

QUARTERLY REPORT

MARCH 31, 2023

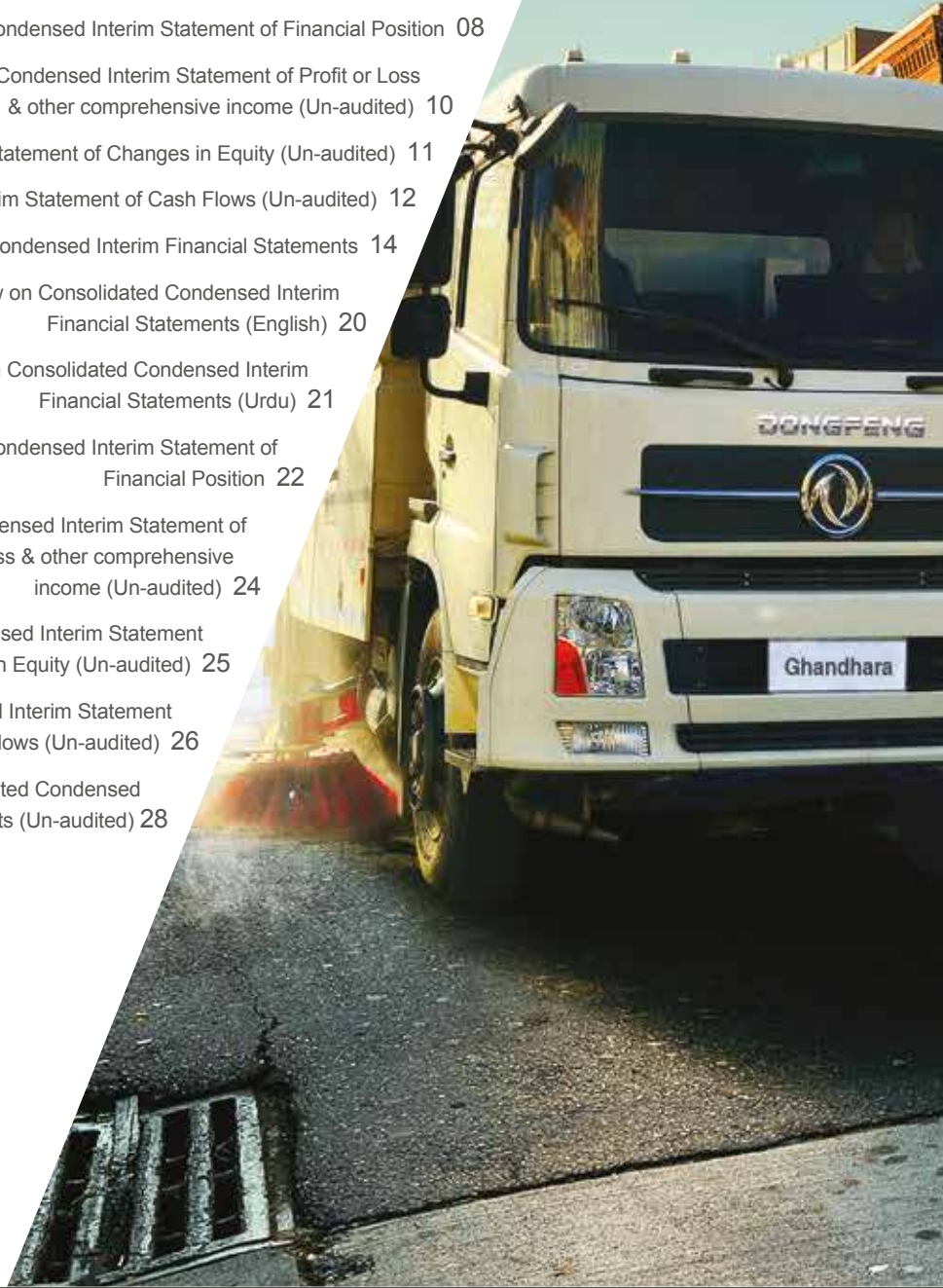
# The Chery on top



**GANDHARA**  
AUTOMOBILES LIMITED  
(Formerly Gandhara Nissan Limited)

# Contents

Company Profile	02
Directors' Review on Condensed Interim Financial Statements (English)	04
Directors' Review on Condensed Interim Financial Statements (Urdu)	07
Condensed Interim Statement of Financial Position	08
Condensed Interim Statement of Profit or Loss & other comprehensive income (Un-audited)	10
Condensed Interim Statement of Changes in Equity (Un-audited)	11
Condensed Interim Statement of Cash Flows (Un-audited)	12
Notes to the Condensed Interim Financial Statements	14
Directors' Review on Consolidated Condensed Interim Financial Statements (English)	20
Directors' Review on Consolidated Condensed Interim Financial Statements (Urdu)	21
Consolidated Condensed Interim Statement of Financial Position	22
Consolidated Condensed Interim Statement of Profit or Loss & other comprehensive income (Un-audited)	24
Consolidated Condensed Interim Statement of Changes in Equity (Un-audited)	25
Consolidated Condensed Interim Statement of Cash Flows (Un-audited)	26
Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)	28



# 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. Muhammad Jawaid Iqbal (CFA)	

## Chief Financial Officer

Ms. Bushra Hanif Farooqui (ACA)

## Company Secretary

Mr. Muhammad Sheharyar Aslam (ACA)

## Audit Committee

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

## Human Resource & Remuneration Committee

Mr. Muhammad Jawaid Iqbal (CFA)	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  
The Bank of Khyber  
Meezan Bank Limited - (Shariah)  
Bank Al Habib Limited  
Bank Alfalah Islamic - (Shariah)  
JS Bank Limited  
Samba Bank Limited  
Bank Islami Pakistan Limited - (Shariah)  
Dubai Islamic Bank Pakistan Limited - (Shariah)  
Habib Metropolitan Bank Limited  
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. L E X F I R M A  
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.

Nine Months Ended

**MARCH 31, 2023**

Gandhara Automobiles Limited  
(Formerly Gandhara Nissan Limited)



# Directors' Report

The Directors are pleased to present the report along with the unaudited condensed interim financial statements of Ghandhara Automobiles Limited (Formerly Ghandhara Nissan Limited) for the Nine months ended March 31, 2023.

Despite challenges and uncertainties, economy is showing continuous signs of resilience as depicted through contained fiscal and current account deficit during the current FY. This has been the result of Government's policies to discourage imports especially related to the non-essential sectors. Import of luxury items have been either restricted or imposed with significantly higher duties and taxes. Thus, forex reserves have remained comparatively stable during the recent past after a mammoth fall since last year. Moreover, the Government is firmly inclined to successfully complete the IMF's EFF program, which includes necessary policy measures and will bring additional relief to the financial account of the balance of payments. The policy measures are intended to bring expenditures more in line with the income generated within the country. At fiscal front, Government is pursuing fiscal consolidation in order to reduce the overall fiscal deficit through expenditure management, austerity measures, and revenue mobilization.

The industry continues to face CKD shortages due to the State Bank's (SBP) restrictions on opening new letters of credit (LCs), resulting in plant closures and long delivery times for vehicles.

As per PAMA, sales volumes of auto industry for Heavy Commercial Vehicles (HCVs) were 2,825 units during the nine months ended March 31, 2023 as compared to 4,493 units during the corresponding period of last year showing a decline of 37%. For Light Commercial Vehicles (LCVs), sales were 1,488 units during the nine months ended March 31, 2023 as compared to 1,996 units during the corresponding period of last year showing a decline of 25%. Whereas for Passenger Car segment, sales were 39,912 units during the nine-month ended March 31, 2023 as compared to 75,207 units during the corresponding period of last year showing a decline of 47%.

## Financial Results of the Company

The financial results of the Company for the period ended March 31, 2023 are summarized below:

	Nine Months Ended	
	March 2023	March 2022
	(Rupees in thousands)	
Revenue	9,165,02	3,395,350
Gross Profit	584,893	398,129
Operating Profit	495,274	260,090
Net Profit after tax	113,718	163,917
Earnings Per Share (Rupees)	1.99	2.88

## Related Party Transactions

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

### Future Outlook

The Company continues to face challenges from uncontrollable factors such as currency devaluation, investor's lack of confidence, economic & political uncertainty which have dented the Company's working capital and liquidity position. Nevertheless, the Board of Directors along with the management are committed to work towards minimizing the impact of these challenges, capitalize on relevant opportunities and play its due role in developing a sustainable future for the company in order to maximize the interest of stakeholders.

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

For and on behalf of the Board of Directors



Ahmad Kuli Khan Khattak  
Chief Executive Officer



Muhammad Saleem Baig  
Director

Karachi  
Dated: April 29, 2023

## ادارے کے مالیاتی نتائج

31 مارچ 2023 کو ختم ہونے والی نو ماہی کے مالی نتائج کا خلاصہ ذیل میں دیا گیا ہے:

### نو ماہ کے اختتام پر

مارچ 2022	مارچ 2023	
		(روپے ہزاروں میں)
3,395,350	9,165,025	آمدنی
398,129	584,893	مجموعی منافع
260,090	495,274	آپریٹنگ منافع
163,917	113,718	خالص منافع بعد از ٹیکس
2.88	1.99	آمدنی فی شیئر (روپے میں)

## متعلقہ پارٹی لین دین


متعلقہ فریقوں کے ساتھ تمام لین دین کو مکمل طور پر انجام دیا گیا ہے اور مالی گوشواروں میں ان کا انکشاف کر دیا گیا ہے۔


## مستقبل کا منظر نامہ

ادارے کو بے قابو عوامل جیسے کرنسی کی قدر میں کمی، سرمایہ کار کے اعتماد کی کمی، معاشی اور سیاسی غیر یقینی صورتحال والے چیلنجز کا سامنا کرنا پڑ رہا ہے، جس نے ادارے کے ورکنگ کپینٹل اور لیکویڈیٹی پوزیشن کو نقصان پہنچایا ہے۔ اس کے باوجود، بورڈ آف ڈائریکٹرز انتظامیہ کے ساتھ مل کر ان چیلنجز کے اثرات کو کم کرنے، متعلقہ مواقع سے فائدہ اٹھانے اور اسٹیک ہولڈرز کی دلچسپی کو زیادہ سے بڑھانے اور ادارہ کیلئے ایک پائیدار مستقبل کی تیاری میں اپنا بھرپور کردار ادا کرنے کیلئے پرعزم ہیں۔

ڈائریکٹرز اپنے اہم شرکاء، داروں، کسٹمرز، ویڈرز، بینکرز اور دیگر کاروباری ساتھیوں کی مسلسل سرپرستی اور تعاون کے شکرگزار ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے

  
ڈائریکٹر

  
چیف ایگزیکٹو آفیسر

کراچی

بتاریخ: 29 اپریل 2023

## ڈائریکٹرز کا جائزہ

آپ کے ڈائریکٹرز گندھارا آٹوموبائلز لمیٹڈ (سابقہ گندھارا انسان لمیٹڈ) کے 31 مارچ 2023 کو ختم ہونے والے نو مہینوں کے غیر آڈٹ شدہ مختصر عبوری مالیاتی گوشواروں کے ساتھ رپورٹ پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

چیلنجز اور غیر یقینی صورتحال کے باوجود، معیشت میں بہتری کی طرف بڑھنے کے مسلسل آثار دکھائی دے رہے ہیں، جیسا کہ موجودہ مالی سال کے دوران مالیاتی اور کرنٹ اکاؤنٹ خسارہ ہمیں باور کروایا گیا ہے۔ یہ درآمدات کی حوصلہ شکنی کیلئے حکومت کی پالیسیوں کا نتیجہ ہے خاص طور پر غیر ضروری شےوں سے متعلق لگژری آئٹمز کی درآمد کو یا تو محدود کر دیا گیا ہے یا ان پر نمایاں طور پر زیادہ ڈیوٹی اور ٹیکس لگا دیا گیا ہے۔ اس طرح، غیر ملکی زرمبادلہ کے ذخائر گزشتہ سال سے زبردست تنزلی کے بعد ماضی قریب میں نسبتاً مستحکم رہے۔ مزید برآں، حکومت آئی ایم ایف کے ای ایف ایف پروگرام کو کامیابی کے ساتھ مکمل کرنے پر مائل ہے، جس میں ضروری پالیسی اقدامات شامل ہیں جو ادائیگیوں کے توازن کے مالیاتی کھاتے میں اضافی ریلیف لائیں گے۔ پالیسی اقدامات کا مقصد اخراجات کو ملک کے اندر پیدا ہونے والی آمدنی کے مطابق ڈھالنا ہے۔ مالیاتی محاذ پر، حکومت اخراجات کے انتظام، کفایت شعاری کے اقدامات، اور محصولات کو متحرک کرنے کے ذریعے مجموعی مالیاتی خسارے کو کم کرنے کے لیے مالیاتی استحکام پر عمل پیرا ہے۔

اسٹیٹ بینک آف پاکستان (SBP) کی جانب سے نئے لیٹر آف کریڈٹ (LCs) کھولنے پر پابندیوں کی وجہ سے ایٹسٹری کو CKD کی کمی کا سامنا کرنا پڑ رہا ہے، جس کے نتیجے میں کارخانے بند ہو رہے ہیں اور گاڑیوں کی ترسیل کے دورانیے میں اضافہ ہو گیا ہے۔

پاکستان آٹوموٹو مینوفیکچررز ایسوسی ایشن (PAMA) کے مطابق، 31 مارچ 2023 کو ختم ہونے والے نو مہینوں کے دوران ہیوی کمرشل ڈیسکلو (HCVs) کیلئے آٹو ایٹسٹری کی فروخت کا حجم 2,825 گاڑیاں تھا جو کہ گزشتہ سال کی اسی مدت کے دوران 4,493 گاڑیوں کے مقابلے میں 37% کی کمی کو ظاہر کرتا ہے۔ ہلکی کمرشل گاڑیوں (LCVs) کیلئے، 31 مارچ 2023 کو ختم ہونے والے نو ماہ کے دوران 2,148 گاڑیوں کی فروخت ہوئی جو گزشتہ سال کی اسی مدت کے دوران 1,996 گاڑیوں کے مقابلے میں 25% کی کمی کو ظاہر کرتی ہے۔ جبکہ چیلنجز کار سیگمنٹ کے لیے 31 مارچ 2023 کو ختم ہونے والے نو ماہ کے دوران 39,912 گاڑیوں کی فروخت ہوئی جو کہ گزشتہ سال کی اسی مدت کے دوران 75,207 گاڑیوں کے مقابلے میں 47% کی کمی کو ظاہر کرتی ہے۔




# Condensed Interim Statement of Financial Position

AS AT MARCH 31, 2023

		<u>Un-audited</u>	<u>Audited</u>
	<i>Note</i>	<b>March 31, 2023</b>	June 30, 2022
(Rupees in '000)			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	<b>5,379,556</b>	5,427,099
Intangible assets		<b>1,592</b>	1,960
Long term investments		<b>222,906</b>	222,906
Long term loans		<b>2,607</b>	4,754
Long term deposits		<b>26,194</b>	23,148
Due from the Subsidiary Company		<b>505,743</b>	797,027
		<b>6,138,598</b>	6,476,894
<b>Current assets</b>			
Stores, spares and loose tools		<b>196,832</b>	169,235
Stock-in-trade		<b>2,089,136</b>	2,731,376
Trade debts		<b>534,364</b>	330,323
Loans and advances		<b>59,735</b>	55,414
Deposits and prepayments		<b>12,597</b>	613
Short term investments - mutual funds		-	675,863
Other receivables		<b>186,524</b>	289,942
Accrued interest / mark-up		<b>54,343</b>	43,121
Taxation - net		<b>548,868</b>	305,357
Bank balances		<b>916,768</b>	2,119,985
		<b>4,599,167</b>	6,721,229
<b>Total assets</b>		<b>10,737,765</b>	13,198,123



Ahmad Kuli Khan Khattak  
Chief Executive Officer



Muhammad Saleem Baig  
Director



Bushra Hanif Farooqui  
Chief Financial Officer

# Condensed Interim Statement of Financial Position

AS AT MARCH 31, 2023

	Note	Un-audited	Audited
		March 31, 2023	June 30, 2022
(Rupees in '000)			
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
<b>Authorised capital</b>			
- 80,000,000 (June 30, 2022: 80,000,000) ordinary shares of Rs.10 each		800,000	800,000
<b>Issued, subscribed and paid-up capital</b>			
- 57,002,500 (June 30, 2022: 57,002,500) ordinary shares of Rs.10 each		570,025	570,025
<b>Capital reserves</b>			
- share premium		1,102,721	1,102,721
- surplus on revaluation of fixed assets - net		2,118,526	2,142,524
Revenue reserve - unappropriated profits		3,221,247	3,245,245
<b>Total equity</b>		<b>6,210,339</b>	<b>6,096,621</b>
<b>Liabilities</b>			
<b>Non current liabilities</b>			
Lease liabilities		79,907	43,063
Long term borrowings		811,731	845,553
Deferred income - government grant		162,975	196,854
Long term deposits		39,876	28,226
Deferred taxation - net		299,247	252,289
		<b>1,393,736</b>	<b>1,365,985</b>
<b>Current liabilities</b>			
Trade and other payables		1,978,118	5,274,185
Accrued mark-up		66,343	36,739
Short term borrowings	6	710,876	93,765
Current portion of lease liabilities		26,865	20,359
Current maturity of long term borrowings		296,363	258,146
Current portion of deferred income - government grant		44,546	41,722
Unclaimed dividend		10,579	10,601
		<b>3,133,690</b>	<b>5,735,517</b>
<b>Total liabilities</b>		<b>4,527,426</b>	<b>7,101,502</b>
<b>Contingencies and commitments</b>			
<b>Total equity and liabilities</b>	7	<b>10,737,765</b>	<b>13,198,123</b>

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.


Ahmad Kuli Khan Khattak  
Chief Executive Officer

Muhammad Saleem Baig  
Director

Bushra Hanif Farooqui  
Chief Financial Officer

# Condensed Interim Statement of Profit or Loss and Other Comprehensive Income (Un-audited)


FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

	Note	Quarter ended		Nine months ended	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
(Rupees in '000)					
<b>Revenue - net</b>		<b>3,961,753</b>	1,330,732	<b>9,165,025</b>	3,395,350
Cost of sales	8	<b>(3,532,331)</b>	(1,185,371)	<b>(8,580,132)</b>	(2,997,221)
<b>Gross profit</b>		<b>429,422</b>	145,361	<b>584,893</b>	398,129
Distribution cost		<b>(45,972)</b>	(33,382)	<b>(125,562)</b>	(80,440)
Administrative expenses		<b>(75,814)</b>	(57,936)	<b>(198,640)</b>	(164,348)
Other income		<b>101,008</b>	48,298	<b>311,156</b>	127,728
Other expenses		<b>(23,955)</b>	(3,273)	<b>(76,573)</b>	(20,979)
<b>Profit from operations</b>		<b>384,689</b>	99,068	<b>495,274</b>	260,090
Finance cost		<b>(106,708)</b>	(41,454)	<b>(216,832)</b>	(74,465)
<b>Profit before taxation</b>		<b>277,981</b>	57,614	<b>278,442</b>	185,625
Taxation		<b>(99,381)</b>	(5,760)	<b>(164,724)</b>	(21,708)
<b>Profit after taxation</b>		<b>178,600</b>	51,854	<b>113,718</b>	163,917
Other comprehensive income		-	-	-	-
<b>Total comprehensive income</b>					
<b>for the period</b>		<b>178,600</b>	51,854	<b>113,718</b>	163,917
(Rupees)					
<b>Earnings per share - basic and diluted</b>		<b>3.13</b>	0.91	<b>1.99</b>	2.88

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.



Ahmad Kuli Khan Khattak  
Chief Executive Officer



Muhammad Saleem Baig  
Director



Bushra Hanif Farooqui  
Chief Financial Officer

# Condensed Interim Statement of Changes In Equity (Un-audited)

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

	Issued, subscribed and paid-up capital	Capital reserves		Revenue reserve - Unappro- priated profit	Total
		Share premium	Surplus on revaluation of fixed assets		
Balance as at July 1, 2021 (audited)	570,025	1,102,721	2,176,240	2,158,630	6,007,616
(Rupees in '000)					
Total comprehensive income for the nine months period ended March 31, 2022					
Profit for the period	-	-	-	163,917	163,917
Other comprehensive income	-	-	-	-	-
	-	-	-	163,917	163,917
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred taxation	-	-	(25,287)	25,287	-
<b>Balance as at March 31, 2022</b> - (un-audited)	<b>570,025</b>	<b>1,102,721</b>	<b>2,150,953</b>	<b>2,347,834</b>	<b>6,171,533</b>
<b>Balance as at July 1, 2022 (audited)</b>	<b>570,025</b>	<b>1,102,721</b>	<b>2,142,524</b>	<b>2,281,351</b>	<b>6,096,621</b>
<b>Total comprehensive income for the nine months period ended March 31, 2023</b>					
Profit for the period	-	-	-	113,718	113,718
Other Comprehensive income	-	-	-	-	-
	-	-	-	113,718	113,718
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred taxation	-	-	(23,998)	23,998	-
<b>Balance as at March 31, 2023</b> - (un-audited)	<b>570,025</b>	<b>1,102,721</b>	<b>2,118,526</b>	<b>2,419,067</b>	<b>6,210,339</b>

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.



Ahmad Kuli Khan Khattak  
Chief Executive Officer



Muhammad Saleem Baig  
Director



Bushra Hanif Farooqui  
Chief Financial Officer

# Condensed Interim Statement of Cash Flows (Un-audited)

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

## CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation

### Adjustments for non-cash charges and other items:

Depreciation and amortisation

Provision for gratuity

Interest income

Gain on disposal of operating fixed assets

Dividend income

Gain from sale of investment in mutual funds

Finance cost

Exchange loss - net

### Operating profit before working capital changes

(Increase) / decrease in current assets:

Stores, spares and loose tools

Stock-in-trade

Trade debts

Loans and advances

Deposit and prepayments

Other receivables

(Decrease) / increase in trade and other payables

### Cash used in operations

Gratuity paid

Long term loans - net

Long term deposits - net

Finance cost paid


Income taxes paid

### Net cash used in operating activities - carried forward

March 31, 2023	March 31, 2022
(Rupees in '000)	
278,442	185,625
262,453	113,722
10,587	9,498
(250,325)	(107,287)
(1,081)	(554)
(6,372)	-
(13,186)	-
213,944	71,113
55,936	7,222
550,398	279,339
(27,597)	(1,793)
642,240	(1,715,427)
(204,041)	41,344
(4,321)	(19,926)
(11,984)	43,168
103,418	(269,086)
497,715	(1,921,720)
(3,333,462)	1,043,598
(2,285,349)	(598,783)
(29,127)	(14,864)
2,147	313
(3,046)	3,202
(184,340)	(26,875)
(361,277)	(177,191)
(2,860,992)	(814,198)



Ahmad Kuli Khan Khattak  
Chief Executive Officer



Muhammad Saleem Baig  
Director



Bushra Hanif Farooqui  
Chief Financial Officer

# Condensed Interim Statement of Cash Flows (Un-audited)

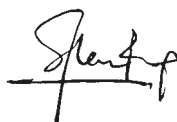
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

	March 31, 2023	March 31, 2022
	(Rupees in '000)	
<b>Net cash used in operating activities - brought forward</b>	<b>(2,860,992)</b>	(814,198)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for fixed capital expenditure	(149,677)	(1,421,447)
Proceeds from disposal of property, plant and equipment	5,669	8,063
Interest income received	239,103	94,666
Dividend received	6,372	-
Due from Subsidiary Company - net	291,284	(229,446)
Short term investments - net	689,049	-
<b>Net cash generated from / (used in) investing activities</b>	<b>1,081,800</b>	(1,548,164)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Lease liabilities - net	(26,104)	(29,564)
Long term borrowings - obtained	210,627	1,232,000
Long term borrowings - repaid	(237,287)	(68,325)
Long term deposits - net	11,650	(1,000)
Short term borrowings - net	617,111	1,345,300
Dividend paid	(22)	-
<b>Net cash generated from financing activities</b>	<b>575,975</b>	2,478,411
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(1,203,217)</b>	116,049
Cash and cash equivalents at beginning of the period	2,119,985	1,029,202
<b>Cash and cash equivalents at end of the period</b>	<b>916,768</b>	1,145,251

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.



Ahmad Kuli Khan Khattak  
Chief Executive Officer



Muhammad Saleem Baig  
Director



Bushra Hanif Farooqui  
Chief Financial Officer

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

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

## 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. 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 Chery SUVs and JAC Trucks, import and sale of parts / Nissan, Dongfeng and Renault vehicles in completely built-up condition and assembly of other vehicles under contract agreement.

## 2. BASIS OF PREPARATION

### 2.1 Statement of compliance

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

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

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

- 2.2 These condensed interim financial statements do not include all the statements and disclosures as required in the annual financial statements, so should be read in conjunction with audited annual financial statements of the Company for the year ended June 30, 2022.

## 3. ACCOUNTING POLICIES

- 3.1 The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of audited annual financial statements of the Company for the year ended June 30, 2022.

There are certain International Financial Reporting Standards, amendments to published standards and interpretations that are mandatory for the financial year beginning on July 1, 2022. These are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations and are, therefore, not disclosed in these condensed interim financial statements.

- 3.2 Actuarial valuations are carried out on annual basis. The last actuarial valuation was carried out on June 30, 2022. The impact of re-measurement of post-employment benefit plans has not been incorporated in these condensed interim financial statements.

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

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

## 4. ACCOUNTING ESTIMATES AND JUDGEMENTS

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

During the preparation of these condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the audited annual financial statements of the Company for the year ended June 30, 2022.

		Un-audited	Audited
	Note	March 31, 2023	June 30, 2022
(Rupees in '000)			
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	5.1	<b>4,981,782</b>	5,195,295
Right of use assets		<b>133,146</b>	83,324
Capital work-in-progress		<b>264,628</b>	148,480
		<b>5,379,556</b>	5,427,099
<b>5.1 Operating fixed assets</b>			
Book value at beginning of the period / year		<b>5,195,295</b>	3,370,264
Additions during the period / year	5.2	<b>33,529</b>	2,005,790
Transfer from right of use asset		<b>1,419</b>	-
Disposals costing Rs. 5,290 thousand (June 30, 2022: Rs.6,825 thousand) - at book value		<b>(1,419)</b>	(4,408)
Depreciation charge for the period / year		<b>(247,042)</b>	(176,351)
Book value at end of the period / year		<b>4,981,782</b>	5,195,295
<b>5.2 Additions to operating fixed assets, including transfer from capital work-in-progress, during the period / year were as follows:</b>			
Leasehold land		-	202,336
Buildings on freehold land		<b>1,025</b>	3,300
Buildings on leasehold land		-	441,424
Plant and machinery		<b>26,845</b>	532,903
Assembly Jigs		-	794,041
Furniture and fixtures		<b>3,407</b>	11,298
Owned vehicles		<b>657</b>	13,958
Other equipment		<b>468</b>	1,627
Office equipment		<b>575</b>	1,487
Computers		<b>552</b>	3,416
		<b>33,529</b>	2,005,790
<b>6. SHORT TERM BORROWINGS - Secured</b>			
Running finances / musharakah		<b>275,468</b>	14
Finance against imported merchandise		<b>65,408</b>	93,751
Term finance - short term loans		<b>370,000</b>	-
		<b>710,876</b>	93,765



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

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

## 7. CONTINGENCIES AND COMMITMENTS

- 7.1 There is no change in status of the contingencies as disclosed in note 28.1 of the audited annual financial statements of the Company for the year ended June 30, 2022.
- 7.2 Commitment in respect of irrevocable letters of credit as at March 31, 2023 aggregate to Rs.265,364 thousand (June 30, 2022: Rs.826,186 thousand).
- 7.3 Commitments outstanding for capital expenditure other than through letters of credit as at March 31,2023 aggregated to Rs. 386,300 thousand (June 30, 2022: Rs. 425,000 thousand).
- 7.4 Guarantees aggregating Rs.17,125 thousand (June 30, 2022: Rs.27,134 thousand) are issued by banks of the Company to various government and other institutions. Further, the Company has issued corporate guarantees aggregating Rs.596,740 thousand (June 30, 2022: Rs.583,954 thousand) to the commercial banks against banking facilities utilised by the Subsidiary Company.

## 8. COST OF SALES

		(Un-audited)			
		Three months period ended		Nine months period ended	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Note		(Rupees in '000)			
	Finished goods at beginning of the period	1,129,250	592,671	970,703	531,270
	Cost of goods manufactured	3,051,726	993,471	8,118,881	2,500,868
	Purchases - trading goods	26,354	470,026	165,547	835,880
		<b>3,078,080</b>	1,463,497	<b>8,284,428</b>	3,336,748
		<b>4,207,330</b>	2,056,168	<b>9,255,131</b>	3,868,018
	Finished goods at end of the period	(674,999)	(870,797)	(674,999)	(870,797)
		<b>3,532,331</b>	1,185,371	<b>8,580,132</b>	2,997,221

### 8.1 Cost of goods manufactured

	Raw materials and parts consumed	2,626,389	736,279	6,954,638	1,839,234
	Factory overheads	425,337	257,192	1,164,243	661,634
		<b>3,051,726</b>	993,471	<b>8,118,881</b>	2,500,868

## 9. 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 and are settled in ordinary course of business. Significant transactions with and balance of related parties are as follows:

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

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

Related party name along with relation	Nature of transaction	Un-audited	Un-audited
		March 31, 2023	March 31, 2022
(Rupees in '000)			
<b>(i) Holding Company</b>			
Bibojee Services (Private) Limited - 57.76% shares held in the Company	Corporate office rent	<b>5,990</b>	5,445
	Contract assembly charges	<b>2,633</b>	2,106
	Sale of fleet vehicle	-	2,600
<b>(ii) Subsidiary Company</b>			
Ghandhara DF (Private) Limited 99.99% shares held by the Company	Contract assembly charges	<b>73,568</b>	30,397
	Purchase of parts	<b>273</b>	570
	Sale of parts	<b>43</b>	162
	Long term advances given - net	-	229,446
	Payments received against long term advances - net	<b>291,284</b>	-
	Rental income	<b>7,275</b>	4,500
	Interest income	<b>115,913</b>	54,590
	Guarantee commission	<b>6,165</b>	6,536
<b>(iii) Associated Companies</b>			
Ghandhara Industries Limited 19.09% shares held by the Company (9.1)	Contract assembly charges	<b>586,113</b>	635,679
	Purchase of parts	<b>79</b>	173
	Sale of vehicles	<b>45,405</b>	-
	Head office rent	<b>2,856</b>	2,898
	Fabrication of vehicle	-	750
	Reimbursement of expenses	-	65
Ghandhara Tyre and Rubber Company Limited (9.1)	Purchase of tyres, tubes and flaps	<b>26,957</b>	20,748
Gammon Pakistan Limited (9.1)	Office rent	<b>2,995</b>	2,723
Janana De Malucho Textile Mills Limited (9.1)	Sale of vehicles	<b>37,074</b>	-
	Reimbursement of expenses	<b>1,911</b>	1,985
Bannu Woollen Mills Limited (9.1)	Sale of vehicles	<b>16,821</b>	-
Business Vision (Private) Limited (9.1)	Installments for office floor	<b>50,000</b>	-
Rehman Cotton Mills Limited (9.1)	Sale of vehicles	<b>13,538</b>	-
Universal Insurance Company Limited (9.1)	Sale of vehicle	<b>5,604</b>	-
	Reimbursement of expenses	<b>1,213</b>	-

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

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

Related party name along with relation	Nature of transaction	Un-audited	Un-audited
		March 31, 2023	March 31, 2022
		(Rupees in '000)	
<b>(iv) Others</b>			
Staff provident fund	Contribution made	9,975	8,816
Staff gratuity fund	Contribution made	29,128	14,864
Key management personnel	Remuneration and other short term benefits	71,558	73,615
	Sale of fleet vehicles	555	-
<b>9.1</b>	<b>Associated company by virtue of common directorship.</b>	<b>Un-audited</b>	<b>Audited</b>
		<b>March 31, 2023</b>	<b>June 30, 2022</b>
<b>9.2</b>	<b>Period / year end balances are as follows:</b>	(Rupees in '000)	
<b>Debit balances / receivables from related parties</b>			
Property, plant and equipment		75,000	25,000
Long term investments		222,906	222,906
Trade debts		252,840	104,821
Loan and advances		20	597
Other receivables		1,985	951
Accrued interest / mark-up		40,653	32,414
<b>Payable to related parties</b>			
<b>Trade and other payables</b>		53,743	37,881

## 10. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the audited annual financials statements of the Company for the year ended June 30, 2022.

## 11. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', corresponding figures in the condensed interim statement of financial position comprise of balances as per the audited annual financial statements of the Company for the year ended June 30, 2022 and the corresponding figures in the condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity comprise of balances of comparable period as per the condensed interim financial statements of the Company for the nine months ended March 31, 2022. Corresponding figures have been rearranged and reclassified for better presentation wherever considered necessary, the effect of which is not material.

## 12. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on April 29, 2023 by the Board of Directors of the Company.



Ahmad Kuli Khan Khattak  
Chief Executive Officer

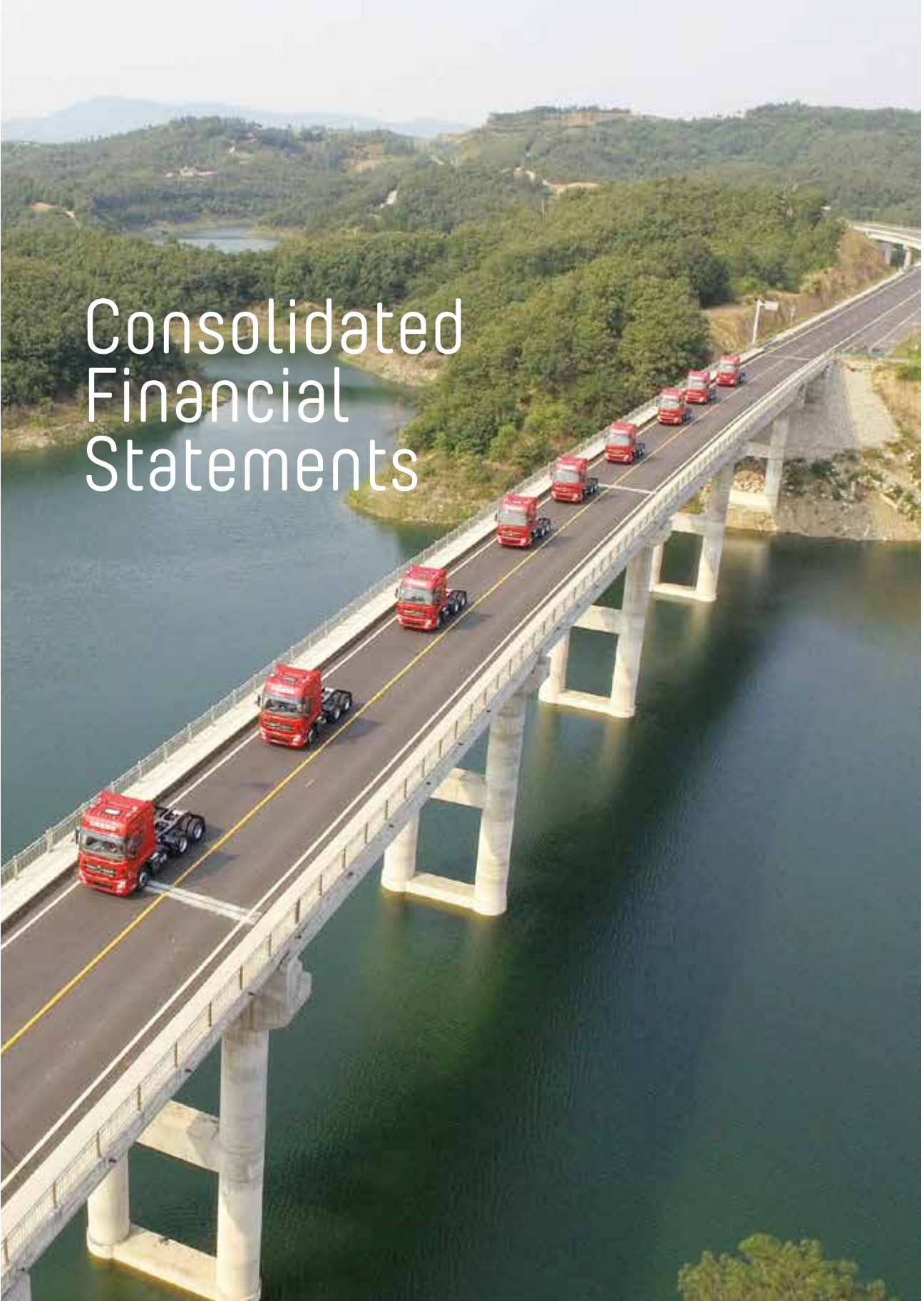


Muhammad Saleem Baig  
Director



Bushra Hanif Farooqui  
Chief Financial Officer

# Consolidated Financial Statements



# Directors' Report

The directors are presenting their report together with consolidated financial statements of Ghandhara Automobiles Limited (Formerly Ghandhara Nissan Limited) and its subsidiary Ghandhara DF (Pvt.) Limited for the Nine months ended March 31, 2023.

The Government is firmly inclined to successfully complete the IMF's EFF program, which includes necessary policy measures which will bring additional relief to the financial account of the balance of payments. The policy measures are intended to bring expenditures in line with the income generated within the country. At fiscal front, Government is pursuing fiscal consolidation in order to reduce the overall fiscal deficit through expenditure management, austerity measures, and revenue mobilization.

The industry continues to face CKD shortages due to the State Bank's (SBP) restrictions on opening new letters of credit (LCs), resulting in plant closures and long delivery times for vehicles.

## Financial Results of the Company

The financial results of the Company for the period ended March 31, 2023 are summarized below:

	Nine Months Ended	
	March 2023	March 2022
	(Rupees in thousands)	
<b>Revenue</b>	<b>11,183,339</b>	<b>4,033,657</b>
<b>Gross Profit</b>	<b>1,012,007</b>	<b>518,911</b>
<b>Operating Profit</b>	<b>723,424</b>	<b>250,653</b>
<b>Net Profit after tax</b>	<b>204,656</b>	<b>334,452</b>
<b>Earnings Per Share (Rupees)</b>	<b>3.59</b>	<b>5.87</b>

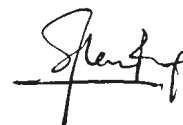
## Future Outlook

Despite all the economic challenges, your Company through its stringent financial control is trying to manage the prevailing situation with limited resources and maintaining continuity & sustainability of the operations.

For and on behalf of the Board of Directors



Ahmad Kuli Khan Khattak  
Chief Executive Officer



Muhammad Saleem Baig  
Director

Karachi  
Dated: April 29, 2023

## مجموعی عبوری مالیاتی گوشواروں پر ڈائریکٹرز کا جائزہ

ڈائریکٹرز گندھارا آٹوموبائلز لمیٹڈ (سابقہ گندھارا انسان لمیٹڈ) اور اس کے ذیلی ادارے گندھارا ڈی ایف (پرائیویٹ) لمیٹڈ کے 31 مارچ 2023 کو ختم ہونے والے نو مہینوں کے مالی گوشواروں کے ہمراہ اپنی رپورٹ پیش کر رہے ہیں۔

حکومت آئی ایم ایف کے ای ایف ایف پروگرام کو کامیابی کے ساتھ مکمل کرنے پر مائل ہے، جس میں ضروری پالیسی اقدامات شامل ہیں جو ادائیگیوں کے توازن کے مالیاتی کھاتے میں اضافی ریلیف لائیں گے۔ پالیسی اقدامات کا مقصد اخراجات کو ملک کے اندر پیدا ہونے والی آمدنی کے مطابق ڈھالنا ہے۔ مالیاتی محاذ پر حکومت اخراجات کے انتظام، کفایت شعاری کے اقدامات، اور محصولات کو متحرک کرنے کے ذریعے مجموعی مالیاتی خسارے کو کم کرنے کیلئے مالیاتی استحکام پر عمل پیرا ہے۔

اسٹیٹ بینک آف پاکستان (SBP) کی جانب سے نئے لیٹر آف کریڈٹ (LCs) کھولنے پر پابندیوں کی وجہ سے انڈسٹری کو CKD کی کمی کا سامنا کرنا پڑ رہا ہے، جس کے نتیجے میں کارخانے بند ہو رہے ہیں اور گاڑیوں کی ترسیل کے دورانیے میں اضافہ ہو گیا۔

## ادارے کے مالیاتی نتائج

31 مارچ 2023 کو ختم ہونے والی نو ماہی کے مالی نتائج کا خلاصہ ذیل میں دیا گیا ہے:

### نو ماہ کے اختتام پر

2022 مارچ	2023 مارچ	
		(روپے ہزاروں میں)
4,033,657	11,183,339	آمدنی
518,911	1,012,007	مجموعی منافع
250,653	723,424	آپریٹنگ منافع
334,452	204,656	خالص منافع بعد از ٹیکس
5.87	3.59	آمدنی فی شیئر (روپے میں)

## مستقبل کا منظر نامہ

تمام تر اقتصادی چیلنجز کے باوجود، آپ کا ادارہ اپنے کڑے مالیاتی کنٹرول کے ذریعے محدود وسائل کے ساتھ موجودہ صورتحال کو سنبھالنے اور آپریٹنگ کے تسلسل اور پائیداری کو برقرار رکھنے کی کوششوں میں مصروف عمل ہے۔

بورڈ آف ڈائریکٹرز کیلئے اور ان کی جانب سے

  
ڈائریکٹر

  
چیف ایگزیکٹو آفیسر

کراچی

بتاریخ: 29 اپریل 2023


# Consolidated Condensed Interim Statement of Financial Position

AS AT MARCH 31, 2023

		<u>Un-audited</u>	<u>Audited</u>
	<b>Note</b>	<b>March 31, 2023</b>	<b>June 30, 2022</b>
(Rupees in '000)			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	<b>5,396,631</b>	5,442,916
Intangible assets		<b>3,109</b>	3,874
Long term investments	7	<b>1,241,638</b>	1,312,254
Long term loans		<b>9,062</b>	9,914
Long term deposits		<b>29,012</b>	25,708
		<b>6,679,452</b>	6,794,666
<b>Current assets</b>			
Stores, spares and loose tools		<b>196,832</b>	169,235
Stock-in-trade	8	<b>3,451,459</b>	4,331,960
Trade debts		<b>1,222,170</b>	697,381
Loans and advances		<b>72,076</b>	56,531
Deposits and prepayments		<b>17,010</b>	5,738
Short term investments - mutual funds		<b>-</b>	675,863
Accrued interest / mark-up		<b>13,907</b>	11,074
Other receivables	9	<b>362,458</b>	456,538
Taxation - net		<b>627,390</b>	387,383
Cash and bank balances		<b>955,659</b>	2,239,593
		<b>6,918,961</b>	9,031,296
<b>Total assets</b>		<b>13,598,413</b>	15,825,962



Ahmad Kuli Khan Khattak  
Chief Executive Officer



Muhammad Saleem Baig  
Director



Bushra Hanif Farooqui  
Chief Financial Officer

# Consolidated Condensed Interim Statement of Financial Position

AS AT MARCH 31, 2023

Note	Un-audited	Audited
	March 31, 2023	June 30, 2022
	(Rupees in '000)	
<b>EQUITY AND LIABILITIES</b>		
<b>Share capital and reserves</b>		
<b>Authorised capital</b>		
	800,000	800,000
	570,025	570,025
	1,102,721	1,102,721
	2,787,914	2,813,584
	79,266	77,594
	3,969,901	3,993,899
	3,401,735	3,175,876
	7,941,661	7,739,800
	62	46
	7,941,723	7,739,846
	82,795	45,298
	811,731	845,553
	162,975	196,854
	46,876	35,226
	296,674	249,307
	1,401,051	1,372,238
	2,641,819	5,752,007
	77,781	48,356
10	1,155,701	581,211
	28,850	21,835
	296,363	258,146
	44,546	41,722
	10,579	10,601
	4,255,639	6,713,878
	5,656,690	8,086,116
11	13,598,413	15,825,962

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


Ahmad Kuli Khan Khattak  
Chief Executive Officer

Muhammad Saleem Baig  
Director

Bushra Hanif Farooqui  
Chief Financial Officer



# Consolidated Condensed Interim Statement of Profit or Loss and Other Comprehensive Income (Un-audited)

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

	Note	Quarter ended		Nine months period ended	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
(Rupees in '000)					
<b>Revenue</b> - net		<b>4,826,564</b>	1,616,950	<b>11,183,339</b>	4,033,657
Cost of sales	12	<b>(4,165,414)</b>	(1,420,105)	<b>(10,171,332)</b>	(3,514,746)
<b>Gross profit</b>		<b>661,150</b>	196,845	<b>1,012,007</b>	518,911
Distribution cost		<b>(52,330)</b>	(40,795)	<b>(144,989)</b>	(104,463)
Administrative expenses		<b>(90,776)</b>	(69,724)	<b>(242,425)</b>	(202,086)
Other income		<b>56,438</b>	19,762	<b>188,199</b>	66,872
Other expenses		<b>(31,083)</b>	(6,064)	<b>(89,368)</b>	(28,581)
<b>Profit from operations</b>		<b>543,399</b>	100,024	<b>723,424</b>	250,653
Finance cost		<b>(117,581)</b>	(58,139)	<b>(253,194)</b>	(105,172)
		<b>425,818</b>	41,885	<b>470,230</b>	145,481
Share of profit / (loss) of an Associate		<b>4,898</b>	96,223	<b>(67,837)</b>	219,249
<b>Profit before taxation</b>		<b>430,716</b>	138,108	<b>402,393</b>	364,730
Taxation		<b>(117,088)</b>	(9,475)	<b>(197,737)</b>	(30,278)
<b>Profit after taxation</b>		<b>313,628</b>	128,633	<b>204,656</b>	334,452
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Share of other comprehensive:					
- re-measurement of staff retirement benefit obligation - net		-	-	<b>(2,779)</b>	(748)
Other comprehensive loss - net of tax		-	-	<b>(2,779)</b>	(748)
<b>Total comprehensive income for the period</b>		<b>313,628</b>	128,633	<b>201,877</b>	333,704
Attributable to:					
- Shareholders of the Holding Company		<b>313,615</b>	128,635	<b>201,861</b>	333,709
- Non-controlling interest		<b>13</b>	(2)	<b>16</b>	(5)
		<b>313,628</b>	128,633	<b>201,877</b>	333,704
(Rupees in '000)					
<b>Earnings per share - basic and diluted</b>		<b>5.50</b>	2.26	<b>3.59</b>	5.87

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



Ahmad Kuli Khan Khattak  
Chief Executive Officer



Muhammad Saleem Baig  
Director



Bushra Hanif Farooqui  
Chief Financial Officer

# Consolidated Condensed Interim Statement of Changes In Equity (Un-audited)

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

	Share Capital	Capital Reserve			Revenue reserve Unappropriated profit	Total	Non - controlling interest
		Share premium	Surplus on revaluation of fixed assets	Items directly credited to equity by an Associate			
----- (Rupees in '000) -----							
Balance as at July 1, 2021 (audited)	570,025	1,102,721	2,849,529	75,365	2,874,533	7,472,173	54
<b>Total comprehensive income for the nine months period ended March 31, 2022</b>							
Profit for the period	-	-	-	-	334,457	334,457	(5)
Other comprehensive loss	-	-	-	-	(748)	(748)	-
	-	-	-	-	333,709	333,709	(5)
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred tax	-	-	(25,287)	-	25,287	-	-
Effect of item directly credited in equity by an Associate	-	-	(1,672)	1,672	-	-	-
<b>Balance as at March 31, 2022 (un-audited)</b>	<b>570,025</b>	<b>1,102,721</b>	<b>2,822,570</b>	<b>77,037</b>	<b>3,233,529</b>	<b>7,805,882</b>	<b>49</b>
<b>Balance as at July 1, 2022 (audited)</b>	<b>570,025</b>	<b>1,102,721</b>	<b>2,813,584</b>	<b>77,594</b>	<b>3,175,876</b>	<b>7,739,800</b>	<b>46</b>
<b>Total comprehensive income for the nine months period ended March 31, 2023</b>							
Period for the period	-	-	-	-	204,640	204,640	16
Other comprehensive loss	-	-	-	-	(2,779)	(2,779)	-
	-	-	-	-	201,861	201,861	16
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred tax	-	-	(23,998)	-	23,998	-	-
Effect of item directly credited in equity by an Associate	-	-	(1,672)	1,672	-	-	-
<b>Balance as at March 31, 2023 (un-audited)</b>	<b>570,025</b>	<b>1,102,721</b>	<b>2,787,914</b>	<b>79,266</b>	<b>3,401,735</b>	<b>7,941,661</b>	<b>62</b>

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



Ahmad Kuli Khan Khattak  
Chief Executive Officer



Muhammad Saleem Baig  
Director



Bushra Hanif Farooqui  
Chief Financial Officer


# Consolidated Condensed Interim Statement of Cash Flows (Un-audited)

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

	March 31, 2023	March 31, 2022
	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	402,393	364,730
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation and amortisation	265,038	116,064
Provision for gratuity	13,364	11,275
Interest income	(139,352)	(54,161)
Gain on disposal of property, plant and equipment	(1,081)	(2,745)
Dividend income	(6,372)	-
Gain from sale of investment in mutual funds	(13,186)	-
Share of loss / (profit) of an Associate	67,837	(219,249)
Finance cost	253,194	105,172
Exchange loss - net	68,731	14,824
<b>Operating profit before working capital changes</b>	<b>910,566</b>	<b>335,910</b>
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(27,597)	(1,793)
Stock-in-trade	880,501	(2,765,588)
Trade debts	(524,789)	207,237
Loans and advances	(15,545)	(19,955)
Deposit and prepayments	(11,272)	43,093
Other receivables	94,080	(427,803)
	<b>395,378</b>	<b>(2,964,809)</b>
(Decrease) / increase in trade and other payables	<b>(3,160,758)</b>	<b>1,177,641</b>
<b>Cash used in operations</b>	<b>(1,854,814)</b>	<b>(1,451,258)</b>
Gratuity paid	(31,525)	(18,268)
Long term loans - net	852	813
Long term deposits - net	(3,304)	2,165
Finance cost paid	(223,769)	(54,923)
Income taxes paid	(390,377)	(65,316)
<b>Net cash used in operating activities - carried forward</b>	<b>(2,502,937)</b>	<b>(1,586,787)</b>



Ahmad Kuli Khan Khattak  
Chief Executive Officer



Muhammad Saleem Baig  
Director



Bushra Hanif Farooqui  
Chief Financial Officer

# Consolidated Condensed Interim Statement of Cash Flows (Un-audited)

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

	March 31, 2023	March 31, 2022
	(Rupees in '000)	
<b>Net cash used in operating activities - brought forward</b>	<b>(2,502,937)</b>	(1,586,787)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for fixed capital expenditure	(149,677)	(1,421,520)
Proceeds from disposal of property, plant and equipment	5,669	81,476
Interest income received	136,519	54,247
Dividend received	6,372	-
Investments - net	689,049	-
<b>Net cash generated from / (used in) investing activities</b>	<b>687,932</b>	(1,285,797)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Lease finances - net	(28,387)	(30,810)
Long term borrowings - obtained	210,627	1,232,000
Long term borrowings - repaid	(237,287)	(68,325)
Long term deposits - net	11,650	500
Short term borrowings - net	574,490	1,841,733
Dividend paid	(22)	-
<b>Net cash generated from financing activities</b>	<b>531,071</b>	2,975,098
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(1,283,934)</b>	102,514
Cash and cash equivalents at beginning of the period	2,239,593	1,085,823
<b>Cash and cash equivalents at end of the period</b>	<b>955,659</b>	1,188,337

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



Ahmad Kuli Khan Khattak  
Chief Executive Officer



Muhammad Saleem Baig  
Director



Bushra Hanif Farooqui  
Chief Financial Officer

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

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

## 1. THE GROUP AND ITS OPERATIONS

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

### 1.2 Ghandhara Automobiles Limited

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

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

### 1.3 Ghandhara Df (Private) Limited

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

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

## 2. BASIS OF PREPARATION

### 2.1 Statement of compliance

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

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

Where the provisions of and directives issued under the Act differ with the requirements of IAS 34, the provisions of and directives issued under the Act have been followed. These consolidated condensed interim financial statements of the Group for the nine months period ended March 31, 2023 is un-audited.

2.2 These consolidated condensed interim financial statements do not include all the statements and disclosures as required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended June 30, 2022.

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

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

## 3. ACCOUNTING POLICIES

- 3.1 The accounting policies and the methods of computation adopted in the preparation of these consolidated condensed interim financial statements are consistent with those applied in the preparation of audited annual consolidated financial statements of the Group for the year ended June 30, 2022.

There are certain International Financial Reporting Standards, amendments to published standards and interpretations that are mandatory for the financial year beginning on July 1, 2022 are considered not to be relevant or to have any significant effect on the Group's financial reporting and operations.

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

## 4. PRINCIPLES OF CONSOLIDATION

These consolidated condensed interim financial statements include the condensed interim financial statements of Holding Company and its Subsidiary Company. The Holding Company's direct interest in the Subsidiary Company is 99.99% as at March 31, 2023 ( June 30, 2022: 99.99%).

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

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

## 5. ACCOUNTING ESTIMATES AND JUDGEMENTS

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

During the preparation of these consolidated condensed interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the audited annual consolidated financial statements of the Group for the year ended June 30, 2022.

## 6. PROPERTY, PLANT AND EQUIPMENT

	Note	Un-audited	Audited
		March 31, 2023	June 30, 2022
(Rupees in '000)			
Operating fixed assets	6.1	4,992,765	5,206,928
Right of use assets		139,238	87,508
Capital work-in-progress		264,628	148,480
		<b>5,396,631</b>	<b>5,442,916</b>

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

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

		Un-audited	Audited
		March 31, 2023	June 30, 2022
		(Rupees in '000)	
<b>6.1 Operating fixed assets</b>			
Book value at beginning of the period / year		5,206,928	3,380,514
Additions during the period / year	6.2	33,529	2,009,269
Transfer from right of use asset		1,419	-
Disposals costing Rs. 5,290 thousand (June 30, 2022: Rs.6,825 thousand) - at book value		(1,419)	(4,408)
Depreciation charge for the period / year		(247,692)	(178,447)
Book value at end of the period / year		<u>4,992,765</u>	<u>5,206,928</u>
<b>6.2 Additions to operating fixed assets, including transfer from capital work-in-progress, during the period / year were as follows:</b>			
Leasehold land		-	202,336
Buildings on freehold land		1,025	3,300
Buildings on leasehold land		-	441,424
Plant and machinery		26,845	532,903
Assembly Jigs		-	794,041
Furniture and fixtures		3,407	11,372
Owned vehicles		657	13,958
Other equipment		468	5,032
Office equipment		575	1,487
Computers and servers		552	3,416
		<u>33,529</u>	<u>2,009,269</u>
<b>7. LONG TERM INVESTMENTS</b>			
Associate - equity accounted investment	7.1	1,241,638	1,312,254
Others - available for sale	7.2	-	-
		<u>1,241,638</u>	<u>1,312,254</u>
<b>7.1 Ghandhara Industries Limited</b>			
Balance at beginning of the period / year		1,312,254	1,049,588
Share of (loss) / profit for the period / year		(67,837)	263,414
Share of other comprehensive loss for the period / year		(2,779)	(748)
Balance at end of the period / year		<u>1,241,638</u>	<u>1,312,254</u>
<b>7.1.1</b>	Investment in Ghandhara Industries Limited (GIL) represents 8,132,336 (June 30, 2022: 8,132,336) fully paid ordinary shares of Rs.10 each representing 19.09% (June 30, 2022: 19.09%) of its issued, subscribed and paid-up capital as at March 31, 2023. 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.		
<b>7.1.2</b>	The value of investment in GIL is based on financial statements of the investee company as at December 31, 2022. The latest financial statements of GIL as at March 31, 2023 are not presently available.		
<b>7.1.3</b>	The market value of investment as at March 31, 2023 was Rs.698,161 thousand (June 30, 2022: Rs.1,284,665 thousand).		

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

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

	<u>Un-audited</u>	<u>Audited</u>
	<b>March 31, 2023</b>	June 30, 2022
	(Rupees in '000)	
<b>7.2 Others - available for sale</b>		
Automotive Testing & Training Centre (Private) Limited		
187,500 (June 30, 2022: 187,500) ordinary shares of Rs.10 each - cost	1,875	1,875
Provision for impairment	<u>(1,875)</u>	<u>(1,875)</u>
	-	-
<b>8. STOCK IN TRADE</b>		
Raw materials		
- in hand	1,439,041	1,592,715
- in transit	<u>582,123</u>	<u>1,002,534</u>
	2,021,164	2,595,249
Finished goods		
- in hand	1,427,857	1,724,871
- in transit	<u>2,438</u>	<u>11,840</u>
	1,430,295	1,736,711
	<u>3,451,459</u>	<u>4,331,960</u>

9. Includes margins against letter of credit Rs.349,688 thousand (June 30, 2022: Rs. 138,232 thousand).

	<u>Un-audited</u>	<u>Audited</u>
	<b>March 31, 2023</b>	June 30, 2022
	(Rupees in '000)	
<b>10. SHORT TERM BORROWINGS - Secured</b>		
Running finances / musharakah	670,294	347,460
Finance against imported merchandise	65,407	93,751
Term finance - short term loans	<u>420,000</u>	<u>140,000</u>
	1,155,701	581,211

## 11. CONTINGENCIES AND COMMITMENTS

- 11.1 There is no material change in status of the contingencies as disclosed in note 26.1 of the audited annual consolidated financial statements of the Group for the year ended June 30, 2022.
- 11.2 Commitment in respect of irrevocable letters of credit as at March 31, 2023 aggregate to Rs.265,364 thousand (June 30, 2022: Rs.1,067,318 thousand).
- 11.3 Commitments outstanding for capital expenditure other than through letters of credit as at March 31, 2023 aggregated to Rs. 386,300 thousand (June 30, 2022: Rs. 425,000 thousand).
- 11.4 Guarantees aggregating Rs.22,925 thousand (June 30, 2022: Rs.89,234 thousand) are issued by banks of the Group to various government and other institutions. Further, the Holding Company has issued corporate guarantees aggregating Rs.596,740 thousand (June 30, 2022: Rs.583,954 thousand) to the commercial banks against running finances and letters of credit facilities utilised by the Subsidiary Company.



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

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

## 12. COST OF SALES

		(Un-audited)			
		Three months period ended		Nine months period ended	
Note		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
..... (Rupees in '000) .....					
	Finished goods at beginning of the period	1,896,329	1,293,608	1,724,871	926,073
12.1	Cost of goods manufactured	3,653,885	1,197,964	9,666,698	3,134,473
	Purchases - trading goods	43,057	480,754	207,620	1,006,421
		<b>3,696,942</b>	1,678,718	<b>9,874,318</b>	4,140,894
		<b>5,593,271</b>	2,972,326	<b>11,599,189</b>	5,066,967
	Finished goods at end of the period	(1,427,857)	(1,552,221)	(1,427,857)	(1,552,221)
		<b>4,165,414</b>	1,420,105	<b>10,171,332</b>	3,514,746

### 12.1 Cost of goods manufactured

	Raw materials and parts consumed	3,189,435	952,565	8,376,054	2,445,426
	Factory overheads	464,450	245,399	1,290,644	689,047
		<b>3,653,885</b>	1,197,964	<b>9,666,698</b>	3,134,473

## 13. TRANSACTIONS WITH RELATED PARTIES

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

Related party name along with relation	Nature of transaction	Un-audited	Un-audited
		March 31, 2023	March 31, 2022
..... (Rupees in '000) .....			
<b>(i) Ultimate Holding Company</b>			
Bibojee Services (Private) Limited - 57.76% shares held in the Holding Company	Corporate office rent	11,979	10,890
	Contract assembly revenue	2,633	2,106
	Sale of fleet vehicle	-	2,600

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

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

Related party name along with relation	Nature of transaction	Un-audited	Un-audited
		March 31, 2023	March 31, 2022
(Rupees in '000)			
<b>(ii) Associated Companies</b>			
Ghandhara Industries Limited 19.09% shares held by the Holding Company (13.1)	Contract assembly charges	<b>586,113</b>	635,679
	Purchase of parts	<b>79</b>	173
	Sale of vehicles	<b>45,405</b>	-
	Head office rent	<b>5,712</b>	5,798
	Fabrication of vehicle	-	750
	Reimbursement of expenses	-	65
Ghandhara Tyre and Rubber Company Limited (13.1)	Purchase of tyres, tubes and flaps	<b>34,259</b>	20,748
Rehman Cotton Mills Limited	Sale of pre-fabricated building structure	-	86,878
	Sale of vehicles	<b>13,538</b>	-
Gammon Pakistan Limited (13.1)	Office rent	<b>2,995</b>	2,723
Janana De Malucho Textile Mills Limited (13.1)	Sale of vehicles	<b>37,074</b>	-
	Reimbursement of expenses	<b>1,911</b>	1,985
Bannu Woollen Mills Limited (13.1)	Sale of vehicles	<b>16,821</b>	-
Business Vision (Private) Limited (13.1)	Installments for office floor	<b>50,000</b>	-
Universal Insurance Company Limited (13.1)	Sale of vehicle	<b>5,604</b>	-
	Reimbursement of expenses	<b>1,213</b>	-
<b>(iii) Others</b>			
Staff provident fund	Contribution made	<b>11,461</b>	10,356
Staff gratuity fund	Contribution made	<b>31,526</b>	18,268
Key management personnel	Remuneration and other short term benefits	<b>71,558</b>	74,280
	Sale of fleet vehicles	<b>555</b>	-

## 13.1 Associated company by virtue of common directorship.

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

FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2023

	<b>Un-audited</b>	Audited
	<b>March 31, 2023</b>	June 30, 2022
<b>13.2 Period / year end balances are as follows:</b>		
<b>Debit balances / receivables from related parties</b>		
Property, plant and equipment	75,000	25,000
Trade debts	236,756	104,821
Loan and advances	20	597
<b>Payable to related parties</b>		
Trade and other payables	44,979	39,212

(Rupees in '000)

## 14. FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with those disclosed in the audited annual financial statements of the Group for the year ended June 30, 2022.

## 15. CORRESPONDING FIGURES


In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the Consolidated condensed interim statement of financial position has been compared with the balances of audited annual consolidated financial statements of the Group for the year ended June 30, 2022, whereas, the Consolidated condensed interim statement of profit or loss and other comprehensive income, Consolidated condensed interim statement of changes in equity and Consolidated condensed interim statement of cash flows have been compared with the balances of comparable period of Consolidated condensed interim financial statements of the Group for the period ended March 31, 2022. Corresponding figures have been rearranged and reclassified for better presentation wherever considered necessary, the effect of which is not material.

## 16. DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements were authorised for issue on April 29, 2023 by the Board of Directors of the Holding Company.



Ahmad Kuli Khan Khattak  
Chief Executive Officer



Muhammad Saleem Baig  
Director










Bushra Hanif Farooqui  
Chief Financial Officer



**Be aware, Be alert,  
Be safe**

**Learn about investing at  
www.jamapunji.pk**

**Key features:**

-  Licensed Entities Verification
-  Scam meter\*
-  Jamapunji games\*
-  Tax credit calculator\*
-  Company Verification
-  Insurance & Investment Checklist
-  FAQs Answered

-  Stock trading simulator  
(based on live feed from KSE)
-  Knowledge center
-  Risk profiler\*
-  Financial calculator
-  Subscription to Alerts (event notifications, corporate and regulatory actions)
-  Jamapunji application for mobile device
-  Online Quizzes



Jama Punji is an Investor Education Initiative of Securities and Exchange Commission of Pakistan

 jamapunji.pk

 @jamapunji\_pk

\*Mobile apps are also available for download for android and ios devices



**GHANDHARA**  
**AUTOMOBILES LIMITED**  
(Formerly Ghandhara Nissan Limited)

F-3, Hub Chowki Road, S.I.T.E., Karachi-75730



021-32556901-10 UAN: 111-190-190



[info@ghandhara.com.pk](mailto:info@ghandhara.com.pk)



021-32556911-12



[www.ghandharanissan.com.pk](http://www.ghandharanissan.com.pk)