

Company Information

Legal Advisors

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

Bankers

National Bank of Pakistan
Al-Baraka Bank (Pakistan) Ltd.
JS Bank Ltd.
The Bank of Punjab
MCB Islamic
Bank Al Falah Ltd.
Bank Islami Pakistan 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 Chawki Road, S.I.T.E.
Post Box No. 2706, Karachi - 75730

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

Board of Directors

| | |
|-----------------------------|---------------|
| Mr. Ali Kuli Khan Khattak | Chairman |
| Mr. Ahmad Kuli Khan Khattak | CEO/Director |
| Mr. Raza Kuli Khan Khattak | Director |
| Mrs. Shahnaz Sajjad Ahmad | Director |
| Maj. (R) Muhammad Zia | Director |
| Mr. Shahid Kamal Khan | Ind. Director |
| Mr. Sohail Hameed | 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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- ❓ FAQs Answered

- 📈 Stock trading simulator
(based on live feed from KSE)
- 📖 Knowledge center
- 📈 Risk profiler*
- 📊 Financial calculator
- 📧 Subscription to Alerts (event notifications, corporate and regulatory actions)
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- 📖 Online Quizzes



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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, 2021.

Market Share and Company's Performance

Overall truck and bus market has posted a massive increase of 85% during quarter ended September 30, 2021 as compared to corresponding period of last year. In line with the aforesaid growth in overall truck and bus market, the Company's sale units have also increased during the current quarter by 84% as compared to same period of last year. Based on the information available with the Pakistan Automotive Manufacturers Association, the Company retained its 1st position in overall market during the quarter ended September 30, 2021 and its market share stood at approximately 44%.

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

| | STANDALONE | | CONSOLIDATED | |
|--|----------------------------|-----------|----------------------------|-----------|
| | Quarter ended 30 September | | Quarter ended 30 September | |
| | 2021 | 2020 | 2021 | 2020 |
| | -----Rupees in 000----- | | | |
| Sales | 6,131,911 | 2,401,773 | 6,131,911 | 2,401,773 |
| Gross profit | 863,814 | 166,926 | 863,814 | 166,926 |
| Profit from operations | 629,992 | 22,589 | 629,932 | 22,527 |
| Profit / (Loss) before taxation | 527,050 | (149,217) | 527,087 | (149,185) |
| Profit / (Loss) after taxation | 453,983 | (143,681) | 454,041 | (143,659) |
| Earnings / (Loss) per share - basic and diluted (Rupees) | 10.65 | (3.37) | 10.66 | (3.37) |

Operating results

Effective business strategy supported by favorable market conditions and customer confidence, has enabled the Company to post net revenues of Rs. 6.1 billion during the quarter ended September 30, 2021 as compared to net revenues of Rs. 2.4 billion during comparative period of last year. Consequently, the gross profit of the Company has increased by 5 times from Rs. 167 million to Rs. 864 million during quarter ended 30 September 2021. The Company is striving to further control its costs including financial charges to re-establish sustainable profitability track record.

Future outlook

Company's dynamic business approach to prevailing business conditions and focus on superior and quality products is yielding substantial returns. The Company has concrete plans for growth in sales volumes and profitability, however, continuous rupee devaluation and general inflation may pose challenges in future periods.

By order of the Board

Ali Kuli Khan Khattak
Chairman

Ahmad Kuli Khan Khattak
Chief Executive Officer

Karachi, October 29, 2021


GHANDHARA INDUSTRIES LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2021

AS AT SEPTEMBER 30, 2021

| | | Unaudited September 30, 2021 | Audited June 30, 2021 |
|---|------|------------------------------------|-----------------------------|
| | Note | (Rupees in '000) | |
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 5 | 4,292,363 | 4,321,244 |
| Intangible assets | | 2,868 | 3,082 |
| Investment property | | 87,867 | 87,926 |
| Long term Investment | | 1,400 | 1,400 |
| Long term loans | | 1,065 | 1,317 |
| Long term deposits | | 28,383 | 25,215 |
| Deferred taxation | | 124,069 | 96,249 |
| | | 4,538,015 | 4,536,433 |
| CURRENT ASSETS | | | |
| Stores | | 20,430 | 20,887 |
| Stock-in-trade | 6 | 6,439,071 | 6,431,131 |
| Trade debts | | 583,318 | 580,945 |
| Loans and advances | | 362,650 | 247,205 |
| Trade deposits and prepayments | | 3,500,567 | 829,339 |
| Other receivables | | 5,190 | 4,244 |
| Accrued mark-up | | 3,100 | 241 |
| Sales tax refundable / adjustable | | 345,762 | 268,831 |
| Taxation - payments less provision | | 1,239,992 | 1,253,821 |
| Cash and bank balances | | 531,586 | 731,461 |
| | | 13,031,666 | 10,368,105 |
| TOTAL ASSETS | | 17,569,681 | 14,904,538 |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Authorized capital | | | |
| 100,000,000 (June 30, 2021: 100,000,000) | | | |
| ordinary shares of Rs.10 each | | 1,000,000 | 1,000,000 |
| Issued, subscribed and paid-up capital | | | |
| 42,608,844 (June 30, 2021: 42,608,844) | | | |
| ordinary shares of Rs.10 each | | 426,088 | 426,088 |
| Capital Reserves | | | |
| Surplus on revaluation of fixed assets | | 3,736,867 | 3,739,787 |
| Revenue Reserves | | | |
| Unappropriated profit | | 1,965,979 | 1,509,076 |
| Total Equity | | 6,128,934 | 5,674,951 |
| NON-CURRENT LIABILITIES | | | |
| Lease liabilities | | 85,403 | 71,460 |
| Long term borrowings | | 30,806 | 51,900 |
| Compensated absences | | 20,479 | 18,954 |
| Deferred income - government grant | | 422 | 1,256 |
| Deferred liabilities | | 14,962 | 27,326 |
| | | 152,072 | 170,896 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 7,052,154 | 5,873,696 |
| Unpaid dividends | | 78,959 | 78,959 |
| Unclaimed dividends | | 21,607 | 21,609 |
| Current maturity of lease liabilities | | 31,461 | 31,455 |
| Current maturity of long term borrowings | | 89,248 | 90,977 |
| Current portion of deferred income - government grant | | 5,689 | 7,264 |
| Accrued mark-up/ interest | | 106,037 | 101,703 |
| Short term borrowings | 8 | 3,903,520 | 2,853,028 |
| | | 11,288,675 | 9,058,691 |
| CONTINGENCIES AND COMMITMENTS | 9 | - | - |
| TOTAL EQUITY AND LIABILITIES | | 17,569,681 | 14,904,538 |

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 PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED SEPTEMBER 30, 2021 - UNAUDITED

| | September 30, | |
|---|------------------|------------------|
| | 2021 | 2020 |
| Note | (Rupees in '000) | |
| Sales - net | 6,131,911 | 2,401,773 |
| Cost of sales | 10 (5,268,097) | (2,234,847) |
| Gross profit | 863,814 | 166,926 |
| Distribution expenses | (151,256) | (112,300) |
| Administrative expenses | (65,004) | (69,723) |
| Other expenses | (40,080) | (4,903) |
| Other income | 22,518 | 42,589 |
| Profit from operations | 629,992 | 22,589 |
| Finance cost | (102,942) | (171,806) |
| Profit / (Loss) before taxation | 527,050 | (149,217) |
| Taxation | (73,067) | 5,536 |
| Profit / (Loss) after taxation | 453,983 | (143,681) |
| 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 Income for the period - net of tax | - | - |
| Total comprehensive income / (loss) | 453,983 | (143,681) |
| Earnings / (loss) per share - basic and diluted (Rupees) | 10.65 | (3.37) |

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 PERIOD ENDED SEPTEMBER 30, 2021 - UNAUDITED

| | | September 30, | |
|---|------|------------------------------|--------------------|
| | Note | 2021 | 2020 |
| | | ----- (Rupees in '000) ----- | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash generated from / (used in) operations | 11 | (1,006,843) | 3,440,649 |
| Gratuity paid | | (26,033) | - |
| Compensated absences paid | | - | (231) |
| Finance cost paid | | (95,950) | (171,684) |
| Income tax paid | | (87,058) | (72,499) |
| Long term loans - net | | 252 | 337 |
| Long term deposits - net | | (3,168) | (1,553) |
| Net cash generated from / (used in) operating activities | | (1,218,800) | 3,195,019 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Fixed capital expenditure | | (31,312) | (4,936) |
| Sale proceeds from disposal of operating fixed assets | | 8,939 | 2,076 |
| Interest received | | 4,749 | 17,976 |
| Net cash generated from / (used in) investing activities | | (17,624) | 15,116 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Dividend paid | | (2) | (8) |
| Long term borrowings - repaid | | (25,232) | - |
| Lease liabilities - net | | 11,291 | (7,387) |
| Net cash used in financing activities | | (13,943) | (7,395) |
| Net increase / (decrease) in cash and cash equivalents | | (1,250,367) | 3,202,740 |
| Cash and cash equivalents - at beginning of the period | | (2,121,567) | (6,177,490) |
| Cash and cash equivalents - at end of the period | 12 | (3,371,934) | (2,974,750) |

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 PERIOD ENDED SEPTEMBER 30, 2021 - 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, 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 | - | (143,681) | - | (143,681) |
| Other comprehensive income | - | - | - | - |
| | - | (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 |
| Balance as at July 1, 2021 (Audited) | 426,088 | 1,509,076 | 3,739,787 | 5,674,951 |
| Transaction with owners recognised directly in equity | | | | |
| Total comprehensive income for the period ended September 30, 2021 | | | | |
| Profit for the period | - | 453,983 | - | 453,983 |
| Other comprehensive income | - | - | - | - |
| | - | 453,983 | - | 453,983 |
| Surplus on revaluation of fixed assets realised during the period (net of deferred taxation) on account of incremental depreciation | - | 2,920 | (2,920) | - |
| Balance as at September 30, 2021 (Un-audited) | 426,088 | 1,965,979 | 3,736,867 | 6,128,934 |

The annexed notes from 1 to 18 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 PERIOD ENDED SEPTEMBER 30, 2021 - 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 situated 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, 2021: 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, 2021.

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, 2021. 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, 2021.

5. PROPERTY, PLANT AND EQUIPMENT

| | | (Un-audited) September 30, 2021 | (Audited) June 30, 2021 |
|--|------|---------------------------------------|-------------------------------|
| | Note | ------(Rupees in '000)----- | |
| Operating fixed assets - at net book value | 5.1 | 4,118,485 | 4,164,612 |
| Right to use assets | 5.3 | 105,900 | 92,550 |
| Capital work-in-progress - at cost | | 67,978 | 64,082 |
| | | <u>4,292,363</u> | <u>4,321,244</u> |

| | (Un-audited) September 30, 2021 ------(Rupees in '000)----- | (Audited) June 30, 2021 |
|---|--|-------------------------------|
| 5.1 Additions of operating fixed assets during the period / year are as follows: | | |
| Owned | | |
| - Building on leasehold land | - | 5,357 |
| - Plant and machinery | 547 | 18,879 |
| - Permanent tools | 96 | 8,264 |
| - Furniture and fixture | 167 | 424 |
| - Motor vehicles / trucks | 4,467 | 6,025 |
| - Office machines & equipment | 298 | 723 |
| - Jigs and special tools | - | 1,028 |
| - Computers | 139 | 6,273 |
| | 5,714 | 46,973 |
| 5.2 Disposal of operating fixed assets during the period / year are as follows: | | |
| Owned - Computers book value | - | 129 |
| Owned - Motor vehicles / truck Net book value | 8,042 | 15,993 |
| 5.3 Right to use assets | | |
| Opening | 92,550 | 78,540 |
| Additions during the period | 21,699 | 43,969 |
| Depreciation charge for the period | (8,349) | (29,959) |
| Net book value at end of the period | 105,900 | 92,550 |
| 6. STOCK-IN-TRADE | | |
| Raw materials and components | 3,424,845 | 3,565,034 |
| Work-in-process | 129,230 | 117,672 |
| Finished goods including components | 2,070,914 | 1,942,860 |
| Trading stocks | 814,082 | 805,565 |
| | 6,439,071 | 6,431,131 |
| 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 | 1,253,992 | 1,236,350 |
| Short term loan | 250,000 | 200,000 |
| Finance against imported merchandise | 1,079,009 | 244,523 |
| Istisna | 885,515 | 570,000 |
| Murabaha | 435,004 | 602,155 |
| | 3,903,520 | 2,853,028 |

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 29.1 of the audited annual financial statements of the Company for the year ended June 30, 2021.

| | (Un-audited) September 30, 2021 ------(Rupees in '000)----- | (Audited) June 30, 2021 |
|------------------------|--|-------------------------------|
| 9.2 Commitments | | |
| Bank guarantees | <u>9,536,487</u> | <u>7,921,344</u> |
| Letters of credit | <u>5,875,058</u> | <u>4,113,813</u> |

10. COST OF SALES

| | | (Un-audited) September 30, 2021 ----- (Rupees in '000) ----- | 2020 |
|-----------------------------------|-------------|---|--------------------|
| | Note | | |
| Stocks at beginning of the period | | 2,748,425 | 2,863,519 |
| Cost of goods manufactured | 10.1 | <u>5,309,291</u> | <u>2,347,496</u> |
| Trading goods - purchases | | <u>95,377</u> | <u>34,185</u> |
| | | <u>5,404,668</u> | <u>2,381,681</u> |
| | | <u>8,153,093</u> | <u>5,245,200</u> |
| Stocks at end of the period | | <u>(2,884,996)</u> | <u>(3,010,353)</u> |
| | | <u>5,268,097</u> | <u>2,234,847</u> |

10.1 Cost of goods manufactured

| | | |
|--|------------------|------------------|
| Work in process at beginning of the period | 117,672 | 116,438 |
| Raw materials and components consumed | <u>4,895,188</u> | <u>2,211,608</u> |
| Direct labour and factory overheads | <u>425,661</u> | <u>247,411</u> |
| | <u>5,320,849</u> | <u>2,459,019</u> |
| | <u>5,438,521</u> | <u>2,575,457</u> |
| Work in process at end of the period | <u>(129,230)</u> | <u>(227,961)</u> |
| | <u>5,309,291</u> | <u>2,347,496</u> |

| 11. CASH GENERATED / USED IN OPERATIONS | | (Un-audited) | |
|--|------|------------------------------|-------------|
| | Note | September 30, 2021 | 2020 |
| | | ----- (Rupees in '000) ----- | |
| Profit / (Loss) before taxation | | 527,050 | (149,217) |
| Adjustment for non cash charges and other items: | | | |
| Depreciation / amortization on: | | | |
| - property, plant and equipment | | 43,799 | 45,465 |
| - right to use asset | | 8,349 | 7,186 |
| - intangible assets | | 214 | 82 |
| - investment property | | 61 | 61 |
| Provision for compensated absences | | 1,525 | - |
| Exchange (gain) / loss | | - | - |
| Provision for gratuity | | - | 5,209 |
| Provision for doubtful advances | | - | - |
| Gain on disposal of operating fixed assets | | (897) | (1,577) |
| Amortization of gain on sale and lease back of fixed assets | | 13,670 | - |
| Interest income | | (7,608) | (17,976) |
| Finance cost | | 102,942 | 171,806 |
| | | 689,105 | 61,039 |
| Working capital changes - net | 11.1 | (1,695,948) | 3,379,610 |
| | | (1,006,843) | 3,440,649 |
| 11.1 Working capital changes | | | |
| (Increase) / decrease in current assets: | | | |
| Stores | | 457 | 15,701 |
| Stock-in-trade | | (7,940) | 804,142 |
| Trade debts | | (2,373) | 85,709 |
| Loans and advances | | (115,445) | (41,770) |
| Trade deposits and prepayments | | (2,671,228) | 3,120,945 |
| Other receivables | | (946) | 2,928 |
| Sales tax refundable / adjustable | | (76,931) | (560,946) |
| | | (2,874,406) | 3,426,709 |
| (Decrease) / increase in trade and other payables | | 1,178,458 | (47,099) |
| | | (1,695,948) | 3,379,610 |
| 12. CASH AND CASH EQUIVALENTS | | | |
| Cash and bank balances | | 531,586 | 2,865,360 |
| Short term borrowings | | (3,903,520) | (5,840,110) |
| | | (3,371,934) | (2,974,750) |
| 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 do 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, 2021.

There has been no change in Company's sensitivity to these risks since June 30, 2021 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:

Significant transactions with related parties are as follows:

| Name of related party and nature of relationship | Nature of transactions | (Un-audited) | |
|--|------------------------------------|---------------|---------|
| | | September 30, | |
| | | 2021 | 2020 |
| ---- (Rupees in '000) ---- | | | |
| (i) Subsidiary Company | | | |
| Marghzar Industries (Pvt.) Ltd. | Financial charges | 97 | 94 |
| | Reimbursement of expenses | 60 | 62 |
| (ii) Associated Companies | | | |
| The General Tyre and Rubber Co. of Pakistan Ltd. (Common Directorship) | Purchase of tyres | 75,271 | 26,949 |
| Ghandhara Nissan Ltd. (Common Directorship) | Assembly charges | 220,993 | 144,200 |
| | Rent income | 967 | 879 |
| | Sales of parts | 78 | 7 |
| Ghandhara DF (Private) Limited (Common Directorship) | Rent income | 967 | 879 |
| | Purchase of parts | - | 4 |
| Rehman Cotton Mills Ltd. (Common Directorship) | Rent expense | 450 | 450 |
| Gammon Pakistan Ltd. (Common Directorship) | Rent expense | 825 | 750 |
| | Reimbursement of expenses | 3 | 23 |
| Janana De Malucho Textile Mills Limited (Common Directorship) | Reimbursement of expenses | 570 | - |
| (iii) Other | | | |
| Gratuity fund | Contribution paid | 26,033 | - |
| Key management personnel | Remuneration and other benefits | 48,225 | 33,745 |

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, 2021, 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, 2020. Corresponding figures have been rearranged and reclassified for better presentation wherever considered necessary, the effect of which is not material.

16. DATE OF AUTHORIZATION

These condensed interim financial statements were authorized for issue on October 29, 2021 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, 2021

AS AT SEPTEMBER 30, 2021

| | | Unaudited September 30, 2021 | Audited June 30, 2021 |
|---|------|------------------------------------|-----------------------------|
| | Note | (Rupees in '000) | |
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 5 | 4,292,363 | 4,321,244 |
| Intangible assets | | 2,868 | 3,082 |
| Investment property | | 87,867 | 87,926 |
| Long term loans | | 1,065 | 1,317 |
| Long term deposits | | 28,383 | 25,215 |
| Deferred taxation | | 124,069 | 96,249 |
| | | 4,536,615 | 4,535,033 |
| CURRENT ASSETS | | | |
| Stores | | 20,430 | 20,887 |
| Stock-in-trade | 6 | 6,439,071 | 6,431,131 |
| Trade debts | | 583,318 | 580,945 |
| Loans and advances | | 362,650 | 247,205 |
| Trade deposits and prepayments | | 3,500,567 | 829,339 |
| Other receivables | | 5,190 | 4,244 |
| Accrued mark-up | | 3,100 | 241 |
| Sales tax refundable / adjustable | | 345,762 | 268,831 |
| Taxation - payments less provision | | 1,239,982 | 1,253,790 |
| Cash and bank balances | | 531,586 | 731,461 |
| | | 13,031,656 | 10,368,074 |
| TOTAL ASSETS | | 17,568,271 | 14,903,107 |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Authorized capital | | | |
| 100,000,000 (June 30, 2021: 100,000,000) | | | |
| ordinary shares of Rs.10 each | | 1,000,000 | 1,000,000 |
| Issued, subscribed and paid-up capital | | | |
| 42,608,844 (June 30, 2021: 42,608,844) | | | |
| ordinary shares of Rs.10 each | | 426,088 | 426,088 |
| Capital Reserves | | | |
| Surplus on revaluation of fixed assets | | 3,736,867 | 3,739,787 |
| Revenue Reserves | | | |
| Unappropriated profit | | 1,967,128 | 1,510,167 |
| Equity attributable to shareholders of the holding company | | 6,130,083 | 5,676,042 |
| Non- controlling interest | | 5 | 5 |
| Total equity | | 6,130,088 | 5,676,047 |
| NON-CURRENT LIABILITIES | | | |
| Lease liabilities | | 85,403 | 71,460 |
| Long term borrowings | | 30,806 | 51,900 |
| Compensated absences | | 20,479 | 18,954 |
| Deferred income - government grant | | 422 | 1,256 |
| Deferred liabilities | | 14,962 | 27,326 |
| | | 152,072 | 170,896 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 7,049,590 | 5,871,169 |
| Unpaid dividends | | 78,959 | 78,959 |
| Unclaimed dividends | | 21,607 | 21,609 |
| Current maturity of lease liabilities | | 31,461 | 31,455 |
| Current maturity of long term borrowings | | 89,248 | 90,977 |
| Current portion of deferred income - government grant | | 5,689 | 7,264 |
| Accrued mark-up/ interest | | 106,037 | 101,703 |
| Short term borrowings | 8 | 3,903,520 | 2,853,028 |
| | | 11,286,111 | 9,056,164 |
| CONTINGENCIES AND COMMITMENTS | 9 | - | - |
| TOTAL EQUITY AND LIABILITIES | | 17,568,271 | 14,903,107 |

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


Chief Executive Officer


Director


Chief Financial Officer


GHANDHARA INDUSTRIES LIMITED

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED SEPTEMBER 30, 2021 - UNAUDITED**

| | September 30, | |
|---|------------------|------------------|
| | 2021 | 2020 |
| Note | (Rupees in '000) | |
| Sales - net | 6,131,911 | 2,401,773 |
| Cost of sales | 10 (5,268,097) | (2,234,847) |
| Gross profit | 863,814 | 166,926 |
| Distribution expenses | (151,256) | (112,300) |
| Administrative expenses | (65,064) | (69,785) |
| Other expenses | (40,080) | (4,903) |
| Other income | 22,518 | 42,589 |
| Profit from operations | 629,932 | 22,527 |
| Finance cost | (102,845) | (171,712) |
| Profit / (Loss) before taxation | 527,087 | (149,185) |
| Taxation | (73,046) | 5,526 |
| Profit / (Loss) after taxation | 454,041 | (143,659) |
| 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 income for the period - net of tax | - | - |
| Total comprehensive income / (loss) | 454,041 | (143,659) |
| Earnings / (loss) per share - basic and diluted (Rupees) | 10.66 | (3.37) |

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


Chief Executive Officer


Director


Chief Financial Officer

GHANDHARA INDUSTRIES LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED SEPTEMBER 30, 2021 - UNAUDITED

| | | September 30, | |
|---|------|------------------------------|-------------|
| | Note | 2021 | 2020 |
| | | ----- (Rupees in '000) ----- | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash generated from / (used in) operations | 11 | (1,006,940) | 3,440,554 |
| Gratuity paid | | (26,033) | - |
| Compensated absences paid | | - | (231) |
| Finance cost paid | | (95,853) | (171,590) |
| Income tax paid | | (87,058) | (72,498) |
| Long term loans - net | | 252 | 337 |
| Long term deposits - net | | (3,168) | (1,553) |
| Net cash generated from / (used in) operating activities | | (1,218,800) | 3,195,019 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Fixed capital expenditure | | (31,312) | (4,936) |
| Sale proceeds from disposal of operating fixed assets | | 8,939 | 2,076 |
| Interest received | | 4,749 | 17,976 |
| Net cash generated from / (used in) investing activities | | (17,624) | 15,116 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Dividend paid | | (2) | (8) |
| Long term borrowings - repaid | | (25,232) | - |
| Lease liabilities - net | | 11,291 | (7,387) |
| Net cash used in financing activities | | (13,943) | (7,395) |
| Net increase / (decrease) in cash and cash equivalents | | (1,250,367) | 3,202,740 |
| Cash and cash equivalents - at beginning of the period | | (2,121,567) | (6,177,490) |
| Cash and cash equivalents - at end of the period | 12 | (3,371,934) | (2,974,750) |

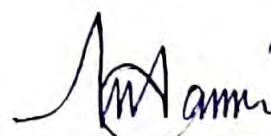
The annexed notes from 1 to 16 form an integral part of these consolidated condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

GHANDHARA INDUSTRIES LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED SEPTEMBER 30, 2021 - UNAUDITED

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

| | | | | | |
|--------------------------------------|---------|---------|-----------|-----------|---|
| 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 | - | - | - | - | - |

| | | | | | |
|--|---|-----------|---|-----------|---|
| | - | (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 |
|---|---------|---------|-----------|-----------|---|

| | | | | | |
|--------------------------------------|---------|-----------|-----------|-----------|---|
| Balance as at July 1, 2021 (Audited) | 426,088 | 1,510,167 | 3,739,787 | 5,676,042 | 5 |
|--------------------------------------|---------|-----------|-----------|-----------|---|

Transaction with owners recognised directly in equity

Total comprehensive income for the period ended September 30, 2021

| | | | | | |
|----------------------------|---|---------|---|---------|---|
| Profit for the period | - | 454,041 | - | 454,041 | - |
| Other comprehensive Income | - | - | - | - | - |

| | | | | | |
|--|---|---------|---|---------|---|
| | - | 454,041 | - | 454,041 | - |
|--|---|---------|---|---------|---|

| | | | | | |
|---|---|-------|---------|---|---|
| Surplus on revaluation of fixed assets realised during the period (net of deferred taxation) on account of incremental depreciation | - | 2,920 | (2,920) | - | - |
|---|---|-------|---------|---|---|

| | | | | | |
|---|---------|-----------|-----------|-----------|---|
| Balance as at September 30, 2021 (Un-audited) | 426,088 | 1,967,128 | 3,736,867 | 6,130,083 | 5 |
|---|---------|-----------|-----------|-----------|---|

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



Chief Executive Officer



Director



Chief Financial Officer

GHANDHARA INDUSTRIES LIMITED
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2021 - 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 these consolidated condensed interim financial statements are consistent with those applied in the preparation of consolidated audited annual financial statements for the year ended June 30, 2021.

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, 2021. 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 consolidated condensed interim financial statements.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of consolidated 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 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 consolidated audited annual financial statements for the year ended June 30, 2021.

| 5. | PROPERTY, PLANT AND EQUIPMENT | Note | (Un-audited) September 30, 2021 | (Audited) June 30, 2021 |
|-----|---|------|---------------------------------------|-------------------------------|
| | | | ------(Rupees in '000)----- | |
| | Operating fixed assets - at net book value | 5.1 | 4,118,485 | 4,164,612 |
| | Right to use assets | 5.3 | 105,900 | 92,550 |
| | Capital work-in-progress - at cost | | 67,978 | 64,082 |
| | | | <u>4,292,363</u> | <u>4,321,244</u> |
| | | | (Un-audited) September 30, 2021 | (Audited) June 30, 2021 |
| | | | ------(Rupees in '000)----- | |
| 5.1 | Additions of operating fixed assets during the period / year are as follows: | | | |
| | Owned | | | |
| | - Building on leasehold land | | - | 5,357 |
| | - Plant and machinery | | 547 | 18,879 |
| | - Permanent tools | | 96 | 8,264 |
| | - Furniture and fixture | | 167 | 424 |
| | - Motor vehicles / trucks | | 4,467 | 6,025 |
| | - Office machines & equipment | | 298 | 723 |
| | - Jigs and special tools | | - | 1,028 |
| | - Computers | | 139 | 6,273 |
| | | | <u>5,714</u> | <u>46,973</u> |
| 5.2 | Disposal of operating fixed assets during the period / year are as follows: | | | |
| | Owned - Computers book value | | - | 129 |
| | Owned - Motor vehicles / truck Net book value | | <u>8,042</u> | <u>15,993</u> |
| 5.3 | Right to use assets | | | |
| | Opening | | 92,550 | 78,540 |
| | Additions during the period | | 21,699 | 43,969 |
| | Depreciation charge for the period | | (8,349) | (29,959) |
| | Net book value at end of the period | | <u>105,900</u> | <u>92,550</u> |
| 6. | STOCK-IN-TRADE | | | |
| | Raw materials and components | | 3,424,845 | 3,565,034 |
| | Work-in-process | | 129,230 | 117,672 |
| | Finished goods including components | | 2,070,914 | 1,942,860 |
| | Trading stocks | | 814,082 | 805,565 |
| | | | <u>6,439,071</u> | <u>6,431,131</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 | 1,253,992 | 1,236,350 |
| Short term loan | 250,000 | 200,000 |
| Finance against imported merchandise | 1,079,009 | 244,523 |
| Istisna | 885,515 | 570,000 |
| Murabaha | 435,004 | 602,155 |
| | 3,903,520 | 2,853,028 |

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 28.1 of the consolidated audited annual financial statements of the Group for the year ended June 30, 2021.

9.2 Commitments

| | (Un-audited) September 30, 2021 | (Audited) June 30, 2021 |
|-------------------|---------------------------------------|-------------------------------|
| | ----- (Rupees in '000) ----- | |
| Bank guarantees | 9,536,487 | 7,921,344 |
| Letters of credit | 5,875,058 | 4,113,813 |

10. COST OF SALES

| | | (Un-audited) September 30, 2021 | 2020 |
|-----------------------------------|------|---------------------------------------|-------------|
| | Note | ----- (Rupees in '000) ----- | |
| Stocks at beginning of the period | | 2,748,425 | 2,863,519 |
| Cost of goods manufactured | 10.1 | 5,309,291 | 2,347,496 |
| Trading goods - purchases | | 95,377 | 34,185 |
| | | 5,404,668 | 2,381,681 |
| | | 8,153,093 | 5,245,200 |
| Stocks at end of the period | | (2,884,996) | (3,010,353) |
| | | 5,268,097 | 2,234,847 |

10.1 Cost of goods manufactured

| | | |
|--|------------------|-----------|
| Work in process at beginning of the period | 117,672 | 116,438 |
| Raw materials and components consumed | 4,895,188 | 2,211,608 |
| Direct labour and factory overheads | 425,661 | 247,411 |
| | 5,320,849 | 2,459,019 |
| | 5,438,521 | 2,575,457 |
| Work in process at end of the period | (129,230) | (227,961) |
| | 5,309,291 | 2,347,496 |

11. CASH GENERATED / USED IN OPERATIONS

| | | (Un-audited) | |
|---|-------------|-------------------------------------|------------------|
| | | September 30, | |
| | Note | 2021 | 2020 |
| | | ----- (Rupees in '000) ----- | |
| Profit / (Loss) before taxation | | 527,087 | (149,185) |
| Adjustment for non cash charges and other items: | | | |
| Depreciation / amortization on: | | | |
| - property, plant and equipment | | 43,799 | 45,465 |
| - right to use asset | | 8,349 | 7,186 |
| - intangible assets | | 214 | 82 |
| - investment property | | 61 | 61 |
| Provision for compensated absences | | 1,525 | - |
| Exchange (gain) / loss | | - | - |
| Provision for gratuity | | - | 5,209 |
| Provision for doubtful advances | | - | - |
| Gain on disposal of operating fixed assets | | (897) | (1,577) |
| Amortization of gain on sale and lease back of fixed assets | | 13,670 | - |
| Interest income | | (7,608) | (17,976) |
| Finance cost | | 102,845 | 171,712 |
| | | 689,045 | 60,977 |
| Working capital changes - net | 11.1 | (1,695,985) | 3,379,577 |
| | | (1,006,940) | 3,440,554 |

11.1 Working capital changes

(Increase) / decrease in current assets:

| | | |
|---|--------------------|------------------|
| Stores | 457 | 15,701 |
| Stock-in-trade | (7,940) | 804,142 |
| Trade debts | (2,373) | 85,709 |
| Loans and advances | (115,445) | (41,770) |
| Trade deposits and prepayments | (2,671,228) | 3,120,945 |
| Other receivables | (946) | 2,928 |
| Sales tax refundable / adjustable | (76,931) | (560,946) |
| | (2,874,406) | 3,426,709 |
| (Decrease) / increase in trade and other payables | 1,178,421 | (47,132) |
| | (1,695,985) | 3,379,577 |

12. CASH AND CASH EQUIVALENTS

| | | |
|------------------------|--------------------|--------------------|
| Cash and bank balances | 531,586 | 2,865,360 |
| Short term borrowings | (3,903,520) | (5,840,110) |
| | (3,371,934) | (2,974,750) |

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 consolidated condensed interim financial statements do not include all financial risk management information and disclosures required in the audited annual financial statements and should be read in conjunction with the consolidated audited annual financial statement for the year ended June 30, 2021.

There has been no change in Group's sensitivity to these risks since June 30, 2021 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, | |
| | | 2021 | 2020 |
| ---- (Rupees in '000) ---- | | | |
| (i) Associated Companies | | | |
| The General Tyre and Rubber Co. of Pakistan Ltd. (Common Directorship) | Purchase of tyres | 75,271 | 26,949 |
| Ghandhara Nissan Ltd. (Common Directorship) | Assembly charges | 220,993 | 144,200 |
| | Rent income | 967 | 879 |
| | Sales of parts | 78 | 7 |
| Ghandhara DF (Private) Limited (Common Directorship) | Rent income | 967 | 879 |
| | Purchase of parts | - | 4 |
| Rehman Cotton Mills Ltd. (Common Directorship) | Rent expense | 450 | 450 |
| Gammon Pakistan Ltd. (Common Directorship) | Rent expense | 825 | 750 |
| | Reimbursement of expenses | 3 | 23 |
| Janana De Malucho Textile Mills Limited (Common Directorship) | Reimbursement of expenses | 570 | - |
| (ii) Other | | | |
| Gratuity fund | Contribution paid | 26,033 | - |
| Key management personnel | Remuneration and other benefits | 48,225 | 33,745 |

15. 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 consolidated audited annual financial statements of the Group for the year ended June 30, 2021, whereas, the consolidated condensed interim statement of profit or loss account and other comprehensive income, consolidated condensed interim statement of changes in equity and consolidated condensed interim statement of cash flows have been compared with the balances of comparable period of consolidated condensed interim financial statements of the Group for the period ended September 30, 2020. Corresponding figures have been rearranged and reclassified for better presentation wherever considered necessary, the effect of which is not material.

16. DATE OF AUTHORIZATION

These condensed interim financial statements were authorized for issue on October 29, 2021 by the Board of Directors of the Holding Company.


Chief Executive Officer


Director


Chief Financial Officer