

QUARTERLY REPORT

MARCH 31, 2020 (Un-audited)



**GHANDHARA
NISSAN
LIMITED**



CONTENTS

02	Company Profile	18	Directors' Review on Consolidated Condensed Interim Financial Statements (English)
04	Directors' Review on Condensed Interim Financial Statements (English)	19	Directors' Review on Consolidated Condensed Interim Financial Statements (Urdu)
06	Directors' Review on Condensed Interim Financial Statements (Urdu)	20	Consolidated Condensed Interim Statement of Financial Position
07	Condensed Interim Statement of Financial Position	22	Consolidated Condensed Interim Statement of Profit or Loss & other comprehensive income (Un-audited)
09	Condensed Interim Statement of Profit or Loss & other comprehensive income (Un-audited)	23	Consolidated Condensed Interim Statement of Changes in Equity (Un-audited)
10	Condensed Interim Statement of Changes in Equity (Un-audited)	24	Consolidated Condensed Interim Statement of Cash Flows (Un-audited)
11	Condensed Interim Statement of Cash Flows (Un-audited)	25	Notes to the Consolidated Condensed Interim Financial Statements
12	Notes to the Condensed Interim Financial Statements		



Company Profile

Board of Directors

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

Chairman
President
Chief Executive Officer

Company Secretary

Mr. Muhammad Sheharyar Aslam

Chief Financial Officer

Mr. Muhammad Umair

Registered Office

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

Factory

Truck / Car Plants
Port Bin Qasim, Karachi

Regional Offices

First Floor, Laban's Arcade Main Canal Road, Lahore	400/2, Gammon House Peshawar Road Rawalpindi Cantt.
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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
Standard Chartered Bank (Pakistan) Limited
Industrial & Commercial Bank of China
The Bank of Punjab
The Bank of Khyber
Askari Commercial Bank Limited
Meezan Bank Limited - (Shariah)
Bank Al Habib Limited
Bank Alfalah Islamic - (Shariah)
Al Baraka Bank (Pakistan) Limited - (Shariah)
JS Bank Limited
Samba Bank Limited

Audit Committee

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

Human Resource & Remuneration Committee

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





Auditors

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

NTN:

0802990-3

Share Registrars

CDC Share Registrar Services Limited
CDC House, 99-B, Block-`B`,
S.M.C.H.S., Main Shahra-e-Faisal
Karachi-74400

Sales Tax Registration No:

12-03-8702-001-46

Legal & Tax Advisors

M/s. LEX FIRMA
Advocate, 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.



Directors' Review

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, 2020.

The financial results for the period ended March 31, 2020 are summarized below:

	March 2020	March 2019
	----- Rupees in '000 -----	
Revenue	1,440,584	1,707,634
Gross Profit	73,217	300,899
Operating (Loss)/ Profit	(34,728)	262,596
Net (Loss)/ Profit	(100,565)	135,923
(Loss)/ Earnings Per Share (Rupees)	(1.76)	2.38

Reasons for the Loss

The rupee devaluation, measures to document the economy, increase in taxation and high interest rates were the main reasons behind the deteriorating situation of the company. The significant drop in sales volumes together with contract assembly volumes have made it quite difficult for the company to remain profitable.

The rapid spread of COVID-19 in Pakistan since February 2020 has brought economic activity to a complete halt. There has been a complete lockdown in majority of the spheres of the economy.

Related Party Transactions

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

Future Outlook

The automobile sector of Pakistan, which has already been on a downward trajectory since last one year, has received an additional shock from this outbreak. The devastating impact of COVID-19 on the economy is now evident and the near future appears to be challenging and unpredictable. We sincerely hope that this COVID-19 pandemic will be contained at the earliest following which we believe that the economic activities and accordingly the company will gradually restore to the normal position.

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

For and on behalf of the Board of Directors



Ahmad Kuli Khan Khattak
Chief Executive Officer

Karachi

Dated: April 28, 2020



Salman Rasheed
Director



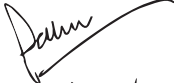



مستقبل کی توقعات

پاکستان کے آٹوموبائل سیکٹر کو، جو پہلے ہی گزشتہ ایک سال سے زوال کی طرف گامزن رہا ہے، اس وبا کے نتیجے میں اضافی جھٹکا لگا ہے۔ معیشت پر COVID-19 کے تباہ کن اثرات اب نمایاں ہیں اور مستقبل قریب آزمائش سے بھرپور اور ناقابلِ پیشین گوئی دکھائی دے رہا ہے۔ تاہم ہم بہت پُر امید ہیں کہ اس COVID-19 عالمی وبا پر جلد از جلد قابو پایا جائے گا جس کے بعد معاشی سرگرمیاں اور ان ہی کے مطابق کمپنی بھی رفتہ رفتہ نارمل پوزیشن پر بحال ہو جائے گی۔

ڈائریکٹرز مسلسل سرپرستی اور معاونت پر پرسپیکٹوز، صارفین، وینڈرز، بینکرز اور دیگر کاروباری ساتھیوں کے شکرگزار ہیں۔

برائے ومنجانب بورڈ آف ڈائریکٹرز


سلمان رشید
ڈائریکٹر


احمد قلی خان خٹک
چیف ایگزیکٹو آفیسر

کراچی

تاریخ: 28 اپریل 2020



ڈائریکٹرز کا جائزہ

آپ کے ڈائریکٹرز کی جانب سے 31 مارچ 2020 کو ختم ہونے والی نو ماہی مدت کے لیے گندھارا انسان لمیٹڈ کے غیر پڑتال شدہ مختصر عبوری مالیاتی گوشواروں کے ہمراہ ڈائریکٹرز رپورٹ پیش خدمت ہے۔

31 مارچ 2019	31 مارچ 2020	
----- (روپے ہزاروں میں) -----		
1,707,634	1,440,584	آمدنی
300,899	73,217	مجموعی منافع
262,596	(34,728)	آپریٹنگ (نقصان) / منافع
135,923	(100,565)	بعد از ٹیکس خالص (نقصان) / منافع
2.38	(1.76)	(نقصان) / فی حصص آمدنی (روپے میں)

خسارے کی وجوہات

روپے کی قدر میں کمی، معیشت کو دستاویزی شکل دینے کے لیے اقدامات، ٹیکسوں میں اضافہ اور سود کی بلند شرح کمپنی کی بگڑتی صورت حال کی بنیادی وجوہات رہیں۔ فروخت کے حجم میں نمایاں کمی نے کنٹریکٹ اسمبلی والیومز کے ساتھ مل کر کمپنی کے لیے منافع کمانے کا اہل رہنا کافی مشکل بنا دیا ہے۔

فروری 2020 سے پاکستان میں COVID-19 کے تیز رفتار پھیلاؤ نے اقتصادی سرگرمی کو تقریباً مکمل طور پر روک دیا ہے۔ معیشت کے شعبوں کی اکثریت مکمل لاک ڈاؤن کا شکار ہے۔

متعلقہ پارٹی سے لین دین

متعلقہ پارٹیوں 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۔

**Condensed Interim Statement of Financial Position**

As at March 31, 2020

	Note	Un-audited March 31, 2020	Audited June 30, 2019
		----- Rupees in '000 -----	
ASSETS			
Non current assets			
Property, plant and equipment	5	4,095,480	3,912,436
Intangible assets		2,061	2,537
Long term investments		222,906	222,906
Long term loans		9,321	10,141
Long term deposits		19,988	13,368
Due from Subsidiary Company		792,077	650,757
		<u>5,141,833</u>	<u>4,812,145</u>
Current assets			
Stores, spares and loose tools		131,681	124,506
Stock-in-trade		828,490	1,069,654
Trade debts		334,994	252,479
Loans and advances		29,077	28,589
Deposits and prepayments		20,404	19,459
Investments		-	389,325
Other receivables		159,085	161,325
Accrued interest / mark-up		20,424	27,527
Taxation - net		111,038	62,870
Bank balances		138,826	150,109
		<u>1,774,019</u>	<u>2,285,843</u>
Total assets		<u>6,915,852</u>	<u>7,097,988</u>

**Condensed Interim Statement of Financial Position**

As at March 31, 2020

	Un-audited March 31, 2020	Audited June 30, 2019
Note	----- Rupees in '000 -----	
EQUITY AND LIABILITIES		
Share capital and reserves		
Authorised capital		
- 80,000,000 (June 30, 2019: 80,000,000)		
ordinary shares of Rs.10 each	800,000	800,000
Issued, subscribed and paid-up capital		
- 57,002,500 (June 30, 2019: 57,002,500)		
ordinary shares of Rs.10 each	570,025	570,025
Capital reserve		
- share premium	1,102,721	1,102,721
- surplus on revaluation of fixed assets	2,232,812	2,261,358
	3,335,533	3,364,079
Revenue reserve - unappropriated profit	2,077,842	2,149,861
Total equity	5,983,400	6,083,965
Liabilities		
Non current liabilities		
Lease liabilities	70,161	44,767
Long term deposits	11,111	8,611
Deferred taxation	350,405	354,312
	431,677	407,690
Current liabilities		
Trade and other payables	454,883	381,201
Accrued mark-up	11,069	22,287
Short term borrowings	-	173,670
Current portion of lease liabilities	24,220	18,564
Unclaimed dividend	10,603	10,611
	500,775	606,333
Total liabilities	932,452	1,014,023
Contingencies and commitments	6	
Total equity and liabilities	6,915,852	7,097,988

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

Ahmad Kuli Khan Khattak
Chief Executive OfficerSalman Rasheed
DirectorMuhammad 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, 2020

	Quarter ended		Nine months period	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Note	----- Rupees in '000 -----			
Revenue - net	578,850	485,672	1,440,584	1,707,634
Cost of sales	(548,168)	(418,107)	(1,367,367)	(1,406,735)
Gross profit	30,682	67,565	73,217	300,899
Distribution cost	(16,653)	(14,270)	(48,053)	(48,534)
Administrative expenses	(56,588)	(51,624)	(176,470)	(179,098)
Other income	35,889	39,528	116,578	211,473
Other expenses	-	(8,937)	-	(22,144)
(Loss) / profit from operations	(6,670)	32,262	(34,728)	262,596
Finance cost	(13,005)	(23,639)	(47,500)	(83,857)
(Loss) / profit before taxation	(19,675)	8,623	(82,228)	178,739
Taxation	(11,791)	(1,744)	(18,337)	(42,816)
(Loss) / profit after taxation	(31,466)	6,879	(100,565)	135,923
Other comprehensive income	-	-	-	-
Total comprehensive (loss) / income for the period	(31,466)	6,879	(100,565)	135,923
----- Rupees -----				
(Loss) / earnings per share - basic and diluted	(0.55)	0.12	(1.76)	2.38

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

Ahmad Kuli Khan Khattak
Chief Executive OfficerSalman Rasheed
DirectorMuhammad Umair
Chief Financial Officer



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

For The Nine Months Period Ended March 31, 2020

	Issued, subscribed and paid -up capital	Subscription money against right issue	-----Capital reserve----- Share premium	Surplus on revaluation of fixed assets	Revenue Reserve Unappro- priated profit	Total
	Rupees in '000					
Balance as at July 1, 2018 (audited)	450,025	1,054,319	40,000	972,241	2,151,296	4,667,881
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 (un-audited)	<u>570,025</u>	<u>-</u>	<u>1,102,721</u>	<u>959,389</u>	<u>2,300,071</u>	<u>4,932,206</u>
Balance as at July 1, 2019 (audited)	570,025	-	1,102,721	2,261,358	2,149,861	6,083,965
Total comprehensive loss for the nine months period ended March 31, 2020						
Loss for the period	-	-	-	-	(100,565)	(100,565)
Other comprehensive income	-	-	-	-	-	-
	-	-	-	-	(100,565)	(100,565)
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred tax	-	-	-	(28,546)	28,546	-
Balance as at March 31, 2020 (un-audited)	<u>570,025</u>	<u>-</u>	<u>1,102,721</u>	<u>2,232,812</u>	<u>2,077,842</u>	<u>5,983,400</u>

The annexed notes from 1 to 11 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, 2020

	March 31, 2020	March 31, 2019
	----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / profit before taxation	(82,228)	178,739
Adjustments for non-cash charges and other items:		
Depreciation and amortisation	106,062	79,488
Provision for gratuity	10,060	7,576
Interest income	(95,692)	(64,954)
Dividend income	-	(87,156)
Gain on disposal of operating fixed assets	(361)	-
Unrealised gain on investments at fair value through profit or loss	-	(28,055)
Realised gain on investment at fair value through profit or loss	(5,453)	-
Finance cost	47,500	83,857
Exchange (gain) / loss - net	(876)	8,897
Operating (loss) / profit before working capital changes	(20,988)	178,392
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(7,175)	5,306
Stock-in-trade	241,164	(253,974)
Trade debts	(82,515)	(29,431)
Loans and advances	(488)	19,378
Deposit and prepayments	(945)	(24,550)
Other receivables	2,240	(41,673)
	152,281	(324,944)
Increase in trade and other payables	82,815	98,376
Cash generated from / (used in) operations	214,108	(48,176)
Gratuity paid	(18,317)	(12,320)
Long term loans - net	820	(1,528)
Long term deposits - net	(6,620)	(1,066)
Finance cost paid	(58,718)	(68,525)
Taxes paid	(70,412)	(153,577)
Net cash generated from / (used in) operating activities	60,861	(285,192)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(238,289)	(578,460)
Proceeds from disposal of property, plant and equipment	3,842	10,147
Interest income received	102,795	64,413
Dividend received	-	87,156
Due from Subsidiary Company - net	(141,320)	(17,948)
Short term investment - net	394,778	(406,133)
Net cash generated from / (used in) investing activities	121,806	(840,825)
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease liabilities - net	(22,772)	(21,541)
Long term deposits received	2,500	-
Short term borrowings - net	(173,670)	507,084
Dividend paid	(8)	(38)
Subscription money against right issue	-	128,402
Net cash (used in) / generated from financing activities	(193,950)	613,907
Net decrease in cash and cash equivalents	(11,283)	(512,110)
Cash and cash equivalents at beginning of the period	150,109	1,314,660
Cash and cash equivalents at end of the period	138,826	802,550

The annexed notes from 1 to 11 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, 2020

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

2.1 Statement of compliance

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

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

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

- 2.2 These condensed interim financial statements do not include all the statements and disclosures as required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2019.

3. ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of audited annual financial statements of the Company for the year ended June 30, 2019, except for the adoption of new and amended accounting standards effective as of July 1, 2019.

New and amended standards adopted by the Company

IFRS 16 'Leases' - is effective for periods beginning from or after January 01, 2019 and replaces the previous lease standard: IAS 17 'Leases'. It primarily affects the accounting by lessees and results in the recognition of almost all leases on statement of financial position. The standard removes distinction between operating and finance leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases. The accounting by lessors does not significantly changed. Some differences may arise as a result of the new guidance on the definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee, the Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under IFRS 16, the Company recognizes right to use assets and records lease liabilities for leases - i.e. these leases are on the statement of financial position.

In case of previously recognised finance leases, the Company now transferred lease assets from operating fixed assets and separately presents as right to use assets in 'property, plant and equipment', the same line item as it presents underlying assets of the same nature that it owns (Note 5.1 and 5.2), while the Company is already presenting its related lease liabilities as a separate line item in the statement of financial position.

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

For The Nine Months Period Ended March 31, 2020

In case of initial application regarding previously recognised operating leases, the Company has elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets'). Some lease contracts of the Company are extendable through mutual agreement between the Company and the lessor or cancellable by both parties immediately or on short notice. In assessing the lease term for the adoption of IFRS 16, the Company concluded that such contracts are short-term in nature. The Company recognizes the lease payments associated with these leases as an expense in statement of profit or loss. Accordingly, initial application of IFRS 16 did not have any impact on these condensed interim financial statements.

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

3.2 Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

3.3 The Company follows the practice of conducting actuarial valuations annually at the year end. Hence, the impact of remeasurement of post-employment benefit plans has not been incorporated in the condensed interim financial statements.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

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

During the preparation of these condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the audited annual financial statements of the Company for the year ended June 30, 2019.

5. PROPERTY, PLANT AND EQUIPMENT

		Un-audited March 31, 2020	Audited June 30, 2019
	Note	----- Rupees in '000 -----	
Operating fixed assets	5.1	3,481,247	3,620,513
Right to use assets	5.2	102,811	-
Capital work-in-progress		511,422	291,923
		<u>4,095,480</u>	<u>3,912,436</u>
5.1 Operating fixed assets			
Book value at beginning of the period / year		3,620,513	1,941,094
Transfer to right to use asset	5.2	(62,355)	-
Additions during the period / year	5.1.1	18,790	382,784
Revaluation adjustments		-	1,431,103
Disposals costing Rs.8,515 Thousand (June 30, 2019: Rs.33,207 thousand) - at book value		(3,481)	(15,084)
Depreciation charge for the period / year		(92,220)	(119,384)
Book value at end of the period / year		<u>3,481,247</u>	<u>3,620,513</u>

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

For The Nine Months Period Ended March 31, 2020

5.1.1	Additions to operating fixed assets, including transfer from capital work-in-progress, during the period / year were as follows:	Note	Un-audited March 31, 2020	Audited June 30, 2019
			----- Rupees in '000 -----	
	Buildings on freehold land		5,000	8,489
	Buildings on leasehold land		-	93,745
	Leasehold improvements		-	42,455
	Plant and machinery		3,888	174,253
	Assembly Jigs		590	-
	Furniture and fixtures		51	25,923
	Vehicles			
	- owned		7,373	15,029
	- leased		-	19,607
	Other equipment		1,229	1,692
	Office equipment		159	690
	Computers		500	901
			<u>18,790</u>	<u>382,784</u>
5.2	Right to use assets			
	Amount transferred from own assets	5.1	62,355	-
	Additions during the period		53,822	-
	Depreciation charged during the period		(13,366)	-
	Net book value at end of the period		<u>102,811</u>	<u>-</u>

6. CONTINGENCIES AND COMMITMENTS

- 6.1 There is no material change in status of the contingencies as disclosed in note 28.1 of the audited annual financial statements of the Company for the year ended June 30, 2019.
- 6.2 Commitment in respect of irrevocable letters of credit as at March 31, 2020 aggregate to Rs.173,580 thousand (June 30, 2019: Rs.31,941 thousand).
- 6.3 Guarantees aggregating Rs.29,058 thousand (June 30, 2019: Rs.6,490 thousand) are issued by banks of the Company to various government and other institutions. Further, the Company has issued corporate guarantees aggregating Rs.523,900 thousand (June 30, 2019: Rs.466,100 thousand) to the commercial banks against banking facilities utilised by the Subsidiary Company.

7. COST OF SALES

Note	-----Un-audited-----			
	Three months period ended March 31,		Nine months period ended March 31,	
	2020	2019	2020	2019
----- Rupees in '000 -----				
Finished goods at beginning of the period	882,013	593,669	833,003	378,552
Cost of goods manufactured	315,485	303,381	1,081,994	1,101,871
Purchases - trading goods	63,006	256,472	164,706	661,727
	<u>378,491</u>	<u>559,853</u>	<u>1,246,700</u>	<u>1,763,598</u>
	1,260,504	1,153,522	2,079,703	2,142,150
	(712,336)	(735,415)	(712,336)	(735,415)
Finished goods at end of the period	<u>548,168</u>	<u>418,107</u>	<u>1,367,367</u>	<u>1,406,735</u>

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

For The Nine Months Period Ended March 31, 2020

		-----Un-audited-----	
		Three months period ended March 31,	Nine months period ended March 31,
		2020	2019
		----- Rupees in '000 -----	
7.1 Cost of goods manufactured			
Raw materials and parts consumed	149,783	161,278	590,197
Factory overheads	165,702	142,103	491,797
	<u>315,485</u>	<u>303,381</u>	<u>1,081,994</u>

8. TRANSACTIONS WITH RELATED PARTIES

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

		--- Un-audited ---	
		Nine months period ended March 31,	
		2020	2019
		--- Rupees in '000 ---	
(i) Holding Company			
Bibojee Services (Private) Limited - 57.76% shares held in the Company	Corporate office rent	4,500	4,500
	Subscription money against right issue	-	81,734
	Issue of right shares including premium	-	757,530
(ii) Subsidiary Company			
Ghandhara DF (Private) Limited 99.99% shares held by the Company	Contract assembly charges	45,981	191,037
	Purchase of parts	2	35
	Sale of parts	1,161	372
	Long term advances given - net	141,320	17,948
	Interest income	74,190	58,248
	Guarantee commission	3,205	10,242
(iii) Associated Companies			
Ghandhara Industries Limited 19.09% shares held by the Company (8.1)	Contract assembly charges	401,193	499,473
	Purchase of parts	183	32
	Head office rent	2,396	2,156
	Dividend Income	-	63,432
	Bonus shares received	-	40,060
	Reimbursement of expenses	444	25
The General Tyre and Rubber Company of Pakistan (8.1)	Purchase of tyres, tubes and flaps	6,650	198
Gammon Pakistan Limited (8.1)	Regional office rent	2,250	2,250
Janana De Malucho Textile Mills Limited (8.1)	Reimbursement of expenses	1,591	1,288

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

For The Nine Months Period Ended March 31, 2020

Related party name along with relation	Nature of transaction	--- Un-audited ---	
		Nine months period ended March 31,	
		2020	2019
		--- Rupees in '000 ---	
(iv) Others			
Staff provident fund	Contribution made	8,660	7,260
Staff gratuity fund	Contribution made	18,317	12,320
Key management personnel	Remuneration and Other Short term benefits	68,126	66,872
	Issue of right shares including premium	-	5,288

8.1 Associated company by virtue of common directorship.

8.2 Period / year end balances are as follows:

	Un-audited March 31, 2020	Audited June 30, 2019
----- Rupees in '000 -----		
Debit balances / receivables from related parties		
Long term investments	222,906	222,906
Long term loans	333	1,723
Trade debts	90,328	101,006
Loan and advances	1,002	1,996
Other receivables	1,024	1,834
Accrued interest / mark-up	20,127	27,230
Payable to related parties		
Trade and other payables	59,910	60,861

9. 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, 2019.

10. CORRESPONDING FIGURES

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

11. DATE OF AUTHORISATION FOR ISSUE

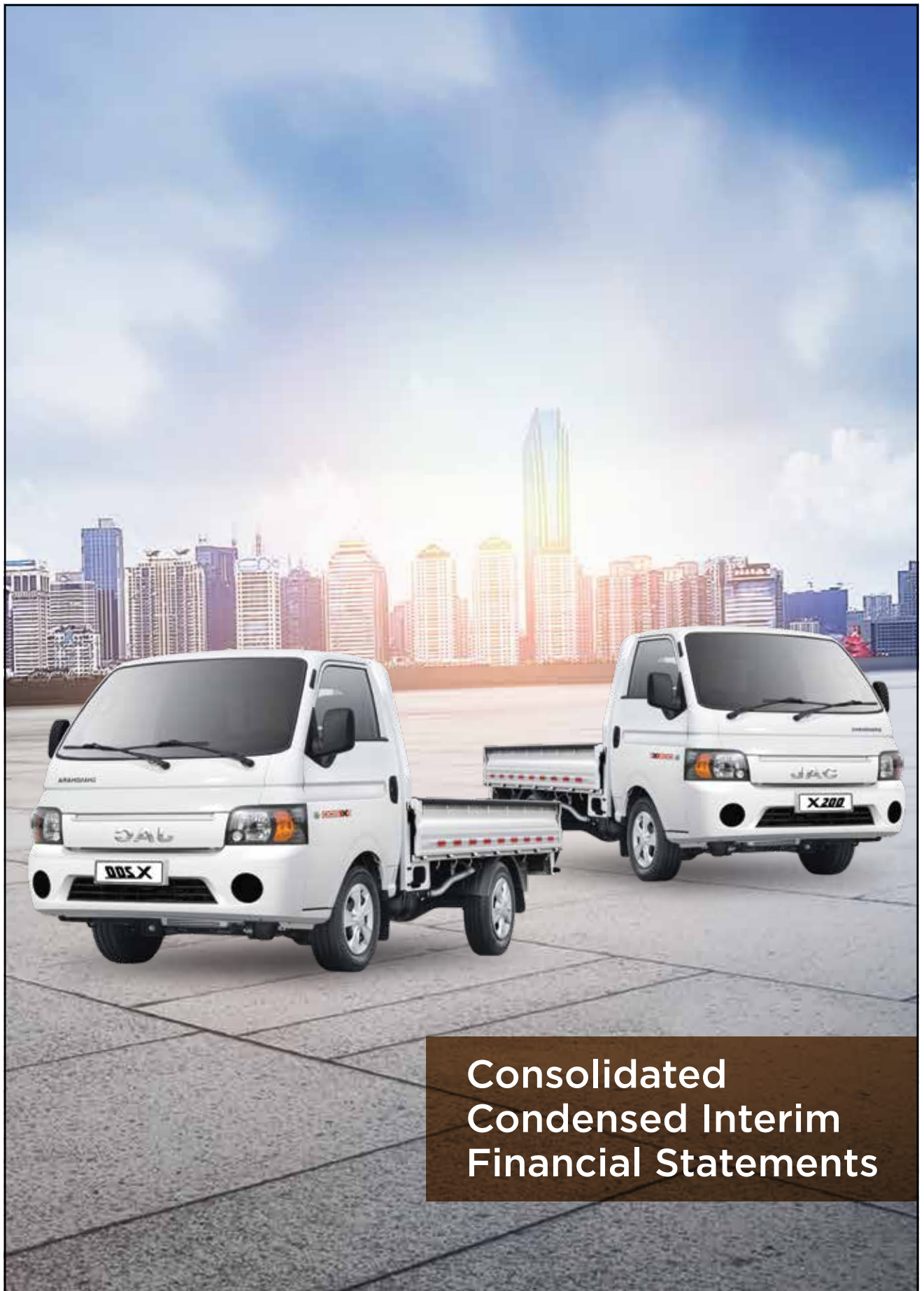
This condensed interim financial statements were authorised for issue on April 28, 2020 by the Board of Directors of the Company.

Ahmad Kuli Khan Khattak
Chief Executive Officer

Salman Rasheed
Director

Muhammad Umair
Chief Financial Officer





**Consolidated
Condensed Interim
Financial Statements**



Directors' Review

The directors are pleased to present their report together with consolidated condensed interim financial statements of Ghandhara Nissan Limited (GNL) and its subsidiary Ghandhara DF (Pvt.) Limited (GDFPL) for the quarter ended March 31, 2020.

The financial results for the period ended March 31, 2020 are summarized below:-

	March 31, 2020	March 31, 2019
	----- Rupees in '000 -----	
Revenue	2,187,612	4,996,880
Gross Profit	192,536	685,465
Operating (Loss)/ Profit	(44,633)	444,850
Net (Loss)/ Profit after Tax	(269,602)	323,972

The soaring interest rate together with measures to document the economy have remained major reasons behind the loss reported by the Group.

Moreover, COVID-19 pandemic has further escalated the hurdles of the market and have resulted in complete halt of the economic activities. We hope that the company will gain its momentum once this pandemic is controlled and market is back to normal position.

For and on behalf of the Board of Directors

Ahmad Kuli Khan Khattak
Chief Executive Officer

Salman Rasheed
Director

Karachi
Dated: April 28, 2020





ڈائریکٹرز کا جائزہ

ڈائریکٹرز کی جانب سے 31 مارچ 2020 کو ختم ہونے والی نو ماہی مدت کے لیے گندھارا انسان لمیٹڈ اور اس کے ذیلی ادارے گندھارا ڈی ایف (پرائیویٹ) لمیٹڈ کے غیر پڑتا شدہ مجموعی مختصر عبوری مالیاتی گوشواروں کے ہمراہ ڈائریکٹرز رپورٹ پیش خدمت ہے۔

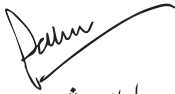
31 مارچ 2020 کو ختم ہونے والی نو ماہی رپورٹ کے مالیاتی نتائج کا خلاصہ درج ذیل ہے:

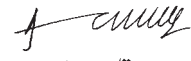
31 مارچ 2019	31 مارچ 2020	
----- (روپے ہزاروں میں) -----		
4,996,880	2,187,612	آمدنی
685,465	192,536	مجموعی منافع
444,850	(44,633)	آپریٹنگ (نقصان) / منافع
323,972	(269,602)	بعد از ٹیکس خالص (نقصان) / منافع

آسمان کو چھوتی سود کی شرح اور معیشت کو دستاویزی شکل دینے کے اقدامات گروپ کی طرف سے درج کرائے گئے خسارے کے پس پردہ بڑی وجوہات رہیں۔

مزید برآں، COVID-19 عالمی وبائے مارکیٹ کے لیے رکاوٹوں میں مزید اضافہ کر دیا ہے اور اس کا نتیجہ معاشی سرگرمیاں مکمل طور پر رُک جانے کی صورت میں سامنے آیا ہے۔ ہم امید کرتے ہیں کہ اس عالمی وبا کے قابو میں آنے اور مارکیٹ میں معمول کی صورت حال بحال ہونے کے بعد گروپ اپنی سابقہ منافع بخش حالت دوبارہ حاصل کر لے گی۔

برائے و مخانب بورڈ آف ڈائریکٹرز


سلمان رشید
ڈائریکٹر


احمد علی خان خٹک
چیف ایگزیکٹو آفیسر

کراچی

تاریخ: 28 اپریل 2020





Consolidated Condensed Interim Statement of Financial Position

As at March 31, 2020

		Un-audited March 31, 2020	Audited June 30, 2019
	Note	----- Rupees in '000 -----	
ASSETS			
Non current assets			
Property, plant and equipment	6	4,115,700	3,927,906
Intangible assets		2,156	2,654
Long term investments	7	869,234	915,674
Long term loans		15,807	14,941
Long term deposits		33,678	26,680
		<u>5,036,575</u>	<u>4,887,855</u>
Current assets			
Stores, spares and loose tools		131,681	124,506
Stock-in-trade		1,447,970	2,127,741
Trade debts		920,445	987,340
Loans and advances		37,977	33,171
Deposits and prepayments		22,211	26,408
Investments		-	392,878
Other receivables		200,049	307,916
Taxation - net		470,584	417,107
Cash and bank balances		191,552	202,173
		<u>3,422,469</u>	<u>4,619,240</u>
Total assets		<u><u>8,459,044</u></u>	<u><u>9,507,095</u></u>



Consolidated Condensed Interim Statement of Financial Position

As at March 31, 2020

	Un-audited March 31, 2020	Audited June 30, 2019
Note	----- Rupees in '000 -----	
EQUITY AND LIABILITIES		
Share capital and reserves		
Authorised capital		
- 80,000,000 (June 30, 2019: 80,000,000) ordinary shares of Rs.10 each	800,000	800,000
Issued, subscribed and paid-up capital		
- 57,002,500 (June 30, 2019: 57,002,500) ordinary shares of Rs.10 each	570,025	570,025
Capital reserves		
- share premium	1,102,721	1,102,721
- surplus on revaluation of fixed assets	2,582,185	2,574,149
- Items directly credited to equity by an Associate	72,931	71,811
	3,757,837	3,748,681
Revenue reserve - unappropriated profit	2,893,751	3,134,966
Equity attributable to shareholders of the Holding Company	7,221,613	7,453,672
Non-controlling interest	49	58
Total equity	7,221,662	7,453,730
Liabilities		
Non current liabilities		
Lease liabilities	94,769	71,017
Long term deposits	11,111	8,611
Deferred taxation	343,980	347,784
	449,860	427,412
Current liabilities		
Trade and other payables	602,774	647,970
Accrued mark-up	22,821	41,486
Short term borrowings	106,763	875,673
Current portion of lease liabilities	44,561	50,213
Unclaimed dividend	10,603	10,611
	787,522	1,625,953
Total liabilities	1,237,382	2,053,365
Contingencies and commitments	8	
Total equity and liabilities	8,459,044	9,507,095

The annexed notes from 1 to 13 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, 2020

	Quarter ended		Nine months ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Note	----- Rupees in '000 -----			
Revenue	724,113	1,087,592	2,187,612	4,996,880
Cost of sales	(668,790)	(978,961)	(1,995,076)	(4,311,415)
Gross profit	55,323	108,631	192,536	685,465
Distribution cost	(23,010)	(20,092)	(66,351)	(67,150)
Administrative expenses	(64,805)	(58,610)	(207,451)	(204,052)
Other income	15,592	18,940	44,291	83,439
Other expenses	275	(19,051)	(7,658)	(52,852)
(Loss) / profit from operations	(16,625)	29,818	(44,633)	444,850
Finance cost	(26,079)	(40,348)	(110,606)	(109,884)
	(42,704)	(10,530)	(155,239)	334,966
Share of (loss) / profit of an Associate	(22,670)	15,157	(83,974)	90,515
(Loss) / profit before taxation	(65,374)	4,627	(239,213)	425,481
Taxation	(14,030)	5,933	(30,389)	(101,509)
(Loss) / profit after taxation	(79,404)	10,560	(269,602)	323,972
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Share of associate's:				
- surplus on revaluation of fixed assets	-	-	38,344	-
- re-measurement of staff retirement benefits - net of deferred tax	-	-	(168)	-
- effect of change in tax rates on balance of revaluation of fixed assets	-	-	(642)	-
Other comprehensive income - net	-	-	37,534	-
Total comprehensive (loss) / income	(79,404)	10,560	(232,068)	323,972
Attributable to:				
- Shareholders of the Holding Company	(79,401)	10,561	(232,059)	323,956
- Non-controlling interest	(3)	(1)	(9)	16
	(79,404)	10,560	(232,068)	323,972
	----- Rupees -----			
(Loss) / earnings per share				
- basic and diluted	(1.39)	0.19	(4.73)	5.68

The annexed notes from 1 to 13 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, 2020

	Issued, subscribed and paid -up capital	Subscription money against right issue	Share premium	Surplus on revaluation of fixed assets	Capital Reserves - Items directly credited to equity by an Associate	Revenue reserve Unappropriated profit	Total	Non - controlling interest
	Rupees in '000							
Balance as at July 1, 2018 (audited)	450,025	1,054,319	40,000	1,286,608	70,235	2,966,287	5,867,474	44
Transactions with owners, recognised directly in equity								
Subscription money received	-	131,694	-	-	-	-	131,694	-
Issuance cost	-	(3,292)	-	-	-	-	(3,292)	-
	-	128,402	-	-	-	-	128,402	-
Issuance of right shares at premium	120,000	(1,182,721)	1,062,721	-	-	-	-	-
Total comprehensive income for the nine months period ended March 31, 2019								
Profit for the period	-	-	-	-	-	323,956	323,956	16
Other comprehensive income	-	-	-	-	-	323,956	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	6,319,832	60
Balance as at July 1, 2019 (audited)	570,025	-	1,102,721	2,574,149	71,811	3,134,966	7,453,672	58
Total comprehensive loss for the nine months period ended March 31, 2020								
Loss for the period	-	-	-	37,702	-	(269,593)	(269,593)	(9)
Other comprehensive income/ (loss)	-	-	-	37,702	-	(168)	37,534	(9)
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred tax	-	-	-	(28,546)	-	28,546	-	-
Effect of item directly credited in equity by an Associated Company	-	-	-	(1,120)	1,120	-	-	-
Balance as at March 31, 2020 (un-audited)	570,025	-	1,102,721	2,582,185	72,931	2893,751	7,221,613	49

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

Ahmad Kuli Khan Khattak
Chief Executive Officer**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, 2020

	March 31, 2020	March 31, 2019
	----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / profit before taxation	(239,213)	425,481
Adjustments for non-cash charges and other items:		
Depreciation and amortisation	108,103	80,951
Provision for gratuity	10,060	7,576
Interest income	(24,902)	(6,556)
Gain on disposal of vehicle	(539)	-
Share of loss / (profit) of an Associate	83,974	(90,515)
Unrealised loss on investments at fair value through profit or loss	-	23,724
Dividend income	(121)	-
Gain on redemption of investment at fair value through profit or loss	(5,920)	-
Finance cost	110,606	109,884
Exchange loss - net	6,782	39,605
Operating profit before working capital changes	48,830	590,150
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(7,175)	5,306
Stock-in-trade	679,771	(453,986)
Trade debts	66,895	(86,168)
Loans and advances	(4,806)	4,405
Deposit and prepayments	4,197	(19,979)
Other receivables	107,867	(89,807)
	846,749	(640,229)
Decrease in trade and other payables	(43,721)	(278,825)
Cash generated from / (used in) operations	851,858	(328,904)
Gratuity paid	(18,317)	(12,320)
Long term loans - net	(866)	(6,508)
Long term deposits - net	(6,998)	(7,054)
Finance cost paid	(129,271)	(80,713)
Taxes paid	(87,670)	(370,604)
Net cash generated from / (used in) operating activities	608,736	(806,103)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(241,691)	(578,460)
Proceeds from disposal of property, plant and equipment	4,430	10,147
Interest income received	24,902	6,556
Dividend received	121	63,432
Investments - net	398,798	(457,912)
Net cash generated from / (used in) investing activities	186,560	(956,237)
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease liabilities - net	(39,499)	(40,904)
Long term deposit received	2,500	115,140
Short term borrowings - net	(768,910)	1,121,453
Dividend paid	(8)	(38)
Subscription money against right issue	-	128,402
Net cash (used in) / generated from financing activities	(805,917)	1,324,053
Net decrease in cash and cash equivalents	(10,621)	(438,287)
Cash and cash equivalents at beginning of the period	202,173	1,323,012
Cash and cash equivalents at end of the period	191,552	884,725

The annexed notes from 1 to 13 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, 2020

1. THE GROUP AND ITS OPERATIONS

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

1.2 Ghandhara Nissan Limited

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

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

1.3 Ghandhara DF (Private) Limited

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

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

Where the provisions of and directives issued under the Act differ with the requirements of IAS 34, the provisions of and directives issued under the Act have been followed. These consolidated condensed interim financial statements of the Group for the six months period ended March 31, 2020 is un-audited.

2.2 These consolidated condensed interim financial statements do not include all the statements and disclosures as required in the annual financial statements and should be read in conjunction with the Group's annual financial statements for the year ended June 30, 2019.

3. ACCOUNTING POLICIES

3.1 The accounting policies and the methods of computation adopted in the preparation of these consolidated condensed interim financial statements are consistent with those applied in the preparation of audited annual financial statements of the Group for the year ended June 30, 2019, except for the adoption of new and amended accounting standards effective as of July 1, 2019.



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

For The Nine Months Period Ended March 31, 2020

New and amended standards adopted by the Company

IFRS 16 'Leases' - This standard is effective for periods beginning from or after January 01, 2019 and replaces the previous lease standard: IAS 17 'Leases'. It primarily affects the accounting by lessees and results in the recognition of almost all leases on statement of financial position. The standard removes distinction between operating and finance leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases. The accounting by lessors does not significantly changed. Some differences may arise as a result of the new guidance on the definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under IFRS 16, the Group recognizes right to use assets and records lease liabilities for leases - i.e. these leases are on the statement of financial position.

In case of previously recognised finance leases, the Group now transferred lease assets from operating fixed assets and separately presents as right to use assets in 'property, plant and equipment', the same line item as it presents underlying assets of the same nature that it owns (Note 6.1 and 6.2), while the Group is already presenting its related lease liabilities as a separate line item in the statement of financial position.

In case of initial application regarding previously recognised operating leases, the Group has elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets'). Some lease contracts of the Group are extendable through mutual agreement between the Group and the lessor or cancellable by both parties immediately or on short notice. In assessing the lease term for the adoption of IFRS 16, the Group concluded that such contracts are short-term in nature. The Group recognizes the lease payments associated with these leases as an expense in statement of profit or loss. Accordingly, initial application of IFRS 16 did not have any impact on these condensed interim financial statements.

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

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

These consolidated condensed interim financial statements include the condensed interim financial statements of Holding Company and its Subsidiary Company. The Holding Company's direct interest in the Subsidiary Company is 99.99% as at March 31, 2020 (June 30, 2019: 99.99%).

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

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

5. ACCOUNTING ESTIMATES AND JUDGEMENTS

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

During the preparation of these consolidated condensed interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the audited annual financial statements of the Group for the year ended June 30, 2019.

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

For The Nine Months Period Ended March 31, 2020

6. PROPERTY, PLANT AND EQUIPMENT

		Un-audited March 31, 2020	Audited June 30, 2019
	Note	----- Rupees in '000 -----	
Operating fixed assets	6.1	3,493,049	3,631,186
Right to use assets	6.2	111,228	-
Capital work-in-progress		511,423	296,720
		<u>4,115,700</u>	<u>3,927,906</u>
6.1 Operating fixed assets			
Book value at beginning of the period / year		3,631,186	1,947,962
Transfer to right to use asset	6.2	(67,866)	-
Additions during the period / year	6.1.1	26,990	388,895
Revaluation adjustments		-	1,431,103
Disposals costing Rs. 9,535 thousand (June 30, 2019: Rs.34,207 thousand) - at book value		(3,893)	(15,432)
Depreciation charge for the period / year		(93,368)	(121,342)
Book value at end of the period / year		<u>3,493,049</u>	<u>3,631,186</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		5,000	8,489
Buildings on leasehold land		-	93,745
Leasehold improvements		-	42,455
Plant and machinery		3,888	174,253
Assembly Jigs		590	-
Furniture and fixtures		8,251	25,923
Vehicles			
- owned		7,373	15,029
- leased		-	25,718
Other equipment		1,229	1,692
Office equipment		159	690
Computers		500	901
		<u>26,990</u>	<u>388,895</u>
6.2 Right to use assets			
Amount transferred from own assets	6.1	67,866	-
Additions during the period		57,599	-
Depreciation charged during the period		(14,237)	-
Net book value at end of the period		<u>111,228</u>	<u>-</u>

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

For The Nine Months Period Ended March 31, 2020

	Note	Un-audited March 31, 2020	Audited June 30, 2019
		----- Rupees in '000 -----	
7. LONG TERM INVESTMENTS			
Associate - equity accounted investment	7.1	869,234	915,674
Others - available for sale	7.2	-	-
		<u>869,234</u>	<u>915,674</u>
7.1 Ghandhara Industries Limited			
Balance at beginning of the period / year		915,674	886,352
Share of (loss) / profit for the period / year		(83,974)	94,451
Share of other comprehensive income / (loss) for the period / year		37,534	(1,697)
Dividend received		-	(63,432)
Balance at end of the period / year		<u>869,234</u>	<u>915,674</u>

7.1.1 Investment in Ghandhara Industries Limited (GIL) represents 8,132,336 (June 30, 2019: 8,132,336) fully paid ordinary shares of Rs.10 each representing 19.09% (June 30, 2019: 19.09%) of its issued, subscribed and paid-up capital as at March 31, 2020. 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, 2019. The latest financial statements of GIL as at March 31, 2020 are not presently available.

7.1.3 The market value of investment as at March 31, 2020 was Rs.525,512 thousand (June 30, 2019: Rs.710,522 thousand).

	Un-audited March 31, 2020	Audited June 30, 2019
	----- Rupees in '000 -----	
7.2 Others - available for sale		
Automotive Testing & Training Centre (Private) Limited		
187,500 (June 30, 2019: 187,500) ordinary shares of Rs.10 each - cost	1,875	1,875
Provision for impairment	<u>(1,875)</u>	<u>(1,875)</u>
	<u>-</u>	<u>-</u>

8. CONTINGENCIES AND COMMITMENTS

8.1 There is no material change in status of the contingencies as disclosed in note 26.1 of the audited annual financial statements of the Group for the year ended June 30, 2019.

8.2 Commitment in respect of irrevocable letters of credit as at March 31, 2020 aggregate to Rs.322,263 thousand (June 30, 2019: Rs.133,345 thousand).

8.3 Guarantees aggregating Rs.30,399 thousand (June 30, 2019: Rs.6,999 thousand) are issued by banks of the Group to various government and other institutions. Further, the Holding Company has issued corporate guarantees aggregating Rs.523,900 thousand (June 30, 2019: Rs.466,100 thousand) to the commercial banks against financing facilities utilised by the Subsidiary Company.



For The Nine Months Period Ended March 31, 2020

10. TRANSACTIONS WITH RELATED PARTIES

Related party name along with relation	Nature of transaction	--- Un-audited --- Nine months period ended March 31, 2020	2019
(i) Ultimate Holding Company		--- Rupees in '000 ---	
Bibojee Services (Private) Limited - 57.76% shares held in the Holding Company	Corporate office rent Subscription money against right issue Issue of right shares including premium	9,000 - -	9,000 81,734 757530
(ii) Associated Companies			
Ghandhara Industries Limited 19.09% shares held by the Holding Company (10.1)	Contract assembly revenue Purchase of parts Sale of parts Head office rent Dividend Income Bonus shares received Reimbursement of expenses	401,193 183 6 4,792 - - 444	- 499,473 39 22 2,156 63,432 40,060 25
The General Tyre and Rubber Company of Pakistan (10.1)	Purchase of tyres, tubes and flaps	15,695	6,486
Gammon Pakistan Limited (10.1)	Office rent	2,250	2,250
Janana De Malucho Textile Mills Limited (10.1)	Reimbursement of expenses	1,590	1,288
(iii) Others			
Staff gratuity fund	Contribution made	18,317	12,320
Staff provident fund	Contribution made	9,457	7,609
Key management personnel	Remuneration and other short term benefits Issue of right shares including premium	70,226 -	68,772 5,288

29

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

For The Nine Months Period Ended March 31, 2020

10.1 Associated company by virtue of common directorship.

10.2 Period / year end balances are as follows:

Debit balances / receivables from related parties

Long term loans

Trade debts

Loan and advances

Deposits and prepayments

Payable to related parties

Trade and other payables

Un-audited
March 31,
2020Audited
June 30,
2019

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

333	1,723
90,328	94,650
1,002	1,996
1,265	-

59,910	61,096
--------	--------

11. FINANCIAL RISK MANAGEMENT

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

12. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the Consolidated condensed interim statement of financial position has been compared with the balances of audited annual financial statements of the Group for the year ended June 30, 2019, whereas, the Consolidated condensed interim statement of profit or loss 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, 2019. Corresponding figures have been rearranged and reclassified for better presentation wherever considered necessary, the effect of which is not material.

13. DATE OF AUTHORISATION FOR ISSUE

This consolidated condensed interim financial statements were authorised for issue on April 28, 2020 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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