

First Quarterly Report
September 30, **2020**

Tough Times Never Last, But Tough Companies **Do...**



GHANDHARA NISSAN LIMITED



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Company Profile

Board of Directors

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

Chairman
President
Chief Executive Officer

Chief Financial Officer

Mr. Muhammad Umair

Company Secretary

Mr. Muhammad Sheharyar Aslam

Audit Committee

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

Chairman
Member
Member
Member
Member

Human Resource & Remuneration Committee

Mr. Muhammad Jawaid Iqbal (CFA)
Mr. Ahmad 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

Bankers of the Company

National Bank of Pakistan
Faysal Bank Limited
Habib Bank Limited
Allied Bank Limited
United Bank Limited
Soneri Bank Limited
MCB Bank Limited
Standard Chartered Bank (Pakistan) Limited
Industrial & Commercial Bank of China
The Bank of Punjab
The Bank of Khyber
Meezan Bank Limited - (Shariah)
Bank Al Habib Limited
Bank Alfalah Islamic - (Shariah)
Al Baraka Bank (Pakistan) Limited - (Shariah)
JS Bank Limited
Samba Bank Limited

NTN:

0802990-3

Sales Tax Registration No:

12-03-8702-001-46

Share Registrars

CDC Share Registrar Services Ltd.

CDC House, 99-B, Block-B

S.M.C.H.S., Main Shahra-e-Faisal

Karachi.

Legal & Tax Advisors

LEX FIRMA

Advocates, Barristers & Legal Consultants

418, Continental Trade Centre, Clifton, Karachi.

M/s. Shekha & Mufti

Chartered Accountants

C-253, PECHS., Block 6

Off Shahr-e-Faisal

Karachi.

Registered Office

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

Factory

Truck / Car Plants

Port Bin Qasim, Karachi

Regional Offices

First Floor, Laban's Arcade

400/2, Gammon House

Main Canal Road, Lahore

Peshawar Road Rawalpindi Cantt.



Directors' Report

Your Directors are pleased to present the quarterly report alongwith the condensed interim financial statements of Ghandhara Nissan Limited for the first quarter ended September 30, 2020.

Macro-economic Environment

This financial year commenced with gradual ease in lockdown restrictions by the Government. Pakistan expected to witness GDP growth of 1 percent for the current year, the economy is already showing signs of revival after been affected severely by the pandemic. Economic recovery is being anticipated, albeit, it will take some time to get momentum and restore to the pre-COVID 19 level. The Government has taken various steps to encourage the industrial sector especially by promoting the construction sector which will eventually mobilize the industrial cycle.

Auto-Sector

Although, optimum results are yet to be seen but there is a significant improvement in auto-sector. The axle load restriction, which was announced earlier this year, is still to be implemented in true spirit. Since June 2020, the market has indicated slight improvement in the Light Commercial Vehicles (LCVs') segment, however, Heavy Commercial Vehicles (HCVs') segment has not shown any signs of improvement so far.

Financial Results of the Company

The financial results for the period ended September 30, 2020 are summarized below:

———— Quarter ended ————
September September
2020 2019
(Rupees in thousands)

Revenue	690,472	473,741
Gross Profit	73,441	29,271
Operating Profit	22,898	741
Net Profit/ (Loss) after tax	2,204	(15,302)
Earnings/ (Loss) Per Share (Rupees)	0.04	(0.27)



The increase in sales revenue during the quarter ended September 30, 2020 as compared to same period of last year reflects the demand created due to vacuum resulting from COVID-19 situation.

Related Party Transactions

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

Future Outlook

The company has geared up itself to cater to the changing market needs. While expecting swift market recovery and uninterrupted supply chain, the management anticipates an improved performance of the company.

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

For and on behalf of the Board of Directors



Ahmad Kuli Khan Khattak
Chief Executive Officer



Polad Merwan Polad
Director

Karachi
Dated: October 29, 2020



گزشتہ سال کی سہ ماہی کے مقابلے میں 30 ستمبر 2020 کو ختم ہونے والی سہ ماہی کے دوران سیلرز یونیٹوں میں اضافہ COVID-19 کی صورت حال کی وجہ سے خلا کے نتیجے میں پیدا ہونے والی مانگ کی عکاسی کرتا ہے۔

متعلقہ فریق سے لین دین

متعلقہ فریقوں کے ساتھ تمام ٹرانزیکشنز کو آزادانہ طور (Arm's length) پر سرانجام دے دیا گیا ہے اور اس کا انکشاف مختصر عہدوری مالی گوشواروں میں کر دیا گیا ہے۔

آئندہ کے امکانات

کمپنی نے بدلتی ہوئی مارکیٹ کی ضروریات کو پورا کرنے کے لیے خود کو تیار کر لیا ہے۔ جب کہ مارکیٹ کی تیز بازیابی اور بڑا تعطل سپلائی چین کی توقع کرتے ہوئے، انتظامیہ، کمپنی کی بہتر کارکردگی کی پیش گوئی کر رہی ہے۔ ڈائریکٹرز اپنے پرنسپلز، صارفین، وینڈرز، بینکرز اور دیگر کاروباری ساتھیوں کی مسلسل سرپرستی اور حمایت کے لیے، اُن کے شکر گزار ہیں۔

برائے اور از طرف بورڈ آف ڈائریکٹرز



پولاڈ میروان پولاد
ڈائریکٹر



احمد علی خان خٹک
چیف ایگزیکٹو آفیسر

کراچی

مورخہ: 29 اکتوبر 2020



ڈائریکٹرز رپورٹ

آپ کے ڈائریکٹرز 30 ستمبر 2020 کو ختم ہونے والی پہلی سہ ماہی کے لیے گندھارا انسان لمیٹڈ کے تکثیف شدہ عبوری مالی گوشواروں کے ساتھ سہ ماہی رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

میکرو معاشی ماحول

اس مالی سال کا آغاز حکومت کی طرف سے لاک ڈاؤن کی پابندی میں بتدریج آسانی کے ساتھ ہوا۔ رواں سال پاکستان کے جی ڈی پی میں 1 فیصد اضافے کی توقع کے ساتھ، وبائی مرض سے شدید متاثر ہونے کے بعد معیشت پہلے ہی بحالی کی طرف گامزن ہے۔ حالانکہ معاشی بحالی کی مدد توقع کی جا رہی ہے، مگر اس کے باوجود کاروبار میں تیزی آنے اور COVID-19 سے پہلے والی سطح پر بحال ہونے میں کچھ وقت لگے گا۔ صنعتی شعبے کی حوصلہ افزائی کے لیے حکومت نے مختلف اقدامات اٹھائے ہیں۔ خاص کر تعمیراتی شعبے کو فروغ ملا ہے جو بالآخر صنعتی چکر کو متحرک کرے گا۔

آٹو سیکٹر

اگرچہ ابھی مکمل نتائج دیکھنا باقی ہیں لیکن آٹو سیکٹر میں ایک نمایاں بہتری دیکھنے میں آ رہی ہے۔ ایکسل لوڈ کی پابندی، جس کا اعلان اس سال کے شروع میں کیا گیا تھا، اب بھی حقیقی معنوں میں اس کا نفاذ ہونا باقی ہے۔ جون 2020 سے، مارکیٹ نے LCVs کے شعبے میں معمولی بہتری کا اشارہ کیا ہے، تاہم، HCVs کے شعبے میں ابھی تک بہتری کے آثار نمایاں ظاہر نہیں ہوئے ہیں۔

کمپنی کے مالی نتائج

30 ستمبر 2020 کو ختم ہونے والی سہ ماہی مدت کے لیے مالی نتائج کا خلاصہ ذیل میں پیش کیا گیا ہے:

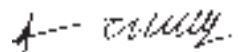
سہ ماہی کا اختتام		
ستمبر 2020	ستمبر 2019	(روپہ ہزاروں میں)
690,472	473,741	آمدنی
173,441	29,27	مجموعی منافع
22,898	741	آپریٹنگ منافع
2,204	(15,302)	خالص منافع / (نقصان) بعد از ٹیکس
0.04	(0.27)	آمدنی / (نقصان) فی شیئر (روپے)

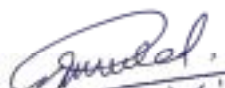


CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2020

		Un-audited September 30, 2020	Audited June 30, 2020
	Note	----- Rupees in '000 -----	
ASSETS			
Non current assets			
Property, plant and equipment	5	4,102,951	4,105,816
Intangible assets		1,784	1,903
Long term investments		222,906	222,906
Long term loans		7,500	8,444
Long term deposits		22,363	22,541
Due from the Subsidiary Company		703,631	559,724
		5,061,135	4,921,334
Current assets			
Stores, spares and loose tools		130,315	136,504
Stock-in-trade		794,941	902,496
Trade debts		342,658	322,111
Loans and advances		12,610	10,070
Deposits and prepayments		24,969	5,406
Other receivables		56,791	141,323
Accrued interest / mark-up		16,416	14,482
Taxation - net		42,346	137,035
Cash and bank balances		379,562	311,091
		1,800,608	1,980,518
Total assets		6,861,743	6,901,852


Ahmad Kuli Khan Khattak
Chief Executive Officer


Polad Merwan Polad
Director


Muhammad Umair
Chief Financial Officer

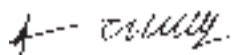


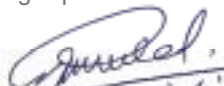
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2020

		Un-audited September 30, 2020	Audited June 30, 2020
	Note	----- Rupees in '000 -----	
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital			
- 80,000,000 (June 30, 2020: 80,000,000) ordinary shares of Rs.10 each		800,000	800,000
Issued, subscribed and paid-up capital			
- 57,002,500 (June 30, 2020: 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		2,214,267	2,223,294
		3,316,988	3,326,015
Revenue reserve - unappropriated profit		1,993,831	1,982,600
Total equity		5,880,844	5,878,640
Liabilities			
Non current liabilities			
Lease liabilities		68,711	72,259
Long term borrowings		71,011	49,345
Deferred income - government grant		1,498	2,072
Long term deposits		22,611	22,611
Deferred taxation		325,199	322,399
		489,030	468,686
Current liabilities			
Trade and other payables		416,267	433,591
Accrued mark-up		5,287	12,170
Short term borrowings		-	50,721
Current portion of lease liabilities		22,075	25,221
Current maturity of long term borrowings		32,202	18,409
Current portion of deferred income - government grant		5,435	3,811
Unclaimed dividend		10,603	10,603
		491,869	554,526
Total liabilities		980,899	1,023,212
Contingencies and commitments			
Total equity and liabilities		6,861,743	6,901,852

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


Ahmad Kuli Khan Khattak
Chief Executive Officer


Polad Merwan Polad
Director


Muhammad Umair
Chief Financial Officer



CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME^(Un-audited)

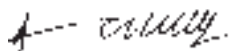
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

		Quarter ended September 30, 2020	Quarter ended September 30, 2019
	Note	----- Rupees in '000 -----	
Revenue		690,472	473,741
Cost of sales	7	(617,031)	(444,470)
Gross profit		73,441	29,271
Distribution cost		(24,261)	(16,602)
Administrative expenses		(46,555)	(54,141)
Other income		21,527	42,213
Other expenses		(1,254)	-
Profit from operations		22,898	741
Finance cost		(7,194)	(10,158)
Profit / (loss) before taxation		15,704	(9,417)
Taxation		(13,500)	(5,885)
Profit / (loss) after taxation		2,204	(15,302)
Other comprehensive income		-	-
Total comprehensive income / (loss) for the period		2,204	(15,302)

----- Rupees -----

Earnings / (loss) per share - basic and diluted	0.04	(0.27)
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The annexed notes from 1 to 11 form an integral part of these condensed interim financial statements.


Ahmad Kuli Khan Khattak
Chief Executive Officer


Polad Merwan Polad
Director

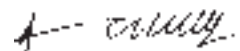

Muhammad Umair
Chief Financial Officer


CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited)

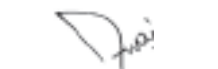
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

	---Capital reserve---				
	Issued, Subscribed and paid-up capital	Share premium	Surplus on revaluation of fixed assets	Revenue reserve unappropriated profit	Total
-----Rupees in '000-----					
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 three months period ended September 30, 2019					
Loss for the period	-	-	-	(15,302)	(15,302)
Other comprehensive income	-	-	-	-	-
	-	-	-	(15,302)	(15,302)
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation					
- net of deferred taxation	-	-	(9,514)	9,514	-
Balance as at September 30, 2019 (un-audited)	570,025	1,102,721	2,251,844	2,144,073	6,068,663
Balance as at July 1, 2020 (audited)	<u>570,025</u>	<u>1,102,721</u>	<u>2,223,294</u>	<u>1,982,600</u>	<u>5,878,640</u>
Total comprehensive income for the three months period ended September 30, 2020					
Profit for the period	-	-	-	2,204	2,204
Other Comprehensive income	-	-	-	-	-
	-	-	-	2,204	2,204
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation					
- net of deferred taxation	-	-	(9,027)	9,027	-
Balance as at September 30, 2020 (un-audited)	<u>570,025</u>	<u>1,102,721</u>	<u>2,214,267</u>	<u>1,993,831</u>	<u>5,880,844</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


Polad Merwan Polad
Director


Muhammad Umair
Chief Financial Officer



CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-audited)

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

September 30, 2020 September 30, 2019
---- Rupees in '000 ----

CASH FLOWS FROM OPERATING ACTIVITIES

Profit / (loss) before taxation

Adjustments for non-cash charges and other items:

Depreciation and amortisation

Provision for gratuity

Interest income

Gain on disposal of operating fixed assets

Dividend income

Unrealised gain on investments at fair value through profit or loss

Finance cost

Exchange loss - net

Operating profit / (loss) before working capital changes

Decrease / (increase) in current assets:

Stores, spares and loose tools

Stock-in-trade

Trade debts

Loans and advances

Deposit and prepayments

Other receivables

Decrease in trade and other payables

Cash generated from / (used in) operations

Long term loans - net

Long term deposits - net

Finance cost paid

Taxes paid

Net cash generated from / (used in) operating activities

CASH FLOWS FROM INVESTING ACTIVITIES

Fixed capital expenditure

Proceeds from disposal of property, plant and equipment

Interest income received

Dividend received

Due from Subsidiary Company - net

Short term investment - net

Net cash (used in) / generated from investing activities

CASH FLOWS FROM FINANCING ACTIVITIES

Lease liabilities - net

Long term loan

Deferred income - government grant

Short term borrowings - net

Dividend paid

Net cash used in financing activities

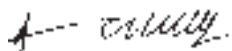
Net increase / (decrease) in cash and cash equivalents

Cash and cash equivalents at beginning of the period

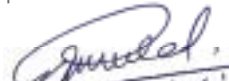
Cash and cash equivalents at end of the period

15,704	(9,417)
34,384	33,478
2,979	3,353
(16,055)	(33,233)
(850)	-
(414)	-
-	(6,031)
6,911	10,158
(428)	(1,616)
42,231	(3,308)
6,189	(1,280)
107,555	124,283
(20,547)	(48,494)
(2,540)	(1,380)
(19,563)	(73,209)
84,532	39,032
155,626	38,952
(19,875)	(44,895)
177,982	(9,251)
944	1,457
178	(3,725)
(13,794)	(24,422)
83,989	(17,800)
249,299	(53,741)
(31,819)	(80,570)
1,269	-
14,121	34,708
414	-
(143,907)	144,368
-	117
(159,922)	98,623
(6,694)	(9,461)
35,459	-
1,050	-
(50,721)	(72,243)
-	(1)
(20,906)	(81,705)
68,471	(36,823)
311,091	150,109
379,562	113,286

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



Ahmad Kuli Khan Khattak
Chief Executive Officer



Polad Merwan Polad
Director



Muhammad Umair
Chief Financial Officer



NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 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 Company is a subsidiary of Bibojee Services (Private) Limited. The registered office of the Company is situated at F-3, Hub Chowki Road, S.I.T.E., Karachi. Its manufacturing facilities are located at Port Qasim, Karachi and regional offices in Lahore and Rawalpindi. The Company's shares are listed on Pakistan Stock Exchange Limited.

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

Where the provisions of and directives issued under the Act differ with the requirements of IAS 34, the provisions of and directives issued under the Act have been followed. These condensed interim financial statements of the Company for the three months period ended September 30, 2020 is un-audited.

- 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, 2020.



NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

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, 2020.

There are certain International Financial Reporting Standards, amendments to published standards and interpretations that are mandatory for the financial year beginning on July 1, 2020 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, 2020.



NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

5. PROPERTY, PLANT AND EQUIPMENT

		Un-audited September 30, 2020	Audited June 30, 2020
	Note	----- Rupees in '000 -----	
Operating fixed assets	5.1	3,465,195	3,490,332
Right of use assets	5.2	97,008	94,690
Capital work-in-progress		540,748	520,794
		4,102,951	4,105,816

5.1 Operating fixed assets

Book value at beginning of the period / year		3,490,332	3,558,159
Additions during the period / year	5.1.1	3,865	46,882
Transfer from right of use asset	5.2	576	13,643
Disposals costing Rs. 3,190 thousand (June 30, 2020: Rs.14,717 thousand) - at book value		(418)	(3,294)
Depreciation charge for the period / year		(29,160)	(125,058)
Book value at end of the period / year		3,465,195	3,490,332

5.1.1 Additions to operating fixed assets, including transfer from capital work-in-progress, during the period / year were as follows:

Buildings on freehold land	-	20,320
Plant and machinery	2,079	14,850
Assembly Jigs	-	590
Furniture and fixtures	43	161
Owned vehicles	-	7,373
Other equipment	-	2,145
Office equipment	1,417	345
Computers	326	1,098
	3,865	46,882



NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

		Un-audited September 30, 2020	Audited June 30, 2020
		----- Rupees in '000 -----	
5.2 Right of use assets	Note		
Book value at beginning of the period / year		94,690	62,354
Additions during the period / year		8,000	64,843
Disposals during the period / year		-	(1,275)
Transferred to operating fixed assets	5.1	(576)	(13,643)
Depreciation charged during the period / year		(5,106)	(17,589)
Net book value at end of the period		97,008	94,690

6. CONTINGENCIES AND COMMITMENTS

- 6.1** There is no material change in status of the contingencies as disclosed in note 29.1 of the audited annual financial statements of the Company for the year ended June 30, 2020.
- 6.2** Commitment in respect of irrevocable letters of credit as at September 30, 2020 aggregate to Rs. 275,607 thousand (June 30, 2020: Rs.208,690 thousand).
- 6.3** Guarantees aggregating Rs.45,591 thousand (June 30, 2020: Rs.26,766 thousand) are issued by banks of the Company to various government and other institutions. Further, the Company has issued corporate guarantees aggregating Rs.160,700 thousand (June 30, 2020: Rs.475,624 thousand) to the commercial banks against running finances and letters of credit facilities utilised by the Subsidiary Company.



NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

		---- Un-audited ----	
		Three months period	
		ended September 30,	
		2020	2019
		----- Rupees in '000 -----	
	Note		
Finished goods at beginning of the period		749,729	833,003
Cost of goods manufactured	7.1	492,584	385,115
Purchases - trading goods		6,212	26,873
		498,796	411,988
		1,248,525	1,244,991
Finished goods at end of the period		(631,494)	(800,521)
		617,031	444,470
7.1 Cost of goods manufactured			
Raw materials and parts consumed		318,142	221,279
Factory overheads		174,442	163,836
		492,584	385,115

8. TRANSACTIONS WITH RELATED PARTIES

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

NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

Related party name along with relation	Nature of transaction	Un-audited September 30, 2020	Un-audited September 30, 2019
--- Rupees in '000 ---			
(i) Holding Company			
Bibojee Services (Private) Limited - 57.76% shares held in the Company	Corporate office rent	1,650	1,500
(ii) Subsidiary Company			
Ghandhara DF (Private) Limited 99.99% shares held by the Company	Contract assembly charges	5,054	19,656
	Sale of parts	437	277
	Long term advances given - net	143,907	-
	Receipts against long term advances - net	-	144,368
	Interest income	16,028	25,754
	Guarantee commission	687	1,362
(iii) Associated Companies			
Ghandhara Industries Limited 19.09% shares held by the Company (8.1)	Contract assembly charges	144,200	102,562
	Purchase of parts	7	43
	Head office rent	878	799
The General Tyre and Rubber Company of Pakistan (8.1)	Purchase of tyres, tubes and flaps	1,789	1,563
Gammon Pakistan Limited (8.1)	Office rent	825	750
Janana De Malucho Textile Mills Limited (8.1)	Reimbursement of expenses	476	547
(iv) Others			
Staff provident fund	Contribution made	3,013	2,662
Key management personnel	Remuneration and other short term benefits	25,207	21,303



NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

8.1 Associated company by virtue of common directorship.

8.2 Period / year end balances are as follows:

	Un-audited September 30, 2020	Audited June 30, 2020
	-----Rupees in '000-----	
Debit balances / receivables from related parties		
Long term investments		
Trade debts	71,132	99,151
Loan and advances	423	523
Deposits and prepayments	4,390	-
Other receivables	687	3,096
Accrued interest / mark-up	16,028	14,095
Payable to related parties		
Trade and other payables	29,626	27,278

9. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the audited annual financials statements of the Company for the year ended June 30, 2020.

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, 2020, 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 September 30, 2019. Corresponding figures have been rearranged and reclassified for better presentation wherever considered necessary, the effect of which is not material.

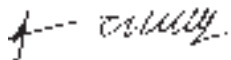


NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

11. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial statements were authorised for issue on October 29, 2020 by the Board of Directors of the Company.



Ahmad Kuli Khan Khattak
Chief Executive Officer



Polad Merwan Polad
Director



Muhammad Umair
Chief Financial Officer





CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS



Directors' Report On Consolidated Condensed Interim Financial Statements

The directors are presenting their report together with consolidated condensed interim financial statements of Ghandhara Nissan Limited and its subsidiary Ghandhara DF (Private) Limited for the period ended 30th September, 2020.

The financial results for the period ended September 30, 2020 are summarized below:

	Quarter ended	
	September 2020	September 2019
	(Rupees in thousands)	
Revenue	917,589	814,930
Gross Profit	116,632	77,444
Operating Profit / (loss)	31,453	(1,091)
Net Loss after tax	(153,105)	(114,054)
Loss per share (rupees)	(2.69)	(2.00)

With the commencement of the current financial year, the Auto-sector has shown some positive signs reflecting the resumption in market activity. Although, the situation has been relatively improved but as the pandemic is still not over hence the market uncertainty is expected to remain during this financial year.

Considering the current stimulus generated by business friendly policies of the Government, the Group aims to capitalize on the opportunities to further improve its performance in the days ahead.

For and on behalf of the Board of Directors



Ahmad Kuli Khan Khattak
Chief Executive Officer



Polad Merwan Polad
Director

Karachi

Dated: October 29, 2020



مجموعی مختصر عبوری مالی گوشواروں کے بارے میں ڈائریکٹرز کی رپورٹ

ڈائریکٹرز 30 ستمبر 2020 کو ختم ہونے والی سہ ماہی مدت کے لیے گندھارا انسان لمیٹڈ اور اس کے ذیلی ادارے گندھارا ڈی ایف (پرائیویٹ) لمیٹڈ کے مجموعی مختصر عبوری مالی گوشواروں کے ساتھ اپنی رپورٹ پیش کر رہے ہیں۔

30 ستمبر 2020 کو ختم ہونے والی مدت کے لیے مالی نتائج کا خلاصہ ذیل میں پیش کیا گیا ہے:

سہ ماہی کا اختتام

ستمبر 2020
ستمبر 2019
(روپہ ہزاروں میں)

آمدنی	917,589	814,930
مجموعی منافع	116,632	77,444
آپریٹنگ منافع / (نقصان)	31,453	(1,091)
خالص نقصان بعد از ٹیکس	(153,105)	(114,054)
نقصان فی شیئر (روپے)	(2.69)	(2.00)

موجودہ مالی سال کے آغاز کے ساتھ، آڈیٹرز نے کچھ مثبت علامات ظاہر کیں جو مارکیٹ کی سرگرمیوں میں بحالی کی عکاسی کرتی ہیں۔ اگرچہ، صورت حال پہلے سے بہتر ہو گئی ہے لیکن وبائی مرض ابھی ختم نہیں ہوا ہے اس لیے مارکیٹ میں غیر یقینی صورت حال برقرار رہنے کی امید ہے۔

حکومت کی کاروباری دوست پالیسیوں کے ذریعے موجودہ محرک پر غور کرتے ہوئے، گروپ کا مقصد آنے والے دنوں میں اپنی کارکردگی کو بہتر بنانے کے مواقع سے فائدہ اٹھانا ہے۔

برائے اور از طرف بورڈ آف ڈائریکٹرز



پولا ڈیروان پولا ڈ

ڈائریکٹر



احمد علی خان خٹک

چیف ایگزیکٹو آفیسر

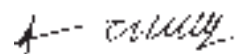
کراچی

مورخہ: 29 اکتوبر 2020


CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2020

		Un-audited September 30, 2020	Audited June 30, 2020
	Note	----- Rupees in '000 -----	
ASSETS			
Non current assets			
Property, plant and equipment	6	4,121,251	4,124,881
Intangible assets		1,866	1,991
Long term investments	7	970,647	800,676
Long term loans		13,567	14,637
Long term deposits		33,863	36,231
		5,141,194	4,978,416
Current assets			
Stores, spares and loose tools		130,315	136,504
Stock-in-trade		1,530,044	1,649,965
Trade debts		740,346	674,771
Loans and advances		15,110	12,055
Deposits and prepayments		39,400	11,305
Other receivables		120,909	193,809
Taxation - net		253,377	484,070
Cash and bank balances		508,616	353,516
		3,338,117	3,515,995
Total assets		8,479,311	8,494,411


Ahmad Kuli Khan Khattak
Chief Executive Officer


Polad Merwan Polad
Director


Muhammad Umair
Chief Financial Officer

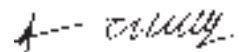


CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION


AS AT SEPTEMBER 30, 2020

	Note	Un-audited September 30, 2020	Audited June 30, 2020
----- Rupees in '000 -----			
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital			
- 80,000,000 (June 30, 2020: 80,000,000) ordinary shares of Rs.10 each		800,000	800,000
Issued, subscribed and paid-up capital			
- 57,002,500 (June 30, 2020: 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		2,889,228	2,572,286
- Items directly credited to equity by an Associate		73,693	73,312
		4,065,642	3,748,319
Revenue reserve - unappropriated profit		2,558,392	2,702,610
Equity attributable to shareholders of the Holding Company		7,194,059	7,020,954
Non-controlling interest		47	47
Total equity		7,194,106	7,021,001
Liabilities			
Non current liabilities			
Lease liabilities		85,102	91,278
Long term borrowings		71,011	49,345
Deferred income - government grant		1,498	2,072
Long term deposits		26,111	27,111
Deferred taxation		316,937	314,112
		500,659	483,918
Current liabilities			
Trade and other payables		698,328	542,533
Accrued mark-up		8,917	22,538
Short term borrowings		-	355,929
Current portion of lease liabilities		29,061	35,669
Current maturity of long term borrowings		32,202	18,409
Current portion of deferred income - government grant		5,435	3,811
Unclaimed dividend		10,603	10,603
		784,546	989,492
Total liabilities		1,285,205	1,473,410
Contingencies and commitments	8		
Total equity and liabilities		8,479,311	8,494,411

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


Polad Merwan Polad
Director


Muhammad Umair
Chief Financial Officer

INCOME (Un-audited)

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

		Quarter ended September 30, 2020	Quarter ended September 30, 2020
	Note	----- Rupees in '000 -----	
Revenue		917,589	814,930
Cost of sales	9	(800,957)	(737,486)
Gross profit		116,632	77,444
Distribution cost		(33,278)	(22,484)
Administrative expenses		(55,731)	(64,790)
Other income		5,084	16,672
Other expenses		(1,254)	(7,933)
Profit / (loss) from operations		31,453	(1,091)
Finance cost		(11,258)	(35,899)
		20,195	(36,990)
Share of loss of an Associate		(156,239)	(63,920)
Loss before taxation		(136,044)	(100,910)
Taxation		(17,061)	(13,144)
Loss after taxation		(153,105)	(114,054)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Share of other comprehensive income of an Associate of:			
- surplus on revaluation of fixed assets - net		326,350	37,702
- re-measurement of staff retirement benefit obligation - net		(140)	(168)
Other comprehensive income - net of tax		326,210	37,534
Total comprehensive income / (loss) for the period		173,105	(76,520)
Attributable to:			
- Shareholders of the Holding Company		173,105	(76,517)
- Non-controlling interest		-	(3)
		173,105	(76,520)
Loss per share - basic and diluted		(2.69)	(2.00)

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

Polad Merwan Polad
Director

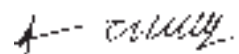
Muhammad Umair
Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited)

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

	----- Capital reserve -----						
	Issued, subscribed and paid-up capital	“Share premium”	Surplus on revaluation of fixed assets	Items directly credited to equity by an Associate	Revenue reserve Unappro- priated profit	Total	Non - controlling interest
Rupees in '000							
Balance as at July 1, 2019 (audited)	570,025	1,102,721	2,574,149	71,811	3,134,966	7,453,672	58
Total comprehensive loss for the three months period ended September 30, 2019							
Loss for the period	-	-	-	-	(114,051)	(114,051)	(3)
Other comprehensive Income / (loss)	-	-	37,702	-	(168)	37,534	-
	-	-	37,702	-	(114,219)	(76,517)	(3)
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred tax	-	-	(9,514)	-	9,514	-	-
Effect of item directly credited in equity by an Associate	-	-	(357)	357	-	-	-
Balance as at September 30, 2019 (un-audited)	570,025	1,102,721	2,601,980	72,168	3,030,261	7,377,155	55
Balance as at July 1, 2020 (audited)	570,025	1,102,721	2,572,286	73,312	2,702,610	7,020,954	47
Total comprehensive income for the three months period ended September 30, 2020							
Loss for the period	-	-	-	-	(153,105)	(153,105)	-
Other comprehensive income / (loss)	-	-	326,350	-	(140)	326,210	-
	-	-	326,350	-	(153,245)	173,105	-
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred tax -	-	-	(9,027)	-	9,027	-	-
Effect of item directly credited in equity by an Associate	-	-	(381)	381	-	-	-
Balance as at September 30, 2020 (un-audited)	570,025	1,102,721	2,889,228	73,693	2,558,392	7,194,059	47

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


Polad Merwan Polad
Director


Muhammad Umair
Chief Financial Officer

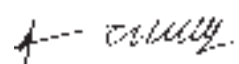


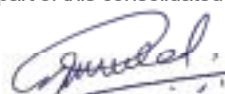
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-audited)


FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

	September 30, 2020	September 30, 2019
----- Rupees in '000 -----		
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(136,044)	(100,910)
Adjustments for non-cash charges and other items:		
Depreciation and amortisation	35,154	34,067
Provision for gratuity	2,979	3,353
Interest income	(108)	(8,625)
Gain on disposal of vehicle	(850)	(178)
Share of loss of an Associate	156,239	63,920
Unrealised gain on investments at fair value through profit or loss	-	(6,031)
Finance cost	11,258	35,899
Exchange loss - net	428	6,042
Operating profit before working capital changes	69,056	27,537
Decrease / (increase) in current assets:		
Stores, spares and loose tools	6,189	(1,280)
Stock-in-trade	119,921	393,417
Trade debts	(65,575)	(67,790)
Loans and advances	(3,055)	(23,777)
Deposit and prepayments	(28,095)	(101,512)
Other receivables	72,900	104,969
	102,285	304,027
Increase / (decrease) in trade and other payables	152,388	(215,692)
Cash generated from operations	323,729	115,872
Long term loans - net	1,070	(318)
Long term deposits - net	2,368	(3,725)
Finance cost paid	(24,879)	(48,731)
Taxes paid	216,457	(23,994)
Net cash generated from operating activities	518,745	39,104
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(31,819)	(83,973)
Proceeds from disposal of property, plant and equipment	1,270	589
Interest income received	108	8,625
Long term deposits - net	(1,000)	-
Investments - net	-	323
Net cash used in investing activities	(31,441)	(74,436)
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease finances - net	(12,784)	(17,765)
Short term borrowings - net	(355,929)	51,478
Long term borrowings	35,459	-
Deferred income - government grant	1,050	-
Dividend paid	-	(1)
Net cash (used in) / generated from financing activities	(332,204)	33,712
Net increase / (decrease) in cash and cash equivalents	155,100	(1,620)
Cash and cash equivalents at beginning of the period	353,516	202,173
Cash and cash equivalents at end of the period	508,616	200,553

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


Ahmad Kuli Khan Khattak
Chief Executive Officer


Polad Merwan Polad
Director


Muhammad Umair
Chief Financial Officer



NOTES TO CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 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:



NOTES TO CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

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

Where the provisions of and directives issued under the Act differ with the requirements of IAS 34, the provisions of and directives issued under the Act have been followed. These consolidated condensed interim financial statements of the Group for the three months period ended September 30, 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 consolidated financial statements for the year ended June 30, 2020.

3. ACCOUNTING POLICIES

- 3.1** The accounting policies and the methods of computation adopted in the preparation of these consolidated condensed interim financial statements are consistent with those applied in the preparation of audited annual consolidated financial statements of the Group for the year ended June 30, 2020.

There are certain International Financial Reporting Standards, amendments to published standards and interpretations that are mandatory for the financial year beginning on July 1, 2020 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.

NOTES TO CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

4. PRINCIPLES OF CONSOLIDATION

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

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

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

5. ACCOUNTING ESTIMATES AND JUDGEMENTS

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

During the preparation of these consolidated condensed interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the audited annual consolidated financial statements of the Group for the year ended June 30, 2020.



NOTES TO CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

6. PROPERTY, PLANT AND EQUIPMENT

	Note	Un-audited September 30, 2020	Audited June 30, 2020
		----- Rupees in '000 -----	
Operating fixed assets	6.1	3,476,321	3,501,648
Right of use assets	6.2	104,182	102,439
Capital work-in-progress		540,748	520,794
		4,121,251	4,124,881

6.1 Operating fixed assets

Book value at beginning of the period / year		3,501,648	3,563,320
Additions during the period / year	6.1.1	3,865	55,082
Transfer from right of use asset	6.2	576	13,643
Disposals costing Rs. 3,190 thousand (June 30, 2020: Rs.15,737 thousand) - at book value		(418)	(3,706)
Depreciation charge for the period / year		(29,350)	(126,691)
Book value at end of the period / year		3,476,321	3,501,648

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	-	20,320
Plant and machinery	2,079	14,850
Assembly Jigs	-	590
Furniture and fixtures	43	8,361
Owned vehicles	-	7,373
Other equipment	-	2,145
Office equipment	1,417	345
Computers	326	1,098
	3,865	55,082

NOTES TO CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

6.2 Right of use assets

		Un-audited September 30, 2020	Audited June 30, 2020
	Note	---- Rupees in '000 ----	
Book value at beginning of the period / year		102,439	67,866
Additions during the period / year		8,000	68,619
Disposals during the period / year		-	(1,275)
Transferred to operating fixed assets	6.1	(576)	(13,643)
Depreciation charged during the period / year		(5,681)	(19,128)
Net book value at end of the period		104,182	102,439

7. LONG TERM INVESTMENTS

Associate - equity accounted investment	7.1	970,647	800,676
Others - available for sale	7.2	-	-
		970,647	800,676

7.1 Ghandhara Industries Limited

Balance at beginning of the period / year	800,676	915,674
Share of loss for the period / year	(156,239)	(152,532)
Share of other comprehensive income for the period / year	326,210	37,534
Balance at end of the period / year	970,647	800,676

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



NOTES TO CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

7.1.3 The market value of investment as at September 30, 2020 was Rs.1,916,141, thousand (June 30, 2020: Rs.984,013 thousand).

Un-audited September 30, 2020	Audited June 30, 2020
----- Rupees in '000 -----	

7.2 Others - available for sale

Automotive Testing & Training Centre (Private) Limited

187,500 (June 30, 2020: 187,500) ordinary shares of
Rs.10 each - **cost**
Provision for impairment

1,875	1,875
(1,875)	(1,875)
-	-

8. CONTINGENCIES AND COMMITMENTS

8.1 There is no material change in status of the contingencies as disclosed in note 27.1 of the audited annual consolidated financial statements of the Group for the year ended June 30, 2020.

8.2 Commitment in respect of irrevocable letters of credit as at September 30, 2020 aggregate to Rs. 436,493 thousand (June 30, 2020: Rs.215,728 thousand).

8.3 Guarantees aggregating Rs.46,653 thousand (June 30, 2020: Rs.28,107 thousand) are issued by banks of the Group to various government and other institutions. Further, the Holding Company has issued corporate guarantees aggregating Rs.160,700 thousand (June 30, 2020: Rs.475,624 thousand) to the commercial banks against running finances and letters of credit facilities utilised by the Subsidiary Company.

NOTES TO CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

9. COST OF SALES

		---- Un-audited ----	
		Three months period ended September 30,	
		2020	2019
Note		----- Rupees in '000 -----	
	Finished goods at beginning of the period	1,120,180	1,066,260
	Cost of goods manufactured	558,062	689,982
	Purchases - trading goods	35,163	34,073
		593,225	724,055
		1,713,405	1,790,315
	Finished goods at end of the period	(912,448)	(1,052,829)
		800,957	737,486

9.1 Cost of goods manufactured

Raw materials and parts consumed	376,679	518,233
Factory overheads	181,383	171,749
	558,062	689,982

10. TRANSACTIONS WITH RELATED PARTIES

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

NOTES TO CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

Realted party name along with relation	Nature of transaction	Un-audited Three months period ended September 30,	
		2020	2019
		----- Rupees in '000 -----	
(i) Ultimate Holding Company			
Bibojee Services (Private) Limited - 57.76% shares	Corporate office rent held in the Holding Company	3,300	3,000
(ii) Associated Companies			
Gandhara Industries Limited	Contract assembly revenue	144,200	102,562
19.09% shares held by the Holding Company (10.1)	Purchase of parts	7	43
	Sale of parts	4	-
	Head office rent	1,757	1,597
The General Tyre and Rubber Company of Pakistan (10.1)	Purchase of tyres, tubes and flaps	1,789	10,609
Gammon Pakistan Limited (10.1)	Office rent	825	750
Janana De Malucho Textile Mills Limited (10.1)	Reimbursement of expenses	476	547
(iii) Others			
Staff provident fund	Contribution made	3,341	2,911
Key management personnel	Remuneration and other short term benefits	25,509	21,303

10.1 Associated company by virtue of common directorship.



NOTES TO CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

10.2 Period / year end balances are as follows:

	Un-audited September 30, 2020	Audited June 30, 2020
	-----Rupees in '000-----	
Debit balances / receivables from related parties		
Trade debts	68,349	93,745
Loan and advances	423	523
Deposits and prepayments	9,623	-
Payable to related parties		
Trade and other payables	29,626	27,278

11. FINANCIAL RISK MANAGEMENT

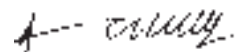
The Group's financial risk management objectives and policies are consistent with those disclosed in the audited annual financials statements of the Group for the year ended June 30, 2020.

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 consolidated financial statements of the Group for the year ended June 30, 2020, 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 September 30, 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 October 29, 2020 by the Board of Directors of the Holding Company.


Ahmad Kuli Khan Khattak
Chief Executive Officer


Polad Merwan Polad
Director


Muhammad Umair
Chief Financial Officer



