,653	156,661
Net profit/ (loss) after tax	334,452	(62,184)
Earnings/ (Loss) per share (rupees)	5.87	(1.09)

Future Outlook

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

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



Salman Rasheed
 Director

Karachi
 Dated: April 27, 2022

مجموعی عبوری مالیاتی حسابات پر ڈائریکٹرز کا جائزہ

ڈائریکٹرز 31 مارچ 2022 کو ختم ہونے والے (9) نومبر کے لیے گندھارا انسان لمیٹڈ اور اس کی ذیلی کمپنی گندھارا DF (پرائیویٹ) لمیٹڈ کے مجموعی عبوری مالیاتی حسابات کے ہمراہ اپنی رپورٹ پیش کر رہے ہیں۔

متعدد مجموعی اقتصادی چیلنجوں اور حکومتی انتظام و انصرام میں حالیہ تبدیلی کے باوجود توقع ہے کہ پاکستانی معیشت مستحکم اور پائیدار نمو کے ساتھ ہموار مستقل طور پر آگے بڑھتی رہے گی۔ صنعت کاری اور انفراسٹرکچر سے متعلق منصوبوں کی جانب تیز پیش رفت آڈیٹرز کے لیے بحالی کی علامات کی نشاندہی کرتی ہے۔

31 مارچ 2022 کو ختم ہونے والی مدت کے لیے ادارے کے مالیاتی نتائج کا خلاصہ درج ذیل ہے:


نومبر کا اختتام		
2021 مارچ	2022 مارچ	
(روپے ہزاروں میں)		
3,184,563	4,033,657	آمدنی
393,547	518,911	مجموعی منافع
156,661	250,653	آپریٹنگ منافع
(62,184)	334,452	بعد از ٹیکس خالص منافع / (نقصان)
(1.09)	5.87	فی حصص نفع / (نقصان) روپے میں

مستقبل کی توقعات

موجودہ صورت حال کے پیش نظر، گروپ افادیت لانے کیلئے اور اسٹیک ہولڈرز کے لیے قدر میں اضافے کے مناسب اقدامات کر رہا ہے۔ منافع جات میں بہتری کے لیے لاگت میں کمی کے مواقع سے استفادہ گروپ کا نصب العین ہے۔

ڈائریکٹرز اپنے پرنسپل، صارفین، دکانداروں، بینکرز اور دیگر کاروباری ساتھیوں کی مسلسل سرپرستی اور معاونت پر ان کے شکرگزار ہیں۔

برائے و مخائب بورڈ آف ڈائریکٹرز


سلیمان رشید
ڈائریکٹر



احمد قلی خان خٹک
چیف ایگزیکٹو آفیسر
کراچی

تاریخ: 27 اپریل 2022

Consolidated Condensed Interim Statement of Financial Position

As at March 31, 2022

		Un-audited	Audited
		March 31, 2022	June 30, 2021
ASSETS	Note	----- Rupees '000 -----	
Non current assets			
Property, plant and equipment	6	5,396,919	4,154,782
Intangible assets		3,327	4,094
Long term investments	7	1,268,089	1,049,588
Long term loans		13,716	14,529
Long term deposits		26,974	29,139
		6,709,025	5,252,132
Current assets			
Stores, spares and loose tools		138,260	136,467
Stock-in-trade	8	4,028,036	1,262,448
Trade debts		689,969	897,206
Loans and advances		31,920	11,965
Deposits and prepayments		30,795	73,888
Accrued interest / mark-up		9,256	9,342
Other receivables	9	445,851	18,048
Taxation - net		325,453	312,247
Cash and bank balances		1,188,337	1,085,823
		6,887,877	3,807,434
Total assets		13,596,902	9,059,566

Consolidated Condensed Interim Statement of Financial Position

As at March 31, 2022

	Un-audited	Audited
	March 31, 2022	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	2,822,570	2,849,529
- Items directly credited to equity by an Associate	77,037	75,365
	4,002,328	4,027,615
Revenue reserve - unappropriated profits	3,233,529	2,874,533
Equity attributable to shareholders of the Holding Company	7,805,882	7,472,173
Non-controlling interest	49	54
Total equity	7,805,931	7,472,227
<i>Liabilities</i>		
Non current liabilities		
Lease liabilities	53,254	67,234
Long term borrowings	868,360	46,397
Deferred income - government grant	171,604	953
Long term deposits	33,726	33,226
Deferred taxation - net	267,231	289,062
	1,394,175	436,872
Current liabilities		
Trade and other payables	1,934,383	748,911
Accrued mark-up	59,033	8,784
Short term borrowings	2,081,922	240,189
Current portion of lease liabilities	23,496	25,682
Current maturity of long term borrowings	244,285	109,100
Current portion of deferred income - government grant	43,076	7,200
Unclaimed dividend	10,601	10,601
	4,396,796	1,150,467
Total liabilities	5,790,971	1,587,339
Contingencies and commitments	12	
Total equity and liabilities	13,596,902	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


Salman Rasheed
Director


Muhammad Umair
Chief Financial Officer

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

For the Nine Months Period Ended March 31, 2022

	Quarter ended		Nine months ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Note	----- Rupees '000 -----		----- Rupees '000 -----	
Revenue - net	1,616,950	1,398,750	4,033,657	3,184,563
Cost of sales	13 (1,420,105)	(1,205,877)	(3,514,746)	(2,791,016)
Gross profit	196,845	192,873	518,911	393,547
Distribution cost	(40,795)	(35,705)	(104,463)	(102,808)
Administrative expenses	(69,724)	(71,016)	(202,086)	(187,539)
Other income	19,762	30,729	66,872	62,143
Other expenses	(6,064)	(6,690)	(28,581)	(8,682)
Profit from operations	100,024	110,191	250,653	156,661
Finance cost	(58,139)	(7,533)	(105,172)	(23,320)
	41,885	102,658	145,481	133,341
Share of profit / (loss) of an Associate	96,223	28,352	219,249	(155,310)
Profit / (loss) before taxation	138,108	131,010	364,730	(21,969)
Taxation	(9,475)	(23,379)	(30,278)	(40,215)
Profit / (loss) after taxation	128,633	107,631	334,452	(62,184)
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 for the period	128,633	107,631	333,704	264,026
Attributable to:				
- Shareholders of the Holding Company	128,635	107,627	333,709	264,021
- Non-controlling interest	(2)	4	(5)	5
	128,633	107,631	333,704	264,026
	----- Rupees -----		----- Rupees -----	
Earnings / (loss) per share - basic and diluted	2.26	1.89	5.87	(1.09)


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



Salman Rasheed
Director



Muhammad Umair
Chief Financial Officer

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

For the Nine Months Period Ended March 31, 2022

	Share capital	Capital Reserves			Revenue Reserve		Non - controlling interest
		Share premium	Surplus on revaluation of fixed assets	Items directly credited to equity by an Associate	Unappropriated profit	Total	
----- 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 nine months period ended March 31, 2021							
Loss for the period	-	-	-	-	(62,189)	(62,189)	5
Other comprehensive income / (loss)	-	-	326,350	-	(140)	326,210	-
	-	-	326,350	-	(62,329)	264,021	5
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred tax	-	-	(27,082)	-	27,082	-	-
Effect of item directly credited in equity by an Associate	-	-	(1,496)	1,496	-	-	-
Balance as at March 31, 2021 (un-audited)	570,025	1,102,721	2,870,058	74,808	2,667,363	7,284,975	52
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 nine months period ended March 31, 2022							
Profit for the period	-	-	-	-	334,457	334,457	(5)
Other comprehensive loss	-	-	-	-	(748)	(748)	-
	-	-	-	-	333,709	333,709	(5)
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred tax	-	-	(25,287)	-	25,287	-	-
Effect of item directly credited in equity by an Associate	-	-	(1,672)	1,672	-	-	-
Balance as at March 31, 2022 (un-audited)	570,025	1,102,721	2,822,570	77,037	3,233,529	7,805,882	49

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


Salman Rasheed
Director


Muhammad Umair
Chief Financial Officer

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

For the Nine Months Period Ended March 31, 2022

	March 31, 2022	March 31, 2021
	----- Rupees '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	364,730	(21,969)
Adjustments for non-cash charges and other items:		
Depreciation and amortisation	116,064	105,586
Provision for gratuity	11,275	8,936
Provision for expected credit losses	-	797
Interest income	(54,161)	(9,334)
Gain on disposal of property, plant and equipment	(2,745)	(2,417)
Dividend income	-	(6,004)
Liabilities written back	-	(9,995)
Share of (profit) / loss of an Associate	(219,249)	155,310
Fixed assets written-off	-	4,747
Finance cost	105,172	22,301
Exchange loss - net	14,824	(6,782)
Operating profit before working capital changes	335,910	241,176
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(1,793)	2,576
Stock-in-trade	(2,765,588)	274,824
Trade debts	207,237	(284,674)
Loans and advances	(19,955)	(7,830)
Deposit and prepayments	43,093	(91,443)
Other receivables	(427,803)	130,889
	(2,964,809)	24,342
Increase in trade and other payables	1,177,641	248,597
Cash (used in) / generated from operations	(1,451,258)	514,115
Gratuity paid	(18,268)	(10,513)
Long term loans - net	813	927
Long term deposits - net	2,165	3,812
Finance cost paid	(54,923)	(37,453)
Income taxes (paid) / refunds - net	(65,316)	185,201
Net cash (used in) / generated from operating activities	(1,586,787)	656,089
activities - carried forward		

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

For the Nine Months Period Ended March 31, 2022

	March 31, 2022	March 31, 2021
	----- Rupees '000 -----	
Net cash (used in) / generated from operating activities - brought forward	(1,586,787)	656,089
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for fixed capital expenditure	(1,421,520)	(76,391)
Payments for intangible assets	-	(112)
Proceeds from disposal of property, plant and equipment	81,476	8,010
Interest income received	54,247	9,334
Dividend received	-	6,004
Investments - net	-	(443,895)
Net cash used in investing activities	(1,285,797)	(497,050)
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease liabilities - net	(30,810)	(40,566)
Long term borrowings - obtained	1,232,000	131,064
Long term borrowings - repaid	(68,325)	(13,776)
Long term deposits - net	500	6,616
Short term borrowings - net	1,841,733	(199,494)
Net cash generated from / (used in) financing activities	2,975,098	(116,156)
Net increase in cash and cash equivalents	102,514	42,883
Cash and cash equivalents at beginning of the period	1,085,823	353,516
Cash and cash equivalents at end of the period	1,188,337	396,399

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


Salman Rasheed
Director


Muhammad Umair
Chief Financial Officer

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

For the Nine Months Period Ended March 31, 2022

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 and Chery SUVs, 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 nine months period ended March 31, 2022 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 Nine Months Period Ended March 31, 2022

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 March 31, 2022 (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 Nine Months Period Ended March 31, 2022

		Un-audited	Audited
		March 31, 2022	June 30, 2021
	Note	----- Rupees '000 -----	
6. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	6.1	4,546,659	3,380,514
Right of use assets	6.2	91,073	99,602
Capital work-in-progress		759,187	674,666
		<u>5,396,919</u>	<u>4,154,782</u>
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	1,265,777	21,331
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		(98,655)	(119,310)
Book value at end of the period / year		<u>4,546,659</u>	<u>3,380,514</u>
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		443,944	7,651
Assembly Jigs		794,036	-
Furniture and fixtures		11,036	390
Owned vehicles		10,145	-
Other equipment		2,842	3,280
Office equipment		528	357
Computers and servers		3,246	6,559
		<u>1,265,777</u>	<u>21,331</u>
6.2 Right of use assets			
Book value at beginning of the period / year		99,602	102,439
Additions during the period / year		14,644	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		(16,641)	(22,246)
Net book value at end of the period		<u>91,073</u>	<u>99,602</u>

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

For the Nine Months Period Ended March 31, 2022

		Un-audited	Audited
		March 31, 2022	June 30, 2021
	Note	----- Rupees '000 -----	
7. LONG TERM INVESTMENTS			
Associate - equity accounted investment	7.1	1,268,089	1,049,588
Others - available for sale	7.2	-	-
		<u>1,268,089</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		219,249	(77,298)
Share of other comprehensive (loss) / income for the period / year		(748)	326,210
Balance at end of the period / year		<u>1,268,089</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 March 31, 2022. 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 December 31, 2021. The latest financial statements of GIL as at March 31, 2022 are not presently available.

7.1.3 The market value of investment as at March 31, 2022 was Rs.1,348,016, thousand (June 30, 2021: Rs.2,269,084 thousand).

		Un-audited	Audited
		March 31, 2022	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 Nine Months Period Ended March 31, 2022

	Un-audited	Audited
	March 31, 2022	June 30, 2021
	----- Rupees '000 -----	
8. STOCK IN TRADE		
Raw materials		
- in hand	1,714,797	266,388
- in transit	732,905	-
	<u>2,447,702</u>	<u>266,388</u>
Finished goods		
- in hand	1,552,222	926,073
- in transit	28,112	69,987
	<u>1,580,334</u>	<u>996,060</u>
	<u>4,028,036</u>	<u>1,262,448</u>
9.	Includes sales tax refundable / adjustable aggregating Rs.369,301 thousand (June 30, 2021: Rs. Nil) and margins against letter of credit Rs.67,709 thousand (June 30, 2021: Rs. 1,249 thousand).	
	Un-audited	Audited
	March 31, 2022	June 30, 2021
	----- Rupees '000 -----	
10. LONG TERM BORROWINGS		
Loan under refinance scheme for payment of wages and salaries	10.1 -	46,397
Demand finance loan	10.2 181,259	-
Loan from Dubai Islamic Bank Limited under Islamic Temporary Economic Refinance Facility (ITERF)	400,000	-
Loan from JS Bank Limited under TERF	499,682	-
Adjustment pertaining to fair value of loan at below market interest rate (government grant) - net	(212,581)	-
	<u>687,101</u>	<u>-</u>
	<u>868,360</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	6,054	(8,153)
Payments during the period / year	(68,325)	(54,550)
	<u>93,226</u>	<u>155,497</u>
Current portion grouped under current liabilities	(93,226)	(109,100)
Closing balance	-	46,397

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

For the Nine Months Period Ended March 31, 2022

	Un-audited March 31, 2022	Audited June 30, 2021
	----- Rupees '000 -----	
10.2 Demand finance loan		
Loan received during the period	332,318	-
Current portion grouped under current liabilities	<u>(151,059)</u>	-
	<u>181,259</u>	-
11. SHORT TERM BORROWINGS - Secured		
Running finances / musharakah	951,115	189
Finance against trust receipts	229,590	-
Finance against imported merchandise	353,587	-
Short term loans	<u>547,630</u>	240,000
	<u>2,081,922</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 March 31, 2022 aggregate to Rs.1,284,862 thousand (June 30, 2021: Rs.1,876,651 thousand).

12.3 Guarantees aggregating Rs.74,451 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.717,023 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		Nine months period ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Note	----- Rupees '000 -----		----- Rupees '000 -----	
Finished goods at beginning of the period	1,293,608	860,956	926,073	1,120,180
Cost of goods manufactured	1,197,964	954,142	3,134,473	2,136,472
Purchases - trading goods	480,754	191,691	1,006,421	335,276
	<u>1,678,718</u>	1,145,833	<u>4,140,894</u>	2,471,748
	<u>2,972,326</u>	2,006,789	<u>5,066,967</u>	3,591,928
Finished goods at end of the period	<u>(1,552,221)</u>	(800,912)	<u>(1,552,221)</u>	(800,912)
	<u>1,420,105</u>	1,205,877	<u>3,514,746</u>	2,791,016

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

For the Nine Months Period Ended March 31, 2022

	Un-audited		Un-audited	
	Three months period ended		Nine months period ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	----- Rupees '000 -----		----- Rupees '000 -----	
13.1 Cost of goods manufactured				
Raw materials and parts consumed	952,565	726,808	2,445,426	1,543,076
Factory overheads	245,399	227,334	689,047	593,396
	<u>1,197,964</u>	<u>954,142</u>	<u>3,134,473</u>	<u>2,136,472</u>

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
		March 31, 2022	March 31, 2021
		--- Rupees in '000 ---	
(i) Ultimate Holding Company			
Biboojee Services (Private) Limited - 57.76% shares held in the Holding Company	Corporate office rent Contract assembly revenue Sale of fleet vehicle	10,890 2,106 2,600	9,900 - -
(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	635,679 173 - 750 5,798 65	415,072 26 4 - 5,271 631
Ghandhara Tyre and Rubber Company Limited (14.1)	Purchase of tyres, tubes and flaps	20,748	19,727
Rehman Cotton Mills Limited	Sale of pre-fabricated building structure	86,878	-
Gammon Pakistan Limited (14.1)	Office rent	2,723	2,475
Janana De Malucho Textile Mills Limited (14.1)	Reimbursement of expenses	1,985	1,638
Balushistan Wheels Limited (14.1)	Purchase of rims	32,818	15,921
(iii) Others			
Staff provident fund	Contribution made	10,356	10,229
Staff gratuity fund	Contribution made	18,268	10,513
Key management personnel	Remuneration and other short term benefits Sale of fleet vehicles	74,280 -	77,744 3,520

14.1 Associated company by virtue of common directorship.

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

For the Nine Months Period Ended March 31, 2022

Un-audited	Audited
March 31, 2022	June 30, 2021

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

14.2 Period / year end balances are as follows:

Debit balances / receivables from related parties

Long term loans	-	579
Trade debts	44,254	19,325
Loan and advances	867	1,172
Deposits and prepayments	1,210	12,100
Payable to related parties		
Trade and other payables	33,478	34,871

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 March 31, 2021. 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 April 27, 2022 by the Board of Directors of the Holding Company.


Ahmad Kuli Khan Khattak
Chief Executive Officer


Salman Rasheed
Director


Muhammad Umair
Chief Financial Officer

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






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






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