

*THE ULTIMATE
MODERNITY
WITH
COMFORT:
CHERY*

Half Yearly Report
December 31,
2023
(Un-Audited)



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

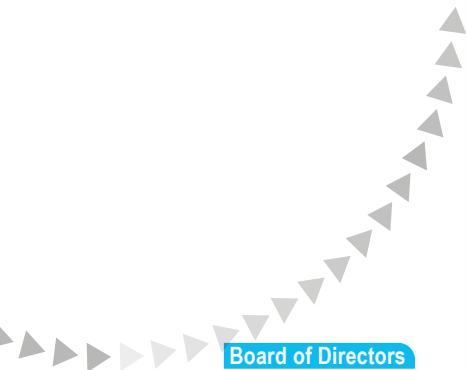
Table of Contents



Company Profile.....	
Directors' Review on Condensed Interim Financial Statements	
Independent Auditor's Review Report to the Members of Gandhara Automobiles Limited	
Condensed Interim Statement of Financial Position	
Condensed Interim Statement of Profit or Loss & other comprehensive income (Un-audited)	
Condensed Interim Statement of Changes in Equity (Un-audited)	
Condensed Interim Statement of Cash Flows (Un-audited)	
Notes to the Condensed Interim Financial Statements.....	
Directors' Review on Consolidated Condensed Interim Financial Statements	
Consolidated Condensed Interim Statement of Financial Position	
Consolidated Condensed Interim Statement of Profit or Loss & other comprehensive income (Un-audited)	
Consolidated Condensed Interim Statement of Changes in Equity (Un-audited)	
Consolidated Condensed Interim Statement of Cash Flows (Un-audited)	
Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)	

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

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. 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)
Al Baraka Bank (Pakistan) Limited - (Shariah)
JS Bank Limited
Samba Bank Limited
Bank Islami Pakistan Limited
Dubai Islamic Bank Pakistan Limited - (Shariah)
Bank Makramah 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 Shahra-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.



DIRECTORS' REVIEW

The Directors hereby present the unaudited condensed interim financial statements of Ghandhara Automobiles Limited along with their report for the half year ended December 31, 2023.

Economy at a Glance

In first half of FY2024, macroeconomic conditions have gradually improved, leading to a revival in overall economic activity compared to the challenging FY2023. This persistent uptick in economic indicators has resulted in improved GDP growth in the first half of FY2024, with expectations for continued growth in the second half. Business confidence and the investment climate are gradually improving, as reflected in the exceptional performance of the Pakistan Stock Exchange and a steep surge in Foreign Direct Investment. The continual rise in these indicators is a testament to the strengthening health of the economy and suggests a positive economic outlook for the latter half of FY2023-24.

Auto-Sector

The automobile industry is struggling with several challenges, posing significant obstacles for manufacturers to sustain profitability. A major concern revolves around impediments in the importation of Completely Knocked Down (CKD) kits, resulting in a scarcity of these kits and subsequently causing a reduction in production capacity and the occurrence of non-production days (NPDs).

In addition to the CKD kit shortage, the industry is contending with challenging banking conditions, including the imposition of a 100% cash margin at the letter of credit (LC) opening stage and the non-absorption of fixed overheads. The industry is further burdened by the impact of rising inflation, coupled with the implementation of tighter fiscal and monetary measures. These factors collectively exert a negative influence on the industry, contributing not only to a decrease in consumer demand but also resulting in financial losses for manufacturers.

According to the latest data from the PAMA, sales volumes of auto industry for Heavy Commercial Vehicles (HCVs) were 810 units during the half year of FY2023-24 as compared to 1,627 units during the corresponding period of last year showing a decline of 50%. For Light Commercial Vehicles (LCVs), sales were 5,811 units during the half year as compared to 11,885 units during the corresponding period of last year showing a decline of 51%. Whereas for Passenger Car segment, sales were 12,341 units during the half year ended as compared to 29,950 units during the corresponding period of last year showing a decline of 59%.

Financial Results of the Company

The financial results for the half year ended December 31, 2023 are summarized below:

	<u>Half Year Ended</u>	
	<u>December 2023</u>	<u>December 2022</u>
	(Rupees in thousands)	
Revenue	2,162,536	5,203,272
Gross Profit	45,589	155,471
Operating Profit	4,867	110,585
Net Loss after tax	(175,111)	(64,882)
Loss Per Share (Rupees)	(3.07)	(1.14)

Reasons for the Loss and Future Prospects of Profit

The incurred loss for the period is primarily attributed to decreased sales volumes, a consequence of the higher finance cost, high production costs and the non-absorption of fixed overheads. The prevailing political uncertainty has also played a significant role in influencing the financial downturn during this period.

Despite facing financial constraints and cash flow challenges, the company remains optimistic about its prospects. The management expresses confidence in successfully uplifting the company by addressing outstanding matters.

In response to macro-economic developments, the management is closely monitoring the situation and adapting its strategy. The aim is to ensure sustained operations for an extended period, leveraging the raw materials on hand and incoming shipments against established letters of credit to fulfill commitments to valued customers.

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

Despite the prevailing challenges, the company remains optimistic about its future prospects. The management is committed to leveraging its full potential to enhance the company's market share across all sales segments. Efforts will be directed towards achieving volumetric growth, with a dedicated exploration of opportunities in local markets. The company's emphasis on research and development (R&D) and effective product management is expected to fortify its product portfolio, laying the foundation for sustainable growth in the future.

The directors express gratitude to the principals, customers, vendors, bankers, and other business associates for their unwavering patronage and support. Their continued collaboration is deeply appreciated by the company's leadership

For and on behalf of the Board of Directors



Chief Executive Officer



Director

Karachi

Dated: February 29, 2024

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
GHANDHARA AUTOMOBILES LIMITED

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statements of financial position of **Ghandhara Automobiles Limited** (the Company) as at December 31, 2023 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the half year then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

The figures of the condensed interim statement of profit or loss and other comprehensive income for the quarters ended December 31, 2023 and 2022 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2023.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is Osman Hameed Chaudhri.

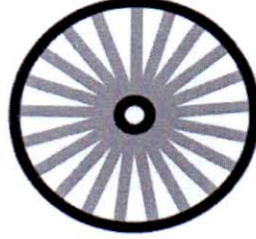
Shine Wing Hameed Chaudhri & Co.

SHINEWING HAMEED CHAUDHRI & CO.

CHARTERED ACCOUNTANTS

KARACHI; 29 FEB 2024

UDIN: RR202310104TarkBDZEj



**GHANDHARA AUTOMOBILES
LIMITED**

**CONDENSED INTERIM
FINANCIAL STATEMENTS**

**FOR THE HALF YEAR ENDED
DECEMBER 31, 2023**

“REVIEWED BY”



ShineWing Hameed Chaudhri & Co.
Chartered Accountants,
*5TH Floor, Karachi Chambers,
Hasrat Mohani Road, Karachi*
Phones: 32412754, 32411474
Fax: 32424835
Email: khi@hccpk.com

GHANDHARA AUTOMOBILES LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

		Un-audited December 31, 2023	Audited June 30, 2023
	Note	----- Rupees in '000 -----	
ASSETS			
Non current assets			
Property, plant and equipment	5	5,435,568	5,392,028
Intangible assets		2,025	2,314
Long term investments		222,906	222,906
Long term loans		3,307	1,473
Long term deposits		33,507	26,252
Due from the Subsidiary Company		49,871	272,242
		5,747,184	5,917,215
Current assets			
Stores, spares and loose tools		235,649	225,733
Stock-in-trade		1,848,604	1,654,704
Trade debts		294,012	247,589
Loans and advances		55,537	46,348
Deposits and prepayments		18,630	14,789
Other receivables including sales tax		98,848	77,415
Accrued interest / mark-up		24,386	46,658
Taxation - net		669,174	559,333
Bank balances		962,052	1,302,234
		4,206,892	4,174,803
Total assets		9,954,076	10,092,018



Chief Executive Officer



Director



Chief Financial Officer

GHANDHARA AUTOMOBILES LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

	Un-audited	Audited
	December 31, 2023	June 30, 2023
Note	----- Rupees in '000 -----	
EQUITY AND LIABILITIES		
Share capital and reserves		
Authorised capital		
- 80,000,000 (June 30, 2023: 80,000,000) ordinary shares of Rs.10 each	800,000	800,000
Issued, subscribed and paid-up capital		
- 57,002,500 (June 30, 2023: 57,002,500) ordinary shares of Rs.10 each	570,025	570,025
Capital reserves		
- share premium	1,102,721	1,102,721
- reserve for capital expenditures	1,000,000	-
- surplus on revaluation of fixed assets - net	2,095,342	2,110,527
	4,198,063	3,213,248
Revenue reserve - unappropriated profits	1,226,361	2,386,287
Total equity	5,994,449	6,169,560
Liabilities		
Non current liabilities		
Lease liabilities	89,484	67,969
Long term borrowings	618,620	764,451
Deferred income - government grant	130,137	151,706
Long term deposits	64,726	57,226
Deferred taxation - net	266,668	303,373
	1,169,635	1,344,725
Current liabilities		
Trade and other payables	1,356,972	1,317,904
Accrued mark-up	69,073	68,684
Short term borrowings	870,994	692,287
Current portion of lease liabilities	39,174	29,512
Current maturity of long term borrowings	398,825	413,618
Current portion of deferred income - government grant	44,375	45,149
Unclaimed dividend	10,579	10,579
	2,789,992	2,577,733
Total liabilities	3,959,627	3,922,458
Contingencies and commitments		
Total equity and liabilities	9,954,076	10,092,018

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


Chief Executive Officer


Director


Chief Financial Officer

GHANDHARA AUTOMOBILES LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME (un-audited)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023

	Note	Quarter ended		Half year ended	
		December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
		---- Rupees in '000 ----		---- Rupees in '000 ----	
Revenue - net		1,154,751	2,275,549	2,162,536	5,203,272
Cost of sales	9	(1,121,780)	(2,175,080)	(2,116,947)	(5,047,801)
Gross profit		32,971	100,469	45,589	155,471
Distribution cost		(35,873)	(39,712)	(65,496)	(79,590)
Administrative expenses		(67,316)	(59,464)	(130,419)	(122,826)
Other income		99,144	115,819	157,537	210,148
Other expenses		812	11,780	(2,344)	(52,618)
Profit from operations		29,738	128,892	4,867	110,585
Finance cost		(104,998)	(71,662)	(190,979)	(110,124)
(Loss) / profit before taxation		(75,260)	57,230	(186,112)	461
Taxation		17,049	(43,746)	11,001	(65,343)
(Loss) / profit after taxation		(58,211)	13,484	(175,111)	(64,882)
Other comprehensive income		-	-	-	-
Total comprehensive (loss) / income for the period		(58,211)	13,484	(175,111)	(64,882)
		----- Rupees -----		----- Rupees -----	
(Loss) / earnings per share					
- basic and diluted		(1.02)	0.24	(3.07)	(1.14)

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


Chief Executive Officer


Director


Chief Financial Officer

GHANDHARA AUTOMOBILES LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (un-audited)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023

	Issued, subscribed and paid- up capital	---Capital reserves ---			Revenue reserve - Unappro- priated profit	Total
		Share premium	Reserve for capital expenditures	Surplus on revaluation of fixed assets		
----- Rupees in '000 -----						
Balance as at July 1, 2022 (audited)	570,025	1,102,721	-	2,142,524	2,281,351	6,096,621
Total comprehensive loss for the six months period ended December 31, 2022						
Loss for the period	-	-	-	-	(64,882)	(64,882)
Other comprehensive income	-	-	-	-	-	-
	-	-	-	-	(64,882)	(64,882)
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred tax	-	-	-	(15,998)	15,998	-
Balance as at December 31, 2022 - (un-audited)	<u>570,025</u>	<u>1,102,721</u>	<u>-</u>	<u>2,126,526</u>	<u>2,232,467</u>	<u>6,031,739</u>
Balance as at July 1, 2023 (audited)	570,025	1,102,721	-	2,110,527	2,386,287	6,169,560
Transfer to reserves for capital expenditures (note 6)	-	-	1,000,000	-	(1,000,000)	-
Total comprehensive loss for the six months period ended December 31, 2023						
Loss for the period	-	-	-	-	(175,111)	(175,111)
Other Comprehensive income	-	-	-	-	-	-
	-	-	-	-	(175,111)	(175,111)
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred tax	-	-	-	(15,185)	15,185	-
Balance as at December 31, 2023 - (un-audited)	<u>570,025</u>	<u>1,102,721</u>	<u>1,000,000</u>	<u>2,095,342</u>	<u>1,226,361</u>	<u>5,994,449</u>

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


Chief Executive Officer


Director


Chief Financial Officer

GHANDHARA AUTOMOBILES LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-audited)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023

	December 31, 2023	December 31, 2022
	---- Rupees in '000 ----	
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / profit before taxation	(186,112)	461
Adjustments for non-cash charges and other items:		
Depreciation and amortisation	158,278	169,947
Provision for gratuity	7,070	7,420
Interest income	(127,532)	(171,784)
Gain on disposal of operating fixed assets	(234)	(1,081)
Dividend income	-	(6,372)
Gain from sale of investment in mutual funds	-	(13,186)
Finance cost	185,757	108,706
Exchange loss - net	2,344	52,618
Operating profit before working capital changes	39,571	146,729
Increase in current assets:		
Stores, spares and loose tools	(9,916)	(26,858)
Stock-in-trade	(193,900)	(1,052,513)
Trade debts	(46,423)	(298,679)
Loans and advances	(9,189)	(4,064)
Deposit and prepayments	(3,841)	(57,431)
Other receivables	(21,433)	(218,616)
	(284,702)	(1,658,161)
Increase / (decrease) in trade and other payables	30,465	(536,439)
Cash used in operations	(214,666)	(2,047,871)
Gratuity paid	(811)	(29,127)
Long term loans - net	(1,834)	1,289
Long term deposits - net	(7,255)	(4,846)
Finance cost paid	(185,368)	(99,689)
Income taxes paid	(135,545)	(265,766)
Net cash used in operating activities - carried forward	(545,479)	(2,446,010)

GHANDHARA AUTOMOBILES LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-audited)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023

	December 31, 2023	December 31, 2022
	---- Rupees in '000 ----	
Net cash used in operating activities - brought forward	(545,479)	(2,446,010)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for fixed capital expenditure	(156,105)	(126,769)
Proceeds from disposal of property, plant and equipment	2,374	5,669
Interest income received	149,804	161,673
Dividend received	-	6,372
Due from Subsidiary Company - net	222,371	125,465
Short term investment - net	-	689,049
Net cash generated from investing activities	218,444	861,459
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease liabilities - net	(16,386)	16,110
Long term borrowings - repaid	(182,968)	(164,601)
Long term deposits - net	7,500	1,500
Short term borrowings - net	178,707	1,109,897
Dividend paid	-	(22)
Net cash (used in) / generated from financing activities	(13,147)	1,030,011
Net decrease in cash and cash equivalents	(340,182)	(554,540)
Cash and cash equivalents at beginning of the period	1,302,234	2,119,985
Cash and cash equivalents at end of the period	962,052	1,565,445

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


Chief Executive Officer


Director


Chief Financial Officer

GHANDHARA AUTOMOBILES LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023

1. THE COMPANY AND ITS OPERATIONS

Ghandhara Automobiles 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 / 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. These consolidated condensed interim financial statements of the Company for the six months period ended December 31, 2023 is un-audited.

- 2.2** These condensed interim financial statements have been subjected to limited scope review by the auditors, as required under section 237 of Companies Act, 2017 and 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, 2023.

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, 2023.

There are certain International Financial Reporting Standards, amendments to published standards and interpretations that are mandatory for the financial year beginning on July 1, 2023. 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, 2023. The impact of re-measurement of post-employment benefit plans has not been incorporated in these condensed interim financial statements.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

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

During the preparation of these condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the audited annual financial statements of the Company for the year ended June 30, 2023.

5. PROPERTY, PLANT AND EQUIPMENT

		Un-audited December 31, 2023	Audited June 30, 2023
	Note	----- Rupees in '000 -----	
Operating fixed assets	5.1	4,944,084	4,980,484
Right of use assets - vehicles		151,771	120,743
Capital work-in-progress		339,713	290,801
		5,435,568	5,392,028
5.1 Operating fixed assets			
Book value at beginning of the period / year		4,980,484	5,195,295
Additions during the period / year	5.2	107,194	115,150
Transfer from right of use assets		1,545	7,258
Disposals costing Rs. 3,848 thousand (June 30, 2023: Rs.44,129 thousand) - at book value		(1,266)	(11,123)
Depreciation charge for the period / year		(143,873)	(326,096)
Book value at end of the period / year		4,944,084	4,980,484
5.2 Additions to operating fixed assets, including transfer from capital work-in-progress, during the period / year were as follows:			
Buildings on freehold land		-	34,273
Plant and machinery		100,261	72,567
Furniture and fixtures		-	3,407
Owned vehicles		-	657
Other equipment		597	632
Office equipment		187	393
Computers and servers		6,149	3,221
		107,194	115,150

6. RESERVE FOR CAPITAL EXPENDITURES

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 expenditure (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.

7. SHORT TERM BORROWINGS - Secured

	Un-audited December 31, 2023	Audited June 30, 2023
	----- Rupees in '000 -----	
Running finances / musharakah	622,699	562,287
Finance against imported merchandise / trust receipts	118,295	-
Short term loan	130,000	130,000
	870,994	692,287

8. CONTINGENCIES AND COMMITMENTS

- 8.1** 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, 2023.
- 8.2** Commitment in respect of irrevocable letters of credit as at December 31, 2023 aggregate to Rs.316,992 thousand (June 30, 2023: Rs.263,470 thousand).
- 8.3** Commitments outstanding for capital expenditure other than through letters of credit as December 31, 2023 aggregated to Rs. 325,000 thousand (June 30, 2023: Rs. 336,300 thousand).
- 8.4** Guarantees aggregating Rs.22,279 thousand (June 30, 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.420,850 thousand (June 30, 2023: Rs.325,500 thousand) to the commercial banks against banking facilities utilised by the Subsidiary Company.

	Note	---- Un-audited ----		---- Un-audited ----	
		Three months period ended December 31, 2023		Six months period ended December 31, 2023	
		2023	2022	2023	2022
		----- Rupees in '000 -----		----- Rupees in '000 -----	
Finished goods at beginning of the period		721,116	1,176,463	772,572	970,703
Cost of goods manufactured	9.1	1,392,540	2,046,457	2,252,541	5,067,155
Purchases - trading goods		75,994	81,410	159,704	139,193
		1,468,534	2,127,867	2,412,245	5,206,348
		2,189,650	3,304,330	3,184,817	6,177,051
Finished goods at end of the period		(1,067,870)	(1,129,250)	(1,067,870)	(1,129,250)
		1,121,780	2,175,080	2,116,947	5,047,801
9.1 Cost of goods manufactured					
Raw materials and parts consumed		1,111,932	1,667,233	1,667,236	4,328,249
Factory overheads		280,608	379,224	585,305	738,906
		1,392,540	2,046,457	2,252,541	5,067,155

10. 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:

Related party name along with relation	Nature of transaction	Un-audited	Un-audited
		December 31, 2023	December 31, 2022
(i) Holding Company		--- Rupees in '000 ---	
Bibojee Services (Private) Limited - 57.76% shares held in the Company	Corporate office rent	4,392	3,993
	Contract assembly charges	-	2,633
	Sale of vehicles	17,886	-
(ii) Subsidiary Company			
Gandhara DF (Private) Limited 99.99% shares held by the Company	Contract assembly charges	51,125	45,806
	Purchase of parts	-	157
	Sale of parts	-	42
	Receipts against long term advances - net	222,371	125,465
	Rental income	5,363	4,800
	Interest income	25,247	75,260
	Guarantee commission	4,448	4,180
(iii) Associated Companies			
Gandhara Industries Limited 19.09% shares held by the Company (10.1)	Contract assembly charges	184,509	435,429
	Sale of vehicles	14,710	11,208
	Advance against vehicle	-	10,038
	Purchase of parts	446	79
	Head office rent	2,339	2,126
	Sale of parts	50	-
Gandhara Tyre and Rubber Company Limited (10.1)	Purchase of tyres, tubes and flaps	19,174	15,124
Gammon Pakistan Limited (10.1)	Office rent	2,197	1,997
Janana De Malucho Textile Mills Limited (10.1)	Advance against vehicles	-	22,899
	Reimbursement of expenses	1,917	1,289
Bannu Woollen Mills Limited (10.1)	Sale of vehicles	-	5,607
	Advance against vehicle	-	2,000
Business Vision (Private) Limited (10.1)	Installments for office floor	50,000	50,000
The Universal Insurance Company Limited (10.1)	Sale of vehicle	-	5,604
	Reimbursement of expenses	791	815
(iv) Others			
Staff provident fund	Contribution made	7,413	6,828
Staff gratuity fund	Contribution made	811	29,128
Key management personnel	Remuneration and other short term benefits	49,781	48,483
	Sale of fleet vehicles	-	555

10.1 Associated company by virtue of common directorship.

10.2 Period / year end balances are as follows:

	Un-audited December 31, 2023	Audited June 30, 2023
	-----Rupees in '000-----	
Debit balances / receivables from related parties		
Property, plant and equipment	175,000	125,000
Long term investments	222,906	222,906
Trade debts	105,161	90,281
Loan and advances	9	6
Other receivables	2,542	1,649
Accrued interest / mark-up	6,745	25,066
Payable to related parties		
Trade and other payables	33,045	25,019

11. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the audited annual financial statements of the Company for the year ended June 30, 2023.

12. 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, 2023 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 three months ended December 31, 2022. Corresponding figures have been rearranged and reclassified for better presentation wherever considered necessary, the effect of which is not material.

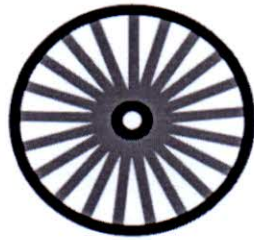
13. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on February 29, 2024 by the Board of Directors of the Company.


Chief Executive

Director

Chief Financial Officer



**GHANDHARA AUTOMOBILES
LIMITED**

**CONSOLIDATED CONDENSED
INTERIM FINANCIAL
STATEMENTS**

**FOR THE HALF YEAR ENDED
DECEMBER 31, 2023**

Directors' Review on Consolidated Financial Statements

The directors are presenting their report together with consolidated financial statements of Ghandhara Automobiles Limited and its subsidiary Ghandhara DF (Private) Limited (the Group) for the half year ended 31st December, 2023.

Recovery in economic activities is expected in FY2024 on the back of rebound in agriculture output and recent easing of import restrictions, with expected improvement in manufacturing activities. However, macroeconomic indicators are still challenging for the auto industry as higher prices and decline in auto financing due to high interest rates may impact the demand for vehicles.

The financial results for the half year ended December 31, 2023 are summarized below:

	<u>Half Year Ended</u>	
	<u>December 2023</u>	<u>December 2022</u>
	(Rupees in thousands)	
Revenue	3,358,142	6,356,775
Gross profit	258,628	350,857
Operating profit	157,487	180,025
Net Loss after tax	(87,169)	(108,972)
Loss per share (rupees)	(1.53)	(1.91)

Reasons for the Loss

The incurred loss for the period is due to lower sales volumes, a consequence of the higher finance cost, high production costs and the non-absorption of fixed overheads.

Future Outlook

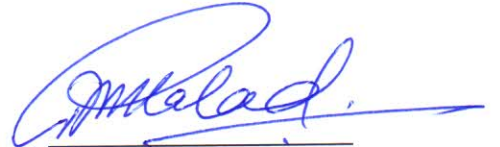
Moving ahead, anticipating the recovery in macro-economic variables, we are optimistic about a consistent enhancement in the financial performance of the Group. Adequate measures are being implemented to enhance efficiencies and generate value for stakeholders. The Group is committed to seizing opportunities that facilitate cost reduction, thereby aiming to enhance margins.

The directors express gratitude to the principals, customers, vendors, bankers, and other business associates for their unwavering patronage and support.

For and on behalf of the Board of Directors



Chief Executive Officer



Director

Karachi

Dated: February 29, 2024

GHANDHARA AUTOMOBILES LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

		Un-audited December 31, 2023	Audited June 30, 2023
	Note	---- Rupees in '000 ----	
ASSETS			
Non current assets			
Property, plant and equipment	6	5,463,575	5,408,073
Intangible assets		3,780	3,750
Long term investments	7	1,583,132	1,271,261
Long term loans		8,826	6,578
Long term deposits		37,415	29,070
		7,096,728	6,718,732
Current assets			
Stores, spares and loose tools		235,649	225,733
Stock-in-trade		2,804,139	2,346,343
Trade debts		962,227	1,161,598
Loans and advances		66,539	58,054
Deposits and prepayments		26,338	19,906
Accrued interest / mark-up		17,742	21,592
Other receivables including sales tax	8	189,529	106,781
Taxation - net		768,736	638,675
Cash and bank balances		1,120,667	1,325,392
		6,191,566	5,904,074
Total assets		13,288,294	12,622,806



Chief Executive



Director



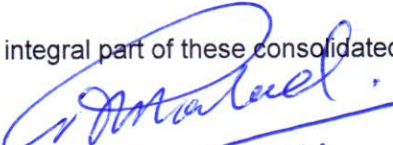
Chief Financial Officer

GHANDHARA AUTOMOBILES LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

	Un-audited December 31, 2023	Audited June 30, 2023
	---- Rupees in '000 ----	
EQUITY AND LIABILITIES		
Share capital and reserves		
Share capital	570,025	570,025
Capital reserves		
- share premium	1,102,721	1,102,721
- reserve for capital expenditures	1,000,000	-
- surplus on revaluation of fixed assets - net	3,075,355	2,779,358
- Items directly credited to equity by an Associate	80,663	79,823
	5,258,739	3,961,902
Revenue reserve - unappropriated profits	2,320,776	3,389,143
Equity attributable to shareholders of the Holding Company	8,149,540	7,921,070
Non-controlling interest	70	61
Total equity	8,149,610	7,921,131
Liabilities		
Non current liabilities		
Lease liabilities	102,682	70,349
Long term borrowings	618,620	764,451
Deferred income - government grants	130,137	151,706
Long term deposits	71,726	64,226
Deferred taxation - net	259,151	295,988
	1,182,316	1,346,720
Current liabilities		
Trade and other payables	1,938,852	1,799,536
Accrued mark-up	92,533	86,202
Short term borrowings	1,427,594	968,351
Current portion of lease liabilities	43,610	31,520
Current maturity of long term borrowings	398,825	413,618
Current portion of deferred income - government grants	44,375	45,149
Unclaimed dividends	10,579	10,579
	3,956,368	3,354,955
Total liabilities	5,138,684	4,701,675
Contingencies and commitments	11	
Total equity and liabilities	13,288,294	12,622,806

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


Chief Executive


Director

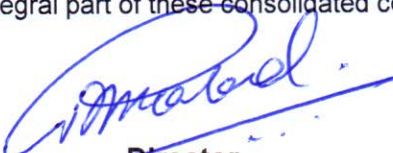

Chief Financial Officer

GHANDHARA AUTOMOBILES LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME (un-audited)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023

	Note	Quarter ended		Half year ended	
		December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
		---- Rupees in '000 ----		---- Rupees in '000 ----	
Revenue - net		1,711,623	2,766,114	3,358,142	6,356,775
Cost of sales	12	(1,574,461)	(2,581,963)	(3,099,514)	(6,005,918)
Gross profit		137,162	184,151	258,628	350,857
Distribution cost		(42,088)	(45,802)	(80,637)	(92,659)
Administrative expenses		(80,739)	(74,014)	(157,350)	(151,649)
Other income		104,155	76,163	142,879	131,761
Other expenses		(2,483)	6,113	(6,033)	(58,285)
Profit from operations		116,007	146,611	157,487	180,025
Finance cost		(135,230)	(81,718)	(238,382)	(135,613)
		(19,223)	64,893	(80,895)	44,412
Share of profit / (loss) of an Associate		11,757	15,259	(3,778)	(72,735)
(Loss) / profit before taxation		(7,466)	80,152	(84,673)	(28,323)
Taxation		12,314	(48,379)	(2,496)	(80,649)
Profit / (loss) after taxation		4,848	31,773	(87,169)	(108,972)
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Share of other comprehensive income of an Associate of:					
- surplus on revaluation of fixed assets - net		-	-	312,022	-
- re-measurement of staff retirement benefit obligation - net		-	-	3,626	(2,779)
Other comprehensive income / (loss)		-	-	315,648	(2,779)
Total comprehensive income / (loss) for the period		4,848	31,773	228,479	(111,751)
Attributable to:					
- Shareholders of the Holding Company		4,843	31,774	228,470	(111,754)
- Non-controlling interest		5	-	9	3
		4,848	31,773	228,479	(111,751)
Earnings / (Loss) per share		----- Rupees -----		----- Rupees -----	
- basic and diluted		0.09	0.56	(1.53)	(1.91)

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


Chief Executive


Director


Chief Financial Officer

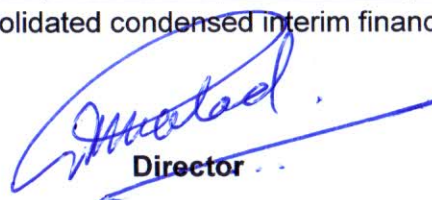
GHANDHARA AUTOMOBILES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023

	----- Capital reserves -----					Revenue reserve Unappropriated profit	Total	Non - controlling interest
	Share capital	Share premium	Surplus on revaluation of fixed assets	Reserve for capital expenditures	Items directly credited to equity by an Associate			
	----- Rupees in '000 -----							
Balance as at July 1, 2022 (audited)	570,025	1,102,721	2,813,584	-	77,594	3,175,876	7,739,800	46
Total comprehensive loss for the six months period ended December 31, 2022								
Loss for the period	-	-	-	-	-	(108,975)	(108,975)	3
Other comprehensive loss	-	-	-	-	-	(2,779)	(2,779)	-
	-	-	-	-	-	(111,754)	(111,754)	3
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred tax	-	-	(15,998)	-	-	15,998	-	-
Effect of item directly credited in equity by an Associate	-	-	(1,115)	-	1,115	-	-	-
Balance as at December 31, 2022 (un-audited)	570,025	1,102,721	2,796,471	-	78,709	3,080,120	7,628,046	49
Balance as at July 1, 2023 (audited)	570,025	1,102,721	2,779,358	-	79,823	3,389,143	7,921,070	61
Transfer to reserves for capital expenditures (Note 9)	-	-	-	1,000,000	-	(1,000,000)	-	-
Total comprehensive income for the six months period ended December 31, 2023								
Loss for the period	-	-	-	-	-	(87,178)	(87,178)	9
Other comprehensive income	-	-	312,022	-	-	3,626	315,648	-
	-	-	312,022	-	-	(83,552)	228,470	9
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred tax	-	-	(15,185)	-	-	15,185	-	-
Effect of item directly credited in equity by an Associate	-	-	(840)	-	840	-	-	-
Balance as at December 31, 2023 (un-audited)	570,025	1,102,721	3,075,355	1,000,000	80,663	2,320,776	8,149,540	70

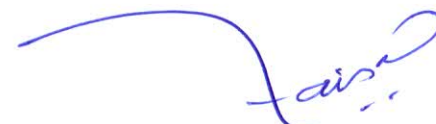
The annexed notes from 1 to 16 form an integral part of these consolidated condensed interim financial statements.



Chief Executive



Director



Chief Financial Officer

GHANDHARA AUTOMOBILES LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (un-audited)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023

	December 31, 2023	December 31, 2022
	---- Rupees in '000 ----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(84,673)	(28,323)
Adjustments for non-cash charges and other items:		
Depreciation and amortisation	160,594	171,579
Provision for gratuity	8,026	8,605
Interest income	(120,515)	(101,378)
Gain on disposal of property, plant and equipment	(326)	(1,081)
Dividend income	-	(6,372)
Gain from sale of investment in mutual funds	-	(13,186)
Share of loss of an Associate	3,778	72,735
Finance cost	238,382	135,613
Exchange loss - net	6,033	58,285
Operating profit before working capital changes	211,299	296,477
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(9,916)	(26,858)
Stock-in-trade	(457,796)	(923,180)
Trade debts	199,371	(365,420)
Loans and advances	(8,485)	(8,641)
Deposit and prepayments	(6,432)	(71,559)
Other receivables	(82,748)	(362,329)
	(366,006)	(1,757,987)
Increase / (decrease) in trade and other payables	126,573	(211,856)
Cash used in operations	(28,134)	(1,673,366)
Gratuity paid	(1,321)	(31,525)
Long term loans - net	(2,248)	1,339
Long term deposits - net	(8,345)	(5,104)
Finance cost paid	(232,051)	(127,797)
Income taxes paid	(169,394)	(285,808)
Net cash used in operating activities - carried forward	(441,493)	(2,122,261)

GHANDHARA AUTOMOBILES LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (un-audited)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023

	December 31, 2023	December 31, 2022
	---- Rupees in '000 ----	
Net cash used in operating activities - brought forward	(441,493)	(2,122,261)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for fixed capital expenditure	(156,604)	(126,764)
Proceeds from disposal of property, plant and equipment	3,453	5,670
Interest income received	124,365	99,054
Dividend received	-	6,372
Investments - net	-	689,049
Net cash (used in) / generated from investing activities	(28,786)	673,381
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease finances - net	(18,221)	14,313
Long term borrowings - obtained	-	67,127
Long term borrowings - repaid	(182,968)	(164,601)
Long term deposits - net	7,500	1,500
Short term borrowings - net	459,243	907,521
Dividend paid	-	(22)
Net cash generated from financing activities	265,554	825,838
Net decrease in cash and cash equivalents	(204,725)	(623,042)
Cash and cash equivalents at beginning of the period	1,325,392	2,239,593
Cash and cash equivalents at end of the period	1,120,667	1,616,551

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



Chief Executive



Director



Chief Financial Officer

GHANDHARA AUTOMOBILES LIMITED
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL
STATEMENTS (un-audited)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 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 (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 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 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 six months period ended December 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, 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, 2023.

There are certain International Financial Reporting Standards, amendments to published standards and interpretations that are mandatory 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.

- 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 December 30, 2023 (June 30, 2023: 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, 2023.

6. PROPERTY, PLANT AND EQUIPMENT	Note	Un-audited	Audited
		December 31, 2023	June 30, 2023
		----- Rupees in '000 -----	
Operating fixed assets	6.1	4,951,544	4,990,081
Right of use assets		172,318	127,191
Capital work-in-progress		339,713	290,801
		5,463,575	5,408,073
6.1 Operating fixed assets			
Book value at beginning of the period / year		4,990,081	5,206,928
Additions during the period / year	6.2	107,194	115,150
Transfer from right of use asset		1,545	7,258
Disposals costing Rs. 3,848 (June 30, 2023: Rs.44,129 thousand) - at book value		(1,266)	(11,123)
Depreciation charge for the period / year		(146,010)	(328,132)
Book value at end of the period / year		4,951,544	4,990,081
6.2 Additions to operating fixed assets, including transfer from capital work-in-progress, during the period / year were as follows:			
Buildings on freehold land		-	34,273
Plant and machinery		100,261	72,567
Furniture and fixtures		-	3,407
Owned vehicles		-	657
Other equipment		597	632
Office equipment		187	393
Computers and servers		6,149	3,221
		107,194	115,150
7. LONG TERM INVESTMENTS			
Associate - equity accounted investment	7.1	1,583,132	1,271,261
Others - available for sale	7.2	-	-
		1,583,132	1,271,261
7.1 Ghandhara Industries Limited			
Balance at beginning of the period / year		1,271,261	1,312,254
Share of loss for the period / year		(3,778)	(38,214)
Share of other comprehensive income / (loss) for the period / year		315,649	(2,779)
Balance at end of the period / year		1,583,132	1,271,261

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

7.1.2 The value of investment in GIL is based on financial statements of the investee company as at September 30, 2023. The latest financial statements of GIL as at December 31, 2023 are not presently available.

7.1.3 The market value of investment as at December 31, 2023 was Rs.1,372,413 thousand (June 30, 2023: Rs.654,978 thousand).

7.2 Others - available for sale

Automotive Testing & Training Centre (Private) Limited

187,500 (June 30, 2023: 187,500) ordinary shares of
Rs.10 each - cost

Provision for impairment

	Un-audited December 31, 2023	Audited June 30, 2023
	----- Rupees in '000 -----	
	1,875	1,875
	(1,875)	(1,875)
	-	-

8. Includes sales tax adjustable Rs.119,746 thousand (June 30, 2023: Rs. Nil).

9. RESERVE FOR CAPITAL EXPENDITURES

The Board of Directors of the Holding 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 expenditure (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.

10. SHORT TERM BORROWINGS - Secured

Running finances / musharakah

Finance against imported merchandise

Term finance - short term loans

	Un-audited December 31, 2023	Audited June 30, 2023
	----- Rupees in '000 -----	
	814,716	788,351
	372,878	-
	240,000	180,000
	1,427,594	968,351

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, 2023.

11.2 Commitment in respect of irrevocable letters of credit as at December 31, 2023 aggregate to Rs.571,670 thousand (June 30, 2023: Rs.336,300 thousand).

11.3 Commitments outstanding for capital expenditure other than through letters of credit as at December 31, 2023 aggregated to Rs. 325,000 thousand (June 30, 2023: Rs. 386,300 thousand).

11.4 Guarantees aggregating Rs.25,592 thousand (June 30, 2023: Rs.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.420,850 thousand (June 30, 2023: Rs.325,500 thousand) to the commercial banks against running finances and letters of credit facilities utilised by the Subsidiary Company.

12. COST OF SALES

	Note	---- Un-audited ----		---- Un-audited ----	
		Three months period ended		Six months period ended	
		December 31, 2023	2022	December 31, 2023	2022
		----- Rupees in '000 -----		----- Rupees in '000 -----	
Finished goods at beginning of the period		947,149	1,687,895	1,069,765	1,724,871
Cost of goods manufactured	12.1	2,072,967	2,693,769	3,388,233	6,012,813
Purchases - trading goods		120,328	96,627	207,499	164,563
		2,193,295	2,790,396	3,595,732	6,177,376
		3,140,444	4,478,291	4,665,497	7,902,247
Finished goods at end of the period		(1,565,983)	(1,896,328)	(1,565,983)	(1,896,329)
		1,574,461	2,581,963	3,099,514	6,005,918

12.1 Cost of goods manufactured

Raw materials and parts consumed	1,776,358	2,256,169	2,765,660	5,186,619
Factory overheads	296,609	437,600	622,573	826,194
	2,072,967	2,693,769	3,388,233	6,012,813

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 along with relation	Nature of transaction	Un-audited	Un-audited
		December 31, 2023	December 31, 2022
		--- Rupees in '000 ---	
(i) Ultimate Holding Company			
Bibojee Services (Private) Limited - 57.76% shares held in the Holding Company	Corporate office rent	8,785	7,986
	Contract assembly revenue	-	2,633
	Sale of vehicles	17,886	-
(ii) Associated Companies			
Ghandhara Industries Limited 19.09% shares held by the Holding Company (13.1)	Contract assembly charges	184,509	435,429
	Purchase of parts	446	79
	Sale of vehicles	14,710	11,208
	Advance against vehicles	-	10,038
	Head office rent	4,677	4,252
	Sale of parts	50	-
Ghandhara Tyre and Rubber Company Limited (13.1)	Purchase of tyres, tubes and flaps	19,174	22,426
Gammon Pakistan Limited (13.1)	Office rent	2,197	1,997
Janana De Malucho Textile Mills Limited (13.1)	Advance against vehicles	-	22,899
	Reimbursement of expenses	1,917	1,289
Bannu Woollen Mills Limited (13.1)	Sale of vehicle	-	5,607
	Advance against vehicles	-	2,000
Business Vision (Private) Limited (13.1)	Installments for office floor	50,000	50,000
The Universal Insurance Company Limited (13.1)	Sale of vehicle	-	5,604
	Reimbursement of expenses	791	815
(iii) Others			
Staff provident fund	Contribution made	8,546	7,836
Staff gratuity fund	Contribution made	1,321	31,526
Key management personnel	Remuneration and other short term benefits	49,781	48,483
	Sale of fleet vehicles	555	555

13.1 Associated company by virtue of common directorship.

13.2 Period / year end balances are as follows:

	Un-audited December 31, 2023	Audited June 30, 2023
-----Rupees in '000-----		
Debit balances / receivables from related parties		
Property, plant and equipment	175,000	125,000
Trade debts	89,762	104,810
Loan and advances	9	6
Payable to related parties		
Trade and other payables	38,394	35,046

14. FINANCIAL RISK MANAGEMENT

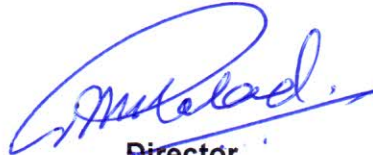
The Group's financial risk management objectives and policies are consistent with those disclosed in the audited annual financial statements of the Group for the year ended June 30, 2023.

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, 2023, 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 December 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 February 29, 2024 by the Board of Directors of the Holding Company.








**Chief Executive****Director****Chief Financial Officer**



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