

**Quarterly Report**  
March 31, 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. Ahmed 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, Luban's Arcade Main Canal Road, Lahore	400/2, Gammon House Peshawar Road Rawalpindi Cantt.
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### 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  
 The Bank of Tokyo – Mitsubishi, Ltd.  
 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  
 Lt. Gen. (Retd.) Ali Kuli Khan Khattak  
 Mr. Salman Rasheed (FCA)  
 Mr. Muhammad Zia  
 Mr. Muhammad Saleem Baig

Chairman  
 Member  
 Member  
 Member  
 Member

### Human Resource & Remuneration Committee

Mr. Muhammad Jawaid Iqbal  
 Mr. Ahmed Kuli Khan Khattak  
 Mrs. Shahnaz Sajjad Ahmad  
 Mr. Mohammad Zia  
 Mr. Polad Merwan Polad

Chairman  
 Member  
 Member  
 Member  
 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,  
Advocates & Legal Consultants,  
153-K, Sufi Street, Block II,  
PECHS, Karachi-75500

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





## Directors' Report

Your Directors are pleased to present the Report alongwith the condensed interim financial statements of Ghandhara Nissan Limited for the Nine months ended March, 31, 2019.

The financial results for the period ended March 31, 2019 are summarized below:

	March 2019	March 2018
	----- Rupees '000 -----	
Revenue	1,707,634	1,740,435
Gross Profit	300,899	358,951
Operating Profit	262,596	330,837
Net Profit	135,923	242,857
Earnings Per Share (Rupees)	2.38	4.91

The increase in cost of imported raw material mainly due to the devaluation of Pak-Rupee has had a major impact on the gross margins of the Company.

Besides devaluation, our margins were also affected by the slowdown in the economy.

However with JAC and Renault Trucks in the Company's product lineup together with the already established Dongfeng business, the Company has been able to meet the challenges mentioned above.

### 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

In future, we hope to experience a steady recovery of the Company after the stabilization of the country's economy.

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

  
Ahmed Kuli Khan Khattak  
Chief Executive Officer

  
Muhammad Zia  
Director

Karachi  
Dated: April 19, 2019



## ڈائریکٹرز رپورٹ

آپ کے ڈائریکٹرز کی جانب سے بصد خوشی گندھارا انسان لمیٹڈ کمپنی کی 31 مارچ 2019 کو ختم ہونے والی نو ماہی رپورٹ بشمول غیر پڑتال شدہ عبوری مالیاتی معلومات پیش خدمت ہے۔

31 مارچ 2019 کو ختم ہونے والے نو ماہی مدت کے مالیاتی نتائج درج ذیل ہیں۔

31 مارچ 2018

31 مارچ 2019

(روپے ہزاروں میں)

1,740,435	1,707,634	فروخت
358,951	300,899	خام منافع
330,837	262,596	کاروباری منافع
242,857	135,923	خالص منافع
4.91	2.38	فی حصص آمدنی (روپے)

کمپنی کے خام منافع میں کمی، بنیادی طور پر خام مال کی قیمتوں میں اضافہ کی وجہ سے ہوئی جس کا تعلق پاکستانی روپے کی قدر میں کمی سے ہے۔

روپے کی قدر میں کمی کے علاوہ کمپنی کے نتائج ملکی معیشت میں سست روی سے بھی متاثر ہوئے ہیں۔ تاہم JAC اور RENAULT ٹرکس نے بشمول پہلے سے موجود DONGFENG کے مستحکم کاروبار کے ہمراہ کمپنی کو بالائے چیلینجز کا سامنا کرنے میں اہم کردار ادا کیا ہے۔

### متعلقہ پارٹی سودے:

تمام متعلقہ پارٹیوں کے ساتھ کاروباری لین دین کے امور شفافیت کے ساتھ کئے گئے۔ اور ان کا اظہار نو ماہی عبوری مالیاتی معلومات میں کر دیا گیا ہے۔

### مستقبل کی توقعات:

مستقبل میں ملک کی معیشت کے استحکام کی امید کے ساتھ کمپنی بہتری کے لئے پُر امید ہے۔ ڈائریکٹرز اپنے پرنسپل، کسٹمرز، وینڈرز، بینکرز اور دیگر کاروباری رفقاء کار کے تعاون کے شکر گزار ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے



محمد ضیاء  
ڈائریکٹر



احمد قلی خان خٹک

چیف ایگزیکٹو آفیسر

کراچی

تاریخ: ۱۹ اپریل، ۲۰۱۹

**Condensed Interim Statement of Financial Position**

As at March 31, 2019

		(Un-Audited) March 31, 2019	(Audited) June 30, 2018
Rupees '000			
<b>ASSETS</b>	Note		
<b>Non current assets</b>			
Property, plant and equipment	5	2,641,817	2,133,465
Intangible assets		2,774	2,744
Long term investments		222,906	222,906
Long term loans		8,500	6,972
Long term deposits		21,313	20,247
Due from Subsidiary Company		784,942	766,994
		<u>3,682,252</u>	<u>3,153,328</u>
<b>Current assets</b>			
Stores, spares and loose tools		86,461	91,767
Stock-in-trade		992,297	738,323
Trade debts		289,968	260,537
Loans and advances		52,812	72,190
Deposits and prepayments		35,810	11,260
Investment	6	535,116	100,928
Other receivables		106,278	64,605
Accrued interest / mark-up		18,296	17,755
Taxation - net		2,808	-
Cash and bank balances		802,550	1,314,660
		<u>2,922,396</u>	<u>2,672,025</u>
<b>Total assets</b>		<u>6,604,648</u>	<u>5,825,353</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Share capital	7	570,025	450,025
Subscription money against right issue		-	1,054,319
<b>Capital reserve</b>			
- share premium	7.4	1,102,721	40,000
- surplus on revaluation of fixed assets		959,389	972,241
		<u>2,062,110</u>	<u>1,012,241</u>
<b>Revenue reserve - unappropriated profit</b>		<u>2,300,071</u>	<u>2,151,296</u>
<b>Total equity</b>		<u>4,932,206</u>	<u>4,667,881</u>
<b>Liabilities</b>			
<b>Non current liabilities</b>			
Liabilities against assets subject to finance lease		43,923	47,439
Long term deposits		9,611	9,611
Deferred taxation		261,756	264,738
		<u>315,290</u>	<u>321,788</u>
<b>Current liabilities</b>			
Trade and other payables		798,110	695,581
Accrued mark-up on running finance		22,068	6,736
Short term finances		115,140	-
Running finances under mark-up arrangements		391,944	-
Current portion of liabilities against assets subject to finance lease		19,253	17,721
Taxation - net		-	104,971
Unclaimed dividend		10,637	10,675
		<u>1,357,152</u>	<u>835,684</u>
<b>Total liabilities</b>		<u>1,672,442</u>	<u>1,157,472</u>
<b>Contingencies and commitments</b>	8		
<b>Total equity and liabilities</b>		<u>6,604,648</u>	<u>5,825,353</u>

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

Ahmed Kuli Khan Khattak  
Chief Executive OfficerMuhammad Zia  
DirectorMuhammad Umair  
Chief Financial Officer



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

For the nine months period ended March 31, 2019

		Quarter ended		Nine months period ended	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	Note	----- Rupees '000 -----			
Revenue		485,672	725,887	1,707,634	1,740,435
Cost of sales	9	(418,107)	(603,702)	(1,406,735)	(1,381,484)
Gross profit		67,565	122,185	300,899	358,951
Distribution cost		(14,270)	(13,123)	(48,534)	(35,091)
Administrative expenses		(51,624)	(53,089)	(179,098)	(144,587)
Other income		39,528	22,419	211,473	175,378
Other expenses		(8,937)	(7,055)	(22,144)	(23,814)
Profit from operations		32,262	71,337	262,596	330,837
Finance cost		(23,639)	(8,365)	(83,857)	(14,014)
Profit before taxation		8,623	62,972	178,739	316,823
Taxation		(1,744)	(17,170)	(42,816)	(73,966)
Profit after taxation		6,879	45,802	135,923	242,857
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		6,879	45,802	135,923	242,857
		----- Rupees -----			
Earnings per share - basic and diluted		0.12	0.93	2.38	4.91

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

  
Ahmed Kuli Khan Khattak  
Chief Executive Officer

  
Muhammad Zia  
Director

  
Muhammad Umair  
Chief Financial Officer


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


For the nine months period ended March 31, 2019

	----- Capital reserve -----					
	Share capital	Subscription money against right issue	Share premium	Surplus on revaluation of fixed assets	Revenue Reserve Unappropriated profit	Total
	----- Rupees '000 -----					
Balance as at July 1, 2017	450,025	-	40,000	988,570	1,313,543	2,792,138
Transactions with owners, recognised directly in equity						
Final dividend for the year ended June 30, 2017 at the rate of Rs.5.00 per share	-	-	-	-	(225,013)	(225,013)
Total comprehensive income for the nine months period ended March 31, 2018						
Profit for the period	-	-	-	-	242,857	242,857
Other comprehensive income	-	-	-	-	-	-
	-	-	-	-	242,857	242,857
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred tax	-	-	-	(20,726)	20,726	-
Balance as at March 31, 2018	450,025	-	40,000	967,844	1,352,113	2,809,982
Balance as at July 1, 2018	450,025	1,054,319	40,000	972,241	2,151,296	4,667,881
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 nine months period ended March 31, 2019						
Profit for the period	-	-	-	-	135,923	135,923
Other comprehensive income	-	-	-	-	-	-
	-	-	-	-	135,923	135,923
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred tax	-	-	-	(12,852)	12,852	-
Balance as at March 31, 2019	570,025	-	1,102,721	959,389	2,300,071	4,932,206

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

  
 Ahmed Kuli Khan Khattak  
 Chief Executive Officer

  
 Muhammad Zia  
 Director

  
 Muhammad Umair  
 Chief Financial Officer


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


For the nine months period ended March 31, 2019

	Nine months period ended	
	March 31, 2019	March 31, 2018
	----- Rupees '000 -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	178,739	316,823
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation and amortisation	79,488	78,650
Provision for gratuity	7,576	5,762
Interest income	(64,954)	(33,445)
Dividend income	(87,156)	(77,493)
Gain on disposal of non current assets for sale	-	(36,509)
Amortization of gain on sale and lease back of fixed assets	-	(3)
Unrealised gain on investments at fair value through profit or loss	(28,055)	-
Finance cost	83,857	14,014
Net exchange loss	8,897	310
<b>Operating profit before working capital changes</b>	<b>178,392</b>	<b>268,109</b>
<b>Decrease / (increase) in current assets:</b>		
Stores, spares and loose tools	5,306	(5,794)
Stock-in-trade	(253,974)	(212,087)
Trade debts	(29,431)	(317,671)
Loans and advances	19,378	(9,052)
Deposit and prepayments	(24,550)	(19,891)
Other receivables	(41,673)	(39,348)
	(324,944)	(603,843)
<b>Decrease in trade and other payables</b>	<b>98,376</b>	<b>80,382</b>
<b>Cash used in operations</b>	<b>(48,176)</b>	<b>(255,352)</b>
Gratuity paid	(12,320)	(13,427)
Long term loans - net	(1,528)	(844)
Long term deposits - net	(1,066)	1,231
Finance cost paid	(68,525)	(8,023)
Taxes paid	(153,577)	(146,129)
<b>Net cash used in operating activities</b>	<b>(285,192)</b>	<b>(422,544)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(578,460)	(133,891)
Proceeds from disposal of property, plant and equipment	10,147	177,913
Interest income received	64,413	26,184
Dividend received	87,156	77,493
Due from Subsidiary Company - net	(17,948)	(77,933)
Short term investment - net	(406,133)	-
<b>Net cash (used in) / generated from investing activities</b>	<b>(840,825)</b>	<b>69,766</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Lease finances - net	(21,541)	(22,226)
Short term finances	115,140	-
Running finances under mark-up arrangements - net	391,944	233,445
Dividend paid	(38)	(221,897)
Subscription money against right issue	128,402	-
<b>Net cash generated from / (used in) financing activities</b>	<b>613,907</b>	<b>(10,678)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(512,110)</b>	<b>(363,456)</b>
Cash and cash equivalents at beginning of the period	1,314,660	514,390
<b>Cash and cash equivalents at end of the period</b>	<b>802,550</b>	<b>150,934</b>

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

  
**Ahmed Kuli Khan Khattak**  
 Chief Executive Officer

  
**Muhammad Zia**  
 Director

  
**Muhammad Umair**  
 Chief Financial Officer

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

For the nine months period ended March 31, 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 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 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

#### Statement of compliance

These condensed interim financial information 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.
- 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.

These condensed interim financial statements should be read in conjunction with audited annual financial statements of the Company for the year ended June 30, 2018.

### 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, 2018, except for the adoption of new and amended accounting standards effective as of July 1, 2018.

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

The Company has adopted IFRS 9, 'Financial Instruments' and IFRS 15, 'Revenue from Contract with Customer'. Neither the IFRS 9 and IFRS 15 resulted in the restatement of comparatives. The impact of the adoption is described below:

#### (a) IFRS 9 Financial Instruments

The IFRS 9 introduces new requirements for the recognition, classification and measurement of financial assets and liabilities & impairment of financial assets. IASB has published the complete version of IFRS 9, 'Financial Instruments', which replaces the guidance in IAS 39 'Financial Instruments: Recognition and Measurement'.

#### Classification and measurement of financial assets

Under IFRS 9, financial assets can be classified into three categories i.e. financial assets through profit & loss, financial assets measured at amortized cost & financial assets through other comprehensive income.

On July 1, 2018, the Company has assessed which measurement apply to the financial assets held by the Company. This does not have any material impact on the Company's financial statements.



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

For the nine months period ended March 31, 2019

### (b) IFRS 15 Revenue from Contract with Customers:

Under IFRS 15, 'Revenue from Contracts with Customers' the Company recognize revenue when the Company satisfies the performance obligation by transferring promised good to a customer. The control of promised goods are transferred, being when the products are delivered to the customers. The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 'Revenue Recognition' which covers contracts for goods and services and IAS 11 'Construction Contracts' which covers recognition and measurement criteria of construction contracts. The adoption of standard does not have material impact on the timing of revenue recognition.

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, 2018.

		(Unaudited) March 31, 2019	(Audited) June 30, 2018
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>	Note	----- Rupees '000 -----	
Operating fixed assets	5.1	2,052,104	1,941,094
Capital work-in-progress		589,713	192,371
		<u>2,641,817</u>	<u>2,133,465</u>
<b>5.1 Operating fixed assets</b>			
Book value at beginning of the period / year		1,941,094	1,920,332
Additions during the period / year	5.2	200,675	132,450
Disposals costing Rs.12,992 thousand (June 30, 2018: Rs.6,379 thousand) - at book value		(10,147)	(3,496)
Depreciation charge for the period / year		(79,518)	(108,192)
Book value at end of the period / year		<u>2,052,104</u>	<u>1,941,094</u>
<b>5.2 Additions to operating fixed assets, including transfer from capital work-in-progress, during the period / year were as follows:</b>			
Building on freehold land		132,718	-
Leasehold improvements		13,860	44,751
Plant and machinery		15,448	33,740
Assembly Jigs		-	6,341
Furniture and fixtures		4,042	254
Vehicles			
- owned		12,025	11,925
- leased		19,557	15,095
Other equipment		1,692	14,154
Office equipment		690	4,338
Computers		643	1,852
		<u>200,675</u>	<u>132,450</u>

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

For the nine months period ended March 31, 2019

**6. INVESTMENTS - at fair value through profit or loss**

March 31, 2019	June 30, 2018		(Unaudited) March 31, 2019	(Audited) June 30, 2018
----- Numbers of Units -----			----- Rupees '000 -----	
114,898	11,645,239	BMA Chundrigar Road Savings Fund	996	100,928
17,865,685	-	BMA Empress Cash Fund	192,413	-
14,372,443	-	NAFA Money Market Fund	141,707	-
1,934,423	-	JS Islamic Hyberd Fund of Funds 2	200,000	-
			<u>535,116</u>	<u>100,928</u>

**7. SHARE CAPITAL****7.1 Authorized capital**

80,000,000 (June 30, 2018: 80,000,000) ordinary shares of Rs.10 each

<u>800,000</u>	<u>800,000</u>
----------------	----------------

**7.2 Issued, subscribed and paid-up capital**

March 31, 2019	June 30, 2018			
----- No. of shares -----				
14,800,000	14,800,000	Ordinary shares of Rs.10 each fully paid in cash	148,000	148,000
200,000	200,000	Ordinary shares of Rs.10 each issued as fully paid bonus shares	2,000	2,000
30,002,500	30,002,500	Ordinary shares of Rs.10 each issued for acquisition	300,025	300,025
12,000,000	-	Ordinary shares of Rs.10 each issued as right (Refer note 7.4)	120,000	-
<u>57,002,500</u>	<u>45,002,500</u>		<u>570,025</u>	<u>450,025</u>

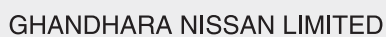
**7.3** At March 31, 2019, Bibojee Services (Private) Limited (the Holding Company) holds 57.76% (June 30, 2018: 56.32%) of share capital of the Company.

**7.4 Issuance of right shares at premium**

The Board of Directors of the Company in their meeting held on April 24, 2018 approved issue of 12,000,000 right shares at exercise price of Rs.100 per share (including premium of Rs.90 per share) in proportion of 26.67 shares for every 100 shares held as at May 8, 2018. The right shares were issued for the purpose of revival of existing assembly facility for the progressive manufacturing of Datsun passenger cars, as well as to enhance the capacity to cater the increase in existing operations of the Company.

These right shares have been issued to Company's existing shareholders. Total amount raised through the rights issue is Rs.1,200 million comprising of Rs.120 million and Rs.1,080 million in respect of ordinary share capital and share premium respectively. In this respect, the Company has allotted 12,000,000 shares during the period.

Issuance cost amounting to Rs.17.28 million were incurred in relation to above right issue which has been set-off with the subscription money received and accordingly accounted for as a deduction from equity on allotment of shares.



## For the nine months period ended March 31, 2019

8.1 There is no material change in status of the contingencies as disclosed in note 30.1 of the audited annual financial statements of the Company for the year ended June 30, 2018.

8.2 Commitment in respect of irrevocable letters of credit as at March 31, 2019 aggregate to Rs.379.618 million (June 30, 2018: Rs.140.251 million). Furthermore the Company has a commitment to pay Rs. 92.4 million as advisory fee to a financial institution in relation to debt financing arrangement for upcoming project. Payment of this fee is subject to finalization of syndicated term loan facility.

8.3 Guarantees aggregating Rs.6.489 million (June 30, 2018: Rs.5.601 million) are issued by banks of the Company to various government and other institutions. Further, the Company has issued corporate guarantees aggregating Rs.787.095 million (June 30, 2018: Rs.538.749 million) to the commercial banks against banking facilities utilised by the Subsidiary Company.

----- (Un-audited) -----

Quarter ended                      Nine months period ended

		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	Note	Rupees '000			
Finished goods at beginning of the period		593,669	139,276	378,552	213,001
Cost of goods manufactured	9.1	303,381	141,387	1,101,871	401,067
Purchases - trading goods		256,472	527,970	661,727	972,347
		559,853	669,357	1,763,598	1,373,414
		1,153,522	808,633	2,142,150	1,586,415
Finished goods at end of the period		(735,415)	(204,931)	(735,415)	(204,931)
		418,107	603,702	1,406,735	1,381,484

### 9.1 Cost of goods manufactured

Raw materials and parts consumed	161,278	8,124	602,074	8,124
Factory overheads	142,103	133,263	499,797	392,943
	<u>303,381</u>	<u>141,387</u>	<u>1,101,871</u>	<u>401,067</u>

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

For the nine months period ended March 31, 2019

**10. 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. Significant transactions with and balance of related parties are as follows:

Name	Nature of transaction	----- (Un-audited) ----- Nine months period ended	
		March 31, 2019	March 31 2018
----- Rupees '000 -----			
<b>(i) Holding Company</b>			
Bibojee Services (Private) Limited - <b>57.76%</b> shares held in the Holding Company	Corporate office rent	4,500	4,500
	Issue of right shares including premium	757,530	-
	Dividend income	-	140,232
	Subscription money against right issue	81,734	-
<b>(ii) Subsidiary Company</b>			
Gandhara DF (Private) Limited <b>99.99%</b> shares held by the Company	Contract assembly charges	191,037	102,896
	Purchase of parts	35	75
	Sale of parts	372	52,105
	Long term advances given - net	17,948	77,933
	Interest received	39,953	26,043
	Interest income	58,248	33,066
	Guarantee commission	10,242	4,872
<b>(iii) Associated Companies</b>			
Gandhara Industries Limited <b>19.09%</b> shares held by the Company <b>(10.1)</b>	Contract assembly charges	499,473	579,337
	Purchase of parts	32	16
	Sale of parts	-	6
	Head office rent	2,156	1,980
	Dividend Income	63,432	77,493
	Bonus shares received	40,060	-
	Reimbursement of expenses	25	1,003
The General Tyre and Rubber Company of Pakistan Limited <b>(10.1)</b>	Purchase of tyres, tubes and flaps	198	72
Gammon Pakistan Limited <b>(10.1)</b>	Office rent	2,250	2,250
Janana De Malucho Textile <b>(10.1)</b> Mills Limited	Reimbursement of expenses	1,288	1,256
<b>(iv) Others</b>			
Staff provident fund	Contribution made	7,260	6,058
Staff gratuity fund	Contribution made	12,320	13,427
Key management personnel	Remuneration and other short term benefits	6,872	55,820
	Issue of right shares including premium	5,288	-

**10.1** Associated company by virtue of common directorship.

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

For the nine months period ended March 31, 2019

**10.2 Period / year end balances are as follows:****Receivables from related parties**

	(Unaudited) March 31, 2019	(Audited) June 30, 2018
	----- Rupees '000 -----	
Long term investment	222,906	222,906
Long term loans	50	889
Trade debts	157,579	108,999
Loan and advances	913	1,989
Deposits and prepayments	750	590
Other receivables	2,853	1,760
Accrued interest / mark-up	18,296	17,735
<b>Payable to related parties</b>		
Trade and other payables	45,616	40,890

These are in the normal course of business and are settled in ordinary course of business.

**11. 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, 2018.

**12. 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, 2018, 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 March 31, 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 condensed interim financial statements were authorised for issue on April 19, 2019 by the Board of Directors of the Company.

  
Ahmed Kuli Khan Khattak  
Chief Executive Officer

  
Muhammad Zia  
Director

  
Muhammad Umair  
Chief Financial Officer



## Directors' Report

The directors are pleased to present their report together with consolidated condensed interim financial statements of Ghandhara Nissan Limited and its subsidiary Ghandhara DF (Pvt.) Limited for the period ended 31st March, 2019.

The Company has annexed consolidated un-audited condensed interim financial statements alongwith its standalone un-audited condensed interim financial statements.

The consolidated un-audited condensed interim financial statements show turnover of Rs.4,996.9 million, gross profit of Rs. 685.5 million and profit after tax of Rs. 323.9 million.

During the recent period, the country's economic situation has remained vulnerable mainly due to devaluation of Pak-Rupee which has resulted in higher cost of imported raw material.

Dongfeng business has supported the consolidated performance of the group during these difficult times courtesy customer loyalty established as a result of consistency in quality and after-sales service.

Moreover, JAC and Renault Trucks have also played a vital role by enhancing the Company's product range, thereby providing diversity to the customers.

Going forward, with the steady recovery in economy, we are hopeful of swift improvement in financial performance of the group.

For and on behalf of the Board of Directors

Ahmed Kuli Khan Khattak  
Chief Executive Officer

Muhammad Zia  
Director

Karachi  
Dated: 19th April, 2019



## ڈائریکٹرز رپورٹ

ڈائریکٹرز کی جانب سے بصد خوشی گندھارا انسان لمیٹڈ اور اس کی ذیلی کمپنی گندھارا ڈی ایف (پرائیویٹ) لمیٹڈ کی 31 مارچ 2019 کو ختم ہونے والی نو ماہی رپورٹ کے لیے غیر پڑتال شدہ عبوری معلومات پیش خدمت ہیں۔

کمپنی نے غیر پڑتال شدہ عبوری مجموعی مالیاتی معلومات بمع انفرادی عبوری معلومات کا ضمیمہ اس کے ساتھ منسلک کر دیا ہے۔

مجموعی عبوری مالیاتی معلومات کے مطابق فروخت 4,996.9 ملین روپے ہے، خام منافع 685.5 ملین روپے اور بعد از ٹیکس منافع 323.9 ملین روپے ہے۔

حالیہ عرصے میں ملک کی معاشی صورتحال بنیادی طور پر پاکستانی روپیہ کی قدر میں کمی کی وجہ سے کمزور رہی ہے جس کے نتیجے میں درآمد شدہ خام مال کی قیمت زیادہ رہی ہے۔

DONGFENG کاروبار نے اس مشکل وقت کے دوران گروپ کی مجموعی کارکردگی میں مثبت کردار ادا کیا ہے اس کے بہترین معیار اور بعد از فروخت سروس میں استحکام کے نتیجے کے طور پر کسٹمر وفاداری (Customers Loyalty) بھی قائم رہی۔

اس کے علاوہ JAC اور RENAULT ٹرکس نے کمپنی کی مصنوعاتی وسعت کو بڑھانے میں اہم کردار ادا کیا ہے، جس سے گاہکوں کو مزید آپشنز مل رہے ہیں۔

مزید براہ یہ کہ کمپنی معیشت میں استحکام کے ساتھ، گروپ کی مالی کارکردگی میں تیزی سے بہتری کی امید رکھتی ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے

محمد ضیاء  
ڈائریکٹر

احمد قلی خان خٹک  
چیف ایگزیکٹو آفیسر

کراچی

تاریخ: ۱۹ اپریل، ۲۰۱۹

**Consolidated Condensed Interim Statement of Financial Position**

As at March 31, 2019

		(Un-Audited) March 31, 2019	(Audited) June 30, 2018
		----- Rupees '000 -----	
<b>ASSETS</b>	Note		
<b>Non current assets</b>			
Property, plant and equipment	6	2,650,229	2,140,333
Intangible assets		2,902	2,900
Long term investments	7	913,435	886,352
Long term loans		13,480	6,972
Long term deposits		27,789	20,735
		<u>3,607,835</u>	<u>3,057,292</u>
<b>Current assets</b>			
Stores, spares and loose tools		86,461	91,767
Stock-in-trade		2,221,569	1,767,583
Trade debts		1,287,212	1,201,044
Loans and advances		71,819	76,224
Deposits and prepayments		38,910	18,931
Investments	8	535,116	100,928
Other receivables		236,424	146,617
Taxation - net		332,480	66,965
Cash and bank balances		884,725	1,323,012
		<u>5,694,716</u>	<u>4,793,071</u>
<b>Total assets</b>		<u>9,302,551</u>	<u>7,850,363</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Share capital	9	570,025	450,025
Subscription money against right issue		-	1,054,319
<b>Capital reserve</b>			
- share premium	9.4	1,102,721	40,000
- surplus on revaluation of fixed assets		1,272,520	1,286,608
- Items directly credited to equity by an Associate		71,471	70,235
		<u>2,446,712</u>	<u>1,396,843</u>
<b>Revenue reserve - unappropriated profit</b>		<u>3,303,095</u>	<u>2,966,287</u>
Equity attributable to shareholders of the Holding Company		6,319,832	5,867,474
Non-controlling interest		60	44
<b>Total equity</b>		<u>6,319,812</u>	<u>5,867,518</u>
<b>Liabilities</b>			
<b>Non current liabilities</b>			
Liabilities against assets subject to finance lease		52,291	65,828
Long term deposits		9,611	9,611
Deferred taxation		261,836	265,416
		<u>323,738</u>	<u>340,855</u>
<b>Current liabilities</b>			
Trade and other payables		1,185,147	1,429,111
Accrued mark-up on running finance		38,699	9,528
Short term finances		115,140	-
Running finances under mark-up arrangements		1,275,114	153,661
Current portion of liabilities against assets subject to finance lease		34,184	39,015
Unclaimed dividend		10,637	10,675
		<u>2,658,921</u>	<u>1,641,990</u>
<b>Total liabilities</b>		<u>2,982,659</u>	<u>1,982,845</u>
Contingencies and commitments	10		
<b>Total equity and liabilities</b>		<u>9,302,551</u>	<u>7,850,363</u>

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

Ahmed Kuli Khan Khattak  
Chief Executive OfficerMuhammad Zia  
DirectorMuhammad Umair  
Chief Financial Officer



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

For the nine months period ended March 31, 2019

		Quarter ended		Nine months period ended	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	Note	Rupees '000			
Revenue		1,087,592	1,384,911	4,996,880	3,728,686
Cost of sales	11	(978,961)	(1,181,043)	(4,311,415)	(3,113,312)
Gross profit		108,631	203,868	685,465	615,374
Distribution cost		(20,092)	(16,060)	(67,150)	(42,562)
Administrative expenses		(58,610)	(58,249)	(204,052)	(161,203)
Other income		18,940	7,597	83,439	61,723
Other expenses		(19,051)	(7,055)	(52,852)	(23,814)
Profit from operations		29,818	130,101	444,850	449,518
Finance cost		(40,348)	(10,083)	(109,884)	(15,884)
		(10,530)	120,018	334,966	433,634
Share of profit of an Associate		15,157	109,215	90,515	260,723
Profit before taxation		4,627	229,233	425,481	694,357
Taxation		5,933	(31,197)	(101,509)	(132,257)
Profit after taxation		10,560	198,036	323,972	562,100
Other comprehensive income		-	-	-	-
Total comprehensive income		10,560	198,036	323,972	562,100
Attributable to:					
- Shareholders of the Holding Company		10,561	198,031	323,956	562,086
- Non-controlling interest		(1)	5	16	14
		10,560	198,036	323,972	562,100
		Rupees			
Earnings per share - basic and diluted		0.19	Restated 4.00	5.68	Restated 11.35

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

  
Ahmed Kuli Khan Khattak  
Chief Executive Officer

  
Muhammad Zia  
Director

  
Muhammad Umair  
Chief Financial Officer

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


For the nine months period ended March 31, 2019

	Capital reserve						
	Share capital	Subscription money against right issue	Share premium	Surplus on revaluation of fixed assets	Items directly credited to equity by an Associate	Revenue reserve Unappropriated profit	Non-controlling interest
	Rupees '000						
Balance as at July 1, 2017 (Audited)	450,025	-	40,000	1,389,904	68,426	1,818,045	26
Transactions with owners, recognised directly in equity							
Final dividend for the year ended June 30, 2017 at the rate of Rs.5.00 per share	-	-	-	-	-	(225,013)	-
Total comprehensive income for the nine months period ended March 31, 2018							
Profit for the period	-	-	-	-	-	562,086	14
Other comprehensive income	-	-	-	-	-	562,086	14
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred tax	-	-	-	(13,815)	-	13,815	-
Effect of item directly credited in equity by an Associated Company	-	-	-	(955)	955	-	-
Balance as at March 31, 2018 (Un-audited)	450,025	-	40,000	1,375,134	69,381	2,168,933	40
Balance as at July 1, 2018 (Audited)	450,025	1,054,319	40,000	1,286,608	70,235	2,966,287	44
Transactions with owners, recognised directly in equity							
Subscription money received	-	131,694	-	-	-	-	-
Issuance cost	-	(3,292)	-	-	-	-	-
	-	128,402	-	-	-	-	-
Issuance of right shares at premium	120,000	(1,182,721)	1,062,721	-	-	-	-
Total comprehensive income for the nine months period ended March 31, 2019							
Profit for the period	-	-	-	-	-	323,956	16
Other comprehensive income	-	-	-	-	-	-	-
	-	-	-	-	-	323,956	16
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred tax	-	-	-	(12,852)	-	12,852	-
Effect of item directly credited in equity by an Associated Company	-	-	-	(1,236)	1,236	-	-
Balance as at March 31, 2019 (Un-audited)	570,025	-	1,102,721	1,272,520	71,471	3,303,095	60

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

  
 Ahmed Kuli Khan Khattak  
 Chief Executive Officer

  
 Muhammad Zia  
 Director

  
 Muhammad Umair  
 Chief Financial Officer


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


For the nine months period ended March 31, 2019

	Nine months period ended	
	March 31, 2019	March 31, 2018
	----- Rupees '000 -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	425,481	694,357
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation and amortisation	80,951	79,990
Provision for gratuity	7,576	5,762
Interest income	(6,556)	(25,214)
Share of profit of an Associate	(90,515)	(260,723)
Gain on disposal of non current assets for sale and fixed assets	-	(36,509)
Amortization of gain on sale and lease back of fixed assets	-	(3)
Unrealised gain on investments at fair value through profit or loss	23,724	-
Finance cost	109,884	15,884
Net exchange loss / (gain)	39,605	(992)
<b>Operating profit before working capital changes</b>	<b>590,150</b>	<b>472,552</b>
<b>Decrease / (increase) in current assets:</b>		
Stores, spares and loose tools	5,306	(5,794)
Stock-in-trade	(453,986)	(668,268)
Trade debts	(86,168)	(927,656)
Loans and advances	4,405	(15,506)
Deposit and prepayments	(19,979)	(51,215)
Other receivables	(89,807)	(36,219)
	(640,229)	(1,704,658)
<b>(Decrease) / increase in trade and other payables</b>	<b>278,825</b>	<b>604,816</b>
<b>Cash generated used in operations</b>	<b>(328,904)</b>	<b>(627,290)</b>
Gratuity paid	(12,320)	(13,427)
Long term loans - net	(6,508)	1,231
Long term deposits - net	(7,054)	(844)
Finance cost paid	(80,713)	(8,613)
Taxes paid	(370,604)	(266,016)
<b>Net cash used in operating activities</b>	<b>(806,103)</b>	<b>(914,959)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(578,460)	(133,891)
Proceeds from disposal of property, plant and equipment	10,147	177,913
Interest income received	6,556	25,214
Dividend received	63,432	77,493
Short term investment - net	(457,912)	-
<b>Net cash (used in) / generated from investing activities</b>	<b>(956,237)</b>	<b>146,729</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Lease finances - net	(40,904)	(39,994)
Short term finances	115,140	-
Running finances under mark-up arrangements - net	1,121,453	610,685
Dividend paid	(38)	(221,897)
Subscription money against right issue	128,402	-
<b>Net cash generated from financing activities</b>	<b>1,324,053</b>	<b>348,794</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(438,287)</b>	<b>(419,436)</b>
Cash and cash equivalents at beginning of the period	1,323,012	573,693
<b>Cash and cash equivalents at end of the period</b>	<b>884,725</b>	<b>154,257</b>

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

  
**Ahmed Kuli Khan Khattak**  
 Chief Executive Officer

  
**Muhammad Zia**  
 Director

  
**Muhammad Umair**  
 Chief Financial Officer



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

For the nine months period ended March 31, 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. The consolidated condensed interim financial statements of the Group for the nine months period ended March 31, 2019 is unaudited.

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, 2018.

2.3 This 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 nine months period ended March 31, 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, 2018, except for the adoption of new and amended accounting standards effective as of July 1, 2018.

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

The Group has adopted IFRS 9, 'Financial Instruments' and IFRS 15, 'Revenue from Contract with Customer'. Neither the IFRS 9 and IFRS 15 resulted in the restatement of comparatives. The impact of the adoption is described below:

#### (a) IFRS 9 Financial Instruments

The IFRS 9 introduces new requirements for the recognition, classification and measurement of financial assets and liabilities & impairment of financial assets. IASB has published the complete version of IFRS 9, 'Financial Instruments', which replaces the guidance in IAS 39 'Financial Instruments: Recognition and Measurement'.

##### Classification and measurement of financial assets

Under IFRS 9, financial assets can be classified into three categories i.e. financial assets through profit & loss, financial assets measured at amortized cost & financial assets through other comprehensive income.

On July 1, 2018, the Group has assessed which measurement apply to the financial assets held by the Group. This does not have any material impact on the Group's financial statements.

#### (b) IFRS 15 Revenue from Contract with Customers:

Under IFRS 15, 'Revenue from Contracts with Customers' the Group recognize revenue when the Group satisfies the performance obligation by transferring promised good to a customer. The control of promised goods are transferred, being when the products are delivered to the customers. The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 'Revenue Recognition' which covers contracts for goods and services and IAS 11 'Construction Contracts' which covers recognition and measurement criteria of construction contracts. The adoption of standard does not have material impact on the timing of revenue recognition.

- 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 March 31, 2019 (June 30, 2018: 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.

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

For the nine months period ended March 31, 2019

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, 2018.

		Unaudited March 31, 2019	Audited June 30, 2018
<b>6. PROPERTY, PLANT AND EQUIPMENT</b>	Note	----- Rupees '000 -----	
Operating fixed assets	6.1	2,060,516	1,947,962
Capital work-in-progress		589,713	192,371
		<u>2,650,229</u>	<u>2,140,333</u>
<b>6.1 Operating fixed assets</b>			
Book value at beginning of the period / year	6.2	1,947,962	1,928,917
Additions during the period / year		203,654	132,450
Disposals costing Rs.12,992 thousand (June 30, 2018: Rs.6,379 thousand) - at book value		(10,147)	(3,496)
Depreciation charge for the period / year		(80,953)	(109,909)
Book value at end of the period / year		<u>2,060,516</u>	<u>1,947,962</u>
<b>6.2 Additions to operating fixed assets, including transfer from capital work-in-progress, during the period / year were as follows:</b>			
Building on freehold land		132,718	-
Leasehold improvements		13,860	44,751
Plant and machinery		15,448	33,740
Assembly Jigs		-	6,341
Furniture and fixtures		4,042	254
Vehicles			
- owned		12,025	11,925
- leased		22,536	15,095
Other equipment		1,692	14,154
Office equipment		690	4,338
Computers		643	1,852
		<u>203,654</u>	<u>132,450</u>
<b>7. LONG TERM INVESTMENTS</b>			
Associate - equity accounted investment	7.1	913,435	886,352
Others - available for sale	7.2	-	-
		<u>913,435</u>	<u>886,352</u>
<b>7.1 Ghandhara Industries Limited</b>			
Balance at beginning of the period / year		886,352	857,012
Share of profit / OCI for the period / year		90,515	346,606
Disposal of investment		-	(239,773)
Dividend received		(63,432)	(77,493)
Balance at end of the period / year		<u>913,435</u>	<u>886,352</u>

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

For the nine months period ended March 31, 2019

**7.1.1** Investment in Ghandhara Industries Limited (GIL) represents 8,132,336 (June 30, 2018: 4,066,168) fully paid ordinary shares of Rs.10 each representing 19.09% (June 30, 2018: 19.09%) of its issued, subscribed and paid-up capital as at March 31, 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 unaudited financial statements of the investee company as at December 31, 2018. The latest financial statements of GIL as at March 31, 2019 are not presently available.

**7.1.3** The market value of investment as at March 31, 2019 was Rs.1,407.382 million (June 30, 2018: Rs.2,873.520 million).

**7.2 Others - available for sale**

**Automotive Testing & Training Centre  
(Private) Limited**

187,500 (June 30, 2018: 187,500) ordinary shares of  
Rs.10 each - **cost**  
Provision for impairment

Unaudited March 31, 2019	Audited June 30, 2018
----- Rupees '000 -----	
1,875	1,875
(1,875)	(1,875)
-	-

**8. INVESTMENTS - at fair value through profit or loss**

March 31, 2019	June 30, 2018	
----- Number of units -----		
114,898	11,645,289	BMA Chundrigar Road Savings Fund
17,865,685	-	BMA Empress Cash Fund
14,372,443	-	NAFA Money Market Fund
1,934,423	-	JS Islamic Hyberd Fund of Funds 2

996	100,928
192,413	-
141,707	-
200,000	-
535,116	100,928

**9. SHARE CAPITAL****9.1 Authorized capital**

80,000,000 (June 30, 2018: 80,000,000) ordinary  
shares of Rs.10 each

800,000	800,000
---------	---------

**9.2 Issued, subscribed and paid-up capital**

March 31, 2019	June 30, 2018	
----- No. of shares -----		
14,800,000	14,800,000	Ordinary shares of Rs.10 each fully paid in cash
200,000	200,000	Ordinary shares of Rs.10 each issued as fully paid bonus shares
30,002,500	30,002,500	Ordinary shares of Rs.10 each issued for acquisition
12,000,000	-	Ordinary shares of Rs.10 each issued as right (Refer note 9.4)
57,002,500	45,002,500	

148,000	148,000
2,000	2,000
300,025	300,025
120,000	-
570,025	450,025

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

For the nine months period ended March 31, 2019

9.3 At March 31, 2019, Bibojee Services (Private) Limited (the ultimate Holding Company) holds 57.76% (June 30, 2018: 56.32%) of share capital of the Holding Company.

**9.4 Issuance of right shares at premium**

The Board of Directors of the Holding Company in their meeting held on April 24, 2018 approved issue of 12,000,000 right shares at exercise price of Rs.100 per share (including premium of Rs.90 per share) in proportion of 26.67 shares for every 100 shares held as at May 8, 2018. The right shares were issued for the purpose of revival of existing assembly facility for the progressive manufacturing of Datsun passenger cars, as well as to enhance the capacity to cater the increase in existing operations of the Holding Company.

These right shares have been issued to Holding Company's existing shareholders. Total amount raised through the rights issue is Rs.1,200 million comprising of Rs.120 million and Rs.1,080 million in respect of ordinary share capital and share premium respectively. In this respect, the Holding Company has allotted 12,000,000 shares during the period.

Issuance cost amounting to Rs.17.28 million were incurred in relation to above right issue which has been set-off with the subscription money received and accordingly accounted for as a deduction from equity on allotment of shares.

**10. CONTINGENCIES AND COMMITMENTS**

10.1 There is no material change in status of the contingencies as disclosed in note 28.1 of the audited annual financial statements of the Group for the year ended June 30, 2018.

10.2 Commitment in respect of irrevocable letters of credit as at March 31, 2019 aggregate to Rs.423.530 million (June 30, 2018: Rs.140.251 million). Furthermore the Holding Company has a commitment to pay Rs. 92.4 million as advisory fee to a financial institution in relation to debt financing arrangement for upcoming project. Payment of this fee is subject to finalization of syndicated term loan facility.

10.3 Guarantees aggregating Rs.6.998 million (June 30, 2018: Rs.5.601 million) are issued by banks of the Group to various government and other institutions. Further, the Holding Company has issued corporate guarantees aggregating Rs.787.095 million (June 30, 2018: Rs.538.749 million) to the commercial banks against banking facilities utilised by the Subsidiary Company.

**11. COST OF SALES**

		(Un-audited)			
		Quarter ended		Nine months period ended	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
		Rupees '000			
Note					
	Finished goods at beginning of the period	869,577	358,586	615,916	302,797
	Cost of goods manufactured	966,339	709,488	4,108,551	2,253,169
	Purchases - trading goods	275,139	475,790	719,042	920,167
		1,241,748	1,185,278	4,827,593	3,173,336
		2,111,055	1,543,864	5,443,509	3,476,133
	Finished goods at end of the period	(1,132,094)	(362,821)	(1,132,094)	(362,821)
		978,961	1,181,043	4,311,415	3,113,312
11.1	Cost of goods manufactured				
	Raw materials and parts consumed	854,984	645,550	3,603,538	1,843,386
	Factory overheads	111,355	63,938	505,013	409,783
		966,339	709,488	4,108,551	2,253,169

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

For the nine months period ended March 31, 2019

**12. 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. Significant transactions with and balance of related parties are as follows:

Name	Nature of transaction	----- (Un-audited) ----- Nine months period ended	
		March 31, 2019	March 31, 2018
		----- Rupees '000 -----	
<b>(i) Ultimate Holding Company</b>			
Bibojee Services (Private) Limited - 57.76% shares held in the Holding Company	Corporate office rent	9,000	9,000
	Issue of right shares including premium	757,530	-
	Dividend income	-	140,232
	Subscription money against right issue	81,734	-
<b>(ii) Associated Companies</b>			
Ghandhara Industries Limited 19.09% shares held by the Holding Company (12.1)	Contract assembly charges	499,473	579,337
	Purchase of parts	39	16
	Sale of parts	22	6
	Head office rent	2,156	1,980
	Dividend Income	-	-
	Bonus shares received	63,432	77,493
	Reimbursement of expenses	40,060	-
		25	1,003
The General Tyre and Rubber Company of Pakistan (12.1)	Purchase of tyres, tubes and flaps	6,486	24,687
Gammon Pakistan Limited (12.1)	Office rent	2,250	2,250
Janana De Malucho Textile Mills Limited (12.1)	Reimbursement of expenses	1,288	1,256
<b>(iii) Others</b>			
Staff provident fund	Contribution made	7,609	6,058
Staff gratuity fund	Contribution made	12,320	13,427
Key management personnel	Remuneration and other short term benefits	68,772	58,520
	Issue of right shares including premium	5,288	-

12.1 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, 2019

	(Unaudited) March 31, 2019	(Audited) June 30, 2018
	----- Rupees '000 -----	
<b>12.2 Period / year end balances are as follows:</b>		
Receivables from related parties		
Long term loans	50	889
Trade debts	95,393	90,798
Loan and advances	913	1,989
Deposits and prepayments	1,505	6,355
Payable to related parties		
Trade and other payables	44,106	40,890

These are in the normal course of business and are settled in ordinary course of business.

**13. 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, 2018.

**14. 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, 2018, 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 March 31, 2018. 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**

This consolidated condensed interim financial statements were authorised for issue on April 19, 2019 by the Board of Directors of the Holding Company.



Ahmed Kuli Khan Khattak  
Chief Executive Officer



Muhammad Zia  
Director



Muhammad Umair  
Chief Financial Officer

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