



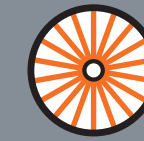
Annual
Report
2024



Address: F-3, Hub Chowki Road, S.I.T.E., Karachi-75730
UAN : 111-190-190 Tel: 021-32556901-10
Email: info@ghandhara.com.pk URL: www.ghandharaautomobiles.com.pk

Driving inovation & comfort
Paving the way forward





GHANDHARA
AUTOMOBILES LIMITED



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Cover Story

Ghandhara Automobiles Limited is committed to
deliver LUXURY, INNOVATION & COMFORT



Company Overview

Vision

To maximize market share by producing and marketing highest quality vehicles in Pakistan

Mission

As a customer oriented Company, provide highest level of customer satisfaction.

To accelerate performance in all operating areas, ensuring growth of the Company and increasing return to the stakeholders.

To create a conducive working environment leading to enhanced productivity, job satisfaction and personal development of the employees.

To contribute to social welfare by adopting environment friendly practices and processes for the well being of society.

Corporate Information

Board of Directors

Lt. Gen. (Retd.) Ali Kuli Khan Khattak Chairman
Mr. Ahmad Kuli Khan Khattak Chief Executive Officer
Mrs. Shahnaz Sajjad Ahmad
Mr. Sikandar Kuli Khan Khattak
Mr. Mohammad Zia
Syed Haroon Rashid
Mr. Muhammad Saleem Baig
Mr. Polad Merwan Polad
Mr. Salman Rasheed (FCA)
Mr. Asim Arshid

Chief Financial Officer

Mr. Faisal Hameed

Company Secretary

Mr. Iftikhar Ahmed Khan

Audit Committee

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

Human Resource & Remuneration Committee

Mr. Asim Arshid	Chairman
Mr. Ahmad Kuli Khan Khattak	Member
Mrs. Shahnaz Sajjad Ahmad	Member
Mr. Mohammad Zia	Member
Mr. Polad Merwan Polad	Member

Auditors

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

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
Meezan Bank Limited - (Shariah)
Bank Al Habib Limited
Bank Alfalah Islamic - (Shariah)
Al Baraka Bank (Pakistan) Limited - (Shariah)
JS Bank Limited
Samba Bank Limited
Bank Islami Pakistan Limited
Dubai Islamic Bank Pakistan Limited - (Shariah)
Bank Makaramah Limited - (Shariah)
MCB Islamic Bank Limited - (Shariah)

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 Shakra-e-Faisal Karachi.

Legal & Tax Advisors

M/s. LEX FIRMA
Advocates, Barristers & Legal Consultants
418, Continental Trade Centre, Clifton, Karachi.

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

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



Shareholders' Information

REGISTERED OFFICE

F-3, Hub Chowki Road, SITE, Karachi
Tel: (92-21) 32556901-10
UAN (92-21) 111-190-190

EXCHANGE LISTING

Ghandhara Automobiles Limited (the Company) is listed on Pakistan Stock Exchange Limited (PSX).

STOCK SYMBOL

The stock code for dealing in equity shares of the Company at Pakistan Stock Exchange Limited is GAL.

LISTING FEES

The annual listing fees for the financial year 2024 - 25 were paid to the PSX and Central Depository Company of Pakistan Limited within the prescribed time limit.

STATUTORY COMPLIANCE

During the year, the Company has complied with all applicable provisions, filed all returns / forms and furnished all relevant particulars / information as required under the Companies Act 2017 and allied rules, the listing requirements and any other relevant laws, rules and regulations prescribed by the Securities and Exchange Commission of Pakistan (SECP).

ANNUAL GENERAL MEETING

Date: October 24, 2024
Time: 09:30 A.M.
Venue: F-3, Hub Chowki Road, SITE, Karachi.

FINANCIAL CALENDAR

September 2024	Audited annual results for the year ended June 30, 2024
October 2024	- Mailing of Notice of Annual General Meeting - Unaudited first quarter financial results - Annual General Meeting
November 2024	Corporate Briefing Session
February 2025	Unaudited half year financial results
April 2025	Unaudited third quarter financial results
June 2025	Annual Budget 2025-26

DATES OF BOOK CLOSURE

The register of the members and shares transfer books of the Company will remain closed from October 16, 2024 to October 24, 2024 (both days inclusive).

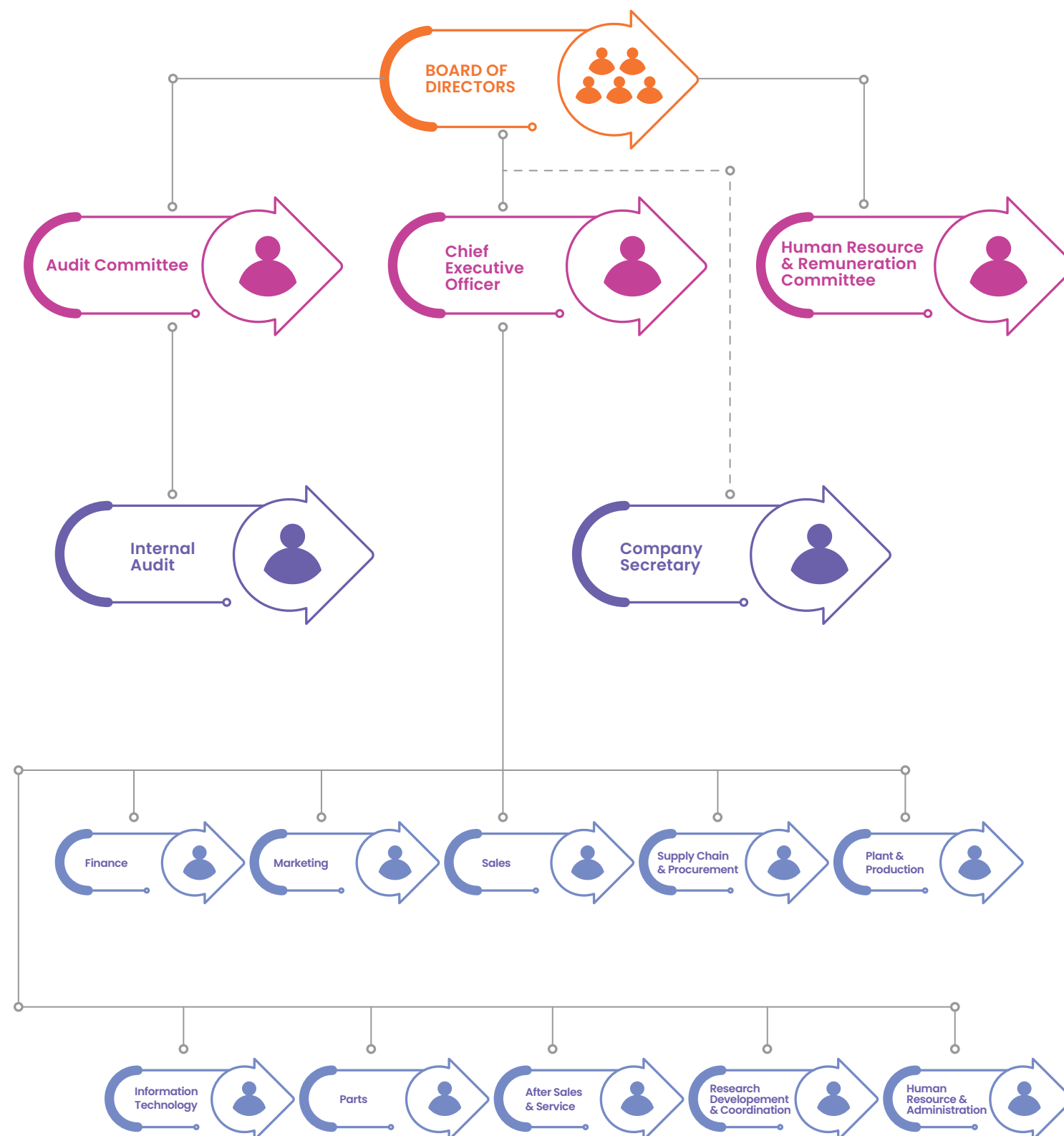
TRANSMISSION OF ANNUAL REPORT 2024

Transmission of Audited Financial Statements / Notices through website link /QR Code. Pursuant to the provisions of section 223(6) of the Act, all listed companies are permitted to circulate their Annual Financial Statements, along with Auditor's Report, Directors' Report along with notice of Annual General Meetings ("Annual Report"), to its shareholders through website link/ QR Code and approved by the Shareholders in the Extraordinary General Meeting of the Company held on June 22, 2023. Any member requiring printed copy of Annual Report 2024 may send a request using a Standard Request Form placed on Company website.

E-DIVIDEND MANDATE (MANDATORY)

Under the provisions of Section 242 of the Companies Act, 2017, it is mandatory for a listed Company to pay cash dividend to its shareholders only through electronic mode directly into bank account designated by the entitled shareholders. In order to receive dividends directly into their bank account, shareholders are requested to fill in Dividend Mandate Form available on Company's website i.e. <http://www.gandharaautomobiles.com.pk> and send it duly signed along with a copy of CNIC to the Registrar of the Company.

Organization Chart



HR Excellence & Organizational Development

At Ghandhara Automobiles Limited (GAL), we prioritize long-term employee growth by selecting the right talent, unlocking their potential, and fostering a culture of diversity, inclusion, and engagement. Our comprehensive HR manual outlines policies that cover all aspects of employment, including employee relations, equal opportunities, training, and health and safety measures. We strictly adhere to labor laws, ensuring a safe and inclusive work environment that prohibits forced, compulsory, and child labor. Our dedicated workforce drives our success, and we recognize their expertise as a key factor in our ability to deliver a diverse range of commercial and passenger vehicles from leading Chinese brands. To support our growth strategy, we've launched initiatives to enhance training programs, employee recognition schemes, and health and safety protocols, aiming to continuously improve employee satisfaction and productivity.

Employee Engagement

Ghandhara Automobiles Limited (GAL) continues to prioritize employee engagement through various team-building and celebratory events. In 2024, GAL organized several meaningful initiatives that aligned with its environmental and social commitments striving to achieve **sustainability development goals through employee engagement**.

The company celebrated **Environment Day** by hosting awareness sessions and a tree plantation drive across all GAL plants. This initiative aimed to promote sustainability and environmental stewardship among employees. Similarly, during **World Earth Day**, employees participated in planting 1,500 new trees at various locations, reinforcing the company's commitment to a greener future.

Recycling Day was marked by an internal campaign to reduce waste, with employees encouraged to adopt recycling practices within their departments. GAL also observed **World Water Day**, during which water conservation workshops were held to educate employees on sustainable water usage practices and initiatives.

Additionally, **New Year's Eve and International Women's Day** were celebrated with a cake-cutting ceremony at the Head Office, recognizing the vital contributions of female employees and fostering inclusivity. These events were not only enjoyable but also strengthened bonds among employees by making them inclusive as it was appreciated and celebrated by male employees as well, contributing to a more dynamic and collaborative work culture at GAL.

Nurturing & Developing Our Talent

The training programs reflect GAL's commitment to continuously upskilling its workforce, ensuring employees remain productive, adaptable, and aligned with the company's long-term goals.

In 2024, GAL implemented a robust training calendar developed by the HR department. Key training programs conducted included:



- Stress & Time Management Skills by an external trainer, Feb 20th & Feb 22nd, 2024 for Head(s) of the department.
- Debriefing session on Stress & Time Management Skills for Middle Management Staff, by Ms. Sheeba Danish, June 26, 2024.
- Negotiation Skills by an external trainer, May 31, 2024.
- Understanding the Dimensions of Wellness, by an external trainer, Feb 13, 2024.

Also, the introduction of employee recognition schemes such as "Employee of the Quarter" and health and safety protocols show a commitment to continuous improvement and adapting to changing business needs.



Fostering Employee Care: Wellness and Well-being

To enhance employee health and well-being, Ghandhara Automobiles Limited organized a series of health-related **webinars, awareness workshops, and professional doctor speeches**. These events, held at both our head office and plant, provided valuable insights into maintaining a healthy lifestyle and managing work-related stress, reinforcing our commitment to comprehensive employee wellness.

At Ghandhara Automobiles Limited, our Head Office invited Indus Hospital on February 15, 2024 to arrange a **Blood Donation Camp**, underscoring our commitment to community health and safety. This initiative not only supported local hospitals in their critical needs but also highlighted our dedication to social responsibility and employee engagement.



Diversity and Inclusion

GAL's focus on diversity, inclusion, and equal opportunities demonstrates a commitment to creating a workplace culture that values and respects diversity.

GAL's vision is to increase female representation to 25% in leadership roles. This goal reflects the company's dedication to overcoming biases and expanding opportunities for women across all departments, beyond traditional sales roles.

In addition to gender diversity, GAL embraces religious and cultural diversity within its workforce. The company proudly employs individuals from minority faiths, including Christianity and Hinduism, fostering an inclusive environment where all employees are respected and valued for their contributions.

Resilience and Work-life Balance

GAL's flexible work policy demonstrates a commitment to supporting employees during challenging situations, such as extreme weather conditions. By allowing remote work during emergencies, GAL ensures employee safety while maintaining business continuity.

GAL's approach demonstrates a progressive and caring attitude towards employees, recognizing that their well-being is essential to productivity and job satisfaction. This policy can lead to increased employee engagement, retention, and overall well-being.



Anti-Harassment

GAL is committed to maintaining a workplace where all employees feel safe, respected, and valued, and has established a comprehensive Anti-Harassment Policy to achieve this goal.

The policy adopts a zero-tolerance stance towards harassment and discrimination, providing regular training and clear guidelines to prevent incidents and address any concerns promptly and confidentially.

SUSTAINABILITY INITIATIVES INTEGRATED INTO CORPORATE SOCIAL RESPONSIBILITY (CSR):

Sustainability initiatives are an integral part of our comprehensive CSR strategy, which aims to drive positive social and environmental impact while ensuring long-term business viability. GAL is committed to operating in the best interest of all stakeholders, focusing on the community where it operates and its customer base.

GAL is dedicated to a sustainable future by transitioning to more automated systems, significantly reducing paper usage. This year, the Company installed a Reverse Osmosis (RO) plant as part of its sustainability initiatives, aimed at efficient water management. The RO plant provides a reliable method for purifying and reusing water, reducing the reliance on natural water resources. This step underscores the Company's commitment to water conservation and sustainable practices, aligning with its broader goals of environmental responsibility and resource efficiency.

In addition to this, the Company is actively exploring the installation of a solar renewable energy project for its whole plant operations in addition to the existing solar panels installed at one of its premises. Furthermore, the company has developed in-house two nurseries and gardens to further support sustainability and environmental stewardship. These initiatives demonstrate the Company's continued dedication to energy conservation and its vision for a greener, more sustainable future.



Health Safety & Environment

At Gandhara Automobiles Limited (GAL), our commitment to ensuring the health, safety, and well-being of our employees is a core priority. We believe that empowering employees to do more, feel better, and lead healthier lives begins with equipping them with the necessary knowledge and tools to remain safe in the workplace.

Throughout the year, 48 HSE-related training sessions were held, with a total of 599 participants from the Truck Plant (including contractual staff) and 574 participants from the Car Plant. These training initiatives underline GAL's ongoing dedication to fostering a safety-first culture and ensuring the well-being of its entire workforce.

Details of HSE Trainings Conducted

Date	Topic of Training Conducted	Number of Participants Truck Plant	Number of Participants Car Plant
July 2023	Emergency Preparedness	14	10
	Heat Stress and Hydration	13	13
	Lockout/ Tag out (LOTO)	11	12
	Fire Drill & SCABA Training	8	10
August 2023	Permits to Work	15	18
	Healthy Eating Habits	16	15
	Near Misses	11	11
	Fire Drill & SCABA Training	14	9
September 2023	Equipment Machine and Tool Guards	13	10
	Work At Height	13	15
	Confined Space	9	12
	Fire Drill & SCABA Training	10	10
October 2023	Fork Lift Safety	14	17
	Hazard Reporting	14	13
	Hot Work Activity	11	14
	Fire Drill & SCABA Training	10	10
November 2023	First Aid	17	11
	Sharp Edges	13	15
	Work At Height / Safety Hardness	12	17
	Fire Drill & SCABA Training	10	10
December 2023	Emergency Evacuation	13	15
	Respiratory protection	12	16
	Safe use of Power Tools	17	14
	Fire Drill & SCABA Training	10	10
January 2024	Emergency Preparedness	13	11
	Slip Trip & Fall	13	15
	Most Essential PPE's	9	17
	Fire Drill & SCABA Training	10	10
February 2024	Permits to Work	14	10
	Electrical Safety	13	15
	Near Misses	14	12
	Fire Drill & SCABA Training	10	9
March 2024	Health Awareness	17	13
	Personal Protective Equipment	13	16
	Fork Lifter Safety	12	17
	Fire Drill & SCABA Training	10	11
April 2024	Emergency Preparedness	9	12
	Slip Trip & Fall	11	9
	Most Essential PPE's	10	13
	Fire Drill & SCABA Training	10	10
May 2024	Dust Mask	15	13
	Respiratory protection	12	11
	Safe use of Power Tools	7	9
	Fire Drill & SCABA Training	10	10
June 2024	Cold and Flu Prevention	13	15
	Water Conservation	10	13
	Fire Extinguisher Use	9	11
	Fire Drill & SCABA Training	10	10

Notice of Annual General Meeting

Notice is hereby given to all the members of GHANDHARA AUTOMOBILES LIMITED ("the Company") that the Annual General Meeting will be held on Thursday, October 24, 2024 at 09:30 AM at F-3, Hub Chauki Road, S.I.T.E., Karachi as well as through electronic means to transact the following business:
Ordinary Business:

1. To confirm the minutes of the Annual General Meeting held on 27th October, 2023.
2. To receive, consider and adopt the Annual Audited Financial Statements of the Company for the year ended 30th June, 2024 together with Directors' and Auditors' Reports thereon and the Review Report of the Chairman.

As required under section 223(7) of the Companies Act 2017, Financial Statements of the Company has been uploaded on the website of the Company, which can be downloaded from the following link/QR code:

<https://ghandharaautomobiles.com.pk/page-financial-reports>



3. To appoint Auditors and fix their remuneration for the year ending 30th June, 2025. The retiring auditors M/s. ShineWing Hameed Chaudhri & Co., Chartered Accountants, being eligible have offered themselves for reappointment.

Special Business:

4. To consider to pass the following ordinary resolutions:
 - a) "RESOLVED that the transactions carried out in normal course of business with associated companies/ related parties during the year ended June 30, 2024 (as disclosed in Note-39 of Financial Statements for the year ended June 30, 2024) be and are hereby ratified and approved."
 - b) "RESOLVED that the Chief Executive Officer of the Company be and is hereby authorized to approve all the transactions carried out and to be carried out in normal course of business with associated companies/ related parties during the year ending June 30, 2025 and, in this connection, the Chief Executive Officer be and is hereby also authorized to take any and all necessary actions and sign/execute any and all such documents/indentures as may be required in this regard on behalf of the Company."
5. To consider and approve the renewal of the cash advance facility of PKR 800 million to M/s Ghandhara DF (Pvt.) Limited (GDFPL), a wholly owned subsidiary company, and to pass the following resolution as Special Resolution, with or without modification, as recommended by the Board of Directors of the Company:

"Resolved that the approval of the members of the Company be and is hereby accorded for cash advance facility Rs.800 million to M/s Ghandhara DF (Pvt.) Limited (GDFPL), a wholly owned subsidiary company for further period of three years to support its working capital requirements, at a markup of 6 months KIBOR+1.85%.

Further resolved that the Board of Directors be and is hereby authorized to review the said facility every year during the said three years."

A statement of material facts under Section 134 (3) of the Companies Act, 2017 pertaining to the Special Business stated above is annexed to this Notice of the meeting.

5. To transact any other business with the permission of the Chair.

By Order of the Board

IFTIKHAR AHMED KHAN
(COMPANY SECRETARY)

Karachi: 3rd October, 2024

NOTES:

i. Participation in the Annual General Meeting (AGM):

The Company has made arrangements to ensure maximum participation of shareholders in the AGM proceedings via video-link. For this, shareholders are required to email their Name, Folio Number, Cell No., and Number of Shares held in their name with subject "Registration for Ghandhara Automobiles Limited AGM" along with valid copy of CNIC (both sides) at info@ghandhara.com.pk. Video link and login credentials will be shared with only those shareholders whose emails, containing all the required particulars, are received by close of office on October 22, 2024. Login facility will be opened thirty minutes before the meeting time to enable the participants to join the meeting after the identification process. Shareholders will be able to login and participate in the AGM proceedings through their devices after completing all the formalities required for the identification and verification of the shareholders. Shareholders can also provide their comments and questions for the agenda items of the AGM at the email address info@ghandhara.com.pk.

- ii. The share transfer books of the Company will remain closed from October 16, 2024 to October 24, 2024 (both days inclusive). The request for transfers shall be received at Company's Share Registrar namely M/s. CDC Share Registrar Services Limited, CDC House, 99 - B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi, Pakistan by the close of business on October 15, 2024 will be considered in time to attend and vote at the meeting.
- iii. A member entitled to attend, speak and vote at this Annual General Meeting shall be entitled to appoint another member, as a proxy to attend and vote on his / her behalf. For proxies in order to be effective, instrument appointing Proxy must be received at the Registered Office of the Company not less than 48 hours before the time of the meeting. For the convenience of the members, a Proxy Application Form is attached at the end of the notice of AGM.
- iv. Members holding physical shares are requested to notify any change in their addresses immediately to our Share Registrars, M/s. CDC Share Registrar Services Limited, CDC House, 99 - B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi, Pakistan
- v. Any individual Beneficial Owner of CDC, entitled to vote at this Meeting, must bring his / her original Computerized National Identity Card (CNIC) to prove identity, and in case of proxy, a copy of shareholder's attested CNIC must be attached with the proxy form. Representatives of corporate members should bring the usual documents required for such purpose.

A. For Attending the Meeting:

- (i) In case of individuals, the account holder or sub-account holder and / or the person, whose securities are in group account and their registration details are uploaded as per the regulations, shall authenticate identity by showing his / her original Computerized National Identity Card (CNIC) or original passport at the time of attending the Meeting.
- (ii) Members registered on CDC are also requested to bring their particulars, I.D. Numbers and account numbers in CDS.
- (iii) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of Meeting.

B. For Appointing Proxies:

- (i) In case of individuals, the account holder or sub-account holder and / or the person, whose securities are in group account and their registration details are uploaded as per the regulations, shall submit the proxy form as per the above requirement.
- (ii) The proxy form shall be witnessed by the person whose name, address and CNIC number shall be mentioned on the form.

- (iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- (iv) The proxy shall produce his / her original CNIC or original passport at the time of Meeting.
- (v) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

vi. Procedure for E-Voting:

- I. Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company by the close of business on October 15, 2024.
- II. The web address, login details, and password, will be communicated to members via email. The security codes will be communicated to members through SMS from the web portal of CDC Share Registrar Services Limited (being the e-voting service provider).
- III. Identity of the Members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login.
- IV. E-Voting lines will start from October 18, 2024, 09:00 a.m. and shall close on October 23, 2024 at 5:00 p.m. Members can cast their votes any time during this period. Once the vote on a resolution is cast by a Member, he / she shall not be allowed to change it subsequently.

vii Procedure for voting through Postal Ballot:

The shareholders shall ensure that duly filled and signed ballot papers along with copy of valid Computerized National Identity Card (CNIC)/ copy of passport (non-resident) should reach the Chairman of the meeting through post on the Company's registered address, F-3, Hub Chowki Road, S.I.T.E, Karachi, or e-mail at chairman@ghandhara.com.pk on or before October 23, 2024 during working hours. The signatures on the ballot paper shall match with the signature on CNIC. For the convenience of the shareholders, ballot paper is available on the Company's website at www.ghandharaautomobiles.com.pk for the download.

viii. Transmission of Annual Report 2024

Transmission of Audited Financial Statements / Notices through website link /QR Code. Pursuant to the provisions of section 223(6) of the Act, all listed companies are permitted to circulate their Annual Financial Statements, along with Auditor's Report, Directors' Report along with notice of Annual General Meetings ("Annual Report"), to its shareholders through above website link/ QR Code.

The shareholders who wish to receive hard copy of the aforesaid documents may send to the Company Secretary / Share Registrar, the Standard Request Form provided in the annual report and also available on the website of the Company and the Company will supply hard copies of the aforesaid document to the shareholders on demand, free of cost, within one week of such demand. The shareholders who intend to receive the annual report including the notice of meeting through e-mail are requested to provide their written consent on the Standard Request Form provided in the annual report and also available on the Company's website: www.ghandharaautomobiles.com.pk.

ix Video Conference Facility

If the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 10 days prior to date of meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. The Company will intimate Members regarding venue of video conference facility at least 5 days before the date of the Annual General Meeting along with complete information necessary to enable them to access such facility.

x Dividend Mandate

Under the provisions of Section 242 of the Companies Act, 2017, it is mandatory for a listed Company to pay cash dividend to its shareholders only through electronic mode directly into bank account designated by the entitled shareholders. In order to receive dividends directly into their bank account, shareholders are requested to fill in Dividend Mandate Form available on Company's website i.e. <http://www.ghandharaautomobiles.com.pk> and send it duly signed along with a copy of CNIC/ NTN to the Registrar of the Company M/s. CDC Share Registrar Services Limited, CDC House, 99 - B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi, Pakistan in case of physical shares. In case shares are held in CDC then Dividend Mandate Form must be submitted directly to shareholder's broker/ participant/CDC account services.

xi Unclaimed Dividend

In accordance with the provisions of Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all such dividend outstanding for a period of 3 years or more from the date due and payable shall be deposited to the Federal Government in case of unclaimed dividend and in case of shares, shall be delivered to the SECP.

xii Details of Beneficial Ownership

Attention of corporate entities / legal persons is also invited towards SECP Circular No. 16 and 20 of 2018. Respective shareholders (corporate entities / legal persons) are advised to provide the information pertaining to ultimate beneficial owners and / or other information as prescribed in the subject SECP Circulars to the Share Registrar of the Company.

xiii Placement of Financial Statements on Website:

The Financial Statements of the Company for the year ended June 30, 2024 along with reports have been placed on the website of the Company: <https://www.ghandharaautomobiles.com.pk/page-financial-reports>

xiv Deposit of Physical Shares into CDC Account

As per Section 72 of the Companies Act, 2017 every existing company shall be required to replace its physical shares with book entry form in a manner as may be specified and from the date notified by the SECP, within a period not exceeding four years from the commencement of the Companies Act, 2017 i.e. May 31, 2017.

The shareholder having physical shareholding may open CDC sub-account with any of the brokers or investor's account directly with the CDC to place their physical shares into scrip-less form. This will facilitate them in many ways including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Stock Exchange.

STATEMENT OF MATERIAL FACTS UNDER SECTION 134 (3) OF THE COMPANIES ACT, 2017

Below statement sets out the material facts concerning the Special Business, given in agenda of the Notice that will be considered by the members.

- 1) Agenda Item No.4 (a) of the Notice – Transactions carried out with associated companies/related parties during the year ended June 30, 2024 to be passed as an Ordinary Resolution.

The transactions carried out in normal course of business with associated companies/related parties were being approved by the Board as recommended by the Audit Committee on quarterly basis pursuant to Clause-15 of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

During the Board meeting it was pointed out by the Directors that Directors were interested in this/these transactions(s) due to their common directorship and holding of shares in the associated companies, the quorum of directors could not be formed for approval of this/these transaction(s) which has/have to be approved by the shareholders in the General Meeting.

In view of the above, the transactions conducted during the financial year ended June 30, 2024 with associated companies/related parties as shown in relevant notes of the Audited Financial Statements are being placed before the shareholders for their consideration and approval/ ratification.

The Directors are interested in the resolution to the extent of their common directorships and their shareholding in the associated companies/related parties.

- 2) Agenda Item No.4 (b) of the Notice – Authorization of the Chief Executive for the transactions carried out and to be carried out with associated companies/related parties during the ensuing year ending June 30, 2025 to be passed as an Ordinary Resolution.

The Company would be conducting transactions with associated companies in the normal course of business. The Directors are interested in these transactions due to their common directorship and shareholding in the associated companies. Therefore, such transactions with associated companies/related parties have to be approved by the shareholders.

In order to comply with the provisions of Clause-15 of the Listed Companies (Code of Corporate Governance) Regulations, 2019, the shareholders may authorize the Chief Executive to approve transactions carried out and to be carried out in normal course of business with associated companies/related parties during the ensuing year ending June 30, 2024.

The Directors are interested in the resolution to the extent of their common directorships and their shareholding in the associated companies/related parties.

- 3) Agenda Item No.5 of the Notice - to consider and approve the renewal of the cash advance facility of PKR 800 million to M/s Ghandhara DF (Pvt.) Limited (GDFPL), a wholly owned subsidiary company:

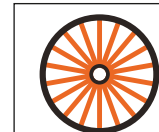
S.NO	DESCRIPTION	INFORMATION REQUIRED
1.	Name of associated company or associated undertaking along with criteria based on which the associated relationship is established.	Ghandhara DF (Pvt.) Limited, a wholly owned subsidiary of Ghandhara Automobiles Limited (GAL)
2.	Amount of loans or advances	Advance upto PKR 800 Million
3.	Purpose of loan and advances and benefits likely to accrue to the investing company and its members from such loans or advances.	To supplement the working capital requirement of GDFPL.
4.	In case any loan has already been granted to the associated company or associated undertaking, the complete details thereof	No other advance/loan granted to GDFPL except the advance given under the above-mentioned facility.
5.	Financial position, including main items of balance sheet and profit and loss account of the associated company or associated undertaking on the basis of its latest financial statements	Please refer Annexure 1
6.	Rate of interest, mark up, profits, fees of commission, etc. to be charged to associated company	The advance will carry markup @6 M KIBOR+1.85%
7.	Source of fund from where loans or advances will be given	The amount will be advanced to GDFPL from liquidity.
8.	Where loans or advances are being granted using borrowed funds: a) Justification for granting loan or advance out of borrowed funds b) Detail of guarantees/ assets pledged for obtaining such funds, if any c) Repayment schedules of borrowing of the investing company	Not applicable

S.NO	DESCRIPTION	INFORMATION REQUIRED
9.	Particulars of collateral security to be obtained against loan to the borrowing company or undertaking, if any	Not applicable
10.	If the loans or advance carry conversion feature i.e. it is convertible to securities, this fact along with complete detail including conversion formula, circumstances in which the conversion may take place and the time when the conversion maybe exercisable	Not applicable
11.	Repayment schedule and terms of loans or advances to be given to the investee company.	The advance will be for a period of three years. GDFPL can repay / draw the advance or any part thereof as and when required during the period. Markup shall be paid by GDFPL to GAL quarterly in arrears.
12.	Salient feature of all agreement entered or to be entered with its associated company or associated undertaking with regards to proposed investment	a) GAL shall advance to GDFPL any amount as requested by GDFPL to meet its working capital requirement and to satisfy both its obligation and operational expenses; provided that the outstanding principal amount at any point in time shall not exceed PKR 800 million. b) GDFPL shall pay the mark-up due to GAL quarterly in arrears.
13.	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	There is no direct interest of the Directors of GAL in GDFPL, except that they are nominated by GAL.
14.	Any other important detail necessary for the members to understand the transaction	None
15.	In case of investment in a project of an associated company or associated undertaking that has not commenced operations, in addition to the information referred to above, the following further information is required, namely: a) A description of the project and its history since conceptualization b) Starting date and expected date of completion c) Time by which such project shall become commercially operational d) Expected return on total capital employed in the project e) Funds invested or to be invested by the promoters distinguishing between cash and non-cash amounts.	Not applicable

Annexure 1

Financial Position – Ghandhara DF (Private) Ltd Extracts from Audited **Financial Statements for the year Ended June 30, 2024**

Total Assets	Rs. 3,079 million
Totals Liabilities	Rs. 1,795 million
Equity	Rs. 1,284 million
Revenue	Rs. 4,172 million
Gross Profit	Rs. 884 million
Operating Profit	Rs. 831 million
Net Profit After Tax	Rs. 581 million



Ghandhara Automobiles Limited

POSTAL BALLOT PAPER

for voting through post for the Special Business at the Annual General Meeting to be held on Thursday, October 24, 2024 at 9:30 AM at F-3, Hub Chowki Road, S.I.T.E., Karachi, the Registered Office of the Company.
Website: www.ghandharaautomobiles.com.pk.

Folio / CDS Account Number	
Name of Shareholder / Proxy Holder	
Registered Address	
Number of shares Held	
CNIC/Passport No. (in case of foreigner) (copy to be attached)	
Additional information and enclosures (in case of representative of body corporate, corporation, and federal Government)	
Name of Authorized Signatory	
CNIC/Passport No. (in case of foreigner) of Authorized Signatory (copy to be attached)	

Resolution For Agenda Item No. 4 To consider to pass the following ordinary resolutions:
a) "RESOLVED that the transactions carried out in normal course of business with associated companies/ related parties during the year ended June 30, 2024 (as disclosed in Note-39 of Financial Statements for the year ended June 30, 2024) be and are hereby ratified and approved."
b) "RESOLVED that the Chief Executive Officer of the Company be and is hereby authorized to approve all the transactions carried out and to be carried out in normal course of business with associated companies/ related parties during the year ending June 30, 2025 and, in this connection, the Chief Executive Officer be and is hereby also authorized to take any and all necessary actions and sign/execute any and all such documents/indentures as may be required in this regard on behalf of the Company."

Resolution For Agenda Item No. 5:
"Resolved that the approval of the members of the Company be and is hereby accorded for cash advance facility Rs.800 million to M/s Ghandhara DF (Pvt.) Limited (GDFPL), a wholly owned subsidiary company for further period of three years to support its working capital requirements, at a markup of 6 months KIBOR+1.85%.

Further resolved that the Board of Directors be and is hereby authorized to review the said facility every year during the said three years."

Instructions For Poll

- Please indicate your vote by ticking (✓) the relevant box.
 - In case if both the boxes are marked as (✓), you poll shall be treated as "Rejected".
- I/we hereby exercise my/our vote in respect of the above resolution through ballot by conveying my/our assent or dissent to the resolution by placing tick (✓) mark in the appropriate box below;

Resolution	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
Resolution For Agenda Item No. 4 a		
Resolution For Agenda Item No. 4 b		
Resolution For Agenda Item No. 5		

- Dully filled ballot paper should be sent to the Chairman at F-3, Hub Chowki Road, S.I.T.E., Karachi or email at chairman@ghandhara.com.pk
- Copy of CNIC/ Passport (in case of foreigner) should be enclosed with the postal ballot form.
- Ballot paper should reach the Chairman within business hours by or before Wednesday October 23, 2024. Any postal ballot received after this date, will not be considered for voting.
- Signature on ballot paper should match with signature on CNIC/ Passport (In case of foreigner).
- Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written poll paper will be rejected.
- In case of a representative of a body corporate, corporation or Federal Government, the Ballot Paper Form must be accompanied by a copy of the CNIC of an authorized person, an attested copy of Board Resolution, / Power of Attorney, / Authorization Letter etc., in accordance with Section(s) 138 or 139 of the Companies Act, 2017 as applicable.
- Ballot Paper form has also been placed on the website of the Company at: www.ghandharaautomobiles.com.pk Members may download the ballot paper from the website or use an original/photocopy published in newspapers.

Shareholder / Proxy holder Signature/Authorized Signatory
(In case of corporate entity, please affix company stamp)

Date _____

2 نوٹس کا ایجنڈا آئٹم نمبر (b) 4-30 جون 2025 کو ختم ہونے والے آنے والے سال کے دوران ذیلی کمپنیوں کیساتھ کئے جانے والے لین دین کیلئے چیف ایگزیکٹو کی اجازت ایک عام قرارداد کے طور پر منظور کی جائے گی۔

کمپنی ذیلی کمپنیوں کے ساتھ کاروبار کے معمول کے مطابق لین دین کرے گی، ڈائریکٹرز اپنی مشترکہ ڈائریکٹر شپ اور ذیلی کمپنیوں میں شیئر ہولڈنگ کی بنا پر ان لین دین میں دلچسپی رکھتے ہیں، لہذا، ذیلی کمپنیوں کے ساتھ اس طرح کے لین دین کو حصص یافتگان سے منظور ہونا ضروری ہے۔

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کی شق 15 کی دفعات کی تعمیل کرنے کیلئے، حصص یافتگان چیف ایگزیکٹو کو 30 جون 2025 کو ختم ہونے والے آنے والے سال کے دوران، ذیلی کمپنیوں کیساتھ کئے گئے لین دین کی منظوری دینے اور کاروبار کو معمول کے مطابق کرنے کا اختیار دے سکتے ہیں۔

ڈائریکٹرز اس قرارداد میں ان کی مشترکہ ڈائریکٹر شپ اور ذیلی کمپنیوں میں ان کے شیئر ہولڈنگ کی حد تک دلچسپی رکھتے ہیں۔

پول کیلئے ہدایات		
(1) براہ مہربانی متعلقہ خانہ کو (✓) کا نشان لگا کر اپنے ووٹ کی نشاندہی کریں۔		
(2) اگر دونوں خانوں کو (✓) کے بطور نشان زدہ کیا گیا ہے، تو آپ کے پول کو ”مسٹر ڈ“ سمجھا جائیگا۔		
میں/ہم، بذریعہ ہذا، مندرجہ بالا قرارداد کے سلسلے میں اپنا ووٹ بیلٹ کے ذریعے استعمال کرتے ہیں اور ذیل میں مناسب خانہ میں (✓) کا نشان لگا کر قرارداد پر میری/اپنی رضامندی یا اختلاف رائے پہنچاتے ہیں۔		
قرارداد	میں/ہم اس قرارداد کی منظوری دیتے ہیں (حق)	میں/ہم اس قرارداد سے اختلاف کرتے ہیں (خلاف)
قرارداد نمبر 4a		
قرارداد نمبر 4b		
قرارداد نمبر 5		
نوٹس:		
(1) باقاعدہ پر کیا گیا بیلٹ پیپر، چیئر مین کو F-3، حب چوکی روڈ، S.I.T.E. کراچی یا ای میل chairman@gandhara.com.pk پر ارسال جائے۔		
(2) پوسٹل بیلٹ فارم کیساتھ CNIC / پاسپورٹ کی نقل (غیر ملکی ہونے کی صورت میں) منسلک کریں۔		
(3) بیلٹ پیپر، چیئر مین تک 23 اکتوبر 2024 تک یا اس سے قبل دفتری اوقات کار کے اندر پہنچ جائیں، اس تاریخ کے بعد موصول ہونے والے کسی بھی بیلٹ پیپر پر دو ٹونگ کیلئے غور نہیں کیا جائیگا۔		
(4) بیلٹ پیپر کے دستخط کا CNIC / پاسپورٹ پر کئے گئے دستخط کیساتھ مماثلت ہونی چاہئے۔ (غیر ملکی ہونے کی صورت میں)		
(5) نامکمل، غیر دستخط شدہ، غلط، مسخ شدہ، پھٹا ہوا، میوٹی لیٹڈ، اوور رائٹن پول پیپر، مسٹر ڈ کر دیا جائیگا۔		
(6) ایک باڈی کارپوریٹ، کارپوریشن یا وفاقی حکومت کا ایک نمائندہ ہونے کی صورت میں کمپنیز ایکٹ 2017 کے سیکشنز 138 یا 139 کا اطلاق ہوگا، کے مطابق، بیلٹ پیپر کے ہمراہ لازمی طور پر مجاز فرد کے CNIC کی ایک نقل، بورڈ قرارداد کی تصدیق شدہ نقل / پاور آف اٹارنی / اتھارائزیشن لیٹر وغیرہ منسلک ہونا چاہئے۔		
(7) بیلٹ پیپر فارم کمپنی کی ویب سائٹ www.gandharaautomobiles.com.pk پر بھی موجود ہے، ممبرز، بیلٹ پیپر ویب سائٹ سے ڈاؤن لوڈ کر سکتے ہیں یا اورینٹل / اخبار میں شائع شدہ کی فوٹوکاپی بھی استعمال کی جاسکتی ہے۔		

مورخہ:

شیئر ہولڈر / پراکسی ہولڈر کے دستخط / مجاز دستخط کنندہ
(کارپوریٹ ادارہ ہونے کی صورت میں، براہ کرم کمپنی کی مہر ثبت کریں)

گندھارا آٹوموبائلز لمیٹڈ



پوسٹل بیلٹ پیپر

24 اکتوبر 2024 بروز جمعرات صبح 09:30 بجے کمپنی کے رجسٹرڈ آفس واقع F-3، حب چوکی روڈ، S.I.T.E.، کراچی ویب سائٹ

www.gandharaautomobile.com.pk پر منعقد ہونے والے سالانہ اجلاس عام میں خصوصی امور کیلئے بذریعہ پوسٹ وونگ کیلئے بیلٹ پیپر

فولیو / CDS کا ڈنٹ نمبر	
شیئر ہولڈر / پراکسی ہولڈر کا نام	
رجسٹرڈ پتہ	
CNIC / پاسپورٹ نمبر (غیر ملکی ہونے کی صورت میں) (نقل منسلک کریں)	
اضافی معلومات اور انکلوژرز (باڈی کارپوریٹ، کارپوریشن اور وفاقی حکومت کے نمائندے کی صورت میں)	
مجاز دستخط کنندہ کا نام	
مجاز دستخط کنندہ کا CNIC / پاسپورٹ نمبر (غیر ملکی ہونے کی صورت میں) (نقل منسلک کریں)	

ایجنڈا آئٹم نمبر 4 کیلئے قرارداد:

درج ذیل عام قراردادوں کو منظور کرنے پر غور کرنا:

(a) ”قرار پایا کہ 30 جون 2024 کو ختم ہونے والے سال کے دوران ذیلی کمپنیوں / متعلقہ فریقوں کیساتھ کاروبار کے معمول کے مطابق کئے گئے لین دین (جیسا کہ 30 جون 2024 کو ختم ہونے والے سال کے مالیاتی گوشواروں کے نوٹ-39 میں ظاہر کیا گیا ہے) کی بذریعہ ہذا توثیق اور منظوری دی جاتی ہے“

(b) ”قرار پایا کہ، کمپنی کے چیف ایگزیکٹو آفیسر 30 جون 2025 کو ختم ہونے والے سال کے دوران ذیلی کمپنیوں / متعلقہ فریقوں کیساتھ کئے گئے تمام لین دین کو منظور کرنے اور کاروبار کو معمول کے مطابق کرنے کا مجاز ہے اور، اس سلسلے میں، چیف ایگزیکٹو آفیسر کسی بھی اور تمام ضروری کارروائیاں کرنے اور کمپنی کی جانب سے اس سلسلے میں درکار کسی بھی اور ایسے تمام دستاویزات / انڈیٹرز پر دستخط / عملدرآمد کرنے کا مجاز ہوگا“

ایجنڈا آئٹم نمبر 5 کیلئے قرارداد:

”قرار پایا کہ میسرز گندھارا ڈی ایف (پرائیویٹ) لمیٹڈ (GDFPL) جو کہ ایک مکمل ملکیتی ذیلی کمپنی ہے، کو اس کے ورکنگ کیپٹل کی ضروریات کو پورا کرنے کیلئے، 6 ماہ کے KIBOR+1.85% کے مارک اپ پر تین سال کی مزید مدت کیلئے 800 ملین روپے نقد ایڈوانس سہولت دینے کیلئے ممبران کی منظوری لی جائیگی۔“

”مزید قرار پایا کہ بورڈ آف ڈائریکٹرز کو مذکورہ تین سالوں کے دوران ہر سال مذکورہ سہولت کا جائزہ لینے کا اختیار دیا گیا ہے“

x ڈیویڈنڈ مینڈیٹ:

کمپنیز ایکٹ 2017 کی شق 242 کی دفعات کے تحت، ایک لسٹڈ کمپنی کیلئے لازمی ہے کہ وہ اپنے حصص یافتگان کو فنڈ ڈیویڈنڈ صرف الیکٹرونک موڈ کے ذریعے براہ راست حقدار حصص یافتگان کے نامزد کردہ بینک اکاؤنٹ میں ادا کرے، براہ راست اپنے بینک اکاؤنٹ میں ڈیویڈنڈ وصول کرنے کیلئے، حصص یافتگان سے درخواست کی جاتی ہے کہ وہ کمپنی کی ویب سائٹ یعنی <http://www.gandharaautomobiles.com.pk> پر دستیاب ڈیویڈنڈ مینڈیٹ فارم کو پر کریں اور اسے باقاعدہ دستخط شدہ CNIC/NTN کی نقل کیساتھ کمپنی کے شیئرز رجسٹر، میسرز سی ڈی سی شیئرز رجسٹرڈ سروسز لمیٹڈ، سی ڈی سی ہاؤس، 99-B، بلاک S.M.C.H.S.، مین شاہراہ فیصل، کراچی، پاکستان کو فزیکل شیئرز کی صورت میں بھیجیں، اگر سی ڈی سی میں حصص رکھے گئے ہیں تو ڈیویڈنڈ مینڈیٹ فارم لازمی طور پر براہ راست شیئرز ہولڈر کے بروکر/شرکت کنندہ/سی ڈی سی اکاؤنٹ سروسز میں جمع کرایا جائے۔

xi غیر دعویٰ شدہ ڈیویڈنڈ:

کمپنیز ایکٹ 2017 کی شق 244 کی دفعات کے مطابق، مقرر کردہ طریقہ کار کو مکمل کرنے کے بعد، مقررہ تاریخ سے 3 سال یا اس سے زیادہ مدت کیلئے بقایا تمام ڈیویڈنڈ اور قابل ادائیگی کی صورت میں وفاقی حکومت کو جمع کرا دیا جائیگا، غیر دعویٰ شدہ ڈیویڈنڈ اور شیئرز کی صورت میں SECP کو بھیج دیا جائیگا۔

xii بینیفیشل اونر شپ کی تفصیلات:

SECP کے سرکلر نمبر 16 اور 20 بابت 2018 میں کارپوریٹ اداروں/قانونی افراد کی توجہ بھی اس جانب مبذول کرائی گئی ہے، متعلقہ حصص یافتگان (کارپوریٹ اداروں/قانونی افراد) کو مشورہ دیا جاتا ہے کہ وہ حتمی بینیفیشل اونرز سے متعلق معلومات اور/یا دیگر معلومات، جیسا کہ SECP کے سرکلر میں تجویز کیا گیا ہے، کمپنی کے شیئرز رجسٹر کو فراہم کریں۔

xiii ویب سائٹ پر مالی گوشواروں کی جگہ کا تعین:

30 جون 2024 کو ختم ہونے والے سال کیلئے کمپنی کے مالیاتی گوشواروں کے ساتھ رپورٹس کمپنی کی ویب سائٹ <https://www.gandharaautomobiles.com.pk/page-financial-reports> پر رکھی گئی ہیں۔

xiv CDC اکاؤنٹ میں فزیکل شیئرز جمع کرانا:

کمپنیز ایکٹ 2017 کی شق 72 کے مطابق، ہر موجودہ کمپنی پر لازم ہوگا کہ وہ اپنے فزیکل شیئرز کو بک انٹری فارم کے ساتھ، اس طریقے سے تبدیل کرے جیسا کہ بیان کیا گیا ہے SECP کی جانب سے مطلع کردہ تاریخ سے، اس مدت کے اندر کمپنیز ایکٹ 2017 کے آغاز یعنی 31 مئی 2017 سے چار سال سے زیادہ نہ ہو۔ فزیکل شیئرز ہولڈنگ رکھنے والا شیئرز ہولڈر، کسی بھی بروکرز یا سرمایہ کار کے اکاؤنٹ کیساتھ براہ راست CDC کیساتھ CDC کا ذیلی اکاؤنٹ کھول سکتا ہے تاکہ اپنے فزیکل شیئرز کو اسکرپ لیس فارم میں رکھ سکے، یہ انہیں کئی طریقوں سے سہولت فراہم کرے گا بشمول شیئرز کی محفوظ تحویل اور فروخت، جب وہ چاہیں، کیونکہ اسٹاک ایکسچینج کے موجودہ ضوابط کے مطابق فزیکل شیئرز کی تجارت کی اجازت نہیں ہے۔

کمپنیز ایکٹ 2017 کی شق (3) 134 کے تحت مادی حقائق کا بیان

ذیل میں بیان خصوصی امور سے متعلق مادی حقائق کا تعین کرتا ہے، جو نوٹس کے ایجنڈے میں دیا گیا ہے جس پر ممبران غور کریں گے۔

1 نوٹس کا ایجنڈا آئٹم نمبر (a) 4-30 جون 2024 کو ختم ہونے والے سال کے دوران ذیلی کمپنیوں کے ساتھ کئے گئے لین دین کو ایک عام قرارداد کے طور پر منظور کیا

ذیلی کمپنیوں (متعلقہ فریقین) کیساتھ معمول کے کاروبار میں کئے گئے لین دین کو بورڈ کے ذریعے منظور کیا جا رہا تھا جیسا کہ آڈٹ کمیٹی نے لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کی شق 15 کے مطابق سہ ماہی بنیادوں پر سفارش کی تھی۔

بورڈ کے اجلاس کے دوران ڈائریکٹرز کی جانب سے نشاندہی کی گئی کہ ڈائریکٹرز، ذیلی کمپنیوں میں مشترکہ ڈائریکٹرشپ اور شیئرز رکھنے کی وجہ سے اس/ان لین دین میں دلچسپی رکھتے ہیں، اس/ان لین دین کی منظوری کیلئے ڈائریکٹرز کا کورم نہیں بن سکا، اس کی منظوری اجلاس عام میں حصص یافتگان سے لی جاتی ہے۔

مذکورہ بالا کو مدنظر رکھتے ہوئے، ذیلی کمپنی کیساتھ 30 جون 2024 کو ختم ہونے والے مالی سال کے دوران کئے گئے لین دین، جیسا کہ آڈٹ شدہ مالیاتی گوشواروں کے متعلقہ نوٹس میں دکھایا گیا ہے، حصص یافتگان کے سامنے ان کے غور اور منظوری/توثیق کیلئے پیش کیا جا رہا ہے۔

ڈائریکٹرز اس قرارداد میں ان کی مشترکہ ڈائریکٹرشپ اور ذیلی کمپنیوں میں ان کے شیئرز ہولڈنگ کی حد تک دلچسپی رکھتے ہیں۔

(iii) پراسی کو، بینیفیشل اونرز کی CNIC یا پاسپورٹ کی تصدیق شدہ نقول اور پراسی فارم پیش کرنا ہوگا۔

(iv) پراسی اجلاس کے وقت اپنا اصل CNIC یا اصل پاسپورٹ پیش کرے گا۔

(v) کارپوریٹ ادارے کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی، نمونہ دستخط کیساتھ، کمپنی کو جمع کرانا ہوگا (اگر یہ پہلے جمع نہ کرایا گیا ہو)۔

vi ای-ووٹنگ کا طریقہ کار:

i ای ووٹنگ کی سہولت کی تفصیلات کمپنی کے ان ممبران کیساتھ ایک ای میل کے ذریعے شیئرز کی جائیں گی جن کے پاس اپنے کارڈ CNIC نمبر، سیل نمبر اور ای میل ایڈریس کمپنی کے ممبران کے رجسٹرڈ میں 15 اکتوبر 2024 کو کاروبار کے اختتام تک دستیاب ہونگے۔

ii ویب ایڈریس، لاگ ان کی تفصیلات، اور پاس ورڈ سے اراکین کو ای میل کے ذریعے مطلع کیا جائیگا، سی ڈی سی شیئرز رجسٹرڈ سروسز لمیٹڈ (ای ووٹنگ سروس فراہم کنندہ ہونے کے ناطے) کے ویب پورٹل سے بذریعہ SMS اراکین کو سیکورٹی کوڈز کی اطلاع دی جائیگی۔

iii ای ووٹنگ کے ذریعے ووٹ ڈالنے کا ارادہ رکھنے والے اراکین کی شناخت الیکٹرونک دستخط یا لاگ ان کیلئے تصدیق، کے ذریعے کی جائیگی۔

iv ای ووٹنگ لائنز 18 اکتوبر 2024 صبح 09:00 بجے سے شروع ہوگی اور 23 اکتوبر 2024 کو شام 5:00 بجے بند ہوگی۔ ممبران اس مدت کے دوران کسی بھی وقت اپنا ووٹ ڈال سکتے ہیں، ایک بار جب کسی رکن کی جانب سے قرارداد پر ووٹ ڈال دیا جائیگا، تو اسے بعد ازاں تبدیل کرنے کی اجازت نہیں ہوگی۔

vi پوسٹل بیلٹ کے ذریعے ووٹ ڈالنے کا طریقہ کار:

حصص یافتگان اس بات کو یقینی بنائیں گے کہ کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) / پاسپورٹ (غیر رہائشی) کی کاپی کیساتھ، درست طریقے سے پُر کئے اور دستخط شدہ بیلٹ پیپر، اجلاس کے چیئرمین کے پاس، کمپنی کے رجسٹرڈ ایڈریس F-3، جب چوکی روڈ، S.I.T.E کراچی یا ای میل chairman@gandhara.com.pk پر مورخہ 23 اکتوبر 2024 کو ہونے والے سالانہ اجلاس عام سے ایک روز قبل پہنچ جائیں، بیلٹ پیپر پر دستخط CNIC پر دستخط سے مماثل ہونا چاہئے۔ حصص یافتگان کی سہولت کیلئے بیلٹ پیپر کمپنی کی ویب سائٹ www.gandharaautomobiles.com.pk پر ڈاؤن لوڈ کرنے کیلئے دستیاب ہے۔

vi سالانہ رپورٹ 2024 کی ترسیل

ویب سائٹ لنک/QR کوڈ کے ذریعے آڈٹ شدہ مالیاتی گوشواروں/نوٹس کی ترسیل، ایکٹ کی شق (6) 223 کی دفعات کے مطابق، تمام لسٹڈ کمپنیوں کو اجازت ہے کہ وہ اپنے سالانہ مالیاتی گوشواروں کیساتھ آڈیٹڈ رپورٹ بشمول ڈائریکٹرز کی رپورٹ، سالانہ اجلاس عام ("سالانہ رپورٹ") کے نوٹس کیساتھ حصص یافتگان ارسال کریں۔

جو حصص یافتگان مذکورہ دستاویزات کی ہارڈ کاپی حاصل کرنے چاہتے ہیں وہ کمپنی کی ویب سائٹ پر بھی دستیاب معیاری درخواست فارم کمپنی سیکریٹری/شیئرز رجسٹرار کو بھیج سکتے ہیں، کمپنی حصص یافتگان کو مذکورہ دستاویزات کی ہارڈ کاپی ایسی ڈیمانڈ کے ایک ہفتے کے اندر بلا معاوضہ فراہم کرے گی۔ جو حصص یافتگان، سالانہ رپورٹ بشمول اجلاس کا نوٹس بذریعہ ای میل وصول کرنا چاہتے ہیں ان سے درخواست کی جاتی ہے کہ وہ اور کمپنی کی ویب سائٹ www.gandharaautomobiles.com.pk پر بھی موجود معیاری درخواست پر اپنی تحریری رضامندی فراہم کریں۔

ix وڈیو کانفرنس کی سہولت:

اگر کمپنی کو کسی جغرافیائی مقام پر رہائش پذیر 10% یا اس سے زائد شیئرز ہولڈنگ رکھنے والے اراکین سے، اجلاس کی تاریخ سے کم از کم 10 دن قبل وڈیو کانفرنس میں شرکت کیلئے رضامندی موصول ہوتی ہے، تو کمپنی اس موضوعہ شہر میں اس طرح کی سہولت کی دستیابی سے مشروط، وڈیو کانفرنس کی سہولت کا بندوبست کرے گی، کمپنی ممبران کو وڈیو کانفرنس کی سہولت کے مقام کے بارے میں سالانہ اجلاس عام کی تاریخ سے کم از کم 5 روز قبل مطلع کرے گی اور ساتھ ہی انہیں اس سہولت تک رسائی کے قابل بنانے کیلئے ضروری معلومات بھی فراہم کرے گی۔

گندھارا آٹوموبائلز لمیٹڈ

سالانہ اجلاس عام کی اطلاع

گندھارا آٹوموبائلز لمیٹڈ ("کمپنی") کے ممبران کو بذریعہ ہذا مطلع کیا جاتا ہے کہ سالانہ اجلاس عام بروز جمعرات، 24 اکتوبر 2024ء صبح 9:30 بجے بمقام F-3، حب چوکی روڈ، S.I.T.E کراچی میں نیز بذریعہ الیکٹرونک ذرائع، مندرجہ ذیل امور کے لین دین کیلئے منعقد کیا جائیگا۔

عمومی امور:

- 1 24 اکتوبر 2023 کو ہونے والے سالانہ اجلاس عام کی کارروائی کی توثیق و تصدیق۔
- 2 چیئرمین کے جائزہ، ڈائریکٹرز اور آڈیٹرز کی رپورٹس کیساتھ، 30 جون 2024 کو ختم ہونے والے سال کیلئے کمپنی کے مالیاتی گوشواروں کو حاصل کرنے، ان پر غور کرنے اور اپنانے کی منظوری۔
- کمپنیز ایکٹ 2017 کی شق (7) 223 کے تحت، ضرورت کے مطابق، کمپنی کے مالیاتی گوشوارے کمپنی کی ویب سائٹ پر اپ لوڈ کئے گئے ہیں، جنہیں درج ذیل لنک/QR کوڈ سے ڈاؤن لوڈ کیا جاسکتا ہے:

<https://ghandharaautomobiles.com.pk/page-financial-reports>



- 3 30 جون 2025 کو ختم ہونے والے سال کیلئے آڈیٹرز کی تقرری اور ان کے معاوضے کو طے کرنے کیلئے، ریٹائر ہونے والے آڈیٹرز شائین ونگ حمید چوہدری اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، اہل ہونے کی بناء پر خود کو دوبارہ تقرری کیلئے پیش کر چکے ہیں۔

خصوصی امور:

- 4 درج ذیل عام قراردادوں کی منظور کرنے پر غور کرنا:
 - a "قرارداد پایا کہ 30 جون 2024 کو ختم ہونے والے سال کے دوران ذیلی کمپنیوں/متعلقہ فریقوں کیساتھ کاروبار کے معمول کے مطابق کئے گئے لین دین (جیسا کہ 30 جون 2024 کو ختم ہونے والے سال کے مالیاتی گوشوارے کے نوٹ-39 میں ظاہر کیا گیا ہے) کی بذریعہ ہذا منظوری اور توثیق و تصدیق کی جاتی ہے"
 - b "قرارداد پایا کہ کمپنی کے چیف ایگزیکٹو آفیسر کو 30 جون 2025 کو ختم ہونے والے سال کے دوران ذیلی کمپنیوں/متعلقہ فریقوں کیساتھ کئے گئے تمام لین دین کی منظوری دینے اور کاروبار کو معمول کے مطابق کرنے کا اختیار ہے، اور اس سلسلے میں، چیف ایگزیکٹو آفیسر کو کوئی بھی اور تمام ضروری کارروائیاں کرنے اور کمپنی کی جانب سے اس سلسلے میں درکار کسی بھی اور ایسے تمام دستاویزات/انڈیکسز پر دستخط/عملدرآمد کرنے کا بھی اختیار ہے۔"
- 5 میسرز گندھارا ڈی ایف (پرائیویٹ) لمیٹڈ (GDFPL) کو 800 ملین روپے کی نقد ایڈوانس سہولت کی تجدید پر غور کرنے اور منظور کرنے کیلئے، جو کہ ایک مکمل ملکیتی ذیلی کمپنی ہے، اور ترمیم کیساتھ یا اس کے بغیر، خصوصی قرارداد کو منظور کرنا، جیسا کہ کمپنی کے بورڈ آف ڈائریکٹرز نے تجویز کیا ہے:

"قرارداد پایا کہ میسرز گندھارا ڈی ایف (پرائیویٹ) لمیٹڈ (GDFPL) جو کہ ایک مکمل ملکیتی ذیلی کمپنی ہے، کو اس کے ورکنگ کیپٹل کی ضروریات کو پورا کرنے کیلئے، 6 ماہ کے KIBOR+1.85% کے مارک اپ پر تین سال کی مزید مدت کیلئے 800 ملین روپے نقد ایڈوانس سہولت دینے کیلئے ممبران کی منظوری لی جائیگی۔"

"مزید قرارداد پایا کہ بورڈ آف ڈائریکٹرز کو مذکورہ تین سالوں کے دوران ہر سال مذکورہ سہولت کا جائزہ لینے کا اختیار دیا گیا ہے"
- 6 کمپنیز ایکٹ 2017 کی شق (3) 134 کے تحت مادی حقائق کا بیان جو اوپر بیان کردہ خصوصی امور سے متعلق ہے، اجلاس کے اس نوٹس کیساتھ منسلک ہے۔

بحکم بورڈ

انوار احمد خان

کمپنی سیکریٹری

کراچی: 3 اکتوبر 2024

i سالانہ اجلاس عام (AGM) میں شرکت:

کمپنی نے ووٹوں کے ذریعے AGM کی کارروائی میں حصص یافتگان کی زیادہ سے زیادہ شرکت کو یقینی بنانے کیلئے انتظامات کئے ہیں، اس کیلئے حصص یافتگان کیلئے ضروری ہے کہ وہ اپنا نام، فوٹو نمبر، سیل نمبر اور اپنے نام پر رکھے گئے حصص کی تعداد کیساتھ "گندھارا آٹوموبائلز لمیٹڈ AGM کیلئے رجسٹریشن" کے عنوان سے کارآمد CNIC کی نقل (دونوں اطراف) info@ghandhara.com.pk پر ای میل کریں، ووٹوں اور لاگ ان کی تفصیلات صرف ان حصص یافتگان کیساتھ شیئر کی جائیں گی جن کی تمام مطلوبہ تفصیلات پر مشتمل، ای میلز، 22 اکتوبر 2024 کو دفتری اوقات کار کے اختتام سے قبل موصول ہوئی ہیں، اجلاس کے وقت سے 30 منٹ قبل لاگ ان کی سہولت کھول دی جائیگی تاکہ شرکاء کو شناخت کے عمل کے بعد اجلاس میں شامل ہونے کے قابل بنایا جاسکے، حصص یافتگان، حصص یافتگان کی شناخت اور تصدیق کیلئے درکار تمام رسمی کارروائیوں کو مکمل کرنے کے بعد اپنی ڈیوائسز کے ذریعے لاگ ان کر سکیں گے اور AGM کی کارروائی میں حصہ لے سکیں گے، حصص یافتگان AGM کے ایجنڈا آئٹمز کیلئے اپنے تبصرے اور سوالات بھی ای میل ایڈریس info@ghandhara.com.pk پر فراہم کر سکتے ہیں۔

ii کمپنی کے حصص کی منتقلی کی کتاب میں 16 اکتوبر 2024 سے 24 اکتوبر 2024 (دونوں دن شامل ہیں) تک بند رہیں گی، اجلاس میں شرکت اور ووٹ دینے کیلئے منتقلی کی درخواست، کمپنی کے شیئر رجسٹرار میسرز سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ، سی ڈی سی ہاؤس، 99-B، بلاک SMCHS-B، شاہراہ فیصل، کراچی، پاکستان کو 15 اکتوبر 2024 تک کاروبار کے اختتام تک موصول ہونے پر بروقت تصدیق کی جائیگی۔

iii اس سالانہ اجلاس عام میں شرکت کرنے بولنے اور ووٹ دینے کا حقدار کن کسی دوسرے ممبر کو اپنی جانب سے اجلاس میں شرکت کرنے اور ووٹ دینے کیلئے اپنا پراکسی مقرر کرنے کا حقدار ہے، مؤثر ہونے کیلئے پراکسی کا تقرر کرنے والے انسٹرومنٹ کو اجلاس کے وقت سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرار آفس میں موصول ہو جانا چاہئے۔ ممبران کی سہولت کیلئے، AGM کے نوٹس کے آخر میں ایک پراکسی فارم منسلک کیا گیا ہے۔

iv فزیکل شیئرز رکھنے والے ممبران سے درخواست کی جاتی ہے کہ وہ اپنے پتے میں کسی بھی قسم کی تبدیلی کو فوری طور پر ہمارے شیئر رجسٹرار، میسرز سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ، سی ڈی سی ہاؤس، 99-B، بلاک SMCHS-B، مین شاہراہ فیصل، کراچی، پاکستان کو مطلع کریں۔

v اس اجلاس میں ووٹ دینے کا حقدار، کوئی بھی بینیفیشل اونر، شناخت ثابت کرنے کیلئے اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) لازمی ساتھ لائے، اور پراکسی کی صورت میں، حصص یافتہ کے تصدیق شدہ CNIC کی ایک کاپی پراکسی فارم کیساتھ منسلک کرنا ضروری ہے، کارپوریٹ ممبران کے نمائندوں کو اس مقصد کیلئے درکار معمول کے دستاویزات ساتھ لانا چاہئے۔

سی ڈی سی اکاؤنٹ ہولڈر کو بھی SECP کی جانب سے بیان کردہ درج ذیل ہدایت پر عمل کرنا ہوگا:

(A) اجلاس میں شرکت کیلئے:

- (i) افراد کے معاملے میں، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر اور/یا وہ شخص، جن کی سیکورٹیز گروپ اکاؤنٹ میں ہیں اور ان کی رجسٹریشن کی تفصیلات ضوابط کے مطابق اپ لوڈ کی گئی ہے، اجلاس میں شرکت کے وقت اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) یا اصل پاسپورٹ دکھا کر شناخت کی تصدیق کریگا۔
- (ii) سی ڈی سی پر رجسٹرڈ ممبران سے بھی درخواست کی جاتی ہے کہ وہ اپنی تفصیلات، I.D. نمبر اور CDS میں اکاؤنٹ نمبر ساتھ لائیں۔
- (iii) کارپوریٹ ادارے کی صورت میں، اجلاس کے وقت بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی جس میں نامزد شخص کے دستخط کے نمونے کیساتھ پیش کیا جائیگا (اگر یہ پہلے فراہم نہ کیا گیا ہو)

B پراکسیز کے تقرر کیلئے:

- (i) افراد کے معاملے میں، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر اور/یا وہ شخص، جن کی سیکورٹیز گروپ اکاؤنٹ میں ہیں اور ان کی رجسٹریشن کی تفصیلات ضوابط کے مطابق اپ لوڈ کی گئی ہیں، مندرجہ ذیل بالا ضرورت کے مطابق پراکسی فارم جمع کرائیں گے۔
- (ii) پراکسی فارم کی تصدیق وہ شخص کرے گا جس کا نام، پتہ اور CNIC نمبر فارم پر درج ہوگا۔

Chairman's Review Report

It is my pleasure to present the Annual Report alongwith the Audited Financial Statements of the Company for the year ended June 30, 2024 to our valued shareholders.

Economy at a Glance

During the year under review, the country continues to face with significant economic challenges, primarily driven by high interest rates and inflation, which have decreased demand and led to a slowdown in large-scale manufacturing. This deceleration has also resulted in a reduction in imports, bringing the current account deficit to its lowest level in the previous year.

Despite the above challenges and ongoing political uncertainty coupled with reduce consumer demand due to weakened purchasing power, Pakistan's economy has reflected some signs of macro-economic stability. The government's policy management and administrative measures have restored some confidence, leading to an uptick in economic activity. As a result, GDP growth accelerated to 2.4% in FY-24, compared to 0.3% in the previous year. The growth was primarily driven by strong agricultural performance, an improved current account balance, and reduced inflationary pressures. However, high debt servicing costs and external repayments still remains a challenge. To address these financing needs and continued stabilization of economic indicators, the government has initiated discussions with the IMF for a new three-year program, with an anticipated amount of USD 7 billion under consideration.

Auto-Sector Overview

In FY24, although import restrictions eased, other economic challenges persisted, including reduced demand due to weakened purchasing power amid heightened inflation. Additionally, auto-financing was adversely affected by tightened monetary policy.

All these factors have contributed to the recent decline in sales volumes. According to the data from the PAMA, sales volumes of auto industry for Heavy Commercial Vehicles (HCVs) were 2,187 units during the FY2023-24 as compared to 3,182 units during the corresponding period of last year showing a decline of 31%. For Light Commercial Vehicles (LCVs), sales were 11,424 units during the FY2023-24 as compared to 24,194 units during the corresponding period of last year showing a decline of 53%. Whereas for Passenger Car segment, sales were 35,447 units during the year ended June 30, 2024 as compared to 44,595 units during the corresponding period of last year showing a decline of 21%.

Company's performance

On the basis of Consolidated Financial Statements. Net sales of PKR 9.41 billion, Gross profit of PKR 1.13 billion, Profit for the year of PKR 365 million. Earnings per share (EPS) stood at Rs.6.40/-.

On the basis of Standalone Financial Statements. Net sales of PKR 5.38 billion, Gross profit of PKR 238 million, Loss for the year of PKR 259 million. Loss per share Rs.4.54/-.

The main reason of loss for the year in standalone financial statements is decrease in gross profit of the company as a result of low volumes and exorbitant cost of imported material and higher cost of doing business, a consequence of the high production & finance costs and the non-absorption of fixed overheads. The prevailing political uncertainty has also played a significant role in influencing the financial downturn during the year. However, the management remains committed to deliver on its long-term objectives of progression and value creation.

Despite the challenges posed by rising costs of doing business, the Company achieved positive outcomes through strategic cost reduction measures. Our commitment to delivering high-quality vehicles to our valued customers remains steadfast and we continue to strive toward contributing to the overall progress of the automotive industry.

Future Outlook

Pakistan's economic outlook remains uncertain. Macroeconomic risks remain high, with large external financing requirements, limited foreign exchange reserves and persistent high inflation, impeding the economic activities. Despite these challenges, there are signs that the economy is starting to stabilize. The State Bank of Pakistan has started to reduce the policy rate and the low level of fluctuation of exchange rates in recent times.

Your Company has been determined to achieve customer satisfaction while maximizing return for the shareholders at the same time. The company focuses on diversity in its product range by upgrading the existing products and introducing new models to meet customer requirements.

Acknowledgement

The Company acknowledges the continued support and cooperation of Chery Automobile Co., Ltd., Anhui Jianghuai Automobile Group Corp., Limited (China), Renault Trucks S.A.S (France), China Dongfeng Motor Industry Import and Export Co. Limited, and Dongfeng Automobile Company Limited (China),

Moreover, on behalf of management, I would like to take this opportunity to thank our valued customers for the trust they continue to place in us, the management team & employees for their sincere efforts, the Board of Directors for their guidance, all Bankers, Dealers, Vendors, Associates and Shareholders for their support and cooperation throughout the year.

For and on behalf of the
Board of Directors



Lt.Gen.(Retd.) Ali Kuli Khan Khattak
Chairman

Karachi
Dated: 26th September, 2024

چیرمین کی جائزہ رپورٹ

میں اپنے قابل قدر حصص یافتگان کو 30 جون 2024 کو ختم ہونے والے سال کے لیے کمپنی کے آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کر رہا ہوں۔

معیشت پر ایک نظر

زیر جائزہ سال کے دوران، ملک کو اہم اقتصادی چیلنجوں کا سامنا کرنا پڑ رہا ہے، بنیادی طور پر بلند شرح سود اور افراط زر، جس کی وجہ سے طلب میں کمی واقع ہوئی ہے اور بڑے پیمانے پر مینوفیکچرنگ بھی سست روی کا باعث ہے۔ اس کمی کے نتیجے میں درآمدات میں بھی کمی آئی ہے، جس سے کرنٹ اکاؤنٹ کا خسارہ پچھلے سال کی کم ترین سطح پر آ گیا ہے۔

مندرجہ بالا چیلنجوں اور جاری سیاسی غیر یقینی صورتحال کے ساتھ ساتھ کمزور قوت خرید کی وجہ سے صارفین کی طلب میں کمی کے باوجود، پاکستان کی معیشت نے میکرو اکنامک استحکام کے کچھ آثار ظاہر کیے ہیں۔ حکومت کے پالیسی بیجمنٹ اور انتظامی اقدامات نے کچھ یقین اعتماد بحال کیا ہے، جس کی وجہ سے معاشی سرگرمیوں میں تیزی آئی ہے۔ نتیجے کے طور پر، مالی سال 24 میں جی ڈی پی کی شرح نمو 2.4 فیصد تک پہنچ گئی، جو کہ پچھلے سال میں 0.3 فیصد تھی۔ یہ ترقی بنیادی طور پر مضبوط زرعی کارکردگی، بہتر کرنٹ اکاؤنٹ بیلنس، اور افراط زر کے دباؤ میں کمی کی وجہ سے ہوئی۔ تاہم، زیادہ قرض کی ادائیگی کے اخراجات اور بیرونی ادائیگیاں اب بھی ایک چیلنج بنی ہوئی ہیں۔ ان فنانسنگ کی ضروریات کو پورا کرنے اور معاشی اشاریوں کے مسلسل استحکام کے لیے حکومت نے IMF کے ساتھ نئے تین سالہ پروگرام کے لیے بات چیت شروع کی ہے، جس میں 7 بلین امریکی ڈالر کی متوقع رقم زیر غور ہے۔

آؤٹیکٹر کا جائزہ

مالی سال 24 میں، اگرچہ درآمدی پابندیوں میں نرمی کی گئی، دیگر اقتصادی چیلنجز برقرار رہے، بشمول بڑھتی ہوئی افراط زر کے درمیان کمزور قوت خرید کی وجہ سے مانگ میں کمی۔ مزید برآں، سخت مانیٹری پالیسی سے آؤٹونٹانگ بری طرح متاثر ہوئی۔

ان تمام عوامل نے سبز کے حجم میں حالیہ کمی میں اہم کردار ادا کیا ہے۔ PAMA کے اعداد و شمار کے مطابق، مالی سال 2023-24 کے دوران ہیوی کمرشل ڈیہیکلز (HCVs) کے لیے آؤٹونڈسٹری کی فروخت کا حجم 2,187 یونٹ تھا جو کہ گزشتہ سال کی اسی مدت کے دوران 3,182 یونٹس کے مقابلے میں 31 فیصد کمی کو ظاہر کرتا ہے۔ ہلکی کمرشل گاڑیوں (LCVs) کے لیے، مالی سال 2023-24 کے دوران فروخت 11,424 یونٹس تھی جو کہ گزشتہ سال کی اسی مدت کے دوران 24,194 یونٹس کے مقابلے میں 53 فیصد کمی کو ظاہر کرتی ہے۔ جبکہ مسافر کاروں کے سیگمنٹ کے لیے، 30 جون 2024 کو ختم ہونے والے سال کے دوران 35,447 یونٹس کی فروخت ہوئی جو کہ گزشتہ سال کی اسی مدت کے دوران 44,595 یونٹس کے مقابلے میں 21 فیصد کمی کو ظاہر کرتی ہے۔

کمپنی کی کارکردگی

کنسولیدیشنڈ فنانشل اسٹیٹمنٹس کی بنیاد پر۔ 9.41 بلین روپے کی خالص فروخت، 1.13 بلین روپے کا مجموعی منافع، 365 بلین روپے کے سال کا منافع۔ فی حصص آمدنی (EPS) 6.40 روپے رہی۔ اسٹینڈالون مالیاتی گوشواروں کی بنیاد پر۔ 5.38 بلین روپے کی خالص فروخت، 238 بلین روپے کا مجموعی منافع، 259 بلین روپے کا سال کا نقصان۔ نقصان فی حصص 4.54 روپے۔

اسٹینڈالون کیلے مالیاتی بیانات میں سال کے نقصان کی بنیادی وجہ کم حجم اور درآمدی مواد کی بہت زیادہ لاگت اور کاروبار کرنے کی زیادہ لاگت ہے، جس کے نتیجے میں زیادہ پیداواری اور مالیاتی اخراجات اور اوور ہیڈز کا عدم جذب ہے۔ موجودہ سیاسی غیر یقینی صورتحال نے بھی سال کے دوران مالیاتی انحطاط کو متاثر کرنے میں اہم کردار ادا کیا ہے۔ تاہم، انتظامیہ ترقی اور قدر کی تخلیق کے اپنے طویل مدتی مقاصد کو پورا کرنے کے لیے پرعزم ہے۔

کاروبار کرنے کی بڑھتی ہوئی لاگت سے درپیش چیلنجوں کے باوجود، کمپنی نے اسٹریٹجک لاگت میں کمی کے اقدامات کے ذریعے مثبت نتائج حاصل کیے ہیں۔ ہم اپنے قابل قدر صارفین کو اعلیٰ معیار کی گاڑیاں فراہم کرنے کے عزم پر ثابت قدم ہیں اور ہم آؤٹونڈسٹری کی مجموعی ترقی میں اپنا حصہ ڈالنے کی کوششیں جاری رکھے ہوئے ہیں۔

مستقبل کا منظر نامہ

پاکستان کا معاشی نقطہ نظر غیر یقینی ہے۔ بڑی بیرونی مالیاتی ضروریات، محدود زرمبادلہ کے ذخائر اور مسلسل بلند افراط زر، معاشی سرگرمیوں میں رکاوٹ کے ساتھ، میکرو اکنامک خطرات زیادہ ہیں۔ ان چیلنجوں کے باوجود، ایسے آثار ہیں کہ معیشت مستحکم ہونا شروع ہو رہی ہے۔ اسٹیٹ بینک آف پاکستان نے حالیہ دنوں میں پالیسی ریٹ اور زرمبادلہ کے اتار چڑھاؤ کی سطح کو کم کرنا شروع کر دیا ہے۔

آپ کی کمپنی نے ایک ہی وقت میں حصص یافتگان کے لیے زیادہ سے زیادہ منافع حاصل کرتے ہوئے صارفین کی اطمینان حاصل کرنے کا عزم کیا ہے۔ کمپنی موجودہ مصنوعات کو اپ گریڈ کر کے اور صارفین کی ضروریات کو پورا کرنے کے لیے نئے ماڈلز متعارف کروا کر اپنی مصنوعات کی رینج میں مختلف اقسام پر توجہ مرکوز کرتی ہے۔

اعتراف

کمپنی چیری آؤٹوموبائل کمپنی لمیٹڈ، انہوئی جیانگ ہوائی آؤٹوموبائل گروپ کارپوریشن لمیٹڈ (چین)، رینالٹ ٹرک ایس اے ایس (فرانس)، چائنا ڈونگ فینگ موٹو انڈسٹری امپورٹ اینڈ ایکسپورٹ کمپنی لمیٹڈ، اور ڈونگ فینگ آؤٹوموبائل کمپنی لمیٹڈ (چین) کی مسلسل حمایت اور تعاون کا اعتراف کرتی ہے۔

مزید برآں، انتظامیہ کی جانب سے، میں اس موقع پر اپنے قابل قدر کسٹمرز کا شکریہ ادا کرنا چاہوں گا کہ وہ ہم پر بھروسہ کرتے رہتے ہیں، انتظامیہ کی ٹیم اور ملازمین کا ان کی مخلصانہ کوششوں کے لیے، بورڈ آف ڈائریکٹرز کا سال بھر میں حمایت اور تعاون کے لیے، تمام سٹیکرز، ڈیلرز، ویئرز، ایسوسی ایٹس اور حصص یافتگان کا شکریہ ادا کرنا چاہتا ہوں۔

بورڈ آف ڈائریکٹرز کے لئے اور انکی جانب سے



لیفٹیننٹ جنرل (ر) علی قلی خان بٹلک

چیرمین

کراچی

بتاریخ: 26 ستمبر 2024

Directors' Report

On behalf of the Board of Directors, we are presenting Directors' Report together with Audited Accounts and Auditors' Report thereon for the year ended 30th June 2024. The Directors' Report, prepared under Section 227 of the Companies Act, 2017 ("the Act") will be put forward to the members at the Annual General Meeting of the Company to be held on October 24, 2024.

Principal Activities

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

Financial Results

The financial results for the year ended 30th June 2024 are summarized below:

	2024	2023
	(Rupees in thousands)	
Revenue	5,385,066	10,033,096
(Loss)/ Profit before taxation	(252,188)	243,279
Taxation		
Current	67,569	(132,274)
Deferred	60,951	(47,309)
	6,618	(179,583)
(Loss)/ Profit for the year	(258,806)	63,696
Other comprehensive income	2,188,393	9,243
Total comprehensive Income for the year	1,929,587	72,939
Accumulated profit		
Brought forward	2,386,287	2,281,351
Incremental depreciation	30,371	31,997
	2,416,658	2,313,348
Accumulated profit Carried forward	1,158,994	2,386,287
(Loss)/ Earnings per share	(4.54)	1.12

Reasons for the Loss and Future Prospects of Profit

Over the year, our economy has faced significant challenges, primarily driven by high interest rates and inflation, which have dampened demand and led to a slowdown in large-scale manufacturing. This deceleration has also resulted in a reduction in imports. The main reason of loss during the year is decrease in gross profit of the company as a result of low volumes and exorbitant cost of imported material and higher cost of doing business, particularly overheads and finance cost. Despite the challenging business environment there are signs that the economy is starting to stabilize. The State Bank of Pakistan has started to reduce the policy rate and the low level of fluctuation of exchange rates in recent times.

Holding Company

Bibojee Services (Pvt.) Limited, incorporated in Pakistan, is the holding company of Ghandhara Automobiles Limited.

Chairman's Review

The Chairman's review included in the Annual Report deals inter alia with the nature of business, performance of the Company, future prospects and uncertainties.

Dividend

Considering the business need for future working capital requirement and Company's ability to generate cash, the Board of Directors of the Company have decided not to pay any dividend, cash or otherwise.

Board of Directors and its Committees

The Board

The Board comprises of three independent Directors, one executive and six non-executive Directors. The Directors of the Company were re-elected in Extraordinary General meeting of the Company held on 2nd February, 2022. In line with the Board policy of gender equality, the Company continues to maintain female representation on the Board of Directors with one female member on the Board.

Changes to the Board

During the year, Mr. Muhammad Jawaid Iqbal (FCA) resigned from the Board and the Board appointed Mr. Asim Arshid to fill the casual vacancy within the statutory time limits. The Board appreciates the contribution of the outgoing Director and welcomes the new Director and looks forward to his valuable contribution towards the Company.

Human Resource and Remuneration (HR&R) Committee

The Committee meets annually to review and recommend improvement in compensation / remuneration of employees and devise policies for the development of senior executives. The CEO of the Company and the Head of HR of Company attended the Human Resource and Remuneration Committee meeting. The Committee met once during 2023-24.

Board Audit Committee (BAC)

The Board Audit Committee assists the Board in fulfilling its oversight responsibilities, primarily in reviewing and reporting financial and non-financial information to shareholders, systems of internal control and risk management and the audit process. It has the autonomy to call for information from management and to consult directly with the external auditors or advisors as considered appropriate. The Chief Financial Officer regularly attends the Board Audit Committee meetings by invitation.

After each meeting, the Chairman of the Committee reports to the Board. During the year 2023-24, four BAC meetings were held. Attendance by each member is as follows:

S.No.	Name of Director	No. of Meetings Attended
1.	Mr. Polad Merwan Polad	4
2.	Lt.Gen (Retd.) Ali Kuli Khan Khattak	4
3.	Mr. Muhammad Zia	4
4.	Mr. Muhammad Saleem Baig	4
5.	Mr. Salman Rasheed (FCA)	4

Meetings of Board of Directors

During the year 2023-24, five meetings of Board of Directors were held. Attendance by each Director was as follows:

S.No.	Name of Director	Designation	No. of Meetings Attended
1.	Lt.Gen (Retd.) Ali Kuli Khan Khattak	Chairman/Non-Executive Director	5
2.	Mr. Ahmad Kuli Khan Khattak	Chief Executive/Executive Director	5
3.	Mr. Sikandar Kuli Khan Khattak	Non-Executive Director	5
4.	Mrs. Shahnaz Sajjad Ahmad	Non-Executive Director	5
5.	Mr. Muhammad Zia	Non-Executive Director	5
6.	Mr. Muhammad Saleem Baig	Non-Executive Director	5
7.	Syed Haroon Rashid	Non-Executive Director	5
8.	Mr. Polad Merwan Polad	Independent Director	5
9.	Mr. Salman Rasheed (FCA)	Independent Director	5
10.	Mr. Muhammad Jawaid Iqbal (i)	Independent Director	-
11.	Mr. Asim Arshid (ii)	Independent Director	1

(i) Was an outgoing director during the current year

(ii) Appointed during the year

Leave of absence was granted to the Director who could not attend the Board Meeting.

Performance Evaluation of Board of Directors and Committees of the Board

The evaluation of Board's role of oversight and its effectiveness is a continual process, which is appraised by the Board itself. The core areas of focus are:

- Alignment of corporate goals and objectives with the vision and mission of the Company;
- Strategy formulation for sustainable operation;
- Board's independence; and
- Evaluation of Board's Committees performance in relation to discharging their responsibilities set out in respective terms of reference.

Annual evaluation questionnaire developed in conformity with the Code of Corporate Governance – Regulations, 2019 (Code 2019) and best practices is circulated to the Directors for performance evaluation, exercised by the Company Secretary upon receipt of completed questionnaires. These are then evaluated to identify areas that require improvement and highlight differences of opinion, if any.

Review of CEO's Performance

The performance of the CEO is formally appraised through the evaluation system which is based on quantitative and qualitative values. It includes the performance of the business, the accomplishment of objectives with reference to profits, organization building, succession planning and corporate success.

Directors' Remuneration

The remuneration of the Board members is approved by the Board itself. However, in accordance with the Code 2019, it is ensured that no Director takes part in deciding his/her own remuneration. The following are significant features of remuneration policy

- The remuneration including incentives and other benefits of the Chief Executive Officer during the year amounts to Rs.19.9 million (2023: Rs.19.9 million).
- The Company does not pay remuneration to non-executive directors including independent directors except fee for attending the meetings. For further details on remuneration of Directors and CEO in FY 2023-24, please refer note-38 to the Financial Statements.

Directors' Training Program

Seven directors are certified Directors whereas two directors are exempted from Directors' Training Program based on their experience as director on the board of Listed Companies. Further, the Company will take adequate measures for the Directors' Training Program for the remaining director, female executive and head of department.

External Auditors

The present External Auditors M/s Shinewing Hameed Chaudhri & Co. Chartered Accountants, retire and being eligible, offer themselves for reappointment. The Board Audit Committee has recommended the reappointment of M/s Shinewing Hameed Chaudhri & Co. Chartered Accountants.

Internal Audit

The Company has an independent Internal Audit function. The Board Audit Committee quarterly reviews the appropriateness of resources and authority of this function. The Head of Internal Audit functionally reports to the Board Audit Committee. The Board Audit Committee approves the audit plan, based on an annual and quarterly assessment of the operating areas. The Internal Audit function carries out reviews on the financial, operational and compliance controls and reports findings to the Board Audit Committee.

Material changes

There have been no material changes since June 30, 2024 to date of the report and the Company has not entered into any material commitment during this period, which would have an adverse impact on the financial position of the Company. All the material events and other price sensitive information are reported to PSX on as and when basis.

Pattern of Shareholding

The pattern of shareholding of the Company has been annexed to this report.

Related Party Transactions

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

Communication

The Company focuses on the importance of the communication with the shareholders. The annual, half yearly and quarterly reports are distributed to them within the time specified in the Companies Act, 2017. The activities of the company are updated on its website at www.ghandharaautomobiles.com.pk on timely basis.

Safeguarding of Records

The company puts great emphasis for storage and safe custody of its financial records. The access to electronic documentation has been secured through implementation of a comprehensive password protected system.

Health, Safety and Environment

We strongly believe in maintaining the highest standards in health, safety and environment to ensure the well-being of the people who work with us as well as of the communities where we operate.

Corporate Social Responsibility

The company considers social, environmental, and ethical obligations in the context of the overall business environment. The Company is committed to work in the best interest of all the stakeholders. The management is keen to ensure that society is not affected by any means through any activity of company.

Statement on Equal Opportunity and Inclusivity

The Company is committed to being an equal opportunity employer and strongly values gender diversity and inclusivity. We believe that our strength lies in the diversity of our employees, who come from various regions across Pakistan. Our workforce, comprising individuals of different genders, religions, ethnicities, and backgrounds, works collaboratively to achieve the company's goals.

Our policies and procedures are designed to ensure that all decisions related to hiring, promotions, transfers, training, and performance evaluations are based purely on merit. We are fully committed to preventing any form of discrimination based on race, nationality, ethnicity, religion, political beliefs, age, gender, marital status, or disability.

We have established clear pay scales for both executive and subordinate roles, which are approved by the management. We ensure that no discrimination occurs in any employment-related matters, including gender, region, religion, or ethnicity. While individual remuneration may vary based on performance and length of service, gender plays no role in compensation decisions.

Furthermore, the Company maintains a zero-tolerance policy on harassment, reaffirming our commitment to safeguarding the rights and well-being of every employee.

Gender pays Gap Statement

The Mean gender pay gap and Median gender pay gap for the year ended June 30, 2024 is (37.40%) and (55.78%), respectively.

Sustainability Risks

The Company is dedicated to a sustainable future by transitioning to more automated systems, significantly reducing paper usage. This year, the Company installed a Reverse Osmosis (RO) plant as part of its sustainability initiatives, aimed at efficient water management. The RO plant provides a reliable method for purifying and reusing water, reducing the reliance on natural water resources. This step underscores the Company's commitment to water conservation and sustainable practices, aligning with its broader goals of environmental responsibility and resource efficiency.

In addition to this, the Company is actively exploring the installation of a solar renewable energy project for its whole plant operations in addition to the existing solar panels installed at one of its premises. Furthermore, the company has developed in-house two nurseries and gardens to further support sustainability and environmental stewardship. These initiatives demonstrate the Company's continued dedication to energy conservation and its vision for a greener, more sustainable future.

Corporate and Financial reporting framework

The Directors confirm the compliance with Corporate and Financial Reporting Framework of the Securities and Exchange Commission of Pakistan and Code of Corporate Governance for the following matters:

- The financial statements, prepared by the management of the company, present its state of affairs fairly, the result of its operations, cash flows and changes in equity;
- Proper books of account of the company have been maintained;
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departures therefrom have been adequately disclosed and explained;
- The system of the internal control is sound in design and has been effectively implemented and monitored;
- There are no significant doubts upon the company's ability to continue as a going concern;
- Key operating and financial data of last six years has been included in the Annual Report;
- There has been no material departure from the best practices of Corporate Governance, as detailed in the Regulations of Rule Book of Pakistan Stock Exchange;
- Information about taxes and levies is given in the respective notes to the Financial Statements;
- The value of investments made by the staff retirement funds as per their respective audited accounts are given below:

	Value of investment	Year ended
Provident Fund	Rs.219.67 million	June 30, 2023
Gratuity Fund	Rs.218.48 million	June 30, 2023

- No trading in the shares of the Company was carried out by the Directors, CFO, Company Secretary, their spouses and minor children.

For and on behalf of the Board of Directors



Chief Executive Officer

Karachi
Dated: 26th September, 2024



Director

• ٹیکس اور محصولات کے بارے میں معلومات مالیاتی گوشواروں کے متعلقہ نوٹس میں دی گئی ہیں۔

• اسٹاف ریٹائرمنٹ فنڈز کی جانب سے کی گئی سرمایہ کاری کی مالیت متعلقہ آڈٹ شدہ گوشواروں کے مطابق ذیل میں دی گئی ہیں:

ختم ہونے والا سال	سرمایہ کاری کی مالیت	
30 جون 2023	219.67 ملین روپے	پراویڈنٹ فنڈ
30 جون 2023	218.48 ملین روپے	گریجویٹی فنڈ

• ڈائریکٹرز، سی ایف او، کمپنی سیکرٹری، ان کی شریک حیات اور نابالغ بچوں کی طرف سے کمپنی کے حصص کا کوئی لین دین نہیں کیا گیا۔

برائے منجانب بورڈ آف ڈائریکٹرز



ڈائریکٹر



چیف ایگزیکٹو آفیسر

کراچی

بتاریخ: 26 ستمبر 2024

واقعات اور دیگر قیمتوں کے اعتبار سے حساس معلومات کی پی ایس ایکس (PSX) کو جیسی ہے جہاں ہے کہ بنیاد پر اطلاعات دی جاتی ہیں۔

حصص کی ملکیت کا اسلوب

کمپنی کے حصص کی ملکیت کا اسلوب اس رپورٹ کے ساتھ منسلک کر دیا گیا ہے۔

متعلقہ پارٹی لین دین

متعلقہ پارٹیوں سے تمام لین دین اثر و رسوخ سے آزاد انداز میں سرانجام دیا جاتا ہے اور مالیاتی گوشواروں میں متعلقہ نوٹس کا انکشاف کیا جاتا ہے۔

مواصلات

کمپنی شیئر ہولڈرز کے ساتھ رابطے کی اہمیت پر توجہ مرکوز رکھتی ہے۔ سالانہ، ششماہی اور سہ ماہی رپورٹیں کمپنیز ایکٹ، 2017 میں بیان کردہ مدت کے اندر ان میں تقسیم کی جاتی ہیں۔ کمپنی کی سرگرمیاں اس کی ویب سائٹ www.gandharaautomobiles.com.pk پر بروقت اپ ڈیٹ کی جاتی ہیں۔

ریکارڈ کا تحفظ

کمپنی اپنے مالیاتی ریکارڈ کو ذخیرہ کرنے اور محفوظ رکھنے پر بہت زیادہ زور دیتی ہے۔ برقی دستاویزات تک رسائی کو پاسورڈ پر ویکلڈ جامع نظام کے اطلاق کے ذریعے محفوظ بنایا گیا ہے۔

صحت، حفاظت اور ماحولیات

ہم صحت، حفاظت اور ماحولیات میں اعلیٰ ترین معیار کو برقرار رکھنے پر پختہ یقین رکھتے ہیں تاکہ ہمارے ساتھ کام کرنے والے لوگوں کے ساتھ ساتھ ان کیہونے کی فلاح و بہبود کو یقینی بنایا جائے جہاں ہم کام کرتے ہیں۔

کارپوریٹ سماجی ذمہ داری

کمپنی مجموعی کاروباری ماحول کے تناظر میں سماجی، ماحولیاتی اور اخلاقی ذمہ داریوں پر توجہ مرکوز رکھتی ہے۔ کمپنی تمام اسٹیک ہولڈرز کے بہترین مفاد میں کام کرنے کے لیے پرعزم ہے۔ انتظامیہ اس بات کو یقینی بنانے کے لیے کوشاں ہے کہ کمپنی کی کسی بھی سرگرمی کے ذریعے معاشرہ کسی بھی طرح سے متاثر نہ ہو۔

مساوی مواقع اور شمولیت پر بیان

کمپنی ایک مساوی مواقع کے آجر ہونے کے لیے پرعزم ہے اور صنفی تنوع اور شمولیت کی سختی سے قدر کرتی ہے۔ ہمیں یقین ہے کہ ہماری طاقت ہمارے ملازمین کے تنوع میں ہے، جو پاکستان کے مختلف علاقوں سے آتے ہیں۔ ہماری افرادی قوت مختلف جنسوں، مذاہب، نسلوں اور پس منظر کے افراد پر مشتمل ہے، جو کمپنی کے مقاصد کو حاصل کرنے کے لیے باہمی تعاون سے کام کرتے ہیں۔

ہماری پالیسیاں اور طریقہ کار اس بات کو یقینی بنانے کے لیے بنائے گئے ہیں کہ بھرتی، پروموشنز، ٹرانسفرز، ٹریننگ اور کارکردگی کے جائزوں سے متعلق تمام فیصلے خالصتاً میرٹ پر مبنی ہوں۔ ہم نسل، قومیت، نسل، مذہب، سیاسی عقائد، عمر، جنس، ازدواجی حیثیت، یا معذوری کی بنیاد پر کسی بھی قسم کے امتیازی سلوک کو روکنے کے لیے پوری طرح پرعزم ہیں۔

ہم نے ایگزیکٹو اور ماتحت دونوں کے لیے واضح تنخواہ کے پیمانے قائم کیے ہیں، جن کی انتظامیہ سے منظوری لی جاتی ہے۔ ہم اس بات کو یقینی بناتے ہیں کہ جنس، علاقہ، مذہب، یا نسل سمیت ملازمت سے متعلق

کسی بھی معاملے میں کوئی امتیازی سلوک نہ ہو۔ اگرچہ انفرادی معاوضہ کارکردگی اور سروس کی لمبائی کی بنیاد پر مختلف ہو سکتا ہے، لیکن معاوضے کے فیصلوں میں صنف کوئی کردار ادا نہیں کرتی۔

مزید برآں، کمپنی ہر اس کے جانے پر صفر و اداری کی پالیسی برقرار رکھتی ہے، ہر ملازم کے حقوق اور بہبود کے تحفظ کے لیے ہمارے عزم کی تصدیق کرتی ہے۔

جنس کی ادائیگی گپ اسٹیٹمنٹ

30 جون 2024 کو ختم ہونے والے سال کے لیے اوسط صنفی تنخواہ کا فرق اور میڈین صنفی تنخواہ کا فرق بالترتیب (37.40%) اور (55.78%) ہے۔

پائیداری کے خطرات

کمپنی کاغذ کے استعمال کو نمایاں طور پر کم کرتے ہوئے مزید خود کار نظاموں میں منتقلی کے ذریعے ایک پائیدار مستقبل کے لیے وقف ہے۔ اس سال، کمپنی نے اپنے پائیدار اقدامات کے حصے کے طور پر پورس اوٹوموس (RO) پلانٹ نصب کیا، جس کا مقصد پانی کا موثر انتظام کرنا ہے۔ آرو پلانٹ پانی کو صاف کرنے اور دوبارہ استعمال کرنے کا ایک قابل اعتماد طریقہ فراہم کرتا ہے، جس سے پانی کے قدرتی وسائل پر انحصار کم ہوتا ہے۔ یہ قدم ماحولیاتی ذمہ داری اور وسائل کی کارکردگی کے اپنے وسیع اہداف کے ساتھ ہم آہنگ پانی کے تحفظ اور پائیدار طریقوں کے لیے کمپنی کے عزم کو واضح کرتا ہے۔

اس کے علاوہ، کمپنی اپنے ایک احاطے میں نصب موجودہ سولر پینلز کے علاوہ اپنے پورے پلانٹ کے آپریشنز کے لیے شمسی توانائی کے قابل تجدید توانائی کے منصوبے کی تنصیب کی سرگرمی پر تحقیق کر رہی ہے۔ مزید برآں، کمپنی نے پائیداری اور ماحولیاتی ذمہ داری کو مزید سپورٹ کرنے کے لیے اندرون خانہ دوز سریاں اور باغات تیار کیے ہیں۔ یہ اقدامات توانائی کے تحفظ کے لیے کمپنی کی مسلسل لگن اور سبز، زیادہ پائیدار مستقبل کے لیے اس کے وژن کو ظاہر کرتے ہیں

کاروباری اور مالیاتی رپورٹنگ فریم ورک

ڈائریکٹرز درج ذیل امور کے لیے سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک اور کوڈ آف کارپوریٹ گورننس کی تعمیل کی تصدیق کرتے ہیں:

• کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشواروں، اس کی صورت حال، اس کے آپریشنز، نقد بہاؤ اور ایکویٹی میں ہونے والی تبدیلیوں کو منصفانہ طور پر پیش کیا جاتا ہے۔

• کمپنی کے کھاتوں کی مناسب کتابیں برقرار رکھی جاتی ہیں؛

• مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو مستقل طور پر لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینے معقول اور محتاط فیصلوں پر مبنی ہیں۔

• مالیاتی گوشواروں کی تیاری میں بین الاقوامی مالیاتی رپورٹنگ کے معیارات کی، جیسا کہ پاکستان میں لاگو ہیں، بیرونی کی گئی ہے اور اس سے کسی بھی انحراف کا مناسب طور پر انکشاف اور وضاحت کی گئی ہے۔

• اندرونی کنٹرول کا نظام ڈیزائن کے اعتبار سے درست ہے اور اسے مؤثر طریقے سے نافذ کر کے نگرانی میں رکھا گیا ہے۔

• کمپنی کے جاری ادارے کے طور پر کام کاروبار جاری رکھنے کی صلاحیت پر کوئی خاص شبہات نہیں ہیں۔

• گزشتہ 6 سال کے دوران کلیدی آپریشنز اور مالی اعداد و شمار کو سالانہ رپورٹ میں شامل کیا گیا ہے۔

• کارپوریٹ گورننس کے بہترین طریقوں سے کوئی اہم انحراف نہیں ہوا، جیسا کہ پاکستان اسٹاک ایکسچینج کی رولز بک کے ضوابط میں تفصیل سے بتایا گیا ہے۔

عمل میں بورڈ کی معاونت کرتی ہے۔ اسے انتظامیہ سے معلومات طلب کرنے اور بیرونی آڈیٹرز یا مشیروں سے براہ راست مشورہ کرنے کی خود مختاری ہے جیسا کہ مناسب سمجھا جاتا ہے۔ چیف فنانشل آفیسر باقاعدگی سے بورڈ آڈٹ کمیٹی کے اجلاسوں میں دعوت کے ذریعے شرکت کرتا ہے۔

ہر اجلاس کے بعد، کمیٹی کا چیئر مین بورڈ کو رپورٹ کرتا ہے۔ سال 2023-24 کے دوران بی اے سی کے چار اجلاس منعقد ہوئے۔ ہر ممبر کی حاضری حسب ذیل ہے:

شمار	ڈائریکٹر کا نام	حاضریاں
1-	جناب پولاد مروان پولاد	4
2-	لیفٹیننٹ جنرل (ریٹائرڈ) علی قلی خان خٹک	4
3-	جناب محمد ضیاء	4
4-	جناب محمد سلیم بیگ	4
5-	جناب سلمان رشید (FCA)	4

بورڈ آف ڈائریکٹرز کے اجلاس

سال 2023-24 کے دوران بورڈ آف ڈائریکٹرز کے پانچ اجلاس منعقد ہوئے۔ ہر ڈائریکٹر کی حاضری حسب ذیل ہے:

شمار	ڈائریکٹر کا نام	عہدہ	حاضریاں
1-	لیفٹیننٹ جنرل (ریٹائرڈ) علی قلی خان خٹک	چیئر مین/ نان ایگزیکٹو ڈائریکٹر	5
2-	جناب احمد قلی خان خٹک	چیف ایگزیکٹو/ ایگزیکٹو ڈائریکٹر	5
3-	جناب سکندر قلی خان خٹک	نان ایگزیکٹو ڈائریکٹر	5
4-	مسر شہناز سجاد احمد	نان ایگزیکٹو ڈائریکٹر	5
5-	جناب محمد ضیاء	نان ایگزیکٹو ڈائریکٹر	5
6-	جناب محمد سلیم بیگ	نان ایگزیکٹو ڈائریکٹر	5
7-	جناب سید ہارون رشید	نان ایگزیکٹو ڈائریکٹر	5
8-	جناب پولاد مروان پولاد	آزاد ڈائریکٹر	5
9-	جناب سلمان رشید (FCA)	آزاد ڈائریکٹر	5
10-	جناب محمد جاوید اقبال (i)	آزاد ڈائریکٹر	-
11-	جناب عاصم ارشد (ii)	آزاد ڈائریکٹر	1

(i) موجودہ سال کے دوران سکدوش ہونے والا ڈائریکٹر تھے۔

(ii) سال کے دوران تقرری

ان ڈائریکٹرز کو رخصت کی اجازت دی گئی جو بورڈ کے اجلاس میں شریک نہیں ہو سکے۔

بورڈ آف ڈائریکٹرز اور بورڈ کی کمیٹیوں کی کارکردگی کا جائزہ

بورڈ کے نگرانی کے کردار اور اس کی تاثیر کا جائزہ ایک مسلسل عمل ہے، جس کا اندازہ بورڈ خود کرتا ہے۔ توجہ کے بنیادی شعبے ہیں:

- کمیٹی کے وژن اور مشن کے ساتھ کارپوریٹ اہداف اور مقاصد کی سیدھ؛

• پائیدار آپریشن کے لیے حکمت عملی کی تشکیل؛

• بورڈ کی آزادی اور؛

• بورڈ کی کمیٹیوں کی کارکردگی کا جائزہ ان کی ذمہ داریوں کو نبھانے کے سلسلے میں جو متعلقہ کمیٹیوں کی شرائط میں متعین ہیں۔

کوڈ آف کارپوریٹ گورننس - ریگولیشنز 2019 (کوڈ 2019) کے مطابق تیار کیا گیا سالانہ تشخیصی سوالنامہ اور بہترین طریقہ کار کارکردگی کی جانچ کے لیے ڈائریکٹرز کو کمیٹی سکٹری کے ذریعے بھیجے اور موصول کئے جاتے ہیں۔ اس کے بعد ان شعبوں کی نشاندہی کرنے کے لیے ان کا جائزہ لیا جاتا ہے جن میں بہتری کی ضرورت ہوتی ہے اور رائے کے اختلافات کو اجاگر کیا جاتا ہے، اگر کوئی ہے۔

سی ای او کی کارکردگی کا جائزہ

سی ای او کی کارکردگی کا رسمی تجزیہ تشخیص کے نظام کے ذریعے کیا جاتا ہے جو مقدار اور معیار کی اقدار پر مبنی ہے۔ اس میں کاروبار کی کارکردگی، منافع کے حوالے سے مقاصد کی تکمیل، تنظیم سازی، جانشینی کی منصوبہ بندی اور کاروبار کی کامیابی ہے۔

ڈائریکٹرز کا معاوضہ

بورڈ ممبران کے معاوضے کی منظوری بورڈ خود کرتا ہے۔ تاہم، کوڈ 2019 کے مطابق، اس بات کو یقینی بنایا جاتا ہے کہ کوئی بھی ڈائریکٹر اپنے معاوضے کا فیصلہ کرنے میں حصہ نہ لے۔ معاوضے کی پالیسی کی اہم خصوصیات درج ذیل ہیں:

• سال کے دوران چیف ایگزیکٹو آفیسر کے مراعات اور دیگر فوائد سمیت معاوضہ 19.9 ملین روپے ہے (19.9:2023 ملین روپے)۔

• کمپنی میٹنگوں میں شرکت کی فیس کے علاوہ آزاد ڈائریکٹرز سمیت غیر ایگزیکٹو ڈائریکٹرز کو معاوضہ ادائیگی نہیں کرتی ہے۔ مالی سال 2023-24 میں ڈائریکٹرز اور سی ای او کے معاوضے کے بارے میں مزید تفصیلات کے لیے، براہ کرم مالیاتی گوشوارے میں نوٹ 38 ملاحظہ فرمائیں۔

ڈائریکٹرز کا تربیتی پروگرام

سات ڈائریکٹرز سرٹیفیکیشن ڈائریکٹرز ہیں جبکہ دو ڈائریکٹرز کو ڈائریکٹرز ٹریننگ پروگرام سے مستثنیٰ ہے ان کے تجربے کی بنیاد پر لسٹڈ کمپنیوں کے بورڈ میں بطور ڈائریکٹر۔ مزید یہ کہ کمیٹی بقیہ ڈائریکٹرز، خاتون ایگزیکٹو اور ہیڈ آف ڈیپارٹمنٹ کے لیے ڈائریکٹرز کے تربیتی پروگرام کے لیے مناسب اقدامات کرے گی۔

بیرونی آڈیٹرز

موجودہ بیرونی آڈیٹرز میسرز شائنگ جمید چوہدری اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو رہے ہیں، اور اہلیت کی بنیاد پر خود کو دوبارہ تقرری کے لئے پیش کرتے ہیں۔ بورڈ کی آڈٹ کمیٹی میسرز شائنگ جمید چوہدری اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کی دوبارہ تقرری کی سفارش کرتی ہے۔

اندرونی آڈٹ

کمپنی کا اندرونی آڈٹ کا ایک آزاد فنکشن ہے۔ بورڈ آف آڈٹ کمیٹی ہر سہ ماہی اس فنکشن کے وسائل اور اختیار کی مناسبت کا جائزہ لیتی ہے۔ اندرونی آڈٹ کا سربراہ بورڈ کی آڈٹ کمیٹی کو عملی طور پر رپورٹ کرتا ہے۔ بورڈ کی آڈٹ کمیٹی آپریٹنگ ایریاز کے سالانہ اور سہ ماہی جائزے کی بنیاد پر آڈٹ پلان کی منظوری دیتی ہے۔ اندرونی آڈٹ فنکشن مالیاتی، آپریشنل اور کمپلائنس کنٹرولز کا جائزہ لیتا ہے اور نتائج کو اور بورڈ کی آڈٹ کمیٹی کو نتائج کی رپورٹ دیتا ہے۔

اہم تبدیلیاں

30 جون 2024 سے رپورٹ کی تاریخ تک کوئی قابل ذکر تبدیلی نہیں آئی ہے اور کمیٹی نے اس عرصے کے دوران کوئی اہم معاہدہ نہیں کیا ہے، جس سے کمیٹی کی مالی حالت پر منفی اثرات مرتب ہوں۔ تمام اہم

ڈائریکٹرز کی رپورٹ

بورڈ آف ڈائریکٹرز کی جانب سے، ہم 30 جون 2024 کو ختم ہونے والے سال کے لیے مالی گوشوارے آڈٹ شدہ اکاؤنٹس اور آڈیٹرز کی رپورٹ کے ساتھ ڈائریکٹرز کی رپورٹ پیش کر رہے ہیں۔ کمپنی ایکٹ، 2017 کے سیکشن 227 کے تحت تیار کردہ ڈائریکٹرز کی رپورٹ کو 24 اکتوبر 2024 کو ہونے والی کمپنی کی سالانہ جنرل میٹنگ میں ممبران کے سامنے پیش کیا جائے گا۔

بنیادی سرگرمیاں

کمپنی کا بنیادی کاروبار گاڑیوں کی اسمبلی/ترقی پسند میڈیوٹیکس ہے جس میں چیری ایس یووی کی مسافر کاریں، جے اے سی ٹرک، ڈونگ فینگ اور رینالٹ ٹرک کی مکمل طور پر پلٹ اپ حالت میں درآمد اور فروخت، اسپتیر پارٹس کی فروخت اور کنٹریکٹ ایگریمنٹ کے تحت دیگر گاڑیوں کی اسمبلی شامل ہیں۔

ادارے کے مالیاتی نتائج

30 جون 2024 کو ختم ہونے والے سال کے مالی نتائج کا خلاصہ ذیل میں دیا گیا ہے

	2023	2024
		(روپے ہزاروں میں)
آمدنی	10,033,096	5,385,066
(نقصان)/ منافع قبل از ٹیکس	243,279	(252,188)
ٹیکس		
موجودہ	(132,274)	(67,569)
موخر شدہ	(47,309)	60,951
	(179,583)	6,618
(نقصان)/ منافع سال کے لیے	63,696	(258,806)
دیگر جامع آمدنی	9,243	2,188,393
مجموعی جامع آمدنی سال کے لیے	72,939	1,929,587
جمع شدہ منافع		
آگے منتقل کیا گیا۔	2,281,351	2,386,287
اضافی فرسودگی	31,997	30,371
	2,313,348	2,416,658
جمع شدہ منافع آگے منتقل کیا گیا	2,386,287	1,158,994
(نقصان)/ آمدنی فی شیئر	1.12	(4.54)

نقصان کی وجوہات اور منافع کے مستقبل میں امکانات

سال بھر کے دوران، ہماری معیشت کو ہم چیلنجوں کا سامنا رہا ہے، بنیادی طور پر بلند شرح سود اور افراط زر سے طلب میں کمی آئی ہے اور بڑے پیمانے پر مینوفیکچرنگ میں سست روی کا باعث بنی ہے۔ اس کمی کے نتیجے میں درآمدات میں بھی کمی آئی ہے۔ سال کے دوران نقصان کی بنیادی وجہ کم حجم اور درآمدی مواد کی بہت زیادہ لاگت اور کاروبار کرنے کی زیادہ لاگت بالخصوص اور ہیز اور مالیاتی لاگت ہے۔ مشکل کاروباری ماحول کے باوجود اس بات کے شواہد ہیں کہ معیشت مستحکم ہونا شروع ہو رہی ہے۔ اسٹیٹ بینک آف پاکستان نے حالیہ دنوں میں پالیسی ریٹ اور زر مبادلہ میں اتار چڑھاؤ کی سطح کو کم کرنا شروع کر دیا ہے۔

ہولڈنگ کمپنی

بیو جی سروسز (پرائیویٹ) لمیٹڈ، جس کی تشکیل پاکستان میں ہوئی، گندھارا آٹوموبائلز لمیٹڈ کی ہولڈنگ کمپنی ہے۔

چیئرمین کا جائزہ

سالانہ رپورٹ میں شامل چیئرمین کا جائزہ کاروبار کی نوعیت، کمپنی کی کارکردگی، مستقبل کے امکانات اور غیر یقینی صورتحال سے متعلق ہے۔

ڈیویڈنڈ

مستقبل کے ورکنگ کپٹل کی ضرورت اور کمپنی کی نقد رقم پیدا کرنے کی صلاحیت کے لیے کاروباری ضرورت کو مد نظر رکھتے ہوئے، کمپنی کے بورڈ آف ڈائریکٹرز نے کوئی ڈیویڈنڈ، نقد یا دوسری صورت میں ادا نہ کرنے کا فیصلہ کیا ہے۔

بورڈ آف ڈائریکٹرز اور اس کی کمیٹیاں

بورڈ

بورڈ تین آزاد ڈائریکٹرز، ایک ایگزیکٹو اور چھ نان ایگزیکٹو ڈائریکٹرز پر مشتمل ہے۔ کمپنی کے ڈائریکٹرز کو 2 فروری 2022 کو منعقدہ کمپنی کی غیر معمولی جنرل میٹنگ میں دوبارہ منتخب کیا گیا۔ صنعتی مساوات کی بورڈ کی پالیسی کے مطابق، کمپنی بورڈ آف ڈائریکٹرز میں ایک خاتون ممبر کے ساتھ بورڈ آف ڈائریکٹرز میں خواتین کی نمائندگی کو برقرار رکھتی ہے۔

بورڈ میں تبدیلیاں

سال کے دوران، جناب محمد جاوید اقبال (FCA) نے بورڈ سے استعفیٰ دے دیا اور بورڈ نے جناب عاصم ارشد کو قانونی وقت کی حدود میں بورڈ کا ممبر مقرر کیا۔ بورڈ سبکدوش ہونے والے ڈائریکٹرز کی خدمات کو سراہتا ہے اور نئے ڈائریکٹرز کا خیر مقدم کرتا ہے اور کمپنی کے لیے ان کی قیمتی شراکت کا منتظر ہے۔

انسانی وسائل اور معاوضہ کمیٹی (HR&R)

کمیٹی ملازمین کے معاوضے/معاوضے کا جائزہ لینے اور بہتری کی سفارش کرنے اور سینئر ایگزیکٹوز کی ترقی کے لیے پالیسیاں وضع کرنے کے لیے سالانہ اجلاس کرتی ہے۔ کمپنی کے سی ای او اور کمپنی کے ایچ آر کے سربراہ نے ہیومن ریسورس اور ریٹرنیشن کمیٹی کے اجلاس میں شرکت کی۔ کمیٹی کا اجلاس 2023-24 کے دوران ایک بار ہوا۔

بورڈ آڈٹ کمیٹی (BAC)

بورڈ کی آڈٹ کمیٹی اپنی نگرانی کی ذمہ داریوں کو پورا کرنے میں، بنیادی طور پر شیئر ہولڈرز کو مالی اور غیر مالیاتی معلومات کا جائزہ لینے اور رپورٹ کرنے، اندرونی کنٹرول کے نظام اور رسک مینجمنٹ اور آڈٹ کے



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GHANDHARA AUTOMOBILIES LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of **Ghandhara Automobiles Limited** - (the Company), which comprise the statement of financial position as at June 30, 2024, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2024 and of the loss and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report

Following are the Key Audit Matters:

S.No. Key Audit Matter

How the matter was addressed in our audit

1. Revaluation / capitalization of operating fixed assets

As disclosed in notes 5.3 and 20 to the financial statements, the Company during the year revalued its freehold land, buildings on freehold land and plant and machinery along-with assembly jigs that resulted in net surplus / gain of Rs.2,348,028 thousand.

Also the Company, incurred capital expenditure with additions made to its operating fixed assets as disclosed in note 5.1 to the financial statements.

Our audit procedures in respect of this area included:

- Obtained an understanding of the management controls over capitalization and on a sample basis, test relevant controls over authorization and recording in the system;
- On a sample basis, tested the costs incurred with underlying supporting documentations i.e. purchase orders, delivery challans, supplier invoices, payment and other relevant documents;
- Evaluate the nature of costs on a sample basis to ensure capitalization criteria of relevant accounting and reporting standards;
- Reviewed / assessed revaluation report of independent valuer for revaluation of freehold land, buildings on freehold land and plant & machinery along-with assembly jigs. Also, recalculated the computation for revaluation surplus; and
- Considered the adequacy of the disclosures made in the financial statements in relation to the above.

2. Revenue recognition

Refer notes 4.13 and 29 to the financial statements. The Company is engaged in assembly / progressive manufacturing of vehicles including vehicles under contract agreement and import & sale of vehicles in Completely Built-up condition. The Company recognized revenue from the sales aggregating to Rs.5,385,066 thousand for the year ended June 30, 2024 with an decrease of 46.33% from last year. We identified recognition of revenue as a key audit matter due to significant decrease and it includes large number of revenue transactions involving a large number of customers spread in various geographical locations. Further, revenue is one of the key performance indicator of the Company.

Our audit procedures in respect of this area included:

- Obtained an understanding of the Company's processes and related internal controls for revenue recognition and on a sample basis, tested the operating effectiveness of those controls;
- Assessed the appropriateness of the Company's revenue accounting policies and their compliance with applicable financial reporting standard;
- Compared a sample of revenue transactions recorded during the year with sales orders, applicable sale value, sales invoices, receipt vouchers, delivery letters and other relevant underlying documents;
- Performed cut-off procedures on near year end sale transactions to ensure revenue has been recorded in the correct period;
- Ensured sales prices are approved by appropriate authority;
- Verified, on a test basis, discounts and commission with supporting documentation; and
- We also considered the adequacy of the related disclosures and assessed these are in accordance with the applicable financial reporting standards and the Companies Act, 2017 (XIX of 2017).

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Based on our audit, we further report that in our opinion:

- proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditors' report is Osman Hameed Chaudhri.

Shine wing Hameed Chaudhri & Co.

SHINEWING HAMEED CHAUDHRI & CO.

CHARTERED ACCOUNTANTS

KARACHI;

Date: September 26, 2024

UDIN: AR202410104yAnjJQPBo

Financial Statements (Standalone)



STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2024

	Note	2024 ----- Rupees in '000 -----	2023 ----- Rupees in '000 -----
ASSETS			
Non current assets			
Property, plant and equipment	5	7,646,984	5,392,028
Intangible assets	6	2,359	2,314
Long term investments	7	222,906	222,906
Long term loans	8	4,176	1,473
Long term deposits	9	31,760	26,252
Due from the Subsidiary Company	10	158,539	272,242
		8,066,724	5,917,215
Current assets			
Stores, spares and loose tools		236,171	225,733
Stock-in-trade	11	1,802,507	1,654,704
Trade debts	12	405,311	247,589
Loans and advances	13	24,055	46,348
Deposits and prepayments	14	7,264	14,789
Other receivables	15	48,207	77,415
Accrued interest / mark-up	16	15,131	46,658
Taxation - net		712,352	559,333
Bank balances	17	1,051,140	1,302,234
		4,302,138	4,174,803
Total assets		12,368,862	10,092,018

Chief Executive Officer

Director

Chief Financial Officer

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2024

	Note	2024 ----- Rupees in '000 -----	2023 ----- Rupees in '000 -----
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	18	570,025	570,025
Capital reserves		1,102,721	1,102,721
- share premium		1,000,000	-
- reserve for capital expenditures	19	4,267,407	2,110,527
- surplus on revaluation of fixed assets	20	6,370,128	3,213,248
Revenue reserve - unappropriated profits		1,158,994	2,386,287
Total equity		8,099,147	6,169,560
Liabilities			
Non current liabilities			
Lease liabilities	21	96,424	67,969
Long term borrowings	22	534,277	764,451
Deferred income - government grants	23	110,246	151,706
Long term deposits	24	65,726	57,226
Deferred taxation	25	403,666	303,373
		1,210,339	1,344,725
Current liabilities			
Trade and other payables	26	1,572,816	1,317,904
Accrued mark-up		58,392	68,684
Short term borrowings	27	1,056,496	692,287
Current portion of lease liabilities	21	40,976	29,512
Current maturity of long term borrowings	22	278,657	413,618
Current portion of deferred income - government grants	23	41,460	45,149
Unclaimed dividends		10,579	10,579
		3,059,376	2,577,733
Total liabilities		4,269,715	3,922,458
Contingencies and commitments	28		
Total equity and liabilities		12,368,862	10,092,018

The annexed notes from 1 to 47 form an integral part of these financial statements.

Chief Executive Officer

Director

Chief Financial Officer

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 ----- Rupees in '000 -----	2023
Revenue	29	5,385,066	10,033,096
Cost of sales	30	(5,146,338)	(9,396,687)
Gross profit		238,728	636,409
Distribution cost	31	(130,796)	(170,041)
Administrative expenses	32	(274,832)	(258,505)
Other income	33	283,591	417,037
Other expenses	34	(19,519)	(87,423)
Profit from operations		97,172	537,477
Finance cost	35	(349,360)	(294,198)
(Loss) / profit before levies and income tax		(252,188)	243,279
Minimum tax differential	36	(69,844)	(69,266)
Final tax		-	(978)
(Loss) / profit before income tax		(322,032)	173,035
Income tax			
Current tax - for the year including super tax	36	-	(63,679)
- for the prior years		2,275	1,649
Deferred tax - income / (charge)	36.2	60,951	(47,309)
		63,226	(109,339)
(Loss) / profit for the year		(258,806)	63,696
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Surplus on revaluation of fixed assets	5.3	2,348,028	-
Impact of deferred tax		(160,777)	-
Re-measurement of staff retirement benefit obligation		1,609	13,018
Impact of deferred tax		(467)	(3,775)
Other comprehensive income for the year - net of tax		2,188,393	9,243
Total comprehensive income for the year		1,929,587	72,939
		----- Rupees -----	
(Loss) / earnings per share - basic and diluted	37	(4.54)	1.12

The annexed notes from 1 to 47 form an integral part of these financial statements.


Chief Executive Officer


Director


Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2024

	Share capital	Capital reserves			Revenue reserve Unappropriated profit	Total
		Share premium	Capital expenditures	Surplus on revaluation of fixed assets		
----- Rupees in '000 -----						
Balance as at July 1, 2022	570,025	1,102,721	-	2,142,524	2,281,351	6,096,621
Total comprehensive income for the year ended June 30, 2023						
Profit for the year	-	-	-	-	63,696	63,696
Other comprehensive income	-	-	-	-	9,243	9,243
	-	-	-	-	72,939	72,939
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred tax	-	-	-	(31,997)	31,997	-
Balance as at June 30, 2023	570,025	1,102,721	-	2,110,527	2,386,287	6,169,560
Transfer to reserves for capital expenditures (note 19)	-	-	1,000,000	-	(1,000,000)	-
Total comprehensive income for the year ended June 30, 2024						
Loss for the year	-	-	-	-	(258,806)	(258,806)
Other comprehensive income	-	-	-	2,187,251	1,142	2,188,393
	-	-	-	2,187,251	(257,664)	1,929,587
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred tax	-	-	-	(30,371)	30,371	-
Balance as at June 30, 2024	570,025	1,102,721	1,000,000	4,267,407	1,158,994	8,099,147

The annexed notes from 1 to 47 form an integral part of these financial statements.


Chief Executive Officer


Director


Chief Financial Officer

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
	----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / profit before levies and income tax	(252,188)	243,279
Adjustments for non-cash charges and other items:		
Depreciation and amortisation	325,743	346,382
Provision for gratuity	14,461	13,829
Provision / (reversal) of expected credit losses	1,046	(1,014)
Interest income	(233,141)	(342,459)
Dividend income	-	(6,372)
Gain on disposal of property, plant and equipment	(272)	(6,020)
Capital work in progress - written off	19,280	-
Gain on disposal of investments	-	(13,186)
Finance cost	342,380	290,856
Exchange loss - net	239	68,475
Operating profit before working capital changes	217,548	593,770
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(10,438)	(56,498)
Stock-in-trade	(147,803)	1,076,672
Trade debts	(158,768)	83,748
Loans and advances	22,293	9,066
Deposit and prepayments	7,525	(14,176)
Other receivables	29,208	212,527
	(257,983)	1,311,339
Increase / (decrease) in trade and other payables	242,632	(3,996,440)
Cash generated from / (used in) operations	202,197	(2,091,331)
Contribution paid to gratuity fund	(811)	(29,127)
Long term loans - net	(2,703)	3,281
Long term deposits - net	8,500	29,000
Finance cost paid	(352,672)	(258,911)
Taxes paid - net	(220,588)	(386,250)
Net cash used in operating activities - carried forward	(366,077)	(2,733,338)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
	----- Rupees in '000 -----	
Net cash used in operating activities - brought forward	(366,077)	(2,733,338)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for fixed capital expenditure	(176,613)	(260,548)
Payments for intangible assets	(712)	(900)
Proceeds from disposal of property, plant and equipment	5,979	22,180
Interest income received	264,668	338,922
Due from Subsidiary Company - net	113,703	524,785
Gain on disposal of investments	-	13,186
Long term deposits - net	(5,508)	(3,104)
Investments	-	675,863
Dividend received	-	6,372
Net cash generated from investing activities	201,517	1,316,756
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment against lease liabilities	(40,459)	(32,318)
Long term borrowings - obtained	-	354,027
Long term borrowings - repaid	(410,284)	(321,378)
Short term borrowings - net	364,209	598,522
Dividends paid	-	(22)
Net cash (used in) / generated from financing activities	(86,534)	598,831
Net decrease in cash and cash equivalents	(251,094)	(817,751)
Cash and cash equivalents at beginning of the year	1,302,234	2,119,985
Cash and cash equivalents at end of the year	1,051,140	1,302,234

The annexed notes from 1 to 47 form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

1. THE COMPANY AND ITS OPERATIONS

Ghandhara Automobiles Limited formerly 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 (BSL). 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 Company has changed its name from Ghandhara Nissan Limited to Ghandhara Automobiles Limited, approved by the Securities and Exchange Commission of Pakistan through a certificate of Incorporation on Change of Name dated April 18, 2023.

The principal business of the Company is assembly / progressive manufacturing of vehicles including JAC Trucks and Pick ups and Chery SUVs, import and sale of parts / 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 financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise:

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

Where provision of and directives issued under the Companies Act, 2017 differ from the IFRS, the provision of and directives issued under the Companies Act, 2017 have been followed.

2.2 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is the functional currency of the Company and figures are rounded off to the nearest thousand of rupees unless otherwise specified.

2.3 New and amended standards and interpretations

2.3.1 Standards and amendments to approved accounting standards effective in current year

New and amended standards mandatory for the first time for the financial year beginning July 1, 2023:

- (a) Amendments to IAS 1, 'Presentation of Financial Statements' is applicable on accounting periods beginning on or after January 1, 2023. The amendments includes requiring companies to disclose their material accounting policies rather than their significant accounting policies, clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed and also clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

- (b) Amendments to IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' will be applicable on accounting periods beginning on or after January 1, 2023. The International Accounting Standards Board (the Board) has issued amendments to end diversity in treatment of accounting estimates and clarified how companies should distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. Developing an accounting estimate includes both selecting a measurement technique (estimation or valuation technique) – e.g. an estimation technique used to measure a loss allowance for expected credit losses when applying IFRS 9 Financial Instruments; and – choosing the inputs to be used when applying the chosen measurement technique – e.g. the expected cash outflows for determining a provision for warranty obligations when applying IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The effects of changes in such inputs or measurement techniques are changes in accounting estimates.

The other new standards, amendments to published accounting and reporting standards and interpretations that are mandatory in Pakistan for the financial year beginning on July 1, 2023 are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations.

2.3.2 Standards, amendments to approved accounting standards and interpretations that are not yet effective and have not been early adopted by the Company

The following new standards and amendments to approved accounting standards are not effective for the financial year beginning on July 1, 2023 and have not been early adopted by the Company:

- (a) Amendments to IAS 1, 'Presentation of Financial Statements' is applicable on accounting periods beginning on or after January 1, 2024. Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of this amendments, the requirement for a right to be unconditional has been removed and instead, the amendments requires that a right to defer settlement must have substance and exist at the end of the reporting period. This right may be subject to a company complying with conditions (covenants) specified in a loan arrangement. At October 31, 2022, after reconsidering certain aspects of the amendments, the IASB reconfirmed that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date.
- (b) Amendments to IFRS 16, 'Sale and leaseback transaction' is applicable on accounting periods beginning on or after January 1, 2024. Amendments impact how a seller-lessee accounts for variable lease payments that arise in a sale-and-leaseback transaction. On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains. The amendments introduce a new accounting model for variable payments and will require seller-lessees to reassess and potentially restate sale-and-leaseback transactions entered.
- (c) Amendments to IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: Disclosures' will be applicable on accounting periods beginning on or after January 1, 2024. The amendments are in response to investors' calls for more transparency of Supplier Finance Arrangements' (SFA) impacts on the financial statements and include additional disclosure requirements for companies that enter into these arrangements. The objective of the new disclosures is to provide information about SFAs that enables investors to assess the effects on an entity's liabilities, cash flows and the exposure to liquidity risk. The new disclosures include information about the following:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

- The carrying amounts of financial liabilities that are part of SFAs and the line items in which those liabilities are presented.
- The carrying amount of the financial liabilities for which suppliers have already received payment from the finance providers.
- The range of payment due dates for both the financial liabilities that are part of SFAs, and comparable trade payables that are not part of such arrangements.
- Non-cash changes in the carrying amounts of financial liabilities.
- Access to SFA facilities and concentration of liquidity risk with finance providers.

The IASB has provided transitional relief by not requiring comparative information in the first year, and also not requiring disclosure of specified opening balances. Further, the required disclosures are only applicable for annual periods during the first year of application.

- (d) Amendments to IAS 21 'The effects of Changes in Foreign Exchange Rates' is applicable on accounting periods beginning on or after January 1, 2025. The amendments address situations where a currency may lack exchangeability, often due to government-imposed controls. In such cases, companies must estimate a spot exchange rate reflecting orderly transactions at the measurement date. The amendments provide flexibility, allowing the use of observable rates without adjustment or other estimation techniques, provided they meet the estimation objective. The assessment considers factors like the availability of multiple rates, purpose, nature, and update frequency. The amendments requires new disclosures, including the nature and financial impact of non-exchangeability, the spot exchange rate used, the estimation process, and associated risks.

The management anticipates that the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than in presentation / disclosures. There are a number of other standards, amendments and interpretations to the published standards that are not yet effective and are also not relevant to the Company and, therefore, have not been presented here.

3. BASIS OF MEASUREMENT

- 3.1 These financial statements have been prepared under the historical cost convention, except for certain classes of property, plant and equipment which have been included at revalued amounts and provision for gratuity which is carried at present value of defined benefit obligation net of fair value of plan assets.
- 3.2 The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

The areas where various assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in application of accounting policies are as follows:

- (i) Estimate of useful lives and residual values of property, plant & equipment and intangible assets (notes 4.1 and 4.2)
- (ii) Stock-in-trade (note 4.7)
- (iii) Provision for expected credit losses (note 4.8)
- (iv) Provision for staff benefits (note 4.9)
- (v) Provision for taxation (note 4.11)
- (vi) Provision for warranty (note 4.14.3)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

4. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

4.1 Property, plant and equipment

4.1.1 Operating fixed assets

Owned assets

Operating fixed assets except for freehold land, building on freehold land and plant & machinery are stated at cost less accumulated depreciation and impairment loss, if any. Freehold land is stated at revalued amount and building on freehold land and plant & machinery are stated at revalued amounts less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent cost

Subsequent cost are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and its cost can be reliably measured. Cost incurred to replace a component of an item of operating fixed assets is capitalised and the asset so replaced is retired from use. Normal repairs and maintenance are charged to the statement of during the period in which they are incurred.

Depreciation

Depreciation on all items of operating fixed assets other than freehold land is charged to statement of profit or loss applying the reducing balance method at the rates stated in note 5.1. Depreciation on additions to operating fixed assets is charged from the month in which an asset is acquired or capitalised while no depreciation is charged for the month in which the asset is disposed-off.

The depreciation method and useful lives of items of operating fixed assets are reviewed periodically and altered if circumstances or expectations have changed significantly. Any change is accounted for as a change in accounting estimate by changing depreciation charge for the current and future periods.

Disposal

Gains or losses on disposal or retirement of fixed assets are determined as the difference between the sale proceeds and the carrying amounts of assets and are included in the statement of profit or loss.

Revaluation of assets

Revaluation is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from the fair value. Any Surplus on revaluation of fixed assets is recognized in other comprehensive income and presented as a separate component of equity as "Surplus on revaluation of fixed assets", except to the extent that it reverses a revaluation decrease for the same asset previously recognized in statement of profit or loss, in which case the increase is credited to statement of profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation of operating fixed assets is charged to statement of profit or loss to the extent that it exceeds the balance, if any, held in the revaluation surplus on operating fixed assets relating to a previous revaluation of that asset. The revaluation reserve is not available for distribution to the Company's shareholders.

4.1.2 Right of use assets

The Company generally leases vehicles for his employees and own use. At the inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease term for vehicle is normally for five years.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

Leases are recognized as right of use assets and corresponding liabilities at the date at which the leased assets are available for use by the Company.

The lease liabilities are initially measured at the present value of the remaining lease payments at the commencement date, discounted using the interest rate implicit in the lease. Lease payment includes principle along with interest. The lease liabilities are subsequently measured at amortised cost using the effective interest rate.

Right of use assets are initially measured based on the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right of use assets are depreciated on reducing balance method. The carrying amount of the right of use asset is reduced by impairment losses, if any. At transition, the Company recognized right of use assets equal to the present value of lease payments.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in statement of profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Impairment

The Company assesses at each reporting date whether there is any indication that operating fixed assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is taken to statement of profit or loss except for impairment loss on revalued assets, which is adjusted against related revaluation surplus to the extent that the impairment loss does not exceed the surplus on revaluation of that asset.

4.1.3 Capital work-in-progress

Capital work-in-progress is stated at cost less identified impairment loss, if any. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to specific assets as and when assets are available for use.

4.2 Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment loss, if any.

Cost associated with developing or maintaining computer software programs are recognized as an expense as incurred. Costs that are directly associated with identifiable and unique software products controlled by the Company and will probably generate economic benefits exceeding costs beyond one year, are recognized as intangible assets. Direct costs include staff cost, costs of the software development team and an appropriate portion of relevant overheads.

Subsequent expenditure

Expenditure which enhance or extend the performance of computer software programs beyond their original specifications are recognized as capital improvement and added to the original cost of the software.

Amortisation

Intangible assets are amortised using the reducing balance method at the rate stated in note 6.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

4.3 Financial assets

4.3.1 Classification

The Company has classified its financial assets into following categories: financial assets at amortised cost, financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. The financial assets are classified at initial recognition based on the business model used for managing the financial assets and contractual terms of the cash flows.

(a) Financial assets at amortised cost

A financial asset shall be classified as financial asset at amortised cost if both of the following conditions are met:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) Financial assets at fair value through other comprehensive income

The fair value through other comprehensive income classification is mandatory for certain debt instrument assets unless the option to classify as fair value through profit or loss is taken.

If an equity investment is not held for trading, an entity can make an irrevocable election at initial recognition to measure it at fair value through other comprehensive income with only dividend income recognized in statement of profit or loss.

(c) Financial assets at fair value through profit or loss

A debt instrument can be classified as a financial asset at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains or losses on them on different bases.

All equity instruments are to be classified as financial assets at fair value through profit or loss, except for those equity instruments for which the Company has elected to present value changes in other comprehensive income.

4.3.2 Recognition and measurement

Regular purchases and sales of financial assets are recognized on the trade date i.e. the date on which the Company commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed in the statement of profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

After initial recognition, an entity shall measure a financial asset at fair value or amortised cost.

Gains or losses arising from changes in fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of profit or loss within 'Other income / other expenses' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognized in the statement of profit or loss as part of 'Other income' when the Company's right to receive payments is established.

Gains or losses arising from changes in fair value of the 'financial assets at fair value through other comprehensive income' category are recognized in other comprehensive income with only dividend income recognized in statement of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

4.4 Financial liabilities

Financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. All financial liabilities are recognized initially at fair value less directly attributable transactions costs, if any, and subsequently measured at amortised cost using effective interest method unless financial liabilities are held for trading, in which case it is required to be measured at fair value through profit or loss or where entity elects to measure at financial liability, under fair value option.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of original liability and recognition of a new liability and the difference in respective carrying amounts is recognized in the statement of profit or loss.

4.5 Off-setting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counter party.

4.6 Stores, spares and loose tools

Stores, spares and loose tools are stated at the cost which is based on weighted average cost less provision for obsolescence, if any. Items in transit are stated at cost comprising of invoice value plus other charges thereon accumulated up to the reporting date.

4.7 Stock-in-trade

These are valued at lower of cost and net realisable value. The cost of various classes of stock-in-trade is determined as follows:

<u>Stock category</u>	<u>Valuation method</u>
Complete Knock Down Kits (CKD)	Specific cost identification
Complete Built-up Units (CBU)	Specific cost identification
Local raw materials	At cost on weighted average basis.
Work-in-process and finished goods	At cost which comprises of raw materials, import incidentals, direct labour and appropriate portion of manufacturing overheads.
Stock-in-transit	At invoice price plus all charges paid thereon up to the reporting date.

Net realisable value signifies the estimated selling price in the ordinary course of business less costs necessary to be incurred in order to make the sale.

4.8 Trade debts and other receivables and related impairment

Trade debts and other receivables are classified as financial assets at amortised cost according to IFRS 9.

Trade debts are initially recognized at original invoice amount which is the fair value of the consideration to be received in future and subsequently measured at cost less provision for doubtful debts. The Company uses simplified approach for measuring the expected credit losses for all trade and other receivables including contract assets based on lifetime expected credit losses. The Company has estimated the credit losses using a provision matrix where trade receivables are grouped based on different customer attributes along with historical, current and forward looking assumptions. Debts considered irrecoverable are written off.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

4.9 Staff benefits

4.9.1 Defined benefit plan

The Company operates funded gratuity scheme which defines the amount of benefit that an employee will receive on retirement subject to minimum qualifying period of service under the scheme. The amount of retirement benefit is usually dependent on one or more factors such as age, years of service and salary. Provision for gratuity is made annually to cover obligation under the scheme in accordance with the actuarial recommendations. Latest actuarial valuation was conducted on June 30, 2024 on the basis of the projected unit credit method by an independent Actuary. The liability recognized in the statement of financial position in respect of defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

The amount arising as a result of re-measurement is recognized in the statement of financial position immediately, with a charge or credit to other comprehensive income in the periods in which they occur. Past-service cost, if any, are recognized immediately in income.

4.9.2 Defined contribution plan

The Company operates defined contribution plan (i.e. recognized provident fund scheme) for all its permanent employees. The Company and the employees make equal monthly contributions to the fund at the rate of 8.33% of the basic salary and cost of living allowance. The assets of the fund are held separately under the control of trustees.

4.10 Trade and other payables

Trade and other payables are stated at their cost which is the fair value of the consideration to be paid in future for goods and services, whether or not billed to the Company.

4.11 Taxation

Income tax expense represents the sum of current tax payable, adjustments, if any, to provision for tax made in previous years arising from assessments framed during the year for such years and deferred tax.

Current

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in the previous years arising from assessments framed during the year for such years.

Deferred

Deferred tax is recognized using the balance sheet method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

In accordance with Income Tax Ordinance, 2001 (Ordinance), computation of final taxes is not based on taxable income and as per revised guidance mentioned in note 4.9, these fall within the scope of IFRIC 21 / IAS 37 and accordingly have been classified as levy in these financial statements. Further, the Company designate the amount calculated on taxable income using the notified tax rate as an income tax within the scope of IAS 12 'Income Taxes' and recognise it as current income tax expense. Any excess over the amount designated as income tax, is then recognised as a levy falling under the scope of IFRIC 21/IAS 37.

During the year the Institute of Chartered Accountant of Pakistan (ICAP) have withdrawn the Technical Release 27 "IAS 12, Income Taxes (Revised 2012)" and issued guidance - "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes". The said guidance requires certain amounts of tax paid under minimum and final tax regime to be shown separately as a levy instead of showing it in current tax.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

Accordingly, the impact has been incorporated in these financial statements retrospectively in accordance with the requirement of International Accounting Standard (IAS 8) - 'Accounting Policies, Change in Accounting Estimates and Errors'. There has been no effect on the statement of financial position, the statement of cash flows and earning per share as a result of this change.

4.12 Provisions, contingent assets and contingent liabilities

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Contingent assets are not recognized and are also not disclosed unless an inflow of economic benefits is probable and contingent liabilities are not recognized and are disclosed unless the probability of an outflow of resources embodying economic benefits is remote.

4.13 Revenue recognition

The Company recognises revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those good and services. The Company recognises revenue in accordance with that core principle by applying the following steps:

- Identify the contract with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognise revenue when the entity satisfies a performance obligation

The Company sales locally assemble heavy & light commercial vehicles and their parts. Revenue from sale of goods is recognized when the Company satisfies a performance obligation (at a point of time) by transferring promised goods to customer being when the goods are dispatched to customers. Income from different sources other than above is recognized on the following basis:

- Return on bank deposits, term deposit receipts and scrap sales is accounted for on accrual basis.
- Dividend income is recognized when the right to receive payment is established.

4.14 SUMMARY OF OTHER ACCOUNTING POLICIES

4.14.1 Share capital

Ordinary shares are classified as equity and recognized at their face value.

4.14.2 Mark-up bearing loans and borrowings

Mark-up bearing loans and borrowings are recorded at the proceeds received. Finance charges are accounted for on accrual basis.

4.14.3 Warranty obligations

The Company recognises the estimated liability, on an accrual basis, to replace or repair parts of trucks under warranty at the reporting date, and recognises the estimated product warranty costs in statement of profit or loss net off amount received from principle on account of warranty claims when the sale is recognized.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

4.14.4 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at amortised cost. For the purpose of cash flow statement, cash and cash equivalents comprise of balances with banks and cash in hand.

4.14.5 Borrowing cost

Borrowing cost are recognized as an expense in the period in which they are incurred except where such costs are directly attributable to the acquisition, construction or production of a qualifying asset in which case such costs are capitalised as part of the cost of that asset.

4.14.6 Government grants

Government grants are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all conditions of the grant. The benefit of a government loan at a below-market rate of interest is treated as a government grant. Government grants relating to costs are deferred and recognized in the statement of profit or loss over the period necessary to match them with the costs that they are intended to compensate.

4.14.7 Foreign currency transactions and translation

The foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of transactions. The closing balance of non-monetary items is included at the exchange rate prevailing on the date of the transaction and monetary items are translated using the exchange rate prevailing on the reporting date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in statement of profit or loss with other income / other operating expenses.

4.14.8 Segment reporting

Segment information is presented on the same basis as that used for internal reporting purposes by the Chief Operating Decision Maker, who is responsible for allocating resources and assessing the performance of the operating segments. On the basis of its internal reporting structure, the Company considers itself to be a single reportable segment.

4.14.9 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

4.14.10 Dividend and appropriation to reserves

Dividend and other appropriations to reserves are recognized in the period in which they are approved.

5. PROPERTY, PLANT AND EQUIPMENT

		2024	2023
Note	----- Rupees in '000 -----		
	Operating fixed assets	7,420,665	5,101,227
	Capital work-in-progress includes:		
5.8	Buildings	189,000	136,922
	Plant and machinery	33,445	129,503
	Softwares, computers, and servers	3,874	24,376
		226,319	290,801
		7,646,984	5,392,028

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

5.7 The details of operating fixed assets disposed during the year are as follows:

Particular of assets	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain	Mode of disposal	Particular of buyers
Item having book value exceeding Rs.500,000 each							
Vehicles	2,109	1,437	672	699	27	Company policy	Mr. Sheikh Naeem Ahmed (Employee)
	1,990	1,254	736	824	88		Mr. Sohail Ahmed Sheikh (Ex-employee)
	2,885	1,336	1,549	1,549	-		Mr. Faisal Hameed (Key Management Personal)
	6,984	4,027	2,957	3,072	115		
Items having book value up to Rs.500,000 each	8,921	6,171	2,750	2,907	157		
June 30, 2024	15,905	10,198	5,707	5,979	272		
June 30, 2023	51,113	34,953	16,160	22,180	6,020		

5.8 Rs.189,000 thousand (2023: Rs. 125,000 thousand) advance paid to Business Vision (Private) Limited - a related party against reservation of floor in project name SKY GARDEN located at office building at plot no.108, C.F, 1-5, old Clifton quarters, Karachi.

6. INTANGIBLE ASSETS

These represent computer software licenses.

Cost

At beginning of the year
Addition during the year
At end of the year

Accumulated amortisation

At beginning of the year
Charge for the year
At end of the year

Net book value

Rate of amortisation (% - per annum)

Note	2024	2023
	6,019	5,119
	712	900
	6,731	6,019
	3,705	3,159
32	667	546
	4,372	3,705
	2,359	2,314
	25	25

7. LONG TERM INVESTMENTS

Subsidiary Company - at cost

Gandhara DF (Private) Limited
14,999,500 (2023: 14,999,500) ordinary shares of Rs.10 each

Equity held: 99.99% (2023: 99.99%)

Break-up value per share on the basis of latest financial statements is Rs.85.63 (2023:Rs.46.88)

Associated Company - at cost

Gandhara Industries Limited (GIL)
8,132,336 (2023: 8,132,336) ordinary shares of Rs.10 each

Equity held: 19.09% (2023: 19.09%)

Fair value: Rs.2,223,299 thousand (2023: Rs.654,978 thousand)

Others - available for sale

Automotive Testing & Training Centre (Private) Limited

187,500 (2023: 187,500) ordinary shares of Rs.10 each - cost

Provision for impairment

	149,995	149,995
7.1	72,911	72,911
	1,875	1,875
	(1,875)	(1,875)
	-	-
	222,906	222,906

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

7.1 2,000,000 (2023: 2,000,000) shares of GIL having fair value Rs. 546,780 thousand (2023: Rs. 161,080 thousand) are under lien of a commercial bank as collateral against short term finance facility.

8. LONG TERM LOANS - Unsecured, considered good and interest free

Loans to employees

Related parties - Key Management Personnel

Other employees

Less: amounts recoverable within one year and grouped under current assets

Related parties - Key Management Personnel

Other employees

Note	2024	2023
	180	-
8.1 & 8.2	6,136	4,626
8.1	6,316	4,626
	180	-
13	1,960	3,153
	2,140	3,153
	4,176	1,473

8.1 These represent interest free loans provided to employees of the Company as per terms of employment for various purposes. These loans are repayable on monthly instalments, which vary from case to case.

8.2 The maximum aggregate amount outstanding at the end of any month during the year ended June 30, 2024 from Key Management Personnel aggregated to Rs.510 thousand (2023: Rs.483 thousand).

8.3 The carrying values of these loans are neither past due nor impaired. The credit quality of these financial assets can be assessed with reference to no default in recent history.

9. LONG TERM DEPOSITS - Unsecured, considered good and interest free

Deposits held with / against:

Central Depository Company of Pakistan Limited

Lease facilities

Utilities

Others

Note	2024	2023
	25	25
	23,200	17,917
	8,414	8,189
	121	121
	31,760	26,252

10. DUE FROM THE SUBSIDIARY COMPANY - Unsecured and interest bearing

10.1 The Company has an aggregate cash limit of Rs.800,000 thousand (2023: Rs.800,000 thousand) that can be provided as loan to Gandhara DF (Private) Limited (Subsidiary company) for its working capital requirements. This advance is unsecured and has been granted for a period of three years. It carries mark-up at rate of six months KIBOR+1.85% and is receivable on quarterly basis.

10.2 The maximum aggregate amount of loan at the end of any month during the year was Rs.400,146 thousand (2023: Rs.799,360 thousand).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

11. STOCK-IN-TRADE

	2024	2023
Note	Rupees in '000	
Raw materials		
In hand	484,908	748,449
Provision for slow moving inventories	(11,184)	(11,184)
	473,724	737,265
In transit	537,460	117,533
	1,011,184	854,798
Finished goods		
In hand		
Complete built units - trucks and cars	-	134,896
Complete knockdown units - trucks and cars	214,171	323,880
Spare parts	326,183	182,640
Held with third parties		
Complete built units - trucks and cars	-	17,387
Complete knockdown units - trucks and cars	221,374	113,769
In transit		
Spare parts	29,595	27,334
	791,323	799,906
	1,802,507	1,654,704

11.1 The present and future stock-in-trade, trade debts and receivables aggregating Rs.6,288,017 thousand (2023: Rs.6,288,017 thousand) are under pledge / joint hypothecation charge with banks against short term borrowings (Refer note 27).

12. TRADE DEBTS - Unsecured

	2024	2023
Note	Rupees in '000	
Considered good against sale of		
Vehicles and assembly charges	390,000	238,879
Spare parts	15,311	8,710
	405,311	247,589
Considered doubtful		
Provision for expected credit losses	4,607	3,561
	409,918	251,150
	(4,607)	(3,561)
	405,311	247,589

12.1 Trade debts include the following amounts due from related parties:

	2024	2023
Gandhara DF (Private) Limited	63,567	38
Gandhara Industries Limited	24,873	90,243
	88,440	90,281

12.2 The ageing of the trade debts receivable from related parties as at the reporting date is as follows:

	2024	2023
Note	Rupees in '000	
Up to 3 months	88,440	90,281

12.3 The maximum aggregate amount of trade receivable from related parties at the end of any month during the year was Rs.114,609 thousand (2023: Rs.135,619 thousand).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

12.4 Movement in provision for expected credit losses

	2024	2023
Note	Rupees in '000	
Balance at beginning of the year	3,561	4,575
Charge / (reversal) for the year - net	1,046	(1,014)
Balance at end of the year	4,607	3,561

13. LOANS AND ADVANCES - Unsecured, considered good and interest free

	2024	2023
Current portion of long term loans	2,140	3,153
Advances to / against:		
Related party - Key Management Personnel	-	6
Other employees	2,171	1,840
Provision for other employees	(454)	(454)
Suppliers, contractors and others	19,895	41,232
	21,612	42,624
Letters of credit	303	571
	24,055	46,348

14. DEPOSITS AND PREPAYMENTS

	2024	2023
Current account balances with statutory authorities	7,264	14,789

15. OTHER RECEIVABLES

Considered good and interest free

	2024	2023
Due from Subsidiary Company	1,526	1,649
Margin against letters of credit	25,139	63,711
Security deposits and earnest money - interest free	4,252	3,562
Provision for security deposits and earnest money	(3,442)	(3,442)
	810	120
Others including claims receivable	20,732	11,935
	48,207	77,415

15.1 This represents commission accrued on corporate guarantees given to the commercial banks by the Company against banking facilities utilised by the Subsidiary Company.

16. ACCRUED INTEREST / MARK-UP

	2024	2023
Note	Rupees in '000	
Interest / mark-up accrued on:		
- long term advance to Subsidiary Company	1,450	25,066
- term deposits receipts	13,681	21,592
	15,131	46,658

17. BANK BALANCES

	2024	2023
Cash at banks in:		
- current accounts	111,366	176,136
- saving accounts	113,566	70,480
- deposit account	360,120	404,119
- term deposits receipts	470,000	655,411
	1,055,052	1,306,146
Provision for doubtful bank balance	(3,912)	(3,912)
	1,051,140	1,302,234

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

- 17.1 At reporting date, these carry mark-up up to the rate of 20.50% (2023:19.50%) per annum.
- 17.2 This carries mark-up at the rate 21.25% (2023: 20.50%) per annum.
- 17.3 Term deposit receipts (TDRs) have expected maturity of 90 (2023:90) days from respective dates of acquisition. These TDRs carry mark-up at rate of 20.36% (2023: 20.40%) per annum.
- 17.4 These are under lien as cash margin against financing facilities availed from financial institutions under Temporary Economic Refinance Facility (TERF). (Refer note 22).
- 17.5 This represents provision made against bank balance held with Indus Bank Limited whose operations were ceased by the State Bank of Pakistan and is under liquidation. The above balance is net of Rs.42,586 thousand deposited in the deposit account and margin account against four letters of credit due in May and June 2000. Despite full payments and several reminders, the payment of above letters of credit has not been made to the supplier of goods. The Company considers that it has discharged its obligation against the said letters of credit.

18. SHARE CAPITAL

18.1 Authorized capital

80,000,000 (2023: 80,000,000) ordinary shares of Rs.10 each

	2024	2023
	----- Rupees in '000 -----	
	800,000	800,000

18.2 Issued, subscribed and paid-up capital

	2024	2023		2024	2023
	----- Rupees in '000 -----				
	Number of shares				
	26,800,000	26,800,000	Ordinary shares of Rs.10 each fully paid in cash	268,000	268,000
	200,000	200,000	Ordinary shares of Rs.10 each for issued as fully paid bonus shares	2,000	2,000
	30,002,500	30,002,500	Ordinary shares of Rs.10 each issued for acquisition	300,025	300,025
	57,002,500	57,002,500		570,025	570,025

18.3 At June 30, 2024, Bibojee Services (Private) Limited (the Holding Company) holds 57.76% (2023: 57.76%) of share capital of the Company.

18.4 The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. All shares rank equally with regard to Company's residual assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

19. RESERVES FOR CAPITAL EXPENDITURE

The Board of Directors of the Company in their meeting held on July 21, 2023, discussed that keeping in view capital expenditure strategy of the Company, the Board, out of revenue reserves, decided to transfer and classify a sum of Rs. 1,000,000 thousand to separate capital reserve for capital expenditures (un-available by way of dividend) to more accurately reflect the nature of these reserves. This reserve represents funds set aside for the purchase of fixed assets in future.

20. SURPLUS ON REVALUATION OF FIXED ASSETS - Net

Balance at beginning of the year
Surplus arisen on revaluation carried-out during the year
Transferred to unappropriated profit on account of incremental depreciation for the year

Less: related deferred tax of:

- opening balance
- surplus arisen during the year
- incremental depreciation for the year
- closing balance

Balance at end of the year

Note	2024	2023
	----- Rupees in '000 -----	
	2,358,988	2,404,054
5.3	2,348,028	-
	(42,776)	(45,066)
	4,664,240	2,358,988
	248,461	261,530
	160,777	-
	(12,405)	(13,069)
	396,833	248,461
	4,267,407	2,110,527

21. LEASE LIABILITIES - Secured

Balance at beginning of the year
Assets acquired during the year
Repaid / adjusted during the year

Current portion grouped under current liabilities

Balance at end of the year

	97,481	63,422
	80,378	66,377
	(40,459)	(32,318)
	137,400	97,481
	(40,976)	(29,512)
	96,424	67,969

21.1 These represent vehicles acquired under diminishing musharakah arrangements from First Habib Modaraba. Rentals are payable on monthly basis. During the year, these financing facilities incurred finance costs at rates ranging from 22.46% to 23.97% (2023: 16.01% to 23.03%) per annum. These facilities are secured against title of the leased vehicles in the name of lessor. The Company intends to exercise its option to purchase the leased vehicles upon completion of the lease terms.

The future minimum lease payments to which the Company is committed under the agreements will be due as follows:

Particulars	Upto one year	From one to five years	2024	Upto one year	From one to five years	2023
	----- Rupees in '000 -----					
Minimum lease payments	61,645	122,361	184,006	44,380	85,783	130,163
Finance cost allocated to future periods	(20,669)	(25,937)	(46,606)	(14,868)	(17,814)	(32,682)
Present value of minimum lease payments	40,976	96,424	137,400	29,512	67,969	97,481

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

22. LONG TERM BORROWINGS

	2024	2023
Note	Rupees in '000	
Demand finance loan	136,188	475,242
Temporary Economic Refinance Facility (TERF)	468,452	499,682
Islamic Temporary Economic Refinance Facility (ITERF)	360,000	400,000
	964,640	1,374,924
Adjustment pertaining to fair value of loan at below market interest rate (government grant) - net	(151,706)	(196,855)
	812,934	1,178,069
Current portion grouped under current liabilities	(278,657)	(413,618)
	534,277	764,451

22.1 Movement in face value of long term loan

	2024	2023
Balance at the beginning of the year	1,374,924	1,342,275
Loan obtained during the year	-	354,027
Loan re-paid during the year	(410,284)	(321,378)
Balance at the end of the year	964,640	1,374,924

22.1.1 The Company had obtained demand finance loan facility amounting Rs.500,000 thousand from Karandaaz Pakistan for the purpose of onwards lending to SME truck owners. The loan carries mark-up at the rate of 3 months KIBOR plus 1.50% and is secured against first pari passu by the way of hypothecation charge over all present and future current assets with 25% margin. This loan is for up to three years from the date of disbursement and is repayable in monthly equal instalments. During the year, the Company did not acquire any additional loan (2023: Rs. 354,027 thousand) and repaid Rs. 339,054 thousand (2023: Rs. 253,329 thousand).

22.1.2 This represents loan received from JS Bank Limited under Temporary Economic Refinance Facility (TERF) introduced by State Bank of Pakistan for the purpose to finance / retire letter of credits for import / purchase of brand new plant and machinery for Chery car project. The facility is secured against 100% cash collateral in shape of lien over 3 months term deposit. Mark-up is chargeable at SBP rate (1%) plus 3.50% bps per annum. The loan is for ten years with a grace period of two years and is repayable in thirty two equal quarterly instalments. During the year, the Company repaid Rs. 31,230 thousand (2023: Rs. Nil).

22.1.3 This represents loan received from Dubai Islamic Bank under Islamic Temporary Economic Refinance Facility (ITERF) introduced by State Bank of Pakistan for the purpose to finance import of brand new plant and machinery for Chery car project. The facility is secured against 100% cash margin under lien over deposit account. Mark-up is chargeable at SBP rate (1%) plus 3% bps per annum. The loan is for seven years with a grace period of two years and is repayable in twenty equal quarterly instalments. During the period, the Company repaid Rs. 40,000 thousand (2023: Rs. Nil).

22.2 Adjustment pertaining to fair value of loan at below market interest rate

	2024	2023
	Rupees in '000	
Balance at beginning of the year	96,855	238,576
Amortisation of loan	(45,149)	(41,721)
Balance at end of the year	151,706	196,855

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

23. DEFERRED INCOME - GOVERNMENT GRANTS

	2024	2023
	Rupees in '000	
Balance at beginning of the year	196,855	238,576
Released to statement of profit or loss	(45,149)	(41,721)
	151,706	196,855
Current portion grouped under current liabilities	(41,460)	(45,149)
Balance at end of the year	110,246	151,706

23.1 The Company recognized government grant on below market interest loan received - (note 22.1.2 and note 22.1.3) in accordance with IAS - 20 'Accounting for government grants and disclosure of government assistance'.

24. LONG TERM DEPOSITS - Interest free

	2024	2023
Note	Rupees in '000	
Dealers' deposits	56,615	50,115
Vendors	111	111
Others	9,000	7,000
	65,726	57,226

25. DEFERRED TAXATION - Net

The liability for deferred taxation comprises of temporary differences relating to:

	2024	2023
- accelerated tax depreciation allowance	227,888	207,334
- surplus on revaluation of fixed assets	396,833	248,461
- lease finances	-	6,746
- provision for expected credit losses	(1,336)	(1,033)
- provision for other receivables	(998)	(998)
- provision for obsolete / slow moving inventories	(3,243)	(3,243)
- provision for bank balances	(1,134)	(1,134)
- unabsorbed tax depreciation and minimum tax	(214,344)	(152,760)
	403,666	303,373

26. TRADE AND OTHER PAYABLES

	2024	2023
Trade creditors	228,247	124,077
Bills payable	472,803	272,948
Accrued liabilities	120,713	117,214
Contract liabilities - customers advances and credit balances	415,820	353,303
Custom duty payable	54,480	206,994
Commission	70,529	52,457
Payable to gratuity fund	12,852	811
Provision against additional custom duty	80,669	80,669
Sales tax payable	47,198	44,109
Withholding tax	5,648	722
Refundable - CKD / CBU business	1,403	1,403
Unclaimed gratuity	231	231
Workers' profit participation fund	-	10,121
Workers' welfare fund	-	5,837
Retention money	2,175	2,175
Others	60,048	44,833
	1,572,816	1,317,904

26.1 Includes Rs. 3,203 thousand (2023: Rs. Nil) and Rs.Nil (2023: Rs.6,884 thousand) payable to Ghandhara Tyre and Rubber Company Limited - an Associated Company and Bibojee Services (Private) Limited - the Holding Company respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

26.2 Includes Rs. 29,065 thousand (2023: Rs. 17,324 thousand) which pertains to a Key Management Person.

26.3 These represent advances from customers against sale of vehicles.

26.4 Provision for gratuity

The Company has established a Fund - 'Gandhara Nissan Limited - Employees Gratuity Fund' governed under an irrevocable trust to pay / manage gratuities of eligible employees. This is a trustee-administered fund and is governed by local regulations which mainly includes Trust Act, 1882, Companies Act, 2017, Income Tax Ordinance, 2001, Income Tax Rules, 2002 and Rules under the Trust deed of the Scheme. Responsibility for governance of the Scheme, including investment decisions and contributions schedules lies with the board of trustees. Trustee of the Fund are appointed by the Company and are employees of the Company.

The latest actuarial valuation of the Scheme as at June 30, 2024 was carried out using the 'Projected Unit Credit Method'. Details of the Scheme as per the actuarial valuation are as follows:

	2024	2023
26.4.1 Statement of financial position reconciliation		
	----- Rupees in '000 -----	
Present value of defined benefit obligation	261,898	218,269
Fair value of plan assets	(260,616)	(218,484)
Benefits payable	11,570	1,026
Net liability at end of the year	<u>12,852</u>	<u>811</u>
26.4.2 Net liability recognized		
Net liability at beginning of the year	811	29,127
Charge to statement of profit or loss	14,461	13,829
Contributions made by the Company	(811)	(29,127)
Re-measurement recognized in other comprehensive income	(1,609)	(13,018)
Net liability at end of the year	<u>12,852</u>	<u>811</u>
26.4.3 Movement in the present value of defined benefit obligation		
Balance at beginning of the year	218,269	198,893
Current service cost	15,439	14,333
Interest expense	34,096	25,549
Benefits paid	(6,104)	(11,118)
Benefits due but not paid	(10,965)	(1,027)
Re-measurement	11,163	(8,361)
Balance at end of the year	<u>261,898</u>	<u>218,269</u>
26.4.4 Movement in the fair value of plan assets		
Balance at beginning of the year	218,484	187,621
Contribution received during the year	811	29,127
Interest income	35,074	26,053
Benefits paid	(6,525)	(28,974)
Re-measurement	12,772	4,657
Balance at end of the year	<u>260,616</u>	<u>218,484</u>
26.4.5 Expense recognized in statement of profit or loss		
Current service cost	15,439	14,333
Net interest income	(978)	(504)
	<u>14,461</u>	<u>13,829</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

26.4.6 Re-measurement recognized in other comprehensive income

	2024	2023
	----- Rupees in '000 -----	
Financial assumptions	2,795	16,541
Experience adjustments	8,368	(24,902)
Re-measurements of plan assets	(12,772)	(4,657)
	<u>(1,609)</u>	<u>(13,018)</u>

26.4.7 Plan assets comprise of

	2024	2023
Fixed income instruments	-	100,000
Mutual fund securities	45,682	2,783
Cash at bank	214,934	115,701
	<u>260,616</u>	<u>218,484</u>

26.4.8 Significant actuarial assumptions and sensitivity

	2024	2023
	--- % per annum ---	
Discount rate	14.75	16.25
Expected rate of increase in future salaries		
- first year	21.50	21.00
- long term	14.75	15.75
Mortality rates (for death in service)	SLIC	SLIC
	(2001-2005)-1	(2001-2005)-1

The sensitivity of the defined benefit obligation to changes in principal assumptions is:

	Defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1.00%	241,109	285,865
Increase in future salaries	1.00%	285,791	240,804

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and change in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of defined benefit obligation calculated with the projected unit credit method at the end of reporting period) has been applied as when calculating the gratuity liability recognized within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

26.4.9 Based on actuary's advice, the expected charge to statement of profit or loss for the year ending June 30, 2025 amounts to Rs.15,318 thousand.

26.4.10 The weighted average duration of the scheme is 9 years.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

26.4.11 Historical information

	2024	2023	2022	2021	2020
	----- Rupees in '000 -----				
Present value of defined benefit obligation	261,898	218,269	198,893	177,555	164,362
Experience adjustment	(1,609)	(13,018)	17,112	2,501	(1,828)

26.4.12 Expected maturity analysis of undiscounted retirement benefit plan:

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
	----- Rupees in '000 -----				
At June 30, 2024	22,186	11,317	72,576	5,536,512	5,642,591

26.5 Workers' profit participation fund

	Note	2024	2023
		----- Rupees in '000 -----	
Balance at beginning of the year		10,121	(2,990)
Allocation for the year	34	-	13,111
Interest on funds utilised in the Company's business	35	1,596	-
		11,717	10,121
Payment made during the year		(11,717)	-
Balance at end of the year		-	10,121

26.6 Includes deposits and instalments under the Company's staff vehicle policy aggregating Rs.45,947 thousand (2023: Rs.32,922 thousand).

27. SHORT TERM BORROWINGS

	Note	2024	2023
		----- Rupees in '000 -----	
Running finances / Musharakah	27.1	754,142	562,287
Term finance - short term loan	27.2	130,000	130,000
Finance against imported merchandise - Musawamah		172,354	-
		1,056,496	692,287

27.1 Running finance and short term facilities available from commercial banks under mark-up arrangement aggregated to Rs.875,000 thousand including sub limit of Rs.400,000 thousand (2023: Rs.990,000 thousand) and are secured by way of equitable, hypothecation and pari passu charge over fixed and current assets of the Company. These, during the current financial year, carry mark-up at the rates ranging from 22.96% to 24.91% (2023: 15.31% to 23.98%) per annum. The arrangements are expiring on March 31, 2025.

27.2 This facility is a sub limit of opening letters of credits facility from Samba Bank Limited. It carries mark-up @ 21.55% (2023: @ 22.34%) per annum.

27.3 The facilities for opening letters of credits (LCs) as at June 30, 2024 aggregated to Rs.3,600,000 thousand (2023: Rs.4,400,000 thousand) of which the amount remained unutilised at the year-end was Rs.2,977,628 thousand (2023: Rs.3,863,582 thousand). Further, the Company also has facilities for Finance against Import Merchandise, Finance Against Trust Receipts (FATR) and Short Term finances aggregating Rs.1,300,000 thousand (2023: Rs.3,150,000 thousand) and letters of guarantee facilities aggregating Rs.30,000 thousand (2023: Rs.300,000 thousand) as sub limits of these LCs facilities. These facilities are secured against effective pledge of imported consignment, first pari passu charge over land along with buildings and plant & machinery and hypothecation charge over present and future stocks & books debts.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

27.4 Above facilities aggregated to Rs.750,000 thousand (2023: Rs.1,500,000 thousand) for opening letters of credits, letter of guarantees facilities and finance against import merchandise facilities are also available to the Subsidiary Company at Group level.

28. CONTINGENCIES AND COMMITMENTS

28.1 Certain cases have been filed against the Company in respect of ex-employees/workers matters. These cases are pending before High Court of Sindh and National Industrial Relations Commission, Karachi. The management is confident that the outcome of these cases will be in the Company's favour.

28.2 Commitments outstanding for irrevocable letters of credit relating to capital expenditure, raw materials and components as at June 30, 2024 aggregated to Rs.151,159 thousand (2023: Rs.263,470 thousand).

28.3 Commitments outstanding for capital expenditure other than through letters of credit as at June 30, 2024 aggregated to Rs. 261,000 thousand (2023: Rs. 336,300 thousand).

28.4 Guarantees aggregating Rs.22,279 thousand (2023: Rs.18,778 thousand) are issued by banks of the Company to various government and other institutions. Further, the Company has issued corporate guarantees aggregating Rs.586,346 thousand (2023: Rs.325,500 thousand) to the commercial banks against running finances and letters of credit facilities utilised by the Subsidiary Company.

29. REVENUE - Net

	Note	2024	2023
		----- Rupees in '000 -----	
Manufacturing activity			
Sales		6,278,829	11,953,626
Less:			
- sales tax and federal excise duty		1,118,010	2,141,368
- commission		122,138	217,490
		1,240,148	2,358,858
		5,038,681	9,594,768
Trading activity			
Sales		419,149	526,602
Less:			
- sales tax		64,368	77,755
- discount and commission		8,396	10,519
		72,764	88,274
		346,385	438,328
		5,385,066	10,033,096

30. COST OF SALES

	Note	2024	2023
Finished goods at beginning of the year		772,572	970,703
Cost of goods manufactured	30.1	4,857,796	9,040,228
Purchases - trading goods		277,698	158,328
		5,135,494	9,198,556
Finished goods at end of the year	11	(761,728)	(772,572)
		5,146,338	9,396,687

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

30.1 Cost of goods manufactured

		2024	2023
Note		Rupees in '000	
	30.2	3,488,588	7,604,127
Raw materials and parts consumed		5,250	20,209
Fabrication of contract vehicles		121,072	169,120
Stores and spares consumed	30.3	605,285	599,512
Salaries, wages and benefits		44,538	43,590
Transportation		66,970	81,850
Repair and maintenance	5.5	290,030	319,757
Depreciation		5,667	5,348
Insurance		2,375	2,298
Communication		10,570	1,321
Rent, rates and taxes		1,213	1,073
Travelling and entertainment		180,619	145,419
Plant utilities		1,384	2,565
Printing, stationery and office supplies		1,940	-
Research and development cost		7,452	21,622
Royalty expense		22,681	20,231
Plant security		2,162	2,186
Other manufacturing expenses		4,857,796	9,040,228

30.2 Raw materials and parts consumed

Stocks at beginning of the year		737,265	930,874
Purchases		3,225,047	7,410,518
		3,962,312	8,341,392
Stocks at end of the year	11	(473,724)	(737,265)
		3,488,588	7,604,127

30.3 Salaries, wages and benefits include Rs.8,901 thousand (2023: Rs.8,886 thousand) and Rs.7,482 thousand (2023: Rs.6,468 thousand) in respect of staff retirement gratuity and staff provident fund respectively.

31. DISTRIBUTION COST

		2024	2023
Note		Rupees in '000	
Salaries and benefits	31.1	82,431	72,755
Utilities		1,036	841
Rent		6,110	5,591
Insurance		2,923	3,865
Repair and maintenance		1,251	576
Travelling and entertainment		5,309	4,280
Telephone and postage		470	411
Vehicle running		3,497	158
Printing, stationery and office supplies		135	346
Warranty services		495	1,149
Godown and forwarding		11,890	41,622
Sales promotion expenses		15,181	38,142
Others		68	305
		130,796	170,041

31.1 Salaries and benefits include Rs.1,466 thousand (2023: Rs.1,280 thousand) and Rs.2,743 thousand (2023: 2,398 thousand) in respect of staff retirement gratuity and staff provident fund respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

32. ADMINISTRATIVE EXPENSES

		2024	2023
Note		Rupees in '000	
Salaries and benefits	32.1	148,325	147,637
Utilities		2,915	2,419
Rent, rates and taxes		20,203	18,839
Directors' fee		3,550	3,500
Insurance		3,049	2,483
Repairs and maintenance		7,336	1,066
Depreciation and amortisation	5.5 & 6	35,713	26,625
Auditors' remuneration	32.2	2,025	1,354
Advertising		387	1,139
Travelling and conveyance		6,796	10,881
Legal and professional charges		11,074	12,588
Vehicle running		9,664	4,595
Telephone and postage		8,541	8,428
Printing and stationery		3,704	3,663
Subscriptions		8,501	10,084
Provision for expected credit losses		1,046	-
Others		2,003	3,204
		274,832	258,505

32.1 Salaries and benefits include Rs.4,095 thousand (2023: Rs.3,663 thousand) and Rs.4,431 thousand (2023: Rs.4,237 thousand) in respect of staff retirement gratuity and staff provident fund respectively.

32.2 Auditors' remuneration

		2024	2023
Note		Rupees in '000	
Remuneration in respect of auditors' services for:			
- statutory audit and half yearly review		1,500	1,000
- certification and others		310	209
- audits of retirement fund and workers' profit participation fund		65	45
- Sindh sales tax @ 8%		150	100
		2,025	1,354

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

33. OTHER INCOME

		2024	2023
	Note	----- Rupees in '000 -----	
Income from financial assets			
Interest / mark-up earned on:			
- PLS accounts	33.1	15,804	53,440
- term deposit receipts and deposit accounts	33.1	188,316	148,040
- long term advance to Subsidiary Company	33.2	29,021	140,979
Gain from sale of investment in mutual funds		-	13,186
Dividend income - mutual funds' investment		-	6,372
Reversal of provision for expected credit losses		-	1,014
		233,141	363,031
Income from non-financial assets			
Scrap sales - net of sales tax		19,482	29,175
Gain on disposal of operating fixed assets	5.7	272	6,020
Commission income against corporate guarantee		6,916	6,915
Commission income		3,724	-
Rental income		10,808	9,750
Service income - net of sales tax		751	557
Reversal of provisions / liabilities written back		7,054	-
Others		1,443	1,589
		50,450	54,006
		283,591	417,037

33.1 Interest at the rates ranged from 16.50 % to 21.40% (2023: 13.00 % to 20.40%) per annum has been earned during the year on term deposit receipts and deposit accounts placed under conventional banking system.

33.2 Interest at the rates ranged from 21.99% to 24.80% (2023: 17.76% to 24.82%) per annum has been earned during the year on long term advance to Subsidiary Company.

34. OTHER EXPENSES

		2024	2023
	Note	----- Rupees in '000 -----	
Workers' profit participation fund	26.5	-	13,111
Workers' welfare fund		-	5,837
Exchange loss		239	68,475
Capital work in progress - written off		19,280	-
		19,519	87,423

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

35. FINANCE COST

		2024	2023
	Note	----- Rupees in '000 -----	
Mark-up on :			
- long term borrowings		109,459	114,145
- short term borrowings		64,585	95,486
- running finances		141,517	66,669
- customer advances		-	288
		315,561	276,588
Lease finance charges		25,223	14,268
Interest on workers' profit participation fund	26.5	1,596	-
Bank and other charges		6,980	3,342
		349,360	294,198

36. LEVIES AND INCOME TAXATION

36.1 Reconciliation of current tax charged as per tax laws for the year, with current tax recognised in the profit and loss account, is as follows:

		2024	2023
		----- Rupees in '000 -----	
Current tax liability for the year as per applicable tax laws		69,844	133,923
Portion of current tax liability as per tax laws, representing income tax under IAS 12		-	(63,679)
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37		(69,844)	(70,244)
		-	-

36.2 No numeric tax rate reconciliation for the current year and preceding year is given in the financial statements, as provision made primarily represents minimum tax due under section 113 of the Income Tax Ordinance, 2001 (the Ordinance).

37. (LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED

37.1 Basic (loss) / earnings per share

		2024	2023
		----- Rupees in '000 -----	
(Loss) / profit for the year		(258,806)	63,696

-- Number of shares --

		2024	2023
		----- Rupees -----	
Weighted average ordinary shares in issue		57,002,500	57,002,500

		2024	2023
		----- Rupees -----	
(Loss) / earnings per share - basic and diluted		(4.54)	1.12

37.2 Diluted earnings per share

No figures for diluted earnings per share has been presented as the Company has not issued any instruments carrying options which would have an impact on earnings per share when exercised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

38. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2024			2023		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
	----- Rupees in '000 -----					
Managerial remuneration	15,780	-	134,440	15,780	-	111,463
Bonus	1,400	-	10,321	1,400	-	8,234
Contribution to provident fund	850	-	6,269	850	-	4,949
Gratuity	850	-	3,876	850	-	2,879
Utilities	1,020	-	7,822	1,020	-	6,181
	19,900	-	162,728	19,900	-	133,706
Number of persons	1	-	31	1	-	32

38.1 The Chief Executive is also entitled for the use of the Company maintained car, security, telephone, club and medical expenses at actual. He is also entitled to receive other benefits as per Company policy applicable to all management employees.

38.2 Certain Executives of the Company are also provided with free use of the Company maintained vehicles.

38.3 Remuneration to other directors

Aggregate amount charged in the financial statements for meeting fee to Directors was Rs.3,550 thousand (2023: Rs.3,500 thousand).

39. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of the Holding Company, the Subsidiary Company, Associated Companies, directors of the Company, companies in which directors are interested, staff retirement benefit plans, key management personnel (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. Amounts due from and to related parties are shown under receivables and payables. Significant transactions with related parties are as follows:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

Related party name along with relation	Nature of transaction	2024	2023
		----- Rupees in '000 -----	
(i) Holding Company			
Bibojee Services (Private) Limited - 57.76% shares held in the Company	Corporate office rent Contract assembly charges Sale of vehicles	9,077 - 17,886	8,186 2,633 -
(ii) Subsidiary Company			
Ghandhara DF (Private) Limited 99.99% shares held by the Company	Contract assembly charges Purchase of parts Sale of parts Receipts against long term advances - net Rental income Interest income Guarantee commission	169,758 - - 113,703 10,808 29,021 7,838	94,631 273 43 524,785 9,750 140,979 7,814
(iii) Associated Companies			
Ghandhara Industries Limited 19.09% shares held by the Company (39.1)	Contract assembly charges Sale of vehicles Reimbursement of expenses Purchase of parts Head office rent Sale of parts	461,858 25,269 3,648 562 4,872 71	640,212 45,405 - - 4,393 25
Ghandhara Tyre and Rubber Company Limited (39.1)	Purchase of tyres, tubes and flaps	73,007	26,996
Gammon Pakistan Limited (39.1)	Office rent	4,538	4,093
Janana De Malucho Textile Mills Limited (39.1)	Sale of vehicles Reimbursement of expenses	- 3,882	37,074 2,720
Bannu Woollen Mills Limited (39.1)	Sale of vehicles	-	16,970
Business Vision (Private) Limited (39.1)	Installments for office floor	64,000	100,000
Rehman Cotton Mills Limited (39.1)	Sale of vehicles	-	13,538
The Universal Insurance Company Limited (39.1)	Sale of vehicle Reimbursement of expenses	- 791	5,604 1,590
(iv) Others			
Staff provident fund	Contribution made	14,656	13,102
Staff gratuity fund	Contribution made	811	29,127
Key management personnel	Remuneration and other short term benefits Sale of fleet vehicles	100,242 2,007	98,207 792

39.1 Associated company by virtue of common directorship.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

40. PLANT CAPACITY

Against the production capacity of 4,800 (2023: 4,800) trucks, buses and pickups on single shift basis, the Company assembled 3,024 (2023: 3,132) trucks, buses and pickups of JAC, DongFeng and Isuzu on single shift along with overtime basis. The Company has also processed 2,934 (2023: 2,980) truck cabs and pickups through paint shop.

Against the designed annual production capacity of 6,000 (2023: 6,000) vehicles at car plant on single shift basis, the Company during the year assembled 165 (2023: 1,318) Chery SUVs.

41. FINANCIAL RISK MANAGEMENT

41.1 Financial risk factors

The Company has exposures to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk (including foreign exchange risk, interest rate risk and price risk).

The Company overall risk management program focuses on having cost effective funding as well as to manage financial risk to minimize earnings volatility and provide maximum return to shareholders. The Board of Directors has overall responsibility for the establishment and overview of Company's risk management frame work. The Board is also responsible for developing and monitoring the Company's risk management policies.

(a) Credit risk

Credit risk represents the risk of financial loss being caused if counterparty fails to perform as contracted or discharge an obligation.

Credit risk primarily arises from long term loans, long term deposits, due from Subsidiary Company, trade debts, loans and advances, other receivables, accrued interest / mark-up, short term investment and bank balances. To manage exposure to credit risk in respect of trade debts, management performs credit reviews taking into account the customer's financial position, past experience and other relevant factors. Where considered necessary, advance payments are obtained. Credit risk on bank balances and margin held with banks is limited as the counter parties are banks with reasonably crediting ratings.

The maximum exposure to credit risk as at June 30, 2024 along with comparative is tabulated below:

	2024	2023
	----- Rupees in '000 -----	
Long term loans	4,176	1,473
Long term deposits	8,560	8,335
Due from Subsidiary Company	158,539	272,242
Trade debts	405,311	247,589
Loans and advances	2,140	3,153
Other receivables	48,207	77,415
Accrued interest / mark-up	15,131	46,658
Bank balances	1,051,140	1,302,234
	1,693,204	1,959,099

All exposure to credit risk for trade debts at the reporting date by geographic region is within Pakistan.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

The ageing of trade debts at the reporting date is as follows:

	2024	2023
	----- Rupees in '000 -----	
Up to 3 months	405,051	246,427
3 to 6 months	2,000	1,100
6 to 12 months	-	1,050
More than 12 months	2,867	2,573
Provision for expected credit losses	(4,607)	(3,561)
	405,311	247,589

Provision has been recorded for expected credit losses using project matrix method.

(b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty, in meeting obligation associated with financial liabilities. The Company's approach is to ensure, as far as possible, to always have sufficient liquidity to meet its liabilities when due. Prudent liquidity risk management implies maintaining sufficient cash and cash equivalent and ensuring the availability of adequate credit facilities. The Company's treasury department aims at maintaining flexibility in funding by keeping committed credit lines available.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows:

	Carrying amount	Contractual cash flows	Maturity upto one year	Maturity more than one year
	----- Rupees in '000 -----			
June 30, 2024				
Lease liabilities	137,400	184,006	61,645	122,361
Long term borrowings	812,934	1,088,960	321,251	767,709
Long term deposits	65,726	65,726	-	65,726
Trade and other payables	1,104,150	1,104,150	1,104,150	-
Accrued mark-up	58,392	58,392	58,392	-
Short term borrowings	1,056,496	1,111,962	1,111,962	-
Unclaimed dividends	10,579	10,579	10,579	-
	3,245,677	3,623,775	2,667,979	955,796
June 30, 2023				
Lease liabilities	97,481	130,163	44,380	85,783
Long term borrowings	1,178,069	1,600,317	508,604	1,091,713
Long term deposits	57,226	57,226	-	57,226
Trade and other payables	903,812	903,812	903,812	-
Accrued mark-up	68,684	68,684	68,684	-
Short term borrowings	692,287	733,824	733,824	-
Unclaimed dividends	10,579	10,579	10,579	-
	3,008,138	3,504,605	2,269,883	1,234,722

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return.

Foreign exchange risk

Foreign exchange risk is the risk that the fair value of future cash flows of a financial instrument shall fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign exchange risk on import of raw materials, stores & spares and commission income denominated in U.S. Dollar and Chinese Yuan Renminbi (RMB). The Company's exposure is as follows:

	Rupees	U.S. Dollar	RMB
	in '000		
June 30, 2024			
Trade and other payables	506,527	127	12,230
June 30, 2023			
Trade and other payables	284,481	100	6,398

The following significant exchange rates have been applied:

	Reporting date rate	
	2024	2023
RMB to Rupee	38.53	39.98
U.S. Dollar to Rupee	278.80	287.10

Sensitivity analysis

At June 30, 2024, if Rupee had strengthened by 5% against RMB and Dollar with all other variables held constant, profit before taxation for the year would have been higher/ (lower) by the amount shown below mainly as a result of net foreign exchange gain / (loss) on translation of net financial liabilities.

	2024	2023
	Rupees in '000	
Effect on profit for the year		
RMB to Rupee	23,561	12,790
U.S. Dollar to Rupee	1,766	1,434
	25,327	14,224

Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flow of a financial instrument will fluctuate because of change in market interest rates.

Majority of the interest rate risk of the Company arises from short term borrowings from banks, due from Subsidiary Company, short term investment and balances held with banks. At the reporting date the profile of the Company's interest bearing financial instruments is as follows:

	2024	2023
	Rupees in '000	
Fixed rate instruments		
Bank balances - financial assets	943,686	1,130,010
Long term borrowings - financial liabilities	828,452	899,682

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

Variable rate instruments

Financial assets

Due from the Subsidiary Company

Financial liabilities

Long term borrowings

Short term borrowings

Liabilities against assets subject to finance lease

	2024	2023
	Rupees in '000	
Due from the Subsidiary Company	158,539	272,242
Long term borrowings	136,188	475,242
Short term borrowings	1,056,496	692,287
Liabilities against assets subject to finance lease	137,400	97,481
	1,330,084	1,265,010

Sensitivity analysis

At June 30, 2024, if the interest rates on the Company's variable rate instruments had been 1% higher / (lower) with all other variables held constant, profit before tax for the year would have been Rs.11,715 thousand (2023: Rs.9,928 thousand) lower / higher mainly as a result of net higher / (lower) interest income.

Price risk

Price risk represents the risk that the fair values or future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from foreign exchange risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

41.2 Fair value of financial assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Company is going concern and there is no intention or requirement to curtail materially the scale of its operation or to undertake a transaction on adverse terms.

The carrying values of all financial assets and liabilities reflected in the financial statements are a reasonable approximation of their fair values.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities [Level 1].
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) [Level 2].
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) [Level 3].

There were no transfers amongst the levels during the current and preceding year. The Company's policy is to recognise transfer into and transfers out of fair value hierarchy levels as at the end of the reporting periods.

Valuation techniques used to determine fair values

Level 1: The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in Level 1.

Level 2: The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

41.3 Financial instruments by category

Financial assets as per statement of financial position

	2024	2023
	----- Rupees in '000 -----	
Long term loans	4,176	1,473
Long term deposits	31,760	26,252
Due from Subsidiary Company	158,539	272,242
Trade debts	405,311	247,589
Loans and advances	3,857	4,545
Accrued interest / mark-up	15,131	46,658
Other receivables	48,207	77,415
Bank balances	1,051,140	1,302,234
	1,718,121	1,978,408

Financial liabilities as per statement of financial position

Lease liabilities	137,400	97,481
Long term borrowings	812,934	1,178,069
Long term deposits	65,726	57,226
Trade and other payables	1,104,150	903,812
Accrued mark-up	58,392	68,684
Short term borrowings	1,056,496	692,287
Unclaimed dividend	10,579	10,579
	3,245,677	3,008,138

42. CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares and obtain further loan facilities. There was no change to the Company's approach to capital management during the year except the Company obtained further long term financing. The Company monitors capital on the basis of gearing ratio calculated as follows:

	2024	2023
	----- Rupees in '000 -----	
Total borrowings	2,006,830	1,967,837
Bank balances	(1,051,140)	(1,302,234)
Net borrowings	955,690	665,603
Total equity	8,099,147	6,169,560
Total capital	9,054,837	6,835,163
Gearing ratio	10.55%	9.74%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

43. NUMBER OF EMPLOYEES

The total number of employees (including contractual employees) as at June 30, 2024 were 765 (2023: 1,060), average number of employees during the year were 913 (2023: 1,056).

44. PROVIDENT FUND

44.1 The following information is based on un-audited financial statements of Ghandhara Nissan Limited - Employees' Provident Fund (the Fund) for the year ended June 30, 2024:

	2024	2023
	----- Rupees in '000 -----	
Size of the Fund - total assets	267,320	212,250
Cost of investments made	229,375	209,123
Percentage of investments made	85.81%	98.53%
Fair value of investments	289,370	209,008

44.2 The investments out of provident fund have been made in accordance with the provisions of section 218 of the Act and conditions specified thereunder.

45. SHARIAH SCREENING DISCLOSURE

	----- 2024 -----		----- 2023 -----	
	Conventional	Shariah Compliant	Conventional	Shariah Compliant
	----- Rupees in '000 -----			
Bank balances and TDRs	577,238	477,814	733,730	572,416
Accrued mark-up	7,341	7,790	10,621	36,037
Long term borrowings	604,640	360,000	974,924	400,000
Short term borrowings	568,235	488,261	447,543	244,744
Accrued mark-up on borrowings	34,566	23,826	52,282	16,402
Revenue	-	5,385,066	-	10,033,096
Other income				
a) Profit on saving accounts, term deposit receipts and loan to subsidiary	116,677	116,464	130,759	211,700
b) Gain from sale of investment	-	-	13,186	-
c) Dividend income	-	-	5,983	389
d) Others	-	50,450	-	55,020
Mark-up / interest expense	208,161	132,623	189,980	100,876

The Company has banking relation with the following shariah-compliant financial institutions:

- Bank Alfalah Limited
- MCB Islamic Bank Limited
- Dubai Islamic Bank
- Bank Makramah Limited
- Meezan Bank Limited
- Faysal Bank Limited

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

46. CORRESPONDING FIGURES

The corresponding figures have been rearranged and reclassified, wherever considered necessary for the purposes of comparison and better presentation the effect of which is not material.

47. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on September 26, 2024 by the Board of Directors of the Company.



Chief Executive Officer



Director



Chief Financial Officer

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

Name of company Ghandhara Automobiles Limited

Year Ended: 30th June 2024

The company has complied with the requirements of the Regulations in the following manner:-

1. The total number of directors are 10 as per the following:-

- a. Male: 09
- b. Female: 01

2. The composition of the Board is as follows:

Sr. No.	Name of Directors	Category	Number
1.	Mr. Polad Merwan Polad	Independent Directors	3
2.	Mr. Salman Rasheed (FCA)		
3.	Mr. Asim Arshid		
4.	Lt. Gen. (Retd.) Ali Kuli Khan Khattak	Non- Executive Directors	5
5.	Mr. Sikandar Kuli Khan Khattak		
6.	Mr. M. Saleem Baig		
7.	Syed Haroon Rashid		
8.	Mr. Muhammad Zia		
9.	Mrs. Shahnaz Sajjad Ahmad	Non- Executive Director/ Female Director	1
10.	Mr. Ahmad Kuli Khan Khattak	Executive Director	1

The Board was reconstituted on February 2, 2022 for a term of three years.

The company encourages representation of independent non-executive directors and directors representing minority interests on its Board.

The independent directors meet the criteria of independence under clause 1(b) of the CCG.

Three Independent Directors were re-elected in the EOGM held on 02-02-2022. The number of Independent Directors as fixed during Board of Directors meeting held on 29-10-2021 was 3 rather than one third (3.33) of the total number (10) of directors as 0.33 being less than 0.5. Moreover, the Board believes that three Independent Directors are sufficient enough to maintain independence at Board level.

- 3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.
- 4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures. Further certain significant policies as required under non-mandatory regulation no. 35 "Disclosure of significant policies on website" are published in annual report which is available on Company's website;

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and these Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. Out of the ten Directors; two directors are exempted from Directors' Training Program based on their experience as director on the board of Listed Companies and seven directors have obtained certificate of Directors' Training Program. Further, the Company will take adequate measures for the Directors' Training Program (DTP) for the remaining director, female executive and head of department.
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
12. The Board has formed Committees comprising of members given below:-

a) Audit Committee:

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

b) Human Resource and Remuneration Committee:

- Mr. Asim Arshid - Chairman
- Mr. Ahmad Kuli Khan Khattak - Member
- Mrs. Shahnaz Sajjad Ahmad - Member
- Mr. Muhammad Zia - Member
- Mr. Polad Merwan Polad - Member

Currently, the Board has not constituted separate Nomination Committee and Risk Management Committee as its issues are deliberated in Board meetings.

13. The terms of reference of the aforesaid Committees have been formed, documented and advised to the Committees for compliance.
14. The frequency of meetings (quarterly/half yearly/ yearly) of the Committees were as per following:

a) Audit Committee	Quarterly
b) Human Resource and Remuneration Committee:	Annually
15. The Board has set up an effective internal Audit Function which functionally reports to the Audit Committee.

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company.
17. The statutory Auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 (non-mandatory requirements) are mentioned in note no. 4, 9 and 12 above.

At present the Board provides governance and oversight in relation to the Company's initiatives on Environmental, Social and Governance (ESG) matters. Nevertheless, the requirements introduced recently by the SECP through notification dated June 12, 2024 will be complied within due course.

On Behalf of the Board of Directors



Lt.Gen.(Retd.) Ali Kuli Khan Khattak
Chairman

Karachi
Dated: 26th September, 2024

INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS OF GHANDHARA AUTOMOBILES LIMITED

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Ghandhara Automobiles Limited (the Company) for the year ended June 30, 2024, in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2024.



SHINEWING HAMEED CHAUDHRI & CO.

CHARTERED ACCOUNTANTS

KARACHI;

Date: September 26, 2024

UDIN: CR202410104V3ite6kpQ

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Key Operating and Financial Data

Particulars	Jun-24	Jun-23	Jun-22	Jun-21	Jun-20	Jun-19
Sales	5,385,066	10,033,096	5,359,062	3,225,727	1,663,080	2,373,750
Gross profit / (Loss)	238,728	636,409	412,254	345,915	5,022	320,089
(Loss) / Profit before tax	(252,188)	243,279	130,528	115,554	(215,932)	5,421
(Loss) / Profit after tax	(258,806)	63,696	101,155	130,752	(206,623)	(28,806)
Share Capital	570,025	570,025	570,025	570,025	570,025	570,025
Shareholders equity without revaluation surplus	3,831,740	4,059,033	3,954,097	3,831,376	3,655,346	3,822,607
Shareholders equity with revaluation surplus	8,099,147	6,169,560	6,096,621	6,007,616	5,878,640	6,083,965
Fixed Assets	7,646,984	5,392,028	5,427,099	4,065,389	4,105,816	3,912,436
Total Assets	12,368,862	10,192,018	13,198,123	7,300,478	6,901,852	7,097,988
Unit Produced and Supplied (Contract Assembly)	2,140	2,481	3,959	2,301	2,282	4,336
Units Produced	3,024	3,132	5,200	3,710	2,713	618
Units Sold (CBU)	15	38	74	83	50	94
Units Sold (CKD)	1,088	1,980	1,410	955	155	618
Interim Dividend - Cash	-	-	-	-	-	-
Dividend - Cash	-	-	-	-	-	-
Ratios						
Profitability						
Gross profit margin	4.4%	6.3%	7.7%	10.7%	0.3%	13.5%
(Loss) / Profit before tax	-4.68%	2.42%	2.44%	3.58%	-12.98%	0.23%
(Loss) / Profit after tax	-4.8%	0.6%	1.9%	4.1%	-12.4%	-1.2%
Return to shareholders:						
(Loss) / Return on Equity without surplus(BT)	-6.6%	6.0%	3.3%	3.0%	-5.9%	0.1%
(Loss) / Return on Equity without surplus (AT)	-6.8%	1.6%	2.6%	3.4%	-5.7%	-0.8%
(Loss) / Earning per share (BT)-Rs.	(4.42)	4.27	2.29	2.03	(3.79)	0.10
Basic (Loss) / Earning Per Share	(4.54)	1.12	1.77	2.29	(3.62)	(0.51)
Activity:						
Sales to total assets - Times	0.44	0.98	0.41	0.44	0.24	0.33
Sales to fixed assets -Times	0.70	1.86	0.99	0.79	0.41	0.61
Liquidity:						
Current ratio -Times	1.01	1.66	1.17	2.83	3.57	3.77
Break-up value per share- Rs.	142.09	108.23	106.95	105.39	103.13	106.73

Pattern of Shareholding

As at 30th June 2024

No. of Shareholders	Shareholdings' Slab		Shares Held
1558	1	to 100	72,057
2219	101	to 500	771,569
988	501	to 1000	825,289
1255	1001	to 5000	3,077,396
240	5001	to 10000	1,758,468
69	10001	to 15000	885,659
37	15001	to 20000	667,894
26	20001	to 25000	591,300
21	25001	to 30000	599,361
14	30001	to 35000	467,796
7	35001	to 40000	268,348
3	40001	to 45000	130,400
5	45001	to 50000	246,800
4	50001	to 55000	210,228
1	55001	to 60000	57,000
2	70001	to 75000	147,670
5	75001	to 80000	394,088
2	80001	to 85000	165,400
2	85001	to 90000	180,000
1	90001	to 95000	94,832
3	95001	to 100000	300,000
1	100001	to 105000	103,500
3	105001	to 110000	325,175
1	110001	to 115000	111,500
1	120001	to 125000	123,642
3	135001	to 140000	409,996
1	145001	to 150000	150,000
1	150001	to 155000	153,500
2	155001	to 160000	317,300
1	180001	to 185000	180,102
1	245001	to 250000	245,813
1	385001	to 390000	387,604
1	395001	to 400000	399,058
1	405001	to 410000	405,573
1	460001	to 465000	465,000
1	485001	to 490000	487,458
1	1320001	to 1325000	1,320,594
1	1375001	to 1380000	1,376,582
1	1570001	to 1575000	1,575,000
1	3645001	to 3650000	3,647,090
1	6485001	to 6490000	6,485,029
1	26420001	to 26425000	26,421,429
6488			57,002,500

Categories of Shareholders

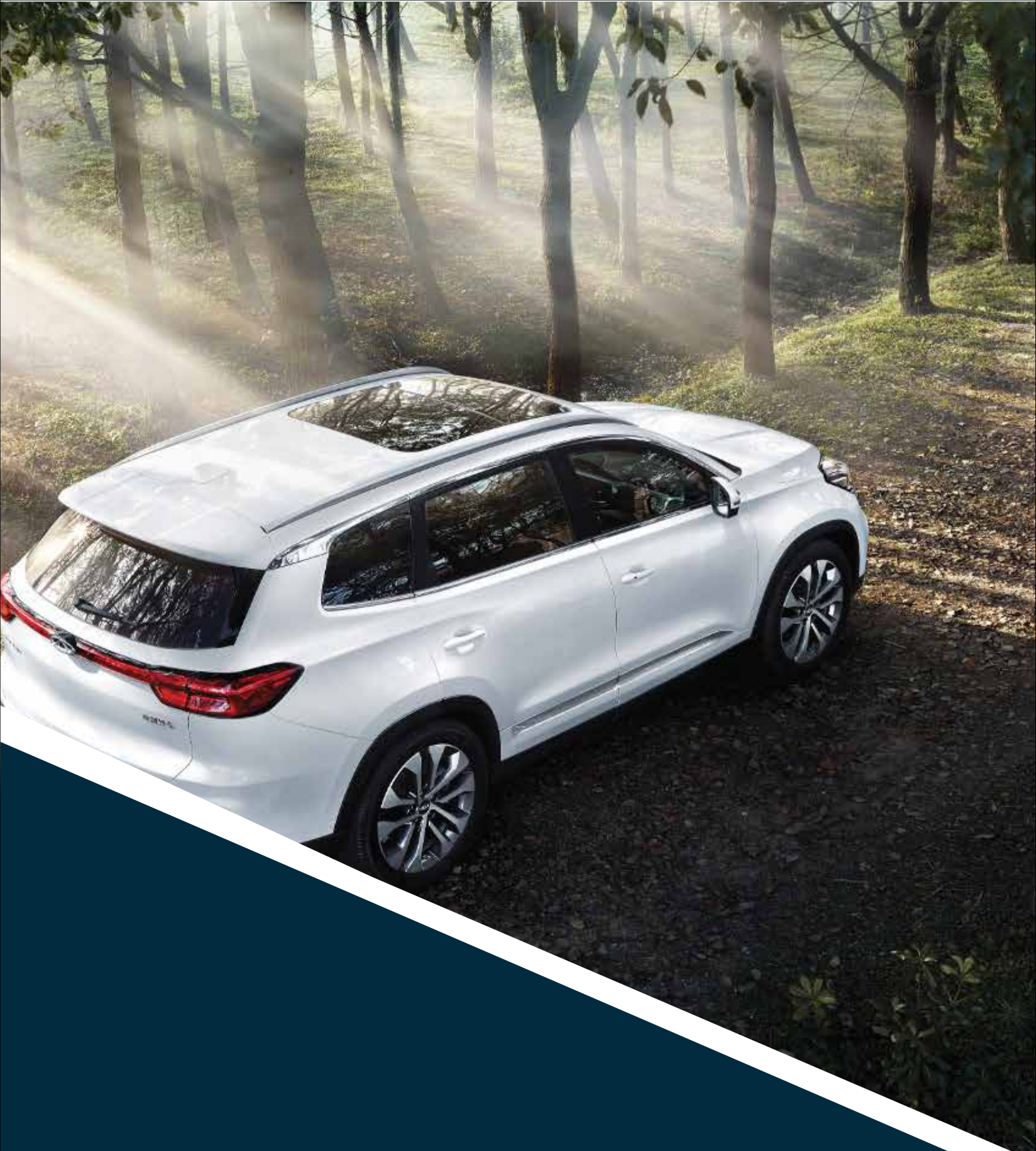
S.No.	Categories of Shareholder	Total Number of Shares held	Category wise no. of Folios/CDC Accounts	Category wise Shares held	Percentage
1	Director, CEO, their Spouses and minor children Lt. Gen. (Retd.) Ali Kuli Khan Khattak Mr. Ahmad Kuli Khan Khattak Mrs. Shahnaz Sajjad Ahmad Mr. Sikandar Kuli Khan Khattak Mr. Muhammad Zia Mr. Muhammad Saleem Baig Mr. Polad Merwan Polad Mr. Salman Rasheed (FCA) Mr. Asim Arshid	76,086 88,113 23,567 100 648 632 1281 500 100	15	191,027	0.3351
2	Associate Companies Bibojee Services (Pvt) Ltd.	32,921,887	3	32,921,887	57.7552
3	NIT & ICP CDC - Trustee National Investment (unit) Trust Investment Corporation of Pakistan	1,376,582 5,750	2	1,382,332	2.4250
4	Banks, DFI & NBFI National Bank of Pakistan TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND MCB Bank Limited - Treasury Pak-Qatar Investment (Pvt.) Limited	1,510 245,813 405,573 10,000	4	662,896	1.1629
5	Insurance Companies Gulf Insurance Company Limited Premier Insurance Limited	17,800 3,900	3	21,700	0.0381
6	Modarabas & Mutual Funds First Alnoor Modaraba JS GLOBAL CAPITAL LIMITED - MF MOHAMMAD MUNIR - MOHAMMAD AHMED KHANANI SECURITIES LTD. - MF	3,093 137,275 399,058	3	539,426	0.9463
7	General Public (Local)		6,246	15,327,527	26.8892
8	General Public (Foreign)		160	337,940	0.5929
9	Foreign Companies		1	3,647,090	6.3981
10	Others		51	1,970,675	3.4572
			6,488	57,002,500	100.00

Shareholders holding 10% or more Voting interest in the Company

Bibojee Services (Private) Limited

Share Held Percentage

32,921,887 57.76



Consolidated Reports

Directors' Report on Consolidated Financial Statements

The directors are pleased to present their report together with consolidated financial statements of Ghandhara Automobiles Limited and its subsidiary Ghandhara DF (Private) Limited for the year ended 30th June, 2024.

The Country continues to face the significant economic challenges, primarily driven by high interest rates and increased taxes, including the Federal Excise Duty on vehicles. These factors have suppressed demand of vehicles.

The management remains proactive in enhancing manufacturing efficiency and focus on optimizing its operations and protect margins to enhance the profitability.

The financial results for the year ended June 30, 2024 are summarized below:

	2024	2023
	(Rupees in thousands)	
Revenue	9,413,149	13,104,563
Gross Profit	1,133,637	1,132,373
Operating Profit	888,836	782,723
Profit for the year	365,035	173,527
Earnings per share (Rs.)	6.40	3.04

The Group acknowledges the continued support and cooperation of Chery Automobile Co., Ltd., Anhui Jianghuai Automobile Group Corp., Limited (China), Renault Trucks S.A.S (France), China Dongfeng Motor Industry Import and Export Co. Limited, and Dongfeng Automobile Company Limited (China).

For and on behalf of the Board of Directors

Chief Executive Officer

Karachi
Dated: 26th September, 2024

Director

اجتماعی مالیاتی گوشواروں پر ڈائریکٹرز رپورٹ

ڈائریکٹر 30 جون 2024 کو ختم ہونے والے سال کے لئے گندھارا آٹوموبائلز لمیٹڈ اور اس کے ماتحت ادارے گندھارا ڈی ایف (پرائیویٹ) لمیٹڈ کے مشترکہ مالی گوشواروں کے ساتھ اپنی رپورٹ پیش کرتے ہوئے خوش محسوس کرتے ہیں۔

ملک کو بڑے اقتصادی چیلنجز کا سامنا ہے، جو بنیادی طور پر بلند شرح سود اور بڑھتے ہوئے ٹیکسوں، بشمول گاڑیوں پر وفاقی ایکسائز ڈیوٹی کی وجہ سے ہیں۔ ان عوامل نے گاڑیوں کی طلب کو کم کر دیا ہے۔

انتظامیہ پیداوار کی کارکردگی بڑھانے اور اپنی کارروائیوں کو بہتر بنانے اور منافع کی حفاظت پر توجہ مرکوز رکھنے میں متحرک ہے تاکہ منافعت کو بڑھایا جاسکے۔

سال 30 جون، 2024 کو ختم ہونے والے مالی نتائج کا خلاصہ درج ذیل ہے:

2023	2024	
		(روپے ہزاروں میں)
13,104,563	9,413,149	ریونیو
1,132,373	1,133,637	مجموعی منافع
782,723	888,836	آپریٹنگ منافع
173,527	365,035	سال کا منافع
3.04	6.40	فی شیئر آمدنی (روپے)

گروپ چیری آٹوموبائل کمپنی لمیٹڈ، انہوئی جیانگ ہوائی آٹوموبائل گروپ کارپوریشن لمیٹڈ (چین)، رینالٹ ٹرک ایس اے ایس (فرانس)، چائنا ڈونگ فینگ موٹرانڈسٹری امپورٹ اینڈ ایکسپورٹ کمپنی لمیٹڈ، اور ڈونگ فینگ آٹوموبائل کمپنی لمیٹڈ (چین) کی مسلسل حمایت اور تعاون کا شکریہ ادا کرتا ہے۔

برائے منجانب بورڈ آف ڈائریکٹرز



ڈائریکٹر



چیف ایگزیکٹو آفیسر

کراچی

بتاریخ: 26 ستمبر 2024

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GANDHARA AUTOMOBILIES LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed consolidated financial statements of Gandhara Automobiles Limited and its subsidiary (the Group), which comprise the consolidated statement of financial position as at June 30, 2024, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key Audit Matters:

S.No.	Key Audit Matter	How the matter was addressed in our audit
1.	<p>Revaluation / capitalization of operating fixed assets</p> <p>As disclosed in notes 5.3 and 18.1 to the financial statements, the Holding Company during the year revalued its freehold land, buildings on freehold land and plant and machinery along-with assembly jigs that resulted in net surplus / gain of Rs.2,348,028 thousand.</p> <p>Also the Holding Company, incurred capital expenditure with additions made to its operating fixed assets as disclosed in note 5.1 to the financial statements.</p>	<p>Our audit procedures in respect of this area included:</p> <ul style="list-style-type: none"> - Obtained an understanding of the management controls over capitalization and on a sample basis, test relevant controls over authorization and recording in the system; - On a sample basis, tested the costs incurred with underlying supporting documentations i.e. purchase orders, delivery challans, supplier invoices, payment and other relevant documents; - Evaluate the nature of costs on a sample basis to ensure capitalization criteria of relevant accounting and reporting standards; - Reviewed / assessed revaluation report of independent valuer for revaluation of freehold land, buildings on freehold land and plant & machinery along-with assembly jigs. Also, recalculated the computation for revaluation surplus; and - Considered the adequacy of the disclosures made in the financial statements in relation to the above.
2.	<p>Revenue recognition</p> <p>Refer notes 4.13 and 27 to the consolidated financial statements. The Group is engaged in assembly / progressive manufacturing of vehicles including vehicles under contract agreement and import & sale of parts / vehicles in completely built-up condition. The Group recognized revenue from the sales aggregating to Rs.9,413,149 thousand for the year ended June 30, 2024. We identified recognition of revenue as a key audit matter as there is a decrease of 28.17% from last year and it includes large number of transactions involving a large number of customers. Further, revenue is one of the key performance indicator of the Company.</p>	<p>Our audit procedures in respect of this area included:</p> <ul style="list-style-type: none"> - Obtained an understanding of the Groups' processes and related internal controls for revenue recognition and on a sample basis, tested the operating effectiveness of those controls; - Assessed the appropriateness of the Groups' revenue accounting policies and their compliance with applicable financial reporting standard; - Compared a sample of revenue transactions recorded during the year with sales orders, applicable sale value, sales invoices, receipt vouchers delivery letter and other relevant underlying documents; - Performed cut-off procedures on near year end sales, to ensure revenue has been recorded in the correct period; and - On a test basis, compared discounts and commission with relevant supporting documentation; and - We also considered the adequacy of the related disclosures and assessed these are in accordance with the applicable financial reporting standards and the Companies Act, 2017 (XIX of 2017).

3. Trade debts

Refer note 4.8 and 11 to the consolidated financial statements, the Group has trade debts aggregating Rs.1,447,061 thousand as at June 30, 2024 as compared to Rs.1,161,598 thousand as at June 30, 2023. An estimate for provision for doubtful debts aggregating Rs.33,811 thousand has been recognised using projected credit loss model. We identified this area as key audit matter because trade debts represent a significant balance for the Company and estimating the recoverable amount involves inherent uncertainty.

Our audit procedures in respect of this area included:

- Obtained the approved credit policy and credit limits of individual dealers and compared with dealer balances as at June 30, 2023, to assess the Company's compliance of individual dealers' credit limits;
- Sought external confirmations from the selected debtors of their balances that remained outstanding at the year end and compared replies to the request;
- Performed subsequent test procedures of selected debtor balances to review recovery from respective debtors after the year end;
- Assessed the reasonableness of expected credit loss model (provision matrix) used by management to estimate that the doubtful debts are appropriate and ensured that the same is applied consistently; and
- We also considered the adequacy of the related disclosures and assessed these are in accordance with the applicable financial reporting standards and the Companies Act, 2017 (XIX of 2017)

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Osman Hameed Chaudhri.

Shine wing Hameed Chaudhri & Co.

SHINEWING HAMEED CHAUDHRI & CO.

CHARTERED ACCOUNTANTS

KARACHI;

Date: September 26, 2024

UDIN: AR202410104GJkt67gPV

Consolidated Financial Statements



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2024

	Note	2024	2023
		----- Rupees in '000 -----	
ASSETS			
Non current assets			
Property, plant and equipment	5	7,672,057	5,408,073
Intangible assets	6	3,886	3,750
Long term investments	7	1,629,179	1,271,261
Long term loans	8	9,146	6,578
Long term deposits	9	35,287	29,070
		9,349,555	6,718,732
Current assets			
Stores, spares and loose tools		236,171	225,733
Stock-in-trade	10	3,449,223	2,346,343
Trade debts	11	1,447,061	1,161,598
Loans and advances	12	29,979	58,054
Deposits and prepayments	13	26,115	19,906
Accrued interest / mark-up		13,681	21,592
Other receivables	14	97,796	106,781
Taxation - net		768,405	638,675
Cash and bank balances	15	1,186,913	1,325,392
		7,255,344	5,904,074
Total assets		16,604,899	12,622,806

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2024

	Note	2024	2023
		----- Rupees in '000 -----	
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	16	570,025	570,025
Capital reserves			
- share premium		1,102,721	1,102,721
- reserves for capital expenditures	17	1,000,000	-
- surplus on revaluation of fixed assets - net	18	5,245,306	2,779,358
- Items directly credited to equity by an Associate		82,777	79,823
		7,430,804	3,961,902
Revenue reserve - unappropriated profits		2,788,970	3,389,143
Equity attributable to shareholders of the Holding Company		10,789,799	7,921,070
Non-controlling interest		119	61
Total equity		10,789,918	7,921,131
Liabilities			
Non current liabilities			
Lease liabilities	19	107,449	70,349
Long term borrowings	20	534,277	764,451
Deferred income - government grants	21	110,246	151,706
Long term deposits	22	72,726	64,226
Deferred taxation - net	23	395,350	295,988
		1,220,048	1,346,720
Current liabilities			
Trade and other payables	24	2,891,521	1,799,536
Accrued mark-up		68,217	86,202
Short term borrowings	25	1,259,226	968,351
Current portion of lease liabilities	19	45,273	31,520
Current maturity of long term borrowings	20	278,657	413,618
Current portion of deferred income - government grants	21	41,460	45,149
Unclaimed dividends		10,579	10,579
		4,594,933	3,354,955
Total liabilities		5,814,981	4,701,675
Contingencies and commitments	26		
Total equity and liabilities		16,604,899	12,622,806

The annexed notes from 1 to 46 form an integral part of these consolidated financial statements.

Chief Executive Officer

Director

Chief Financial Officer

Chief Executive Officer

Director

Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 ----- Rupees in '000 -----	2023
Revenue	27	9,413,149	13,104,563
Cost of sales	28	(8,279,512)	(11,972,190)
Gross profit		1,133,637	1,132,373
Distribution cost	29	(163,039)	(194,974)
Administrative expenses	30	(337,702)	(318,700)
Other income	31	279,288	267,731
Other expenses	32	(23,348)	(103,707)
Profit from operations		888,836	782,723
Finance cost	33	(441,466)	(354,735)
		447,370	427,988
Share of profit / (loss) of an Associate	7.1	42,270	(38,214)
Profit before levies and income tax		489,640	389,774
Minimum tax differential	34	(69,844)	(80,316)
Final tax		-	(978)
Profit before income tax		419,796	308,480
Income tax			
Current tax - for the year including super tax	34	(120,781)	(94,224)
- for the prior years		4,256	1,649
Deferred tax - income / (charge)	34.2	61,764	(42,378)
		(54,761)	(134,953)
Profit for the year		365,035	173,527
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Surplus on revaluation of fixed assets		2,348,028	-
Impact of deferred tax		(160,777)	-
Re-measurement of staff retirement benefit obligation		1,202	14,840
Impact of deferred tax		(349)	(4,303)
Share of other comprehensive income of an Associate of:			
- surplus on revaluation of fixed assets - net		312,022	-
- re-measurement of staff retirement benefit obligation - net		3,626	(2,779)
Other comprehensive income for the year - net of tax		2,503,752	7,758
Total comprehensive income for the year		2,868,787	181,285
Attributable to:			
- Shareholders of the Holding Company		2,868,729	181,270
- Non-controlling interest		58	15
		2,868,787	181,285
		----- Rupees -----	
Earnings per share - basic and diluted	35	6.40	3.04

The annexed notes from 1 to 46 form an integral part of these consolidated financial statements.

Chief Executive Officer

Director

Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2024

	Share capital	Share premium	Capital expenditures	Surplus on revaluation of fixed assets	Items directly credited to equity by an Associate	Revenue reserve Unappropriated profit	Total	Non-controlling interest
	----- Rupees in '000 -----							
Balance as at July 1, 2022	570,025	1,102,721	-	2,813,584	77,594	3,175,876	7,739,800	46
Total comprehensive income for the year ended June 30, 2023								
Profit for the year	-	-	-	-	-	173,512	173,512	15
Other comprehensive income	-	-	-	-	-	7,758	7,758	-
	-	-	-	-	-	181,270	181,270	15
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred tax	-	-	-	(31,997)	-	31,997	-	-
Effect of item directly credited in equity by an Associate	-	-	-	(2,229)	2,229	-	-	-
Balance as at June 30, 2023	570,025	1,102,721	-	2,779,358	79,823	3,389,143	7,921,070	61
Transfer to reserves for capital expenditures (note 17)	-	-	1,000,000	-	-	(1,000,000)	-	-
Total comprehensive income or the year ended June 30, 2024								
Profit for the year	-	-	-	-	-	364,977	364,977	58
Other comprehensive income	-	-	-	2,499,273	-	4,479	2,503,752	-
	-	-	-	2,499,273	-	369,456	2,868,729	58
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred tax	-	-	-	(30,371)	-	30,371	-	-
Effect of item directly credited in equity by an Associate	-	-	-	(2,954)	2,954	-	-	-
Balance as at June 30, 2024	570,025	1,102,721	1,000,000	5,245,306	82,777	2,788,970	10,789,799	119

The annexed notes from 1 to 46 form an integral part of these consolidated financial statements.

Chief Executive Officer

Director

Chief Financial Officer

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
	----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before levies and income tax	489,640	389,774
Adjustments for non-cash charges and other items:		
Depreciation and amortisation	331,237	350,077
Provision for gratuity	16,462	16,161
Provision for expected credit losses	3,103	13,272
Interest income	(238,650)	(209,745)
Gain on disposal of property, plant and equipment	(364)	(6,020)
Gain on disposal of investment	-	(13,186)
Dividend income - mutual funds' investment	-	(6,372)
Capital work in progress - written off	19,280	-
Share of (profit) / loss of an Associate	(42,270)	38,214
Finance cost	441,466	354,735
Exchange loss - net	4,068	84,759
Operating profit before working capital changes	1,023,972	1,011,669
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(10,438)	(56,498)
Stock-in-trade	(1,102,880)	1,985,617
Trade debts	(288,566)	(477,489)
Loans and advances	28,075	(1,523)
Deposit and prepayments	(6,209)	(14,168)
Other receivables	8,985	349,757
	(1,371,033)	1,785,696
Increase / (decrease) in trade and other payables	1,073,978	(4,007,026)
Cash generated from / (used in) operations	726,917	(1,209,661)
Contribution paid to gratuity fund	(1,321)	(31,525)
Long term loans - net	(2,568)	3,336
Long term deposits - net	8,500	29,000
Finance cost paid	(459,451)	(316,889)
Income taxes paid - net	(316,099)	(425,161)
Net cash used in operating activities - carried forward	(44,022)	(1,950,900)

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
	----- Rupees in '000 -----	
Net cash used in operating activities - brought forward	(44,022)	(1,950,900)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for fixed capital expenditure	(176,732)	(257,471)
Payments for intangible assets	(1,226)	(900)
Proceeds from disposal of property, plant and equipment	7,053	22,180
Interest income received	246,561	199,227
Long term deposits - net	(6,217)	(3,362)
Investments	-	689,049
Dividends received	-	6,372
Net cash generated from investing activities	69,439	655,095
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment against lease liabilities	(44,487)	(38,163)
Long term borrowings - obtained	-	354,027
Long term borrowings - repaid	(410,284)	(321,378)
Short term borrowings - net	290,875	387,140
Dividends paid	-	(22)
Net cash (used in) / generated from financing activities	(163,896)	381,604
Net decrease in cash and cash equivalents	(138,479)	(914,201)
Cash and cash equivalents at beginning of the year	1,325,392	2,239,593
Cash and cash equivalents at end of the year	1,186,913	1,325,392

The annexed notes from 1 to 46 form an integral part of these consolidated financial statements.



Chief Executive Officer



Director



Chief Financial Officer

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

1. THE GROUP AND ITS OPERATIONS

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

1.2 Ghandhara Automobiles Limited

Ghandhara Automobiles 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 (BSL) is the ultimate holding company of the Group.

The principal business of the Company is assembly / progressive manufacturing of vehicles including JAC Trucks and Chery SUVs, import and sale of parts / 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 China DongFeng Motor Industry Imp. & Exp. Co. Limited as well as 'Motor Vehicles & Related Products Distribution' agreements with DongFeng Automobile Company Limited.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of consolidation

These consolidated financial statements include the financial statements of the Holding Company and its Subsidiary Company. The Holding Company's direct interest in the Subsidiary Company is 99.99% as at June 30, 2024 and June 30, 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

Subsidiary is an entity over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Further, the Group also considers whether:

- it has power to direct the relevant activities of the subsidiary;
- is exposed to variable returns from the subsidiary; and
- decision making power allows the Group to affect its variable returns from the subsidiary.

Subsidiary is fully consolidated from the date on which control is transferred to the Group and is de-recognized from the date the control ceases.

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses (unrealized) are also eliminated.

2.3 Transactions and non-controlling interests

The Group treats transactions with non-controlling interests that do not result in loss of control as transactions with equity owners of the Group. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

2.4 Functional and presentation currency

These consolidated financial statements are presented in Pakistan Rupees which is the functional currency of the Group and figures are rounded off to the nearest thousand of rupees unless otherwise specified.

2.5 Changes in accounting standards and interpretations

2.5.1 Standards and amendments to approved accounting standards effective in current year

New and amended standards mandatory for the first time for the financial year beginning July 1, 2023:

- (a) Amendments to IAS 1, 'Presentation of Financial Statements' is applicable on accounting periods beginning on or after January 1, 2023. The amendments includes requiring companies to disclose their material accounting policies rather than their significant accounting policies, clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed and also clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.
- (b) Amendments to IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' will be applicable on accounting periods beginning on or after January 1, 2023. The International Accounting Standards Board (the Board) has issued amendments to end diversity in treatment of accounting estimates and clarified how companies should distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. Developing an accounting estimate includes both selecting a measurement technique (estimation or valuation technique) – e.g. an estimation technique used to measure a loss allowance for expected credit losses when applying IFRS 9 Financial Instruments; and – choosing the inputs to be used when applying the chosen measurement technique – e.g. the expected cash outflows for determining a provision for warranty obligations when applying IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The effects of changes in such inputs or measurement techniques are changes in accounting estimates.

The other new standards, amendments to published accounting and reporting standards and interpretations that are mandatory in Pakistan for the financial year beginning on July 1, 2023 are considered not to be relevant or to have any significant effect on the Group's financial reporting and operations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

2.5.2 Standards, amendments to approved accounting standards and interpretations that are not yet effective and have not been early adopted by the Group

The following new standards and amendments to approved accounting standards are not effective for the financial year beginning on July 1, 2023 and have not been early adopted by the Group:

- (a) Amendments to IAS 1, 'Presentation of Financial Statements' is applicable on accounting periods beginning on or after January 1, 2024. Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of this amendments, the requirement for a right to be unconditional has been removed and instead, the amendments requires that a right to defer settlement must have substance and exist at the end of the reporting period. This right may be subject to a company complying with conditions (covenants) specified in a loan arrangement. At October 31, 2022, after reconsidering certain aspects of the amendments, the IASB reconfirmed that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the Group must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date.
- (b) Amendments to IFRS 16, 'Sale and leaseback transaction' is applicable on accounting periods beginning on or after January 1, 2024. Amendments impact how a seller-lessee accounts for variable lease payments that arise in a sale-and-leaseback transaction. On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains. The amendments introduce a new accounting model for variable payments and will require seller-lessees to reassess and potentially restate sale-and-leaseback transactions entered.
- (c) Amendments to IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: Disclosures' will be applicable on accounting periods beginning on or after January 1, 2024. The amendments are in response to investors' calls for more transparency of Supplier Finance Arrangements' (SFA) impacts on the financial statements and include additional disclosure requirements for companies that enter into these arrangements. The objective of the new disclosures is to provide information about SFAs that enables investors to assess the effects on an entity's liabilities, cash flows and the exposure to liquidity risk. The new disclosures include information about the following:
- The carrying amounts of financial liabilities that are part of SFAs and the line items in which those liabilities are presented.
 - The carrying amount of the financial liabilities for which suppliers have already received payment from the finance providers.
 - The range of payment due dates for both the financial liabilities that are part of SFAs, and comparable trade payables that are not part of such arrangements.
 - Non-cash changes in the carrying amounts of financial liabilities.
 - Access to SFA facilities and concentration of liquidity risk with finance providers.

The IASB has provided transitional relief by not requiring comparative information in the first year, and also not requiring disclosure of specified opening balances. Further, the required disclosures are only applicable for annual periods during the first year of application.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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- (d) Amendments to IAS 21 'The effects of Changes in Foreign Exchange Rates' is applicable on accounting periods beginning on or after January 1, 2025. The amendments address situations where a currency may lack exchangeability, often due to government-imposed controls. In such cases, companies must estimate a spot exchange rate reflecting orderly transactions at the measurement date. The amendments provide flexibility, allowing the use of observable rates without adjustment or other estimation techniques, provided they meet the estimation objective. The assessment considers factors like the availability of multiple rates, purpose, nature, and update frequency. The amendments requires new disclosures, including the nature and financial impact of non-exchangeability, the spot exchange rate used, the estimation process, and associated risks.

The management anticipates that the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than in presentation / disclosures. There are a number of other standards, amendments and interpretations to the published standards that are not yet effective and are also not relevant to the Group and, therefore, have not been presented here.

3. BASIS OF MEASUREMENT

- 3.1 These consolidated financial statements have been prepared under the historical cost convention, except for certain classes of property, plant and equipment which have been included at revalued amounts, certain financial assets carried at fair value and provision for gratuity which is carried at present value of defined benefit obligation net of fair value of plan assets.
- 3.2 The preparation of consolidated financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The areas where various assumptions and estimates are significant to the Group's financial statements or where judgment was exercised in application of accounting policies are as follows:

- (i) Estimate of useful lives and residual values of property, plant & equipment and intangible assets (notes 4.1 and 4.2)
- (ii) Stock-in-trade (note 4.7)
- (iii) Provision for expected credit losses (note 4.8)
- (iv) Provision for staff benefits (note 4.9)
- (v) Provision for taxation (note 4.11)
- (vi) Provision for warranty (note 4.14.3)

4. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

4.1 Property, plant and equipment

4.1.1 Operating fixed assets

Owned assets

Operating fixed assets except for freehold land, building on freehold land and plant & machinery are stated at cost less accumulated depreciation and impairment loss, if any. Freehold land is stated at revalued amount and building on freehold land and plant & machinery are stated at revalued amounts less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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Subsequent cost

Subsequent cost are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and its cost can be reliably measured. Cost incurred to replace a component of an item of operating fixed assets is capitalised and the asset so replaced is retired from use. Normal repairs and maintenance are charged to the statement of during the period in which they are incurred.

Depreciation

Depreciation on all items of operating fixed assets other than freehold land is charged to statement of profit or loss applying the reducing balance method at the rates stated in note 5.1. Depreciation on additions to operating fixed assets is charged from the month in which an asset is acquired or capitalised while no depreciation is charged for the month in which the asset is disposed-off.

The depreciation method and useful lives of items of operating fixed assets are reviewed periodically and altered if circumstances or expectations have changed significantly. Any change is accounted for as a change in accounting estimate by changing depreciation charge for the current and future periods.

Disposal

Gains or losses on disposal or retirement of fixed assets are determined as the difference between the sale proceeds and the carrying amounts of assets and are included in the statement of profit or loss.

Revaluation of assets

Revaluation is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from the fair value. Any Surplus on revaluation of fixed assets is recognized in other comprehensive income and presented as a separate component of equity as "Surplus on revaluation of fixed assets", except to the extent that it reverses a revaluation decrease for the same asset previously recognized in statement of profit or loss, in which case the increase is credited to statement of profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation of operating fixed assets is charged to statement of profit or loss to the extent that it exceeds the balance, if any, held in the revaluation surplus on operating fixed assets relating to a previous revaluation of that asset. The revaluation reserve is not available for distribution to the Group's shareholders.

4.1.2 Right of use assets

The Group generally leases vehicles for his employees and own use. At the inception of a contract, The Group assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease term for vehicle is normally for five years.

Leases are recognized as right of use assets and corresponding liabilities at the date at which the leased assets are available for use by the Group.

The lease liabilities are initially measured at the present value of the remaining lease payments at the commencement date, discounted using the interest rate implicit in the lease. Lease payment includes principle along with interest. The lease liabilities are subsequently measured at amortised cost using the effective interest rate.

Right of use assets are initially measured based on the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right of use assets are depreciated on reducing balance method. The carrying amount of the right of use asset is reduced by impairment losses, if any. At transition, the Group recognized right of use assets equal to the present value of lease payments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in statement of profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Impairment

The Group assesses at each reporting date whether there is any indication that operating fixed assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is taken to statement of profit or loss except for impairment loss on revalued assets, which is adjusted against related revaluation surplus to the extent that the impairment loss does not exceed the surplus on revaluation of that asset.

4.1.3 Capital work-in-progress

Capital work-in-progress is stated at cost less identified impairment loss, if any. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to specific assets as and when assets are available for use.

4.2 Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment loss, if any.

Cost associated with developing or maintaining computer software programs are recognized as an expense as incurred. Costs that are directly associated with identifiable and unique software products controlled by The Group and will probably generate economic benefits exceeding costs beyond one year, are recognized as intangible assets. Direct costs include staff cost, costs of the software development team and an appropriate portion of relevant overheads.

Subsequent expenditure

Expenditure which enhance or extend the performance of computer software programs beyond their original specifications are recognized as capital improvement and added to the original cost of the software.

Amortisation

Intangible assets are amortised using the reducing balance method at the rate stated in note 6.

4.3 Financial assets

4.3.1 Classification

The Group has classified its financial assets into following categories: financial assets at amortised cost, financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. The financial assets are classified at initial recognition based on the business model used for managing the financial assets and contractual terms of the cash flows.

(a) Financial assets at amortised cost

A financial asset shall be classified as financial asset at amortised cost if both of the following conditions are met:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(b) Financial assets at fair value through other comprehensive income

The fair value through other comprehensive income classification is mandatory for certain debt instrument assets unless the option to classify as fair value through profit or loss is taken.

If an equity investment is not held for trading, an entity can make an irrevocable election at initial recognition to measure it at fair value through other comprehensive income with only dividend income recognized in statement of profit or loss.

(c) Financial assets at fair value through profit or loss

A debt instrument can be classified as a financial asset at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains or losses on them on different bases.

All equity instruments are to be classified as financial assets at fair value through profit or loss, except for those equity instruments for which the Group has elected to present value changes in other comprehensive income.

4.3.2 Recognition and measurement

Regular purchases and sales of financial assets are recognized on the trade date i.e. the date on which the Group commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed in the statement of profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

After initial recognition, an entity shall measure a financial asset at fair value or amortised cost.

Gains or losses arising from changes in fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of profit or loss within 'Other income / other expenses' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognized in the statement of profit or loss as part of 'Other income' when the Group's right to receive payments is established.

Gains or losses arising from changes in fair value of the 'financial assets at fair value through other comprehensive income' category are recognized in other comprehensive income with only dividend income recognized in statement of profit or loss.

4.4 Financial liabilities

Financial liabilities are recognized at the time when the Group becomes a party to the contractual provisions of the instrument. All financial liabilities are recognized initially at fair value less directly attributable transactions costs, if any, and subsequently measured at amortised cost using effective interest method unless financial liabilities are held for trading, in which case it is required to be measured at fair value through profit or loss or where entity elects to measure at financial liability, under fair value option.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of original liability and recognition of a new liability and the difference in respective carrying amounts is recognized in the statement of profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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4.5 Off-setting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counter party.

4.6 Stores, spares and loose tools

Stores, spares and loose tools are stated at the cost which is based on weighted average cost less provision for obsolescence, if any. Items in transit are stated at cost comprising of invoice value plus other charges thereon accumulated up to the reporting date.

4.7 Stock-in-trade

These are valued at lower of cost and net realisable value. The cost of various classes of stock-in-trade is determined as follows:

Stock category	Valuation method
Complete Knock Down Kits (CKD)	Specific cost identification
Complete Built-up Units (CBU)	Specific cost identification
Local raw materials	At cost on weighted average basis.
Work-in-process and finished goods	At cost which comprises of raw materials, import incidentals, direct labour and appropriate portion of manufacturing overheads.
Stock-in-transit	At invoice price plus all charges paid thereon up to the reporting date.

Net realisable value signifies the estimated selling price in the ordinary course of business less costs necessary to be incurred in order to make the sale.

4.8 Trade debts and other receivables and related impairment

Trade debts and other receivables are classified as financial assets at amortised cost according to IFRS 9.

Trade debts are initially recognized at original invoice amount which is the fair value of the consideration to be received in future and subsequently measured at cost less provision for doubtful debts. The Group uses simplified approach for measuring the expected credit losses for all trade and other receivables including contract assets based on lifetime expected credit losses. The Group has estimated the credit losses using a provision matrix where trade receivables are grouped based on different customer attributes along with historical, current and forward looking assumptions. Debts considered irrecoverable are written off.

4.9 Staff benefits

4.9.1 Defined benefit plan

The Group operates funded gratuity scheme which defines the amount of benefit that an employee will receive on retirement subject to minimum qualifying period of service under the scheme. The amount of retirement benefit is usually dependent on one or more factors such as age, years of service and salary. Provision for gratuity is made annually to cover obligation under the scheme in accordance with the actuarial recommendations. Latest actuarial valuation was conducted on June 30, 2024 on the basis of the projected unit credit method by an independent Actuary. The liability recognized in the statement of financial position in respect of defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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The amount arising as a result of re-measurement is recognized in the statement of financial position immediately, with a charge or credit to other comprehensive income in the periods in which they occur. Past-service cost, if any, are recognized immediately in income.

4.9.2 Defined contribution plan

The Group operates defined contribution plan (i.e. recognized provident fund scheme) for all its permanent employees. The Group and the employees make equal monthly contributions to the fund at the rate of 8.33% of the basic salary and cost of living allowance. The assets of the fund are held separately under the control of trustees.

4.10 Trade and other payables

Trade and other payables are stated at their cost which is the fair value of the consideration to be paid in future for goods and services, whether or not billed to the Group.

4.11 Taxation

Income tax expense represents the sum of current tax payable, adjustments, if any, to provision for tax made in previous years arising from assessments framed during the year for such years and deferred tax.

Current

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in the previous years arising from assessments framed during the year for such years.

Deferred

Deferred tax is recognized using the balance sheet method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

In accordance with Income Tax Ordinance, 2001 (Ordinance), computation of final taxes is not based on taxable income and as per revised guidance mentioned in note 4.9, these fall within the scope of IFRIC 21 / IAS 37 and accordingly have been classified as levy in these financial statements. Further, the Group designate the amount calculated on taxable income using the notified tax rate as an income tax within the scope of IAS 12 'Income Taxes' and recognise it as current income tax expense. Any excess over the amount designated as income tax, is then recognised as a levy falling under the scope of IFRIC 21/IAS 37.

During the year the Institute of Chartered Accountant of Pakistan (ICAP) have withdrawn the Technical Release 27 "IAS 12, Income Taxes (Revised 2012)" and issued guidance - "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes". The said guidance requires certain amounts of tax paid under minimum and final tax regime to be shown separately as a levy instead of showing it in current tax.

Accordingly, the impact has been incorporated in these financial statements retrospectively in accordance with the requirement of International Accounting Standard (IAS 8) - 'Accounting Policies, Change in Accounting Estimates and Errors'. There has been no effect on the statement of financial position, the statement of cash flows and earning per share as a result of this change.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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4.12 Provisions, contingent assets and contingent liabilities

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Contingent assets are not recognized and are also not disclosed unless an inflow of economic benefits is probable and contingent liabilities are not recognized and are disclosed unless the probability of an outflow of resources embodying economic benefits is remote.

4.13 Revenue recognition

The Group recognises revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those good and services. The Group recognises revenue in accordance with that core principle by applying the following steps:

- Identify the contract with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognise revenue when the entity satisfies a performance obligation

The Group sales locally assemble heavy & light commercial vehicles and their parts. Revenue from sale of goods is recognized when The Group satisfies a performance obligation (at a point of time) by transferring promised goods to customer being when the goods are dispatched to customers. Income from different sources other than above is recognized on the following basis:

- Return on bank deposits, term deposit receipts and scrap sales is accounted for on accrual basis.
- Dividend income is recognized when the right to receive payment is established.

4.14 SUMMARY OF OTHER ACCOUNTING POLICIES

4.14.1 Share capital

Ordinary shares are classified as equity and recognized at their face value.

4.14.2 Mark-up bearing loans and borrowings

Mark-up bearing loans and borrowings are recorded at the proceeds received. Finance charges are accounted for on accrual basis.

4.14.3 Warranty obligations

The Group recognises the estimated liability, on an accrual basis, to replace or repair parts of trucks under warranty at the reporting date, and recognises the estimated product warranty costs in statement of profit or loss net off amount received from principle on account of warranty claims when the sale is recognized.

4.14.4 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at amortised cost. For the purpose of cash flow statement, cash and cash equivalents comprise of balances with banks and cash in hand.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

5.2 Particulars of immovable property (i.e. freehold lands and leasehold lands) of the Company are as follows:

Location	Total area (in acres)
Taluka & District Karachi (East)	
(i) Naiclass No. 362, Deh Joreji, Tapo Joreji.	16.00
(ii) Survey Nos. 37/6-39 and 111/2-12, Deh Khanto, Tapo Landhi.	9.11
(iii) Survey No.36, Deh Khanto, Tapo Landhi.	8.10
(iv) Survey No.112, Deh Khanto, Tapo Landhi.	4.14
(v) Survey No.113, Deh Khanto, Tapo Landhi.	6.30
District Malir Karachi.	
(vi) Survey No. 38, Deh Khanto, Tapo Landhi .	10.00
(vii) Survey Nos. 542, 543, 544 & 545, Deh Joreji, Taluka Bin Qasim.	16.00

5.3 Freehold land, buildings on freehold land and plant & machinery along with assembly jigs had previously been revalued on June 30, 1997, June 30, 1999, January 1, 2004, June 30, 2009, June 30, 2014 and December 31, 2018.

The Holding Company as on June 28, 2024 again revalued its freehold land, buildings on freehold land, plant & machinery and assembly jigs. The revaluation exercise was carried out by independent valuer - Tristar International Consultant (Private) Limited, (Approved valuers of Pakistan Banks' Association) Room No. 17, 3rd Floor, Davis Hynes, 38-Davis Road, Lahore. Freehold land was revalued on the basis of current market price whereas buildings on freehold land, plant & machinery and assembly jigs were revalued on the basis of depreciated market value (level 2 of fair value hierarchy). The different levels of fair value have been defined in IFRS 13 as mentioned in note 39.2.

The surplus arisen on latest revaluation exercise aggregating Rs.2,348,028 thousand has been incorporated in the books of the Group and at the time of latest revaluation, forced sale value of the freehold lands, buildings on freehold lands and plant & machinery along with jigs were Rs.2,689,200 thousand, Rs.649,422 thousand and Rs.1,569,060 thousand respectively.

5.4 Had the operating fixed assets been recognised under the cost model, the carrying amount of each revalued class of operating fixed assets would have been as follows:

	2024	2023
Note ----- Rupees in '000 -----		
Freehold land	61,456	61,456
Buildings on freehold land	174,213	144,214
Plant and machinery	991,764	880,322
Assembly jigs	476,554	595,692

5.5 Depreciation charge has been allocated as follows:

Cost of goods manufactured	28.1	290,460	320,293
Distribution cost	29	4,021	2,337
Administrative expenses	30	35,666	26,423
		330,147	349,053

5.6 The Holding Company's present and future land, buildings on freehold land, plant & machinery and specific vehicles are under mortgaged / hypothecated charged up to Rs.1,970,667 thousand (2023: Rs.1,970,667 thousand) with banks for finance facilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

5.7 The details of operating fixed assets disposed-off are as follows:

Particular of assets	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain	Mode of disposal	Particular of buyers
Item having book value exceeding Rs.500,000 each							
Vehicles	2,109	1,437	672	699	27	Group policy	Mr. Sheikh Naeem Ahmed (Employee) Mr. Sohail Ahmed Sheikh (Ex-employee) Mr. Adnan Afridi (Employee) Mr. Faisal Hameed (Key Management Personal)
	1,990	1,254	736	824	88		
	1,543	1,034	509	599	90		
	2,885	1,336	1,549	1,549	-		
	8,527	5,061	3,466	3,671	205		
Items having book value up to Rs.500,000 each							
	10,358	7,135	3,223	3,382	159		
June 30, 2024	18,885	12,196	6,689	7,053	364		
June 30, 2023	51,113	34,953	16,160	22,180	6,020		

5.8 Rs.189,000 thousand (2023: Rs. 125,000 thousand) advance paid to Business Vision (Private) Limited - a related party against reservation of floor in project name SKY GARDEN located at office building at plot no.108, C.F 1-5, old Clifton quarters, Karachi.

6. INTANGIBLE ASSETS

These represent computer software licenses.

Cost

	2024	2023
At beginning of the year	8,908	8,008
Addition during the year	1,226	900
At end of the year	10,134	8,908

Accumulated amortisation

	2024	2023
At beginning of the year	5,158	4,134
Charge for the year	1,090	1,024
At end of the year	6,248	5,158

Net book value

	2024	2023
	3,886	3,750

Rate of amortisation (% - per annum)

	2024	2023
	25	25

7. LONG TERM INVESTMENTS

	2024	2023
Associate - equity accounted investment	1,629,179	1,271,261
Others - available for sale	-	-
	1,629,179	1,271,261

7.1 Ghandhara Industries Limited

Balance at beginning of the year	1,271,261	1,312,254
Share of profit / (loss) for the year	42,270	(38,214)
Share of other comprehensive income / (loss)	3,626	(2,779)
Share of revaluation surplus	312,022	-
Balance at end of the year	1,629,179	1,271,261

7.1.1 Investment in Ghandhara Industries Limited (GIL) represents 8,132,336 (2023: 8,132,336) fully paid ordinary shares of Rs.10 each representing 19.09% (2023: 19.09%) of its issued, subscribed and paid-up capital as at June 30, 2024. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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7.1.2 The summary of financial statements / reconciliation of GIL as of March 31, 2024 is as follows:

	As at March 31, 2024	As at March 31, 2023
	----- Rupees in '000 -----	
Summarised Statement of Financial Position		
Non current assets	6,073,161	4,391,714
Current assets	10,760,169	12,316,752
	16,833,330	16,708,466
Non current liabilities	175,297	142,685
Current liabilities	8,133,036	9,916,074
	8,308,333	10,058,759
	8,524,997	6,649,707
Net asset		
Reconciliation to carrying amount		
Opening net assets	6,649,707	6,864,488
Profit / (loss) for the year	221,469	(200,220)
Other comprehensive income / (loss)	19,000	(14,561)
Revaluation surplus	1,634,821	-
Closing net assets	8,524,997	6,649,707
Holding Company's share (Percentage)	19.086%	19.086%
Holding Company's share	1,627,081	1,269,163
Goodwill and other adjustment	2,098	2,098
Carrying amount of investment	1,629,179	1,271,261

Nine months period ended

	March 31, 2024	March 31, 2023
Summarised profit or loss account		
Revenue	9,809,175	12,750,910
Profit before tax	512,735	476,433
Profit after tax	302,862	260,817

7.1.3 The above figures are based on unaudited condensed interim financial information of GIL as at March 31, 2024. The latest financial statements of GIL as at June 30, 2024 are not presently available. Accordingly, results of operations of first three quarters of financial year 2024 and last quarter of financial year 2023 have been considered.

7.1.4 The investee company is an Associate of the Company by virtue of common directorship.

7.1.5 The market value of investment as at June 30, 2024 was Rs.2,223,299 thousand (June 30, 2023: 654,978 thousand)

7.1.6 2,000,000 (2023: 2,000,000) shares of GIL having fair value Rs. 546,780 thousand (2023: Rs.161,080 thousand) are under lien of a commercial bank as collateral against short term finance facility.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

7.2 Others - available for sale

Automotive Testing & Training Centre (Private) Limited

187,500 (2023: 187,500) ordinary shares of Rs.10 each - cost
Provision for impairment

	2024	2023
Note	----- Rupees in '000 -----	
	1,875	1,875
	(1,875)	(1,875)
	-	-

8. LONG TERM LOANS - Unsecured, considered good and interest free

Loans to employees
Related parties - Key Management Personnel
Other employees

	2024	2023
8.1 & 8.2	180	-
8.1	11,526	9,871
	11,706	9,871
	-	-
	180	-
	2,380	3,293
12	2,560	3,293
	9,146	6,578

Less: amounts recoverable within one year and grouped under current assets

Related parties - Key Management Personnel
Other employees

8.1 These represent interest-free loans provided to employees of the Group as per terms of employment for various purposes. These loans are repayable on monthly instalments, which vary from case to case.

8.2 The maximum aggregate amount outstanding at the end of any month during the year ended June 30, 2024 from Key Management Personnel aggregated to Rs.510 thousand (2023: Rs.483 thousand).

8.3 The carrying values of these loans are neither past due nor impaired. The credit quality of these financial assets can be assessed with reference to no default in recent history.

9. LONG TERM DEPOSITS - Unsecured, considered good and interest free

Deposits held with / against:
Central Depository Company of Pakistan Limited
Lease facilities
Utilities
Others

	2024	2023
	----- Rupees in '000 -----	
	25	25
	25,332	19,115
	9,809	9,809
	121	121
	35,287	29,070

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

10. STOCK-IN-TRADE

	2024	2023
Note	----- Rupees in '000 -----	
Raw materials		
In hand	1,032,010	886,111
Provision for obsolete / slow moving inventories	(11,184)	(11,184)
	1,020,826	874,927
In transit	1,331,055	374,317
	2,351,881	1,249,244
Finished goods		
In hand		
Complete built units - trucks and cars	-	134,896
Complete knockdown units - trucks and cars	349,329	437,416
Spare parts	488,471	326,091
Held with third parties		
Complete built units - trucks and cars	-	17,387
Complete knockdown units - trucks and cars	221,374	153,975
In transit		
Spare parts	38,168	27,334
	1,097,342	1,097,099
	3,449,223	2,346,343

10.1 The present and future stock-in-trade, trade debts and receivables aggregating Rs. 9,554,683 thousand (2023: Rs. 9,021,350 thousand) are under pledge / joint hypothecation charge with banks against short term finances and running finances (Refer note 25).

11. TRADE DEBTS - Unsecured

	2024	2023
Note	----- Rupees in '000 -----	
Considered good against sale of		
Vehicles and assembly charges		
- due from Ghandhara Industries Limited an Associated Company	24,873	104,810
- others	1,400,023	1,028,365
	1,424,896	1,133,175
Spare parts	22,165	28,423
	1,447,061	1,161,598
Considered doubtful		
	33,811	30,708
	1,480,872	1,192,306
Provision for expected credit losses	(33,811)	(30,708)
	1,447,061	1,161,598

11.1 The ageing of the trade debts receivable from an Associated Company as at the reporting date is as follows:

	2024	2023
	----- Rupees in '000 -----	
Up to 3 months	24,873	104,810

11.2 The maximum aggregate amount of trade receivable from related parties at the end of any month during the year was Rs.96,400 thousand (2023: Rs.101,481 thousand).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

11.3 Movement in provision for expected credit losses

Balance at beginning of the year
Charged for the year - net
Balance at end of the year

Note	2024	2023
	----- Rupees in '000 -----	
	30,708	17,436
	3,103	13,272
	33,811	30,708

12. LOANS AND ADVANCES - Unsecured, considered good and interest free

Current portion of long term loans

Advances to:

Related party- Key Management Personnel
Other employees
Provision for doubtful loans - other employees
Suppliers, contractors and others

Letters of credit

Note	2024	2023
8	2,560	3,293
	-	6
	2,936	2,632
	(454)	(454)
	24,628	52,006
	27,110	54,190
	309	571
	29,979	58,054

13. DEPOSITS AND PREPAYMENTS

Current account balances with statutory authorities

26,115 19,906

14. OTHER RECEIVABLES

Considered good and interest free

Margin against letter of credits

Security deposits and earnest money - interest free
Provision for doubtful deposits and earnest money

Others

	73,297	94,611
	6,252	3,562
	(3,442)	(3,442)
	2,810	120
	21,689	12,050
	97,796	106,781

15. CASH AND BANK BALANCES

Cash in hand

Cash at banks on:

- current accounts
- saving accounts
- deposit account
- term deposits receipts

Provision for doubtful bank balance

	2024	2023
	308	308
15.1	227,021	183,861
15.2 & 15.4	130,563	79,805
15.3 & 15.4	360,120	404,119
	472,813	661,211
	1,190,517	1,328,996
15.5	(3,912)	(3,912)
	1,186,605	1,325,084
	1,186,913	1,325,392

15.1 At reporting date, these carry mark-up up to the rate of 20.50% (2023:19.50%) per annum.

15.2 This carries mark-up at the rate 21.25% (2023: 20.50%) per annum.

15.3 Term deposit receipts (TDRs) have expected maturity up to 90 (2023:90) days from respective dates of acquisition. These TDRs carry mark-up at rate ranging from 20.20% to 20.36% (2023: 9.80% to 20.40%) per annum.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

15.4 These are under lien as cash margin against financing facilities availed from financial institutions under Temporary Economic Refinance Facility (TERF). (Refer note 20).

15.5 This represents provision made against bank balance held with Indus Bank Limited whose operations were ceased by the State Bank of Pakistan and is under liquidation. The above balance is net of Rs.42,586 thousand deposited in the deposit account and margin account against four letters of credit due in May and June 2000. Despite full payments and several reminders, the payment of above letters of credit has not been made to the supplier of goods. The Group considers that it has discharged its obligation against the said letters of credit.

16. SHARE CAPITAL

16.1 Authorized capital

80,000,000 (2023: 80,000,000) ordinary shares of Rs.10 each

	2024	2023
	----- Rupees in '000 -----	
	800,000	800,000

16.2 Issued, subscribed and paid-up capital

	2024	2023		2024	2023
	Number of shares			Rupees in '000	
	26,800,000	26,800,000	Ordinary shares of Rs. 10 each fully paid in cash	268,000	268,000
	200,000	200,000	Ordinary shares of Rs. 10 each for issued as fully paid bonus shares	2,000	2,000
	30,002,500	30,002,500	Ordinary shares of Rs.10 each issued for acquisition	300,025	300,025
	57,002,500	57,002,500		570,025	570,025

16.3 At June 30, 2024, Bibojee Services (Private) Limited (the Ultimate Holding Company) holds 57.76% (2023: 57.76%) of share capital of the Holding Company.

16.4 The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. All shares rank equally with regard to Holding Company's residual assets.

17. RESERVE FOR CAPITAL EXPENDITURE

The Board of Directors of the Company in their meeting held on July 21, 2023, discussed that keeping in view capital expenditure strategy of the Company, the Board, out of revenue reserves, decided to transfer and classify a sum of PKR 1,000,000 thousand to separate capital reserve for capital expenditures (un-available by way of dividend) to more accurately reflect the nature of these reserves. This reserve represents funds set aside for the purchase of fixed assets in future.

18. SURPLUS ON REVALUATION OF FIXED ASSETS - Net

		2024	2023
	----- Rupees in '000 -----		
Surplus on revaluation of the Holding Company's fixed assets	Note 18.1	4,267,407	2,110,527
Share of surplus on revaluation of fixed assets of an Associated Company		977,899	668,831
		5,245,306	2,779,358

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

18.1 Surplus on revaluation of the Holding Company's fixed assets

Balance at beginning of the year
Surplus arisen on revaluation carried-out during the year
Transferred to unappropriated profit on account of incremental depreciation for the year

Less: related deferred tax of:

- opening balance
- surplus arisen during the year
- incremental depreciation for the year
- closing balance
Balance at end of the year

	2024	2023
	----- Rupees in '000 -----	
	2,358,988	2,404,054
5.3	2,348,028	-
	(42,776)	(45,066)
	4,664,240	2,358,988
	248,461	261,530
	160,777	-
	(12,405)	(13,069)
	396,833	248,461
	4,267,407	2,110,527

19. LEASE LIABILITIES - Secured

Balance at beginning of the year
Assets acquired during the year
Repaid / adjusted during the year

Current portion grouped under current liabilities
Balance at end of the year

	2024	2023
	101,869	67,133
	95,340	68,956
	(44,487)	(34,220)
	152,722	101,869
	(45,273)	(31,520)
	107,449	70,349

19.1 These represent vehicles acquired under diminishing musharakah arrangements from First Habib Modaraba. Rentals are payable on monthly basis. These finance facilities, during the year, were subject to finance cost at the rates ranged from 22.46% to 23.97% (2023: 16.01% to 23.03%) per annum. These facilities are secured against title of the leased vehicles in the name of lessor. The Group intends to exercise its option to purchase the leased vehicles upon completion of the lease terms.

The future minimum lease payments to which the Group is committed under the agreements will be due as follows:

Particulars	2024		2023	
	Upto one year	From one to five years	Upto one year	From one to five years
	----- Rupees in '000 -----			
Minimum lease payments	68,728	136,437	46,964	88,705
Finance cost allocated to future periods	(23,455)	(28,988)	(15,444)	(18,356)
Present value of minimum lease payments	45,273	107,449	31,520	70,349

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

20. LONG TERM BORROWINGS

	2024	2023
Note	Rupees in '000	
Demand finance loan	20.1.1 136,188	475,242
Temporary Economic Refinance Facility (TERF)	20.1.2 468,452	499,682
Islamic Temporary Economic Refinance Facility (ITERF)	20.1.3 360,000	400,000
	964,640	1,374,924
Adjustment pertaining to fair value of loan at below market interest rate (government grant) - net	(151,706)	(196,855)
	812,934	1,178,069
Current portion grouped under current liabilities	(278,657)	(413,618)
	534,277	764,451

20.1 Movement in face value of long term loan

	2024	2023
Balance at the beginning of the year	1,374,924	1,342,275
Loan obtained during the year	-	354,027
Loan re-paid during the year	(410,284)	(321,378)
Balance at the end of the year	964,640	1,374,924

20.1.1 The Company had obtained demand finance loan facility amounting Rs.500,000 thousand from Karandaaz Pakistan for the purpose of onwards lending to SME truck owners. The loan carries mark-up at the rate of 3 months KIBOR plus 1.50% and is secured against first pari passu by the way of hypothecation charge over all present and future current assets with 25% margin. This loan is for up to three years from the date of disbursement and is repayable in monthly equal instalments. During the year, the Company did not acquire any additional loan (2023: Rs. 354,027 thousand) and repaid Rs. 339,054 thousand (2023: Rs. 253,329 thousand).

20.1.2 This represents loan received from JS Bank Limited under Temporary Economic Refinance Facility (TERF) introduced by State Bank of Pakistan for the purpose to finance / retire letter of credits for import / purchase of brand new plant and machinery for Chery car project. The facility is secured against 100% cash collateral in shape of lien over 3 months term deposit. Mark-up is chargeable at SBP rate (1%) plus 3.50% bps per annum. The loan is for ten years with a grace period of two years and is repayable in thirty two equal quarterly instalments. During the year, the Company repaid Rs. 31,230 thousand (2023: Rs. Nil).

20.1.3 This represents loan received from Dubai Islamic Bank under Islamic Temporary Economic Refinance Facility (ITERF) introduced by State Bank of Pakistan for the purpose to finance import of brand new plant and machinery for Chery car project. The facility is secured against 100% cash margin under lien over deposit account. Mark-up is chargeable at SBP rate (1%) plus 3% bps per annum. The loan is for seven years with a grace period of two years and is repayable in twenty equal quarterly instalments. During the period, the Company repaid Rs. 40,000 thousand (2023: Rs. Nil).

20.2 Adjustment pertaining to fair value of loan at below market interest rate

	2024	2023
	Rupees in '000	
Balance at beginning of the year	196,855	238,576
Amortisation of loan	(45,149)	(41,721)
Balance at end of the year	151,706	196,855

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

21. DEFERRED INCOME - GOVERNMENT GRANTS

	2024	2023
Note	Rupees in '000	
Balance at beginning of the year	196,855	238,576
Released to statement of profit or loss	(45,149)	(41,721)
	151,706	196,855
Current portion grouped under current liabilities	(41,460)	(45,149)
Balance at end of the year	110,246	151,706

21.1 The Company recognised government grant on below market interest loan received - (note 20.1.2 and note 20.1.3) in accordance with IAS - 20 'Accounting for government grants and disclosure of government assistance'

22. LONG TERM DEPOSITS - Interest free

	2024	2023
Note	Rupees in '000	
Dealers' deposits	63,615	57,115
Vendors	111	111
Others	9,000	7,000
	72,726	64,226

23. DEFERRED TAXATION - Net

The liability for deferred taxation comprises of temporary differences relating to:

	2024	2023
- accelerated tax depreciation allowance	228,041	207,334
- surplus on revaluation of fixed assets	396,833	248,461
- lease finances	-	7,343
- provision for expected credit losses	(9,805)	(8,906)
- provision for other receivables	(998)	(998)
- provision for obsolete / slow moving inventories	(3,243)	(3,243)
- provision for bank balances	(1,134)	(1,134)
- unabsorbed tax depreciation of the Holding company	(214,344)	(152,760)
	395,350	295,988

24. TRADE AND OTHER PAYABLES

	2024	2023
Trade creditors	345,793	170,708
Bills payable	1,249,682	477,174
Custom duty payable	54,480	206,994
Accrued liabilities	167,031	158,686
Refundable - CKD / CBU business	1,403	1,403
Contract liabilities - customers advances and credit balances	713,241	388,772
Commission	93,447	70,682
Unclaimed gratuity	231	231
Payable to gratuity fund	15,259	1,321
Provision against additional custom duty	130,897	130,897
Sales tax payable	30,835	108,755
Withholding tax	5,855	722
Workers' profit participation fund	-	10,121
Workers' welfare fund	-	5,837
Retention money	2,175	2,175
Others	81,192	65,058
	2,891,521	1,799,536

24.1 Includes Rs. 4,959 (2023: Rs. Nil) and Rs. Nil (Rs.16,401 thousand) payable to Ghandhara Tyre and Rubber Company Limited - an Associated Company and Bibojee Services (Private) Limited - the Holding Company respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

24.2 Includes Rs. 31,664 thousand (2023: 17,324 thousand) which pertains to a Key Management Person.

24.3 These represent advances from customers against sales of vehicles.

24.4 Provision for gratuity

The Holding Company and the Subsidiary Company have established separate funds namely 'Ghandhara Nissan Limited - Employees Gratuity Fund' [GNL-GF] and 'Ghandhara DF (Private) Limited - Employees Gratuity Fund' [GDF-GF] respectively, which are governed under an irrevocable trust to pay / manage gratuities of eligible employees. These are trustee-administered fund and are governed by local regulations which mainly includes Trust Act, 1882, Companies Act, 2017, Income Tax Ordinance, 2001, Income Tax Rules, 2002 and Rules under the Trust deeds of the respective Schemes. Responsibility for governance of the Schemes, including investment decisions and contributions schedules lies with the board of trustees. Trustee of the Fund are appointed by the Group and are employees of the Holding Company.

The latest actuarial valuation of both Schemes as at June 30, 2024 was carried out using the 'Projected Unit Credit Method'. Details of the Scheme as per the actuarial valuation are as follows:

	2024	2023
24.4.1 Statement of financial position reconciliation		
	----- Rupees in '000 -----	
Present value of defined benefit obligation	274,949	227,076
Fair value of plan assets	(271,260)	(226,897)
Benefits payable	11,570	1,142
Net liability at end of the year	15,259	1,321
24.4.2 Net liability recognized		
Net liability at beginning of the year	1,321	31,525
Charge to profit or loss	16,462	16,161
Contributions made by the Group	(1,321)	(31,525)
Re-measurement recognised in other comprehensive income	(1,203)	(14,840)
	15,259	1,321
24.4.3 Movement in the present value of defined benefit obligation		
Balance at beginning of the year	227,076	206,685
Current service cost	17,418	16,522
Interest expense	35,480	26,585
Benefits paid	(6,136)	(11,517)
Benefits due but not paid	(10,965)	(1,144)
Re-measurement	12,076	(10,055)
Balance at end of the year	274,949	227,076
24.4.4 Movement in the fair value of plan assets		
Balance at beginning of the year	226,897	193,115
Contribution received during the year	1,321	31,525
Interest income	36,437	26,945
Benefits paid	(6,674)	(29,473)
Re-measurement	13,279	4,785
Balance at end of the year	271,260	226,897
24.4.5 Expense recognized in consolidated statement of profit or loss		
Current service cost	17,418	16,522
Net interest income	(956)	(361)
	16,462	16,161

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
24.4.6 Re-measurement recognized in consolidated other comprehensive income		
	----- Rupees in '000 -----	
Financial assumptions	2,752	16,956
Experience adjustments	9,324	(27,011)
Re-measurements of plan assets	(13,278)	(4,785)
	(1,202)	(14,840)

24.4.7 Plan assets comprise of

	2024	2023
Fixed income instruments	-	100,000
Mutual fund securities	52,633	8,516
Cash at bank	218,627	118,381
	271,260	226,897

24.4.8 Significant actuarial assumptions and sensitivity

	2024	2023
	--- % per annum ---	
Discount rate	14.75	16.25
Expected rate of increase in future salaries		
- first year	21.50	21.00
- long term	14.75	15.75
Mortality rates (for death in service)	SLIC	SLIC
	(2001-2005)-1	(2001-2005)-1

The sensitivity of the defined benefit obligation to changes in principal assumptions is:

	Impact on define benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
	----- Rupees in '000 -----		
Discount rate	1.00%	252,389	301,089
Increase in future salaries	1.00%	301,022	252,048

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and change in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of defined benefit obligation calculated with the projected unit credit method at the end of reporting period) has been applied as when calculating the gratuity liability recognised within the consolidated statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

24.4.9 Based on actuary's advice, the expected charge to consolidated statement of profit or loss for the year ending June 30, 2025 amounts to Rs.18,307 thousand.

24.4.10 The weighted average durations of GNL-GF and GDF-GF schemes are 9 years and 15 years respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

24.4.11 Historical information

	2024	2023	2022	2021	2020
	----- Rupees in '000 -----				
Present value of defined benefit obligation	274,949	227,076	206,685	183,163	164,362
Experience adjustment	(1,202)	(14,840)	17,324	2,482	(1,828)

24.4.12 Expected maturity analysis of undiscounted retirement benefit plan:

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
	----- Rupees in '000 -----				
At June 30, 2024	22,651	11,830	75,159	7,008,327	7,117,967

24.5 Workers' profit participation fund

	Note	2024	2023
		----- Rupees in '000 -----	
Balance at beginning of the year		10,121	(2,990)
Allocation for the year	32	-	13,111
Interest on funds utilised in the Holding Company's business	33	1,596	-
		11,717	10,121
Payment made during the year		(11,717)	-
Balance at end of the year		-	10,121

24.6 Includes deposits and instalments under the Group's staff vehicle policy aggregating Rs. 49,470 thousand (2023: Rs.35,317 thousand).

25. SHORT TERM BORROWINGS

	2024	2023
	----- Rupees in '000 -----	
Running finances / musharakah	846,872	788,351
Finance against imported merchandise - Musawamah	172,354	-
Term finance - short term loans carry mark-up @ 21.55 (2023: 22.34)	240,000	180,000
	1,259,226	968,351

25.1 Running finances facilities available from commercial banks under mark-up arrangements aggregate to Rs.925,000 thousand including sub limits of facilities for opening letters of credits (2023:Rs.1,190,000 thousand) and are secured by way of equitable, hypothecation and pari passu charge over fixed and current assets of the Group. These, during the current financial year, carry mark-up at the rates ranging from 22.96% to 24.91% (2023: 15.31% to 23.98%) per annum. The arrangements are expiring on March 31, 2025.

25.2 The facilities for opening letters of credit as at June 30, 2024 aggregate to Rs.5,615,000 thousand (2023: Rs.5,500,000 thousand) of which the amount remained unutilised at the year-end was Rs.4,959,949 thousand (2023: Rs.4,959,556 thousand). Further, the Group also has facilities of Finance against Import Merchandise, Finance Against Trust Receipts (FATR) and Short Term finances aggregating Rs.2,000,000 thousand (2023: Rs.3,350,000 thousand) as sub limits of these letters of credit facilities and letters of guarantee facilities aggregating Rs.45,000 thousand (2023: Rs.406,000 thousand) including Rs.30,000 thousand as sub limit of these letters of credit facilities. These facilities are secured against effective pledge of imported consignments, first pari passu charge over land along with buildings and plant & machinery and hypothecation charge over present and future stocks & books debts. The arrangements are expiring on March 31, 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

25.3 Facilities aggregated Rs.750,000 thousand (2023: Rs.1,500,000 thousand) out of the above mentioned facilities are also available to the Group level.

26. CONTINGENCIES AND COMMITMENTS

26.1 Certain cases have been filed against the Holding Company in respect of employees matters. These cases are pending before High Court of Sindh and National Industrial Relations Commission, Karachi. The management is confident that the outcome of these cases will be in the Holding Company's favour.

26.2 Commitment in respect of irrevocable letters of credit as at June 30, 2024 aggregate to Rs.153,451 thousand (2023: Rs.336,300 thousand).

26.3 Commitments outstanding for capital expenditure other than through letters of credit as at June 30, 2024 aggregated to Rs. 261,000 thousand (2023: Rs. 336,300 thousand).

26.4 Guarantees aggregating Rs. 25,592 thousand (2023: 24,578 thousand) are issued by banks of the Group to various government and other institutions. Further, the Holding Company has issued corporate guarantees aggregating Rs.586,346 thousand (2023: Rs.325,500 thousand) to the commercial banks against running finances and letters of credit facilities utilised by the Subsidiary Company.

27. REVENUE - Net

Manufacturing activity

Sales	10,984,412	15,485,799
Less:		
- sales tax and federal excise duty	1,835,812	2,665,292
- commission	139,768	230,270
	1,975,580	2,895,562
	9,008,832	12,590,237

Trading activity

Sales	498,169	619,373
Less:		
- sales tax	76,421	91,564
- discount and commission	17,431	13,483
	93,852	105,047
	404,317	514,326
	9,413,149	13,104,563

28. COST OF SALES

Finished goods at beginning of the year	1,069,765	1,724,871
Cost of goods manufactured	7,941,492	11,112,493
Purchases - trading goods	327,429	204,591
	8,268,921	11,317,084
Finished goods at end of the year	(1,059,174)	(1,069,765)
	8,279,512	11,972,190

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

28.1 Cost of goods manufactured

		2024	2023
Note		----- Rupees in '000 -----	
	28.2	6,491,431	9,576,239
Raw materials and parts consumed		16,879	65,925
Fabrication of contract vehicles		138,196	179,116
Stores and spares consumed	28.3	641,807	629,383
Salaries, wages and benefits		44,538	43,590
Transportation		66,970	81,850
Repair and maintenance	5.5	290,460	320,293
Depreciation		6,413	6,028
Insurance		2,375	2,510
Communication		10,570	1,321
Rent, rates and taxes		1,213	1,073
Travelling and entertainment		180,619	145,419
Plant utilities		1,384	2,565
Printing, stationery and office supplies		1,940	-
Research and development cost		9,379	23,621
Royalty expense		35,156	31,374
Plant security		2,162	2,186
Other manufacturing expenses		7,941,492	11,112,493

28.2 Raw materials and parts consumed

		2024	2023
Stocks at beginning of the year		874,927	1,592,715
Purchases		6,637,330	8,858,451
		7,512,257	10,451,166
Stocks at end of the year	10	(1,020,826)	(874,927)
		6,491,431	9,576,239

28.3 Salaries, wages and benefits include Rs.9,840 thousand (2023: Rs.9,894 thousand) and Rs.8,792 thousand (2023: Rs.7,545 thousand) in respect of staff retirement gratuity and staff provident fund respectively.

29. DISTRIBUTION COST

		2024	2023
Note		----- Rupees in '000 -----	
	29.1	100,540	88,908
Salaries and benefits		1,231	841
Utilities		6,829	5,591
Rent, rate and taxes		3,997	4,222
Insurance		1,251	576
Repair and maintenance		5,515	4,483
Travelling and entertainment		673	668
Telephone and postage	5.5	4,021	2,337
Depreciation		4,946	422
Vehicle running		308	768
Printing, stationery and office supplies		474	413
Security		632	1,377
Warranty services		16,144	43,763
Godown and forwarding		16,257	39,157
Sales promotion expenses		221	1,448
Others		163,039	194,974

29.1 Salaries and benefits include Rs.2,483 thousand (2023: Rs.2,470 thousand) and Rs.3,370 thousand (2023: Rs.2,915 thousand) in respect of staff retirement gratuity and staff provident fund respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

30. ADMINISTRATIVE EXPENSES

		2024	2023
Note		----- Rupees in '000 -----	
	30.1	167,843	162,237
Salaries and benefits		3,332	3,083
Utilities		37,981	32,378
Rent, rates and taxes		3,640	3,575
Directors' fee		3,103	13,272
Provision for expected credit losses		3,049	2,487
Insurance		11,178	4,339
Repairs and maintenance	5.5 & 6	36,756	27,447
Depreciation and amortisation	30.2	2,921	1,980
Auditors' remuneration		387	1,139
Advertising		10,744	13,752
Travelling and conveyance		17,071	15,047
Legal and professional charges		10,274	4,956
Vehicle running		9,601	9,608
Telephone and postage		4,114	3,945
Printing and stationery		9,169	10,535
Subscriptions		3,504	5,716
Security expenses		3,035	3,204
Other		337,702	318,700

30.1 Salaries and benefits include Rs.4,140 thousand (2023: Rs.3,797 thousand) and Rs.4,872 thousand (2023: Rs.4,585 thousand) in respect of staff retirement gratuity and staff provident fund respectively.

30.2 Auditors' remuneration

	2024	2023
	----- Rupees in '000 -----	
Remuneration in respect of auditors' services for:		
- statutory audit	2,250	1,500
- certification and others	370	268
- audit of retirement fund	85	65
- sindh sales tax @ 8%	216	147
	2,921	1,980

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

31. OTHER INCOME

Income from financial assets

Interest / mark-up earned on:

- PLS and Saving account
- term deposit receipts and deposit accounts

Gain from sale of investment in mutual funds

Dividend income - mutual funds' investment

Income from non-financial assets

- Scrap sales - net of sales tax
- Gain on disposal of operating fixed assets
- Commission income
- Service income - net of sales tax
- Reversal of provision / liabilities written back
- Others

31.1 Interest at the rates ranged from 16.50 % to 21.40% (2023: 13.00 % to 20.40%) per annum has been earned during the year on term deposit receipts and deposit accounts placed under conventional banking system.

32. OTHER EXPENSES

Workers' profit participation fund

Workers' welfare fund

Exchange loss

Capital work in progress - written off

	2024	2023
Note	Rupees in '000	
	15,804	61,705
	222,846	148,040
	-	13,186
	-	6,372
	238,650	229,303
	24,054	29,175
	364	6,020
	3,724	-
	2,992	1,610
	7,054	-
	2,450	1,623
	40,638	38,428
	279,288	267,731

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

33. FINANCE COST

Mark-up on :

- long term borrowings
- running finances
- short term borrowings
- customer advances

Lease finance charges

Interest on workers' profit participation fund

Bank and other charges

34. LEVIES AND INCOME TAXATION

34.1 Reconciliation of current tax charged as per tax laws for the year, with current tax recognised in the profit and loss account, is as follows:

Current tax liability for the year as per applicable tax laws

Portion of current tax liability as per tax laws, representing income tax under IAS 12

Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37

34.2 No numeric tax rate reconciliation for the current year and preceding year is given in the consolidated financial statements, as provision made primarily represents minimum tax due under section 113 of the Income Tax Ordinance, 2001 (the Ordinance) and tax deducted under section 150 and 153 of the Ordinance.

35. EARNINGS PER SHARE - BASIC AND DILUTED

35.1 Basic earnings per share

profit for the year

Weighted average ordinary shares in issue

Earnings per share - basic and diluted

35.2 Diluted earnings per share

No figures for diluted earnings per share has been presented as the Holding Company has not issued any instruments carrying options which would have an impact on earnings per share when exercised.

	2024	2023
Note	Rupees in '000	
	109,459	114,145
	107,333	110,736
	185,485	109,122
	-	288
	402,277	334,291
	28,007	15,015
	1,596	-
	9,586	5,429
	441,466	354,735

	2024	2023
	Rupees in '000	
	190,625	174,540
	(120,781)	(94,224)
	(69,844)	(80,316)
	-	-

	2024	2023
	Rupees in '000	
	364,977	173,512
	-- Number of shares --	
	57,002,500	57,002,500
	----- Rupees -----	
	6.40	3.04

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

36. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2024			2023		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
	----- Rupees in '000 -----					
Managerial remuneration	17,659	-	146,337	15,780	-	106,200
Bonus	2,400	-	11,431	2,800	-	10,103
Contribution to provident fund	951	-	6,778	850	-	4,674
Gratuity	850	-	4,114	850	-	3,121
Utilities	1,141	-	8,501	1,020	-	6,001
	23,001	-	177,161	21,300	-	130,099
Number of persons	1	-	35	1	-	35

36.1 The Chief Executive of the Holding Company is also entitled for the use of the Company maintained car, security, telephone, club and medical expenses at actual. He is also entitled to receive other benefits as per Holding Company policy applicable to all management employees.

36.2 Certain Executives of the Holding Company are also provided with free use of the Holding Company maintained vehicles.

36.3 Aggregate amount charged in the Consolidated financial statements for meeting fee to Directors of Holding Company and Subsidiary Company was Rs. 3,640 thousand (2023: Rs. 3,575 thousand).

37. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of the Ultimate Holding Company, Associated Companies, directors of the Group, 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 (head of department). The Group in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties are shown under receivables and payables. Significant transactions with related parties are as follows:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

Related party name along with relation	Nature of transaction	2024	2023
		----- Rupees in '000 -----	
(i) Ultimate Holding Company			
Bibojee Services (Private) Limited - 57.76% shares held in the Company	Corporate office rent Contract assembly revenue Sale of vehicles	18,155 - 17,886	16,371 2,633 -
(ii) Associated Companies			
Gandhara Industries Limited 19.09% shares held by the Company (37.1)	Contract assembly revenue Reimbursement of expenses Purchase of parts Sale of parts Head office rent Sale of vehicles Fabrication of vehicle	461,858 3,648 562 71 9,744 25,269 -	640,212 - - 18,967 8,787 45,405 -
Gandhara Tyre and Rubber Company of Pakistan Limited (37.1)	Purchase of tyres, tubes and flaps	76,961	34,298
Gammon Pakistan Limited (37.1)	Regional office rent	4,538	4,093
Rehman Cotton Mills Limited (37.1)	Rent Sale of vehicles	2,400 -	- 13,538
Business Vision (Private) Limited (37.1)	Booking advance for office floor	64,000	100,000
Janana De Malucho Textile Mills Limited (37.1)	Sale of vehicles Reimbursement of expenses	- 3,882	37,074 2,720
Bannu Woolen Mills Limited (37.1)	Sale of vehicles	-	16,969
Universal Insurance Company Limited (37.1)	Sale of vehicles Reimbursement of expenses	- 791	5,604 1,590
(iii) Others			
Staff provident funds	Contribution made	17,034	15,045
Staff gratuity funds	Contribution made	1,322	31,526
Key management personnel	Remuneration and other short term benefits Sale of fleet vehicles	103,343 2,007	98,207 792

37.1 Associated company by virtue of common directorship.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

38. PLANT CAPACITY

The Holding Company

Against the production capacity of 4,800 (2023: 4,800) trucks, buses and pickups on single shift basis, the Holding Company assembled 3,024 (2023: 3,132) trucks and buses of JAC, DongFeng and Isuzu on single shift along with overtime basis. The Holding Company has also processed 2,934 (2023: 2,980) truck cabs and pickups through paint shop.

Against the designed annual production capacity of 6,000 (2023: 6,000) vehicles at car plant on single shift basis, the Holding Company during the year assembled 165 (2023: 1,318) Chery SUVs.

39. FINANCIAL RISK MANAGEMENT

39.1 Financial risk factors

The Group has exposures to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk (including foreign exchange risk, interest rate risk and price risk).

The Group overall risk management program focuses on having cost effective funding as well as to manage financial risk to minimize earnings volatility and provide maximum return to shareholders. The board of directors has overall responsibility for the establishment and overview of their Company's risk management frame work. The board is also responsible for developing and monitoring the their Company's risk management policies.

(a) Credit risk

Credit risk represents the risk of financial loss being caused if counterparty fails to perform as contracted or discharge an obligation.

Credit risk primarily arises from long term loans, long term deposits, trade debts, loans and advances, other receivables, accrued interest / mark-up, investments and bank balances. To manage exposure to credit risk in respect of trade debts, management performs credit reviews taking into account the customer's financial position, past experience and other relevant factors. Where considered necessary, advance payments are obtained from. Credit risk on bank balances and margin held with banks is limited as the counter parties are banks with reasonably crediting ratings.

The maximum exposure to credit risk as at June 30, 2024 along with comparative is tabulated below:

	2024	2023
	----- Rupees in '000 -----	
Long term loans	9,146	6,578
Long term deposits	9,955	9,955
Trade debts	1,447,061	1,161,598
Loans and advances	5,042	5,477
Accrued interest / mark-up	13,681	21,592
Other receivables	97,796	106,781
Bank balances	1,186,913	1,325,391
	2,769,594	2,637,372

All exposure to credit risk for trade debts at the reporting date by geographic region is with-in Pakistan.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

The ageing of trade debts at the reporting date is as follows:

	2024	2023
	----- Rupees in '000 -----	
up to 3 months	1,434,700	1,133,549
3 to 6 months	4,230	20,486
6 to 12 months	3,050	1,550
more than 12 months	38,892	36,721
Provision for expected credit losses	(33,811)	(30,708)
	1,447,061	1,161,598

Provision has been recorded for expected credit losses using project matrix method.

(b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty, in meeting obligation associated with financial liabilities. The Group's approach is to ensure, as far as possible, to always have sufficient liquidity to meet its liabilities when due. Prudent liquidity risk management implies maintaining sufficient cash and cash equivalent and ensuring the availability of adequate credit facilities. The Group's treasury department aims at maintaining flexibility in funding by keeping committed credit lines available.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows:

	Carrying amount	Contractual cash flows	Maturity upto one year	Maturity more than one year
	----- Rupees in '000 -----			
June 30, 2024				
Lease liabilities	152,722	205,165	68,728	136,437
Long term borrowings	812,934	1,088,960	321,251	767,709
Long term deposits	72,726	72,726	-	72,726
Trade and other payables	2,141,590	2,141,590	2,141,590	-
Accrued mark-up	68,217	68,217	68,217	-
Short term borrowings	1,259,226	1,325,335	1,325,335	-
Unclaimed dividends	10,579	10,579	10,579	-
	4,517,994	4,912,572	3,935,700	976,872
June 30, 2023				
Lease liabilities	101,869	135,669	46,964	88,705
Long term borrowings	1,178,069	1,600,317	508,604	1,091,713
Long term deposits	64,226	64,226	-	64,226
Trade and other payables	1,285,329	1,285,329	1,285,329	-
Accrued mark-up	86,202	86,202	86,202	-
Short term borrowings	968,351	1,026,452	1,026,452	-
Unclaimed dividends	10,579	10,579	10,579	-
	3,694,625	4,208,774	2,964,130	1,244,644

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign exchange risk

Foreign exchange risk is the risk that the fair value of future cash flows of a financial instrument shall fluctuate because of changes in foreign exchange rates. The Group is exposed to foreign exchange risk on import of raw materials, stores & spares and commission income denominated in U.S. Dollar and Chinese Yuan Renminbi (RMB). The Group's exposure is as follows:

	Rupees	U.S. Dollar	RMB
	----- in '000 -----		
June 30, 2024			
Trade and other payables	1,296,987	127	32,743
June 30, 2023			
Trade and other payables	500,701	100	11,806

The following significant exchange rates have been applied:

	Reporting date rate	
	2024	2023
RMB to Rupee	38.53	39.98
U.S. Dollar to Rupee	278.80	287.10

Sensitivity analysis

At June 30, 2024, if Rupee had strengthened by 5% against RMB and Dollar with all other variables held constant, profit before taxation for the year would have been higher/ (lower) by the amount shown below mainly as a result of net foreign exchange gain / (loss) on translation of net financial liabilities.

	2024	2023
	----- Rupees in '000 -----	
RMB to Rupee	63,079	23,601
U.S. Dollar to Rupee	1,770	1,434
	64,849	25,035

Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates.

Majority of the interest rate risk of the Group arises from short term borrowings from banks, investments and balances held with banks. At the reporting date the profile of the Group's interest bearing financial instruments is as follows:

	2024	2023
	----- Rupees in '000 -----	
Bank balances - financial assets	963,496	1,145,135
Long term borrowings - financial liabilities	828,452	899,682

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

Variable rate instruments - Financial liabilities

	2024	2023
	----- Rupees in '000 -----	
Long term borrowings	136,188	475,242
Lease liabilities	152,722	101,869
Short term borrowings	1,259,226	968,351
	1,411,948	1,070,220

Sensitivity analysis

At June 30, 2024, if the interest rates on the Group's variable rate instruments had been 1% higher / (lower) with all other variables held constant, loss before tax for the year would have been Rs. 14,119 thousand (2023: Rs.10,702 thousand) lower / higher mainly as a result of net higher / (lower) interest expense.

Price risk

Price risk represents the risk that the fair values or future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from foreign exchange risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

39.2 Fair value of financial assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Group is going concern and there is no intention or requirement to curtail materially the scale of its operation or to undertake a transaction on adverse terms.

The carrying values of all financial assets and liabilities reflected in the financial statements are a reasonable approximation of their fair values.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities [Level 1].
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) [Level 2].
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) [Level 3].

There were no transfers amongst the levels during the current and preceding year. The Group's policy is to recognise transfer into and transfers out of fair value hierarchy levels as at the end of the reporting periods.

Valuation techniques used to determine fair values

Level 1: The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in Level 1.

Level 2: The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

39.3 Financial instruments by category

Financial assets as per statement of financial position

	2024	2023
	----- Rupees in '000 -----	
Long term loans	9,146	6,578
Long term deposits	9,955	9,955
Trade debts	1,447,061	1,161,598
Loans and advances	5,042	5,477
Accrued interest / mark-up	13,681	21,592
Other receivables	97,796	106,781
Bank balances	1,186,913	1,325,392
	2,769,594	2,637,373

Financial liabilities as per statement of financial position

Lease liabilities	152,722	101,869
Long term borrowings	812,934	1,178,069
Long term deposits	72,726	64,226
Trade and other payables	2,141,590	1,285,329
Accrued mark-up	68,217	86,202
Short term borrowings	1,259,226	968,351
Unclaimed dividend	10,579	10,579
	4,517,994	3,694,625

40. CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders or issue new shares and obtain further borrowing facilities. There was no change to the Group's approach to capital management during the year. The Group monitors capital on the basis of gearing ratio calculated as follows:

	2024	2023
	----- Rupees in '000 -----	
Total borrowings	2,224,882	2,248,289
Bank balances	(1,186,605)	(1,325,084)
Net borrowings	1,038,277	923,205
Total equity	10,789,799	7,921,070
Total capital	11,828,076	8,844,275
Gearing ratio	8.78%	10.44%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

41. OPERATING SEGMENTS

These consolidated financial statements have been prepared on the basis of a single reportable segment.

- All non-current assets of the Group at June 30, 2024 and 2023 are located in Pakistan.
- 100% (2023: 100%) of the Group's sales relate to customers in Pakistan.
- One (2023: None) of the Group's customers contributed towards more than 10% of the sales during the year aggregating Rs. 1,259,798 thousand which exceeds 10% of the sales of the Group.

42. NUMBER OF EMPLOYEES

The total number of employees (including contractual employees) as at June 30, 2024 were 825 (2023: 1,124), average number of employees during the year were 973 (2023: 1,121).

43. PROVIDENT FUND RELATED DISCLOSURES

43.1 The following information is based on un-audited financial statements of the Holding Company's Provident Fund for the year ended June 30, 2024:

	2024	2023
	----- Rupees in '000 -----	
Size of the Fund - total assets	267,320	212,250
Cost of investments made	229,375	209,123
Percentage of investments made	85.81%	98.53%
Fair value of investments	289,370	209,008

43.2 The investments out of provident fund have been made in accordance with the provisions of section 218 of the Act and conditions specified thereunder.

44. SHARIAH SCREENING DISCLOSURE

	----- 2024-----		----- 2023-----	
	Conventional	Shariah Compliant	Conventional	Shariah Compliant
	----- Rupees in '000 -----			
Bank balances and TDRs	609,880	580,637	751,057	577,939
Accrued mark-up	7,341	6,340	10,621	10,971
Long term borrowings	604,640	360,000	974,924	400,000
Short term borrowings	770,965	488,261	723,607	244,744
Accrued mark-up on borrowings	44,391	23,826	69,800	16,402
Revenue	-	9,413,149	-	13,104,563
Other income				
a) Profit on saving accounts and term deposit receipts	131,020	107,630	139,024	70,721
b) Gain from sale of investment	-	-	13,186	-
c) Dividend income	-	-	5,983	389
d) Others	-	40,638	-	38,428
Mark-up / interest expense	286,029	145,851	248,430	100,876

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

The Company has banking relation with the following shariah-compliant financial institutions:

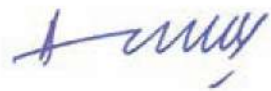
- a) Bank Alfalah Limited
- b) MCB Islamic Bank Limited
- c) Dubai Islamic Bank
- d) Bank Makramah Limited
- e) Meezan Bank Limited
- f) Faysal Bank Limited

45. CORRESPONDING FIGURES

The corresponding figures have been rearranged and reclassified, wherever considered necessary for the purposes of comparison and better presentation the effect of which is not material.

46. DATE OF AUTHORISATION FOR ISSUE


These consolidated financial statements were authorised for issue on September 26, 2024 by the Board of Directors of the Holding Company.



Chief Executive Officer



Director



Chief Financial Officer



Shareholders
Archive

Dividend Mandate Form

CDC Share Registrar Services Limited

CDC House, 99-B, Block-B
S.M.C.H.S., Main Shahra-e-Faisal
Karachi

Date: ___/___/___/

I / We, Mr. / Ms. / Mrs. / M/s, _____, holding CNIC No. / Passport No. / NTN _____ and being the registered shareholder of Ghandhara Automobiles Limited hereby authorize the Company to directly credit in my bank account cash dividend, if any declared by the Company in future, instead of issuance of dividend warrant. Following are my details to facilitate the aforementioned request:

SHAREHOLDER'S INFORMATION & BANK DETAILS

Name of Shareholder	
Folio No.	
CNIC No. / NTN / Passport No.	
(please attach an attested photocopy) Title of Bank Account	
Bank Account Number (COMPLETE)	
Bank's Name	
Bank's Branch Name	
Branch Code	
Address of Bank Branch	
Telephone Number (Landline)	
Telephone Number (Mobile)	

It is stated that the above-mentioned information is correct and that I will intimate the changes in the above-mentioned information to the company and its share registrar as soon as these occur.

Signature of Member: _____

Name: _____
(PLEASE WRITE NAME IN BLOCK LETTERS)

Form of Proxy

I / We _____ of _____ being a member(s) of Ghandhara Automobiles Limited and holder of _____ Ordinary Shares as per Registered Folio No./CDC Participant's ID and Account No. _____ hereby appoint _____ of _____ or failing him/her _____ of _____ who is also member of Ghandhara Automobiles Limited vide Registered Folio No./CDC Participant's ID and Account No. _____ as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Thursday, 24th October 2024 at 09:30 A.M. and any adjournment thereof.

Signed this _____ day of _____ 2024

Witness: _____
Name with _____
CNIC No.: _____
Address: _____

Signature _____
Witness: _____
Name with _____
CNIC No.: _____
Address: _____

AFFIX
REVENUE
STAMP
Rs.5/-

IMPORTANT:

1. This form of Proxy duly completed must be deposited at the Company's registered office F-3, Hub Chauki Road, S.I.T.E., Karachi, not later than 48 hours before the time of holding the meeting.
2. A Proxy should also be a member of the Company.
3. CDC Shareholders and their Proxies must each attach an attested photocopy of their computerized National Identity Card or Passport with this Proxy Form.

نمائندگی فارم

میں/ہم

جو _____ کے گندھارا آٹوموبائل لمیٹڈ کے ممبر ہونے کے ناطے

شیرز رجسٹر فولیو کے مطابق عام شیئر کے اہل ہیں / CDC کے شراکت کار کا شناختی نمبر _____

کا تقرر کرتے ہیں _____

جو _____ کے یا ان کی ناکامی کی صورت میں _____ کے

میرے / ہمارے نمائندہ کے طور پر کمپنی کی سالانہ جنرل میٹنگ میں میری / ہماری طرف سے میرے / ہمارے لیے میرے / ہمارے نائب کے طور پر ووٹ دے سکتے ہیں جو بروز جمعرات 24 اکتوبر 2024 کو صبح 09:30 بجے، منعقد ہونے والی ہے۔

دستخط _____ دن _____ 2024 کو کیے گئے۔

دستخط _____

گواہ _____

نام _____

شناختی کارڈ نمبر _____

پتہ _____

گواہ _____

نام _____

شناختی کارڈ نمبر _____

پتہ _____

5 روپے کے ریونیو ٹکٹ پر دستخط

اہم:

1. اس نمائندگی فارم کو پوری طرح مکمل اور دستخط شدہ ہونا چاہیے اور میٹنگ منعقد ہونے سے پہلے 48 گھنٹوں سے کم نہ ہونے والی مدت میں کمپنی کے رجسٹرڈ آفس F-3، جب چوکی روڈ، سائٹ میں جمع کیا جانا چاہیے۔

2. نمائندہ خود بھی کمپنی کا ممبر ہونا چاہیے۔

3. CDC کے شیئر ہولڈرز اور ان کے نمائندے اس نمائندگی فارم کے ساتھ اپنے کمپیوٹر انٹرنیٹ قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ کاپی ضرور منسلک کریں۔

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- Risk profiler*
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- Online Quizzes



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