

Company Information

Legal Advisors

S. Abid Sherazi & Co.
Ahmed and Qazi
Hassan & Hassan (Advocates)

Bankers

National Bank of Pakistan
Al-Baraka Bank (Pakistan) Ltd.
JS Bank Ltd.
Faysal Bank Ltd.
The Bank of Punjab
MCB Islamic
Bank Al Falah Ltd.
Meezan Bank Ltd.
Bank Al Habib Ltd.
Samba Bank Limited
Habib Metropolitan Bank Limited

Share Registrar

Hameed Majeed Associates (Pvt.) Ltd.
4th Floor, Karachi Chamber,
Hasrat Mohani Road, Karachi.

Registered Office

F-3, Hub Chowki Road, S.I.T.E.
Post Box No. 2706, Karachi - 75730

Website: www.gil.com.pk
Email: info@gil.com.pk

Board of Directors

Lt. Gen. (R) Ali Kuli Khan Khattak	Chairman
Mr. Ahmad Kuli Khan Khattak	Chief Executive
Mrs. Shahnaz Sajjad Ahmad	Director
Maj. (R) Muhammad Zia	Director
Mr. Muhammad Kuli Khan Khattak	Director
Mr. Shahid Kamal Khan	Ind. Director
Mr. Sohail Hameed Khan	Ind. Director

Audit Committee

Mr. Sohail Hameed Khan	Chairman
Maj. (R) Muhammad Zia	Member
Mr. Shahid Kamal Khan	Member
Mr. Shahnawaz Damji ACA	Secretary

Human Resource & Remuneration Committee

Mr. Shahid Kamal Khan	Chairman
Mr. Ahmad Kuli Khan Khattak	Member
Maj. (R) Muhammad Zia	Member
Mr. Sohail Hameed Khan	Member
Mr. Shahrukh Asghar	Secretary

Chief Financial Officer

Mr. Muhammad Aamir, FCA

Company Secretary

Mr. Talha Ahmed Zaidi, ACA

Auditors








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



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regulatory actions)
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DIRECTORS' REVIEW

The Directors of your Company take pleasure in presenting the unaudited standalone and consolidated financial statements for the quarter ended September 30, 2020.

Market Share and Company's Performance

Overall truck and bus market has decreased by 13% during quarter ended September 30, 2020 as compared to corresponding period last year and the Company's sales during the current quarter have also decreased by 11% as compared to same period of last year. However, based on the information available with the Pakistan Automotive Manufacturers Association, our overall market share stood at approximately 44% for the quarter ended September 30, 2020. The Company is aware of the challenges being faced by the economy and accordingly is adapting measures to phase out negative impacts from the bottom line of the Company.

The standalone and consolidated results for the quarter are as follows:

	STANDALONE		CONSOLIDATED	
	Quarter ended 30 September		Quarter ended 30 September	
	2020	2019	2020	2019
	-----Rupees in 000-----			
Sales	2,401,773	3,028,512	2,401,773	3,028,512
Gross profit	166,926	406,978	166,926	406,978
Profit from operations	22,589	202,302	22,527	202,242
Loss before taxation	(149,217)	(19,290)	(149,185)	(19,258)
(Loss) / Profit after taxation	(143,681)	13,707	(143,659)	13,730
(Loss) / Earnings per share - basic and diluted (Rupees)	(3.37)	0.32	(3.37)	0.32

Operating results

Despite long term negative impacts of Covid-19, the Company managed to earn net revenues of Rs. 2.4 billion during the quarter ended September 30, 2020 which amount to 79% of revenue earned during comparative period of last year. The decrease in total revenue along with higher costs of goods sold during the current quarter, the gross profit of the Company declined by 59% as compared to same period last year. The Company has taken measures to further control its costs including financial charges which have started to yield results.

During the current quarter, the Company posted loss after tax of Rs. 143.7 million as compared to profit after tax of Rs. 13.7 million during comparative period in 2019. The reason for negative bottom line is due to low margins which ultimately translated into the LPS of Rs. 3.37 as against EPS of Re. 0.32 for the corresponding period of last year.

Future outlook

Covid-19 cases have declined worldwide however, the risk of pandemic resurgence is still probable. Overall economic indicators of Pakistan show a challenging outlook in coming months. In order to have sustained growth and boost customer confidence, the government needs to introduce policies to restore market confidence and accelerate economic activities across the board.

The Company is devising strategies to further improve its market positioning on the basis of enhanced product line and improved competitiveness which will boost demand in the local market. Consequently the stakeholders of the Company and the economy as a whole will be benefited.

By order of the Board

Ali Kuli Khan Khattak
Chairman

Ahmad Kuli Khan Khattak
Chief Executive Officer

Karachi

October 29, 2020

GHANDHARA INDUSTRIES LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2020 - UN-AUDITED

		Un-audited September 30, 2020	Audited June 30, 2020
Note		------(Rupees in '000)-----	
ASSETS			
NON-CURRENT ASSETS			
	5	4,402,672	4,453,947
Property, plant and equipment			
Intangible assets		3,115	136
Investment property		88,106	88,169
Long term Investment		1,400	1,400
Long term loans		1,620	1,957
Long term deposits		25,291	23,738
Deferred taxation		46,049	2,473
		<u>4,568,253</u>	<u>4,571,820</u>
CURRENT ASSETS			
	6	6,768	22,469
Stores			
Stock-in-trade		6,742,921	7,547,063
Trade debts		552,879	638,588
Loans and advances		192,317	150,547
Trade deposits and prepayments		1,139,983	4,260,928
Other receivables		6,335	9,263
Sales tax refundable / adjustable		723,249	162,303
Taxation - payments less provision		1,260,026	1,225,567
Cash and bank balances		2,865,360	340,906
		<u>13,489,838</u>	<u>14,357,634</u>
TOTAL ASSETS		<u>18,058,091</u>	<u>18,929,454</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital			
100,000,000 (June 30, 2020: 50,000,000)			
ordinary shares of Rs.10 each		<u>1,000,000</u>	<u>1,000,000</u>
Issued, subscribed and paid-up capital			
42,608,844 (June 30, 2020: 42,608,844)			
ordinary shares of Rs.10 each		426,088	426,088
Capital Reserves			
Surplus on revaluation of Fixed Assets		3,749,468	3,751,466
Revenue Reserves			
Unappropriated profit		755,422	897,105
Total Equity		<u>4,930,978</u>	<u>5,074,659</u>
NON-CURRENT LIABILITIES			
		73,308	66,237
Lease liabilities			
Compensated absences		15,569	15,802
Deferred liabilities		26,634	21,425
		<u>115,511</u>	<u>103,464</u>
CURRENT LIABILITIES			
		6,825,712	6,872,811
Trade and other payables			
Unpaid dividends		78,959	78,959
Unclaimed dividends		21,965	21,973
Current maturity of lease liabilities		17,582	29,410
Accrued mark-up/ interest		227,274	229,782
Short term borrowings	8	5,840,110	6,518,396
		<u>13,011,602</u>	<u>13,751,331</u>
CONTINGENCIES AND COMMITMENTS			
	9	-	-
TOTAL EQUITY AND LIABILITIES		<u>18,058,091</u>	<u>18,929,454</u>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Director

Chief Financial Officer

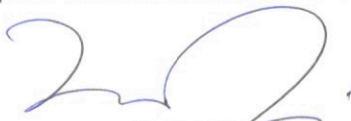
GHANDHARA INDUSTRIES LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2020 - UNAUDITED

	September 30, 2020	2019
Note -----(Rupees in '000)-----		
Sales	2,401,773	3,028,512
Cost of sales	10 (2,234,847)	(2,621,534)
Gross profit	166,926	406,978
Distribution expenses	(112,300)	(148,130)
Administrative expenses	(69,723)	(64,457)
Other expenses	(4,903)	(473)
Other income	42,589	8,384
Profit from operations	22,589	202,302
Finance cost	(171,806)	(221,592)
Loss before taxation	(149,217)	(19,290)
Taxation	5,536	32,997
(Loss) / Profit after taxation	(143,681)	13,707
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Re-measurement of staff retirement benefit obligation	-	-
Impact of deferred tax	-	-
Other comprehensive loss for the period - net of tax	-	-
Total comprehensive (loss) / income	(143,681)	13,707
(Loss) / earnings per share - basic and diluted (Rupees)	(3.37)	0.32

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

GHANDHARA INDUSTRIES LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED SEPTEMBER 30, 2020 - UNAUDITED

		September 30,	
	Note	2020	2019
		----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	11	3,440,649	(385,507)
Gratuity paid		-	-
Compensated absences paid		(231)	-
Finance cost paid		(171,684)	(207,447)
Income tax paid		(72,499)	(164,482)
Long term loans - net		337	537
Long term deposits - net		(1,553)	(1,038)
Net cash generated from / (used in) operating activities		3,195,019	(757,937)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(4,936)	(8,016)
Sale proceeds from disposal of operating fixed assets		2,076	3,824
Interest received		17,976	1,327
Net cash generated from / (used in) investing activities		15,116	(2,865)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(8)	(80)
Lease liabilities - net		(7,387)	517
Net cash (used in) / received from financing activities		(7,395)	437
Net increase / (decrease) in cash and cash equivalents		3,202,740	(760,365)
Cash and cash equivalents - at beginning of the period		(6,177,490)	(5,796,173)
Cash and cash equivalents - at end of the period	12	(2,974,750)	(6,556,538)

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

GHANDHARA INDUSTRIES LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED SEPTEMBER 30, 2020 - UNAUDITED

Share Capital	Revenue reserve	Capital Reserve	Total Equity
Issued subscribed and paid-up capital	Unappropriated profit	Revaluation Surplus on property, plant and equipment	Total
(Rupees in '000)			

Balance as at July 1, 2019 (Audited)

426,088 2,172,735 2,049,561 4,648,384

Total comprehensive income for the period ended September 30, 2019

Profit for the period
Other comprehensive Income/(Loss) - net

-	13,707	-	13,707
-	-	-	-
-	13,707	-	13,707

Surplus on revaluation of fixed assets realised during the period (net of deferred taxation) on account of incremental depreciation

- 1,998 (1,998) -

Balance as at September 30, 2019 (Un-audited)

426,088 2,188,440 2,047,563 4,662,091

Balance as at July 1, 2020 (Audited)

426,088 897,105 3,751,466 5,074,659

Transaction with owners recognised directly in equity

Total comprehensive income for the period ended September 30, 2020

Loss for the period
Other comprehensive Income/(Loss) - net

-	(143,681)	-	(143,681)
-	-	-	-
-	(143,681)	-	(143,681)

Surplus on revaluation of fixed assets realised during the period (net of deferred taxation) on account of incremental depreciation

- 1,998 (1,998) -

Balance as at September 30, 2020 (Un-audited)

426,088 755,422 3,749,468 4,930,978

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Director

Chief Financial Officer

GHANDHARA INDUSTRIES LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2020 - UNAUDITED

1. CORPORATE INFORMATION

Ghandhara Industries Limited (the Company) was incorporated on February 23, 1963. The Company's shares are quoted on Pakistan Stock Exchange Limited. The principal activity is the assembly, progressive manufacturing and sale of Isuzu trucks, buses and pick ups. The registered office of the Company is at F-3, Hub Chowki Road, S.I.T.E, Karachi.

Bibojee Services (Private) Limited, the ultimate Holding Company, held 16,686,794 (June 30, 2020: 16,686,794) ordinary shares of Rs.10 each of the Company.

2. BASIS OF PREPARATION

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards 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; and
- Provision of and directives issued under the Companies Act, 2017.

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

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 for the year ended June 30, 2020.

There are certain new International Financial Reporting Standards (standards), amendments to published standards and interpretations that are mandatory for the financial year beginning on July 1, 2020. These considered not to be relevant or to have any significant effect on the Company's financial reporting and operations and are, therefore, not disclosed in these condensed interim financial statements.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing 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 for the year ended June 30, 2020.

5. PROPERTY, PLANT AND EQUIPMENT

		(Un-audited) September 30, 2020	(Audited) June 30, 2020
	Note	------(Rupees in '000)-----	
Operating fixed assets - at net book value	5.1	4,284,702	4,319,229
Right to use assets	5.3	71,354	78,540
Capital work-in-progress - at cost		46,616	56,178
		<u>4,402,672</u>	<u>4,453,947</u>

	(Un-audited) September 30, 2020 ------(Rupees in '000)-----	(Audited) June 30, 2020
5.1 Additions of operating fixed assets during the period / year are as follows:		
Owned		
- Building on leasehold land	5,362	44,375
- Plant and machinery	210	3,997
- Permanent tools	5,033	2,696
- Furniture and fixture	41	831
- Motor vehicles	-	34,528
- Trucks / lift trucks	-	1,755
- Office machines & equipment	81	2,447
- Jigs and special tools	-	21,748
- Computers	140	2,253
Leased		
- Cars	-	-
	<u>10,867</u>	<u>114,630</u>
5.2 Disposal of operating fixed assets during the period / year are as follows:		
Owned - Trucks Net book value	-	-
Owned - Motor vehicles Net book value	<u>499</u>	<u>5,218</u>
5.3 Right to use assets		
Opening	78,540	-
Transfer from operating fixed assets costing Rs.82,758 thousand	-	53,884
Amount recognised on initial application	-	32,380
Additions during the period	-	19,609
Depreciation charge for the period	(7,186)	(27,333)
Net book value at end of the period	<u>71,354</u>	<u>78,540</u>
6. STOCK-IN-TRADE		
Raw materials and components	3,504,607	4,567,106
Work-in-process	227,961	116,438
Finished goods including components	2,228,475	2,100,456
Trading stocks	781,878	763,063
	<u>6,742,921</u>	<u>7,547,063</u>
7. Cash dividend and issuance of bonus shares to M/s. Essar Asset Management (Pvt.) Limited has been withheld in view of the restraining order dated November 16, 2018 passed by the Hon'ble High Court of Sindh in Suit No. 2149 of 2018.		
8. SHORT TERM BORROWINGS - Secured		
Running finances	1,528,774	1,420,954
Finance against imported merchandise	2,112,754	2,691,056
Istisna	2,198,582	2,396,073
Murabaha	-	10,313
	<u>5,840,110</u>	<u>6,518,396</u>

9. CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

There has been no significant change in status of contingencies other than describe below and as disclosed in note 27.1 of the audited annual financial statements of the Company for the year ended June 30, 2020.

9.2 Commitments

Bank guarantees

Letters of credit

(Un-audited) September 30, 2020 ----- (Rupees in '000) -----	(Audited) June 30, 2020
<u>7,577,838</u>	<u>7,547,916</u>
<u>3,311,511</u>	<u>663,298</u>

10. COST OF SALES

Stocks at beginning
of the period
Cost of goods
manufactured
Trading goods - purchases

Note

10.1

(Un-audited) For the quarter ended September 30, 2020 ----- (Rupees in '000) -----	2019
<u>2,863,519</u>	2,905,560
<u>2,347,496</u>	2,257,486
<u>34,185</u>	422,046
<u>2,381,681</u>	2,679,532
<u>5,245,200</u>	5,585,092
<u>(3,010,353)</u>	(2,963,558)
<u>2,234,847</u>	2,621,534

10.1 Cost of goods manufactured

Work in process at beginning
of the period
Raw materials and
components consumed
Direct labour and factory
overheads

Work in process at end
of the period

<u>116,438</u>	153,698
<u>2,211,608</u>	2,002,107
<u>247,411</u>	204,260
<u>2,459,019</u>	2,206,367
<u>2,575,457</u>	2,360,065
<u>(227,961)</u>	(102,579)
<u>2,347,496</u>	2,257,486

11. CASH GENERATED / USED IN OPERATIONS		(Un-audited)	
	Note	September 30, 2020	2019
		----- (Rupees in '000) -----	
Loss before taxation		(149,217)	(19,290)
Adjustment for non cash charges and other items:			
Depreciation / amortization on:			
- property, plant and equipment		45,465	46,469
- right to use asset		7,186	-
- intangible assets		82	31
- investment property		61	61
Provision for compensated absences		-	-
Exchange (gain) / loss		-	-
Provision for gratuity		5,209	5,611
Provision for doubtful advances		-	-
(Gain) / loss on disposal of operating fixed assets		(1,577)	(2,208)
Amortization of gain on sale and lease back of fixed assets		-	-
Interest income		(17,976)	(1,327)
Finance cost		171,806	221,592
		61,039	250,939
Working capital changes - net	11.1	3,379,610	(636,446)
		3,440,649	(385,507)
11.1 Working capital changes			
(Increase) / decrease in current assets:			
Stores and spare parts		15,701	(101)
Stock-in-trade		804,142	1,074,967
Trade debts		85,709	(199,567)
Loans and advances		(41,770)	(29,711)
Trade deposits and prepayments		3,120,945	(12,519)
Other receivables		2,928	(2,282)
Sales tax refundable / adjustable		(560,946)	(204,152)
		3,426,709	626,635
(Decrease) / increase in trade and other payables		(47,099)	(1,263,081)
		3,379,610	(636,446)
12. CASH AND CASH EQUIVALENTS			
Cash and bank balances		2,865,360	56,765
Short term borrowings		(5,840,110)	(6,613,303)
		(2,974,750)	(6,556,538)
13. FINANCIAL RISK MANAGEMENT			

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including foreign currency risk, interest rate risk and other price risk).

The condensed interim financial statements does not include all financial risk management information and disclosures required in the audited annual financial statements and should be read in conjunction with the audited annual financial statement for the year ended June 30, 2020.

There has been no change in Company's sensitivity to these risks since June 30, 2020 except for general exposure to fluctuations in foreign currency and interest rates. There have been no change in the risk management policies during the period.

14. TRANSACTIONS WITH RELATED PARTIES

14.1 Significant transactions with related parties are as follows:

Name of related party and nature of relationship	Nature of transactions	(Un-audited)	
		September 30,	
		2020	2019
		---- (Rupees in '000) ----	
(i) Holding Company			
Bibojee Services (Pvt.) Ltd.	Dividend paid	-	-
	Bonus shares issued	-	-
(ii) Subsidiary Company			
Marghzar Industries (Pvt.) Ltd.	Financial charges	94	92
	Reimbursement of expenses	62	60
(iii) Associated Companies			
The General Tyre and Rubber Co. of Pakistan Ltd. (Common Directorship)	Purchase of tyres	26,949	16,269
	Services rendered	-	-
	Sales of truck and parts	-	-
	Dividend paid	-	-
	Bonus shares issued	-	-
Ghandhara Nissan Ltd. (Common Directorship)	Assembly charges	144,200	102,562
	Rent income	879	799
	Purchase of parts and vehicle	-	-
	Sales of parts	7	43
	Reimbursement of expenses	-	-
	Dividend paid	-	-
	Bonus shares issued	-	-
Ghandhara DF (Private) Limited (Common Directorship)	Rent income	879	799
	Sales	-	-
	Purchase of parts	4	-
The Universal Insurance Company Limited (Common Directorship)	Dividend paid	-	-
	Bonus shares issued	-	-
Bibojee Investments (Pvt.) Ltd. (Common Directorship)	Dividend paid	-	-
	Bonus shares issued	-	-
Rehman Cotton Mills Ltd. (Common Directorship)	Rent expense	450	450
Gammon Pakistan Ltd. (Common Directorship)	Rent expense	750	750
	Reimbursement of expenses	23	9
Janana De Malucho Textile Mills Limited (Common Directorship)	Reimbursement of expenses	-	547
(iv) Other			
Provident fund	Contribution paid	-	8,524
Key management personnel	Remuneration and other benefits	33,745	52,057

15. CORRESPONDING FIGURES

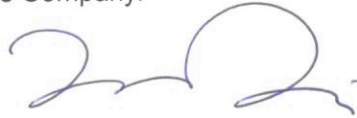
In order to comply with the requirements of International Accounting Standard '34 - 'Interim Financial Reporting', the condensed interim statement of financial position has been compared with the balances of audited annual financial statements of the Company for the year ended June 30, 2020, whereas, the condensed interim statement of profit or loss account and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows have been compared with the balances of comparable period of condensed interim financial statements of the Company for the period ended September 30, 2019. Corresponding figures have been rearranged and reclassified for better presentation wherever considered necessary, the effect of which is not material.

16. DATE OF AUTHORIZATION

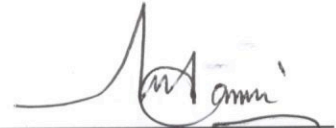
This condensed interim financial statements was authorized for issue on October 29, 2020 by the Board of Directors of the Company.



Chief Executive Officer



Director



Chief Financial Officer

GHANDHARA INDUSTRIES LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2020 - UN-AUDITED

AS AT SEPTEMBER 30, 2020 - UN-AUDITED

		Un-audited September 30, 2020	Audited June 30, 2020
	Note	------(Rupees in '000)-----	
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		4,566,853	4,570,420
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Sales tax refundable / adjustable		723,249	162,303
Taxation - payments less provision		1,259,997	1,225,549
Cash and bank balances		2,865,360	340,906
		13,489,809	14,357,616
		18,056,662	18,928,036
TOTAL ASSETS			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital			
100,000,000 (June 30, 2020: 50,000,000)		1,000,000	1,000,000
ordinary shares of Rs.10 each			
Issued, subscribed and paid-up capital			
42,608,844 (June 30, 2020: 42,608,844)		426,088	426,088
ordinary shares of Rs.10 each			
Capital Reserves		3,749,468	3,751,466
Revaluation Surplus on fixed assets			
Revenue Reserves		756,448	898,109
Unappropriated profit		4,932,004	5,075,663
Equity Attributable to shareholders of the holding company			
		5	5
Non - Controlling interest		4,932,009	5,075,668
Total Equity			
NON-CURRENT LIABILITIES			
Lease liabilities		73,308	66,237
Compensated absences		15,569	15,802
Deferred liabilities		26,634	21,425
		115,511	103,464
CURRENT LIABILITIES			
Trade and other payables		6,823,252	6,870,384
Unpaid dividends		78,959	78,959
Unclaimed dividends		21,965	21,973
Current maturity of lease liabilities		17,582	29,410
Accrued mark-up/ interest		227,274	229,782
Short term borrowings	8	5,840,110	6,518,396
		13,009,142	13,748,904
CONTINGENCIES AND COMMITMENTS			
	9	-	-
TOTAL EQUITY AND LIABILITIES		18,056,662	18,928,036

The annexed notes from 1 to 16 form an integral part of these condensed interim financial information.


Chief Executive Officer


Director

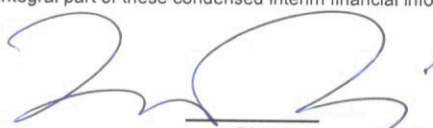

Chief Financial Officer

GHANDHARA INDUSTRIES LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2020 - UNAUDITED

	September 30, 2020	2019
Note	(Rupees in '000)	
Sales	2,401,773	3,028,512
Cost of sales	10 (2,234,847)	(2,621,534)
Gross profit	166,926	406,978
Distribution expenses	(112,300)	(148,130)
Administrative expenses	(69,785)	(64,517)
Other expenses	(4,903)	(473)
Other income	42,589	8,384
Profit from operations	22,527	202,242
Finance cost	(171,712)	(221,500)
Loss before taxation	(149,185)	(19,258)
Taxation	5,526	32,988
(Loss) / Profit after taxation	(143,659)	13,730
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Re-measurement of staff retirement benefit obligation	-	-
Impact of deferred tax	-	-
Other comprehensive loss for the period - net of tax	-	-
Total comprehensive (loss) / income	(143,659)	13,730
(Loss) / earnings per share - basic and diluted (Rupees)	(3.37)	0.32

The annexed notes from 1 to 16 form an integral part of these condensed interim financial information.


 Chief Executive Officer


 Director


 Chief Financial Officer

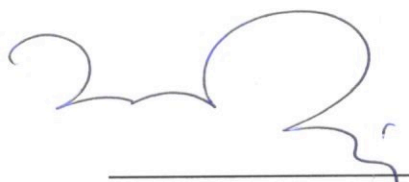
GHANDHARA INDUSTRIES LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED SEPTEMBER 30, 2020 - UNAUDITED

		September 30,	
	Note	2020	2019
		----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	11	3,440,554	(385,598)
Gratuity paid		-	-
Compensated absences paid		(231)	-
Finance cost paid		(171,590)	(207,355)
Income tax paid		(72,498)	(164,483)
Long term loans - net		337	537
Long term deposits - net		(1,553)	(1,038)
Net cash generated from / (used in) operating activities		3,195,019	(757,937)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(4,936)	(8,016)
Sale proceeds from disposal of operating fixed assets		2,076	3,824
Interest received		17,976	1,327
Net cash generated from / (used in) investing activities		15,116	(2,865)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(8)	(80)
Lease liabilities - net		(7,387)	517
Net cash (used in) / received from financing activities		(7,395)	437
Net increase / (decrease) in cash and cash equivalents		3,202,740	(760,365)
Cash and cash equivalents - at beginning of the period		(6,177,490)	(5,796,173)
Cash and cash equivalents - at end of the period	12	(2,974,750)	(6,556,538)

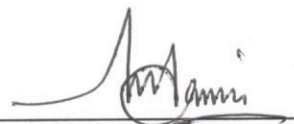
The annexed notes from 1 to 16 form an integral part of these condensed interim financial information.



Chief Executive Officer



Director




Chief Financial Officer

GHANDHARA INDUSTRIES LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED SEPTEMBER 30, 2020 - UNAUDITED

	Issued subscribed and paid-up capital	Unappropriated profit	Revaluation Surplus on property, plant and equipment	Total	Non - Controlling interest
	(Rupees in '000)				
Balance as at July 1, 2019 (Audited)	426,088	2,173,691	2,049,561	4,649,340	5
Total comprehensive income for the period ended September 30, 2019					
Profit for the period	-	13,730	-	13,730	-
Other comprehensive Income/(Loss) - net	-	-	-	-	-
	-	13,730	-	13,730	-
Surplus on revaluation of fixed assets realised during the period (net of deferred taxation) on account of incremental depreciation	-	1,998	(1,998)	-	-
Balance as at September 30, 2019 (Un-audited)	426,088	2,189,419	2,047,563	4,663,070	5
Balance as at July 1, 2020 (Audited)	426,088	898,109	3,751,466	5,075,663	5
Transaction with owners recognised directly in equity					
Total comprehensive income for the period ended September 30, 2020					
Loss for the period	-	(143,659)	-	(143,659)	-
Other comprehensive Income/(Loss) - net	-	-	-	-	-
	-	(143,659)	-	(143,659)	-
Surplus on revaluation of fixed assets realised during the period (net of deferred taxation) on account of incremental depreciation	-	1,998	(1,998)	-	-
Balance as at September 30, 2020 (Un-audited)	426,088	756,448	3,749,468	4,932,004	5

The annexed notes from 1 to 16 form an integral part of these condensed interim financial information.


 Chief Executive Officer


 Director


 Chief Financial Officer

GHANDHARA INDUSTRIES LIMITED
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2020 - UNAUDITED

1. THE GROUP AND ITS OPERATIONS

The Group consists of Ghandhara Industries Limited (the Holding Company) Marghazar Industries (Private) Limited (the Subsidiary Company).

Ghandhara Industries Limited

Ghandhara Industries Limited (the Holding Company) was incorporated on February 23, 1963. The Company's shares are quoted on Pakistan Stock Exchange Limited. The principal activity is the assembly, progressive manufacturing and sale of Isuzu trucks, buses and pick ups. The registered office of the Company is at F-3, Hub Chowki Road, S.I.T.E, Karachi. The manufacturing facilities of the Company are located at S.I.T.E., Karachi with branches at Lahore, Multan, Rawalpindi and Peshawar.

Marghazar Industries (Private) Limited

Marghazar Industries (Private) Limited (the Subsidiary Company) was incorporated as a private limited company on March 7, 1969. The registered office of the Company is located at Gardee Trust Building, Napier Road, Lahore. The Company is subsidiary of Ghandhara Industries Limited; which holds 140,000 ordinary shares representing 99.79% of the total capital of the Company.

2. BASIS OF PREPARATION

These consolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards 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; and
- Provision of and directives issued under the Companies Act, 2017.

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

3. ACCOUNTING POLICIES

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

There are certain new International Financial Reporting Standards (standards), amendments to published standards and interpretations that are mandatory for the financial year beginning on July 1, 2020. These considered not to be relevant or to have any significant effect on the Group's financial reporting and operations and are, therefore, not disclosed in these condensed interim financial statements.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this 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 for the year ended June 30, 2020.

5. PROPERTY, PLANT AND EQUIPMENT

		(Un-audited) September 30, 2020 ------(Rupees in '000)-----	(Audited) June 30, 2020
	Note		
Operating fixed assets - at net book value	5.1	4,284,702	4,319,229
Right to use assets	5.3	71,354	78,540
Capital work-in-progress - at cost		46,616	56,178
		<u>4,402,672</u>	<u>4,453,947</u>
		(Un-audited) September 30, 2020 ------(Rupees in '000)-----	(Audited) June 30, 2020
5.1 Additions of operating fixed assets during the period / year are as follows:			
Owened			
- Building on leasehold land		5,362	44,375
- Plant and machinery		210	3,997
- Permanent tools		5,033	2,696
- Furniture and fixture		41	831
- Motor vehicles		-	34,528
- Trucks / lift trucks		-	1,755
- Office machines & equipment		81	2,447
- Jigs and special tools		-	21,748
- Computers		140	2,253
Leased			
- Cars		-	-
		<u>10,867</u>	<u>114,630</u>
5.2 Disposal of operating fixed assets during the period / year are as follows:			
Owened - Trucks Net book value		-	-
Owened - Motor vehicles Net book value		<u>499</u>	<u>5,218</u>
5.3 Right to use assets			
Opening		78,540	-
Transfer from operating fixed assets costing Rs.82,758 thousand		-	53,884
Amount recognised on initial application		-	32,380
Additions during the period		-	19,609
Depreciation charge for the period		(7,186)	(27,333)
Net book value at end of the period		<u>71,354</u>	<u>78,540</u>
6. STOCK-IN-TRADE			
Raw materials and components		3,504,607	4,567,106
Work-in-process		227,961	116,438
Finished goods including components		2,228,475	2,100,456
Trading stocks		781,878	763,063
		<u>6,742,921</u>	<u>7,547,063</u>
7. Cash dividend and issuance of bonus shares to M/s. Essar Asset Management (Pvt.) Limited has been withheld in view of the restraining order dated November 16, 2018 passed by the Hon'ble High Court of Sindh in Suit No. 2149 of 2018.			

8. SHORT TERM BORROWINGS - Secured

Running finances	1,528,774	1,420,954
Finance against imported merchandise	2,112,754	2,691,056
Istisna	2,198,582	2,396,073
Murabaha	-	10,313
	5,840,110	6,518,396

9. CONTINGENCIES AND COMMITMENTS**9.1 Contingencies**

There has been no significant change in status of contingencies other than describe below and as disclosed in note 27.1 of the audited annual financial statements of the Holding Company for the year ended June 30, 2020.

9.2 Commitments

	(Un-audited) September 30, 2020 ------(Rupees in '000)-----	(Audited) June 30, 2020
Bank guarantees	7,577,838	7,547,916
Letters of credit	3,311,511	663,298

10. COST OF SALES

		(Un-audited) For the quarter ended September 30, 2020 ----- (Rupees in '000) -----	2019
Stocks at beginning of the period		2,863,519	2,905,560
Cost of goods manufactured	10.1	2,347,496	2,257,486
Trading goods - purchases		34,185	422,046
		2,381,681	2,679,532
		5,245,200	5,585,092
Stocks at end of the period		(3,010,353)	(2,963,558)
		2,234,847	2,621,534

10.1 Cost of goods manufactured

Work in process at beginning of the period		116,438	153,698
Raw materials and components consumed		2,211,608	2,002,107
Direct labour and factory overheads		247,411	204,260
		2,459,019	2,206,367
		2,575,457	2,360,065
Work in process at end of the period		(227,961)	(102,579)
		2,347,496	2,257,486

11. CASH GENERATED FROM / USED IN OPERATIONS

		(Un-audited)	
		September 30,	
	Note	2020	2019
		----- (Rupees in '000) -----	
Profit before taxation		(149,185)	(19,258)
Adjustment for non cash charges and other items:			
Depreciation / amortization on:			
- property, plant and equipment		45,465	46,469
- right to use asset		7,186	-
- intangible assets		82	31
- investment property		61	61
Provision for compensated absences		-	-
Exchange (gain) / loss		-	-
Provision for gratuity		5,209	5,611
Provision for doubtful advances		-	-
(Gain) / loss on disposal of operating fixed assets		(1,577)	(2,208)
Amortization of gain on sale and lease back of fixed assets		-	-
Interest income		(17,976)	(1,327)
Finance cost		171,712	221,500
		60,977	250,879
Working capital changes - net	11.1	3,379,577	(636,477)
		3,440,554	(385,598)

11.1 Working capital changes

(Increase) / decrease in current assets:

Stores and spare parts	15,701	(101)
Stock-in-trade	804,142	1,074,967
Trade debts	85,709	(199,567)
Loans and advances	(41,770)	(29,711)
Trade deposits and prepayments	3,120,945	(12,519)
Other receivables	2,928	(2,282)
Sales tax refundable / adjustable	(560,946)	(204,152)
	3,426,709	626,635
(Decrease) / increase in trade and other payables	(47,132)	(1,263,112)
	3,379,577	(636,477)

12. CASH AND CASH EQUIVALENTS

Cash and bank balances	2,865,360	56,765
Short term borrowings	(5,840,110)	(6,613,303)
	(2,974,750)	(6,556,538)

13. FINANCIAL RISK MANAGEMENT

the Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including foreign currency risk, interest rate risk and other price risk).

The condensed interim financial statements does not include all financial risk management information and disclosures required in the audited annual financial statements and should be read in conjunction with the audited annual financial statement for the year ended June 30, 2020.

There has been no change in Company's sensitivity to these risks since June 30, 2020 except for general exposure to fluctuations in foreign currency and interest rates. There have been no change in the risk management policies during the period.

14. TRANSACTIONS WITH RELATED PARTIES

14.1 Significant transactions with related parties are as follows:

Name of related party and nature of relationship	Nature of transactions	(Un-audited)	
		September 30,	
		2020	2019
---- (Rupees in '000) ----			
(i) Holding Company			
Bibojee Services (Pvt.) Ltd.	Dividend paid	-	-
	Bonus shares issued	-	-
(ii) Associated Companies			
The General Tyre and Rubber Co. of Pakistan Ltd. (Common Directorship)	Purchase of tyres	26,949	16,269
	Services rendered	-	-
	Sales of truck and parts	-	-
	Dividend paid	-	-
	Bonus shares issued	-	-
Ghandhara Nissan Ltd. (Common Directorship)	Assembly charges	144,200	102,562
	Rent income	879	799
	Purchase of parts and vehicle	-	-
	Sales of parts	7	43
	Reimbursement of expenses	-	-
	Dividend paid	-	-
	Bonus shares issued	-	-
Ghandhara DF (Private) Limited (Common Directorship)	Rent income	879	799
	Sales	-	-
	Purchase of parts	4	-
The Universal Insurance Company Limited (Common Directorship)	Dividend paid	-	-
	Bonus shares issued	-	-
Bibojee Investments (Pvt.) Ltd. (Common Directorship)	Dividend paid	-	-
	Bonus shares issued	-	-
Rehman Cotton Mills Ltd. (Common Directorship)	Rent expense	450	450
Gammon Pakistan Ltd. (Common Directorship)	Rent expense	750	750
	Reimbursement of expenses	23	9
Janana De Malucho Textile Mills Limited (Common Directorship)	Reimbursement of expenses	-	547
(iii) Other			
Provident fund	Contribution paid	-	8,524
Key management personnel	Remuneration and other benefits	33,745	52,057

15. 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 Group for the year ended June 30, 2020, whereas, the consolidated condensed interim statement of profit or loss account and other comprehensive income, consolidated condensed interim statement of changes in equity and consolidated condensed interim statement of cash flows have been compared with the balances of comparable period of 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.

16. DATE OF AUTHORIZATION


This condensed interim financial statements was authorized for issue on October 29, 2020 by the Board of Directors of the Holding Company.



Chief Executive Officer



Director



Chief Financial Officer