

GHANDHARA NISSAN LIMITED

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## Company Profile

### Board of Directors

Mr. Raza Kuli Khan Khattak  
Lt. Gen. (Retd.) Ali Kuli Khan Khattak  
Mr. Ahmed Kuli Khan Khattak  
Mr. Mushtaq Ahmed Khan (FCA)  
Mr. Jamil A. Shah  
Mr. Syed Haroon Rashid  
Mr. Mohammad Zia  
Mr. Muhammad Saleem Baig  
Mr. Polad Merwan Polad

Chairman  
President  
Chief Executive Officer

### Company Secretary

Mr. Muhammad Sheharyar Aslam

### Chief Financial Officer

Mr. Muhammad Umair

### Registered Office

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

### Factory

Truck / Car Plants  
Port Bin Qasim, 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  
The Bank of Tokyo – Mitsubishi, Ltd.  
Standard Chartered Bank (Pakistan) Limited  
Industrial & Commercial Bank of China  
Summit Bank Limited  
The Bank of Punjab  
The Bank of Khyber  
Askari Commercial Bank Limited  
Meezan Bank Limited - (Shariah)  
Bank Al Habib Limited  
Bank Alfalah Islamic - (Shariah)  
Al Baraka Bank (Pakistan) Limited - (Shariah)  
JS Bank Limited  
Samba Bank Limited

### Audit Committee

Mr. Polad Merwan Polad	Chairman
Lt. Gen. (Retd.) Ali Kuli Khan Khattak	Member
Mr. Jamil A. Shah	Member
Mr. Mohammad Zia	Member

### Human Resource & Remuneration Committee

Mr. Polad Merwan Polad	Chairman
Lt. Gen. (Retd.) Ali Kuli Khan Khattak	Member
Mr. Ahmed Kuli Khan Khattak	Member
Mr. Muhammad Zia	Member



### **Auditors**

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

### **Legal & Tax Advisors**

Ahmed & Qazi Associates  
Advocates & Legal Consultants  
404 Clifton Centre, Clifton  
Karachi

Shekha & Mufti  
Chartered Accountants  
C-253, P.E.C.H.S., Block 6  
Off Shahrah-e-Faisal  
Karachi

### **Share Registrars**

T.H.K. Associates (Pvt.) Ltd.  
1st Floor, 40-C,  
Block-6, P.E.C.H.S  
Karachi-75400

### **NTN:**

0802990-3

### **Sales Tax Registration No:**

12-03-8702-001-46





## Directors' Report

Your Directors are pleased to present the quarterly report alongwith the condensed interim financial information of Ghandhara Nissan Limited for the first quarter ended September 30, 2018.

The financial results for the quarter ended September 30, 2018 are summarized below:

	Sep, 2018	Sep, 2017
	----- Rupees in thousand -----	
Revenue	631.029	527.521
Gross Profit	153.461	152.760
Operating Profit	126.101	139.358
Net Profit	89.103	95.678
Earnings Per Share (Rupees)	1.56	1.93

### 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

With the stability achieved in Dongfeng business and reasonable success experienced in JAC business, the company is gearing itself to the full fledged operations of Renault Trucks (in CBU condition). The entry of Renault Trucks in Pakistan market will be one of its kind due to its European origin and is anticipated to receive an overwhelming market response.

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

  
Ahmed Kuli Khan Khattak  
Chief Executive Officer

  
Polad Merwan Polad  
Director

Karachi

Dated: 24th October, 2018



## ڈائریکٹرز رپورٹ

آپ کے ڈائریکٹرز کی جانب سے بصد خوشی گندھارا انسان لمیٹڈ کمپنی کی 30 ستمبر 2018 کو ختم ہونے والی پہلی سہ ماہی رپورٹ کیلئے عبوری مالیاتی گوشوارے پیش خدمت ہیں۔

30 ستمبر 2018 کو ختم ہونے والی سہ ماہی مالیاتی نتائج پیش خدمت ہیں۔

30 ستمبر 2017

30 ستمبر 2018

(روپے ہزاروں روپے میں)

527.521	631.029	فروخت
152.760	153.461	خام منافع
139.358	126.101	کاروباری منافع
95.678	89.103	خالص منافع
1.93	1.56	فی حصص آمدنی (روپے)

## ملحقہ کمپنیوں کے ساتھ سودے:

تمام متعلقہ پارٹیوں کے ساتھ کاروباری لین دین کے امور شفافیت کے ساتھ کئے گئے۔ اور ان کا اظہار سہ ماہی عبوری مالیاتی گوشوارے میں کر دیا گیا ہے۔

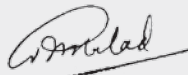
## مستقبل کی توقعات:


DONGFENG کاروبار میں استحکام اور JAC کاروبار میں قدر خوااں کامیاب تجربے سے کمپنی تمام تر صلاحیت RENAULT ٹرکس (CBU مائیں) آپریشنز پر مربوط کئے ہوئے ہے۔

پاکستان مارکیٹ میں RENAULT ٹرکس کی انٹری اپنی یورپی ساخت کی وجہ سے منفرد ہوگی۔ جسے مارکیٹ میں زبردست پذیرائی ملنے کی اُمید ہے۔

ڈائریکٹرز اپنے پرنسپل، کسٹمرز، وینڈرز اور دیگر کاروباری رفقاء کار کے تعاون اور معاونت کے شکر گزار ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے

  
پولاڈ مروان پولاڈ  
ڈائریکٹر

  
احمد قلی خان خٹک  
چیف ایگزیکٹو آفیسر

کراچی

تاریخ: ۲۴ اکتوبر، ۲۰۱۸

**Condensed Interim Statement of Financial Position**

As at September 30, 2018

		(Un-Audited) September 30, 2018	(Audited) June 30, 2018
<b>ASSETS</b>			
<b>Non current assets</b>			
Property, plant and equipment	5	2,218,973	2,133,465
Intangible assets		2,573	2,744
Long term investments	6	222,906	222,906
Long term loans		5,948	6,972
Long term deposits		20,336	20,247
Due from Subsidiary Company		550,446	766,994
		<u>3,021,182</u>	<u>3,153,328</u>
<b>Current assets</b>			
Stores, spares and loose tools		101,775	91,767
Stock-in-trade		642,593	738,323
Trade debts		259,649	260,537
Loans and advances		68,519	72,190
Deposits and prepayments		79,148	11,260
Investment	7	1,319,114	100,928
Other receivables		24,168	64,605
Accrued interest / mark-up		19,624	17,755
Bank balances		407,091	1,314,660
		<u>2,921,681</u>	<u>2,672,025</u>
<b>Total assets</b>		<u><u>5,942,863</u></u>	<u><u>5,825,353</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Share capital	8	570,025	450,025
Subscription money against right issue		-	1,054,319
<b>Capital reserve</b>			
- share premium		1,102,721	40,000
- surplus on revaluation of fixed assets		965,492	972,241
		<u>2,068,213</u>	<u>1,012,241</u>
<b>Revenue reserve - unappropriated profit</b>		<u>2,247,148</u>	<u>2,151,296</u>
<b>Total equity</b>		<u>4,885,386</u>	<u>4,667,881</u>
<b>Liabilities</b>			
<b>Non current liabilities</b>			
Liabilities against assets subject to finance lease		43,805	47,439
Long term deposits		9,611	9,611
Deferred taxation		260,273	264,738
		<u>313,689</u>	<u>321,788</u>
<b>Current liabilities</b>			
Trade and other payables		611,217	695,581
Accrued mark-up on running finance		2,130	6,736
Current portion of liabilities against assets subject to finance lease		18,016	17,721
Taxation - net		101,750	104,971
Unclaimed dividend		10,675	10,675
		<u>743,788</u>	<u>835,684</u>
<b>Total liabilities</b>		<u>1,057,477</u>	<u>1,157,472</u>
<b>Contingencies and commitments</b>	9	-	-
<b>Total equity and liabilities</b>		<u><u>5,942,863</u></u>	<u><u>5,825,353</u></u>

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.

Ahmed Kuli Khan Khattak  
Chief Executive OfficerPolad Merwan Polad  
DirectorMuhammad Umair  
Chief Financial Officer



## Condensed Interim Statement of Profit and Loss Account and other Comprehensive Income (Unaudited)


For the three months period ended September 30, 2018

		Three months period ended	
		September 30, 2018	September 30, 2017
		Rupees '000	
Note			
	Revenue	631,029	527,521
10	Cost of sales	(477,568)	(374,761)
	<b>Gross profit</b>	<b>153,461</b>	<b>152,760</b>
	Distribution cost	(12,125)	(11,305)
	Administrative expenses	(53,759)	(49,694)
	Other income	51,410	57,727
	Other expenses	(12,886)	(10,130)
	<b>Profit from operations</b>	<b>126,101</b>	<b>139,358</b>
	Finance cost	(3,732)	(2,675)
	<b>Profit before taxation</b>	<b>122,369</b>	<b>136,683</b>
	Taxation	(33,266)	(41,005)
	<b>Profit after taxation</b>	<b>89,103</b>	<b>95,678</b>
	Other comprehensive income	-	-
	<b>Total comprehensive income</b>	<b>89,103</b>	<b>95,678</b>
			Restated
		Rupees	
	<b>Earnings per share - basic and diluted</b>	<b>1.56</b>	<b>1.93</b>

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.

  
Ahmed Kuli Khan Khattak  
Chief Executive Officer

  
Polad Merwan Polad  
Director

  
Muhammad Umair  
Chief Financial Officer



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

For the three months period ended September 30, 2018

	Three months period ended	
	September 30, 2018	September 30, 2017
	----- Rupees '000 -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	122,369	136,683
Adjustments for non-cash charges and other items:		
Depreciation and amortisation	25,759	24,623
Provision for gratuity	2,525	1,921
Interest income	(25,930)	(14,916)
Loss on disposal of property, plant and equipment	-	293
Gain on disposal of non current assets for sale	-	(36,802)
Unrealised gain on investments	(18,186)	-
Finance cost	3,732	1,970
Exchange loss - net	3,817	-
Operating profit before working capital changes	114,086	113,772
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(10,008)	6,088
Stock-in-trade	95,730	81,284
Trade debts	888	(16,207)
Loans and advances	3,671	(17,955)
Deposit and prepayments	(67,888)	(11,452)
Other receivables	40,437	2,849
	62,830	44,607
Decrease in trade and other payables	(90,707)	(213,928)
Cash generated from / (used in) operations	86,209	(55,549)
Gratuity and compensated absences paid	-	(1,922)
Long term loans - net	1,024	78
Long term deposits - net	(89)	-
Finance cost paid	(8,338)	(1,602)
Taxes paid	(40,952)	(46,343)
Net cash generated from / (used in) operating activities	37,854	(105,338)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(105,519)	(30,017)
Proceeds from disposal of property, plant and equipment	1,271	177,913
Interest income received	24,062	12,642
Due from Subsidiary Company - net	216,548	(175,100)
Short term investment - net	(1,200,000)	-
Net cash used in investing activities	(1,063,638)	(14,562)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Lease finances - net	(10,187)	(5,637)
Dividend paid	-	(11)
Subscription money against right issue	128,402	-
Net cash generated from / (used in) financing activities	118,215	(5,648)
Net decrease in cash and cash equivalents	(907,569)	(125,548)
Cash and cash equivalents at beginning of the period	1,314,660	514,390
Cash and cash equivalents at end of the period	407,091	388,842

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.

Ahmed Kuli Khan Khattak  
Chief Executive OfficerPolad Merwan Polad  
DirectorMuhammad Umair  
Chief Financial Officer

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


For the three months period ended September 30, 2018

	Share capital	Subscription money against right issue	Share premium	Unappropriated profit	Surplus on revaluation of fixed assets	Total
----- Rupees '000 -----						
Balance as at July 1, 2017	450,025	-	40,000	1,313,543	988,570	2,792,138
Total comprehensive income for the three months period ended September 30, 2017						
Profit for the period	-	-	-	95,678	-	95,678
Other comprehensive income	-	-	-	-	-	-
	-	-	-	95,678	-	95,678
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred tax	-	-	-	7,274	(7,274)	-
Balance as at September 30, 2017	450,025	-	40,000	1,416,495	981,296	2,887,816
Balance as at July 1, 2018	450,025	1,054,319	40,000	2,151,296	972,241	4,667,881
Transactions with owners, recognised directly in equity						
Gross subscription money received	-	131,733	-	-	-	131,733
Issuance cost	-	(3,331)	-	-	-	(3,331)
	-	128,402	-	-	-	128,402
Issuance of right shares	120,000	(1,182,721)	1,062,721	-	-	-
Total comprehensive income for the three months period ended September 30, 2018						
Profit for the year	-	-	-	89,103	-	89,103
Other comprehensive income	-	-	-	-	-	-
	-	-	-	89,103	-	89,103
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred tax	-	-	-	6,749	(6,749)	-
Balance as at September 30, 2018	570,025	-	1,102,721	2,247,148	965,492	4,885,386

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.

  
 Ahmed Kuli Khan Khattak  
 Chief Executive Officer

  
 Polad Merwan Polad  
 Director

  
 Muhammad Umair  
 Chief Financial Officer



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

For the three months period ended September 30, 2018

### 1. THE COMPANY AND ITS OPERATIONS

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 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 Company's shares are listed on Pakistan Stock Exchange Limited. The Company is a subsidiary of Bibojee Services (Private) Limited.

The principal business of the Holding Company is assembly / progressive manufacturing of vehicles including JAC Trucks, import and sale of 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 information 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
- Provision 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. The condensed interim financial information of the Company for the quarter ended September 30, 2018 is unaudited.

2.2 The condensed interim financial information do not include all the information and disclosures as required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2018.

2.3 This condensed interim financial information are being submitted to the shareholders as required by the Listing Regulations of Pakistan Stock Exchange and section 237 of the Act.

### 3. ACCOUNTING POLICIES

3.1 The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial information are the same as those applied in the preparation of audited annual financial statements of the Company for the year ended June 30, 2018, except for certain amendments which did not have any effect on these condensed interim financial information.

3.2 Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

3.3 The Company 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 condensed interim financial information.

### 4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of this condensed interim financial information 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

**Notes to the Condensed Interim Financial Information (Un-audited)**

For the three months period ended September 30, 2018

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 this condensed interim financial information, 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, 2018.

		Unaudited September 30, 2018	Audited June 30, 2018
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>	Note	----- Rupees '000 -----	
Operating fixed assets	5.1	1,941,981	1,941,094
Capital work-in-progress		276,992	192,371
		<u>2,218,973</u>	<u>2,133,465</u>
<b>5.1 Operating fixed assets</b>			
Book value at beginning of the period / year		1,941,094	1,920,332
Additions during the period / year	5.2	27,746	132,450
Disposals costing Rs.2,761 thousand (June 30, 2018: Rs.6,379 thousand) - at book value		(1,271)	(3,496)
Depreciation charge for the period / year		(25,588)	(108,192)
Book value at end of the period / year		<u>1,941,981</u>	<u>1,941,094</u>
<b>5.2 Additions to operating fixed assets, including transfer from capital work-in-progress, during the period / year were as follows:</b>			
Leasehold improvements		-	44,751
Plant and machinery		14,138	33,740
Assembly Jigs		-	6,341
Furniture and fixtures		-	254
Vehicles			
- owned		6,685	11,925
- leased		6,848	15,095
Other equipment		-	14,154
Office equipment		-	4,338
Computers		75	1,852
		<u>27,746</u>	<u>132,450</u>

**Notes to the Condensed Interim Financial Information (Un-audited)**

For the three months period ended September 30, 2018

**6. LONG TERM INVESTMENTS****Subsidiary Company - at cost**

Ghandhara DF (Private) Limited

14,999,500 (June 30, 2018: 14,999,500)

ordinary shares of Rs.10 each

Equity held: 99.99% (June 30, 2018: 99.99%)

Break-up value per share on the basis of latest

financial information is Rs.41.58 (June 30, 2018:Rs.35.80)

**Associated Company - at cost**

Ghandhara Industries Limited

4,066,168 (June 30, 2018: 4,066,168)

ordinary shares of Rs.10 each

Equity held: 19.09% (June 30, 2018: 19.09%)

Fair value: Rs.2,757 million (June 30, 2018: Rs.2,873 million)

**Others - available for sale****Automotive Testing & Training Center****(Private) Limited**

187,500 (June 30, 2018: 187,500) ordinary shares of

Rs.10 each - **cost**

Provision for impairment

Note

Unaudited  
September 30,  
2018Audited  
June 30,  
2018

----- Rupees '000 -----

149,995

149,995

72,911

72,911

1,875

(1,875)

1,875

(1,875)

-

-

222,906

222,906

**7. INVESTMENTS - at fair value through profit or loss**September 30,  
2018June 30,  
2018

----- Numbers of Unit -----

-	11,645,239	BMA Chundrigar Road Savings Fund
68,919,422	-	BMA Empress Cash Fund
60,727,516	-	NAFA Money Market Fund

Unaudited  
September 30,  
2018Audited  
June 30,  
2018

----- Rupees '000 -----

-

100,928

710,752

-

608,362

-

1,319,114

100,928

**8. Share Capital****8.1 Authorized capital**

80,000,000 (June 30, 2018: 80,000,000) ordinary

shares of Rs.10 each

800,000

800,000

**8.2 Issued, subscribed and paid-up capital**September 30,  
2018June 30,  
2018

----- No. of shares -----

14,800,000	14,800,000	Ordinary shares of Rs.10 each fully paid in cash
200,000	200,000	Ordinary shares of Rs.10 each issued as fully paid bonus shares
30,002,500	30,002,500	Ordinary shares of Rs.10 each issued for acquisition
12,000,000	-	Ordinary shares of Rs.10 each issued as right (Refer note 8.4)
57,002,500	45,002,500	

Unaudited  
September 30,  
2018Audited  
June 30,  
2018

----- Rupees '000 -----

148,000

148,000

2,000

2,000

300,025

300,025

120,000

-

570,025

450,025



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

For the three months period ended September 30, 2018

8.3 At September 30, 2018, Bibojee Services (Private) Limited (the Holding Company) holds 57.76% (June 30, 2018: 56.32%) of share capital of the Company.

### 8.4 Issuance of 26.67% right shares

The Board of Directors of the Company in their meeting held on April 24, 2018 approved issue of 12,000,000 right shares at exercise price of Rs.100 per share (including premium of Rs.90 per share) in proportion of 26.67 shares for every 100 shares held as at May 8, 2018. The right shares were issued for the purpose of revival of existing assembly facility for the progressive manufacturing of Datsun passenger cars, as well as to enhance the capacity to cater the increase in existing operations of the Company.

These right shares have been issued to Company's existing shareholders. Total amount raised through the rights issue is Rs.1,200 million comprising of Rs.120 million and Rs.1,080 million in respect of ordinary share capital and share premium respectively. In this respect, the Company has allotted 12,000,000 shares during the period.

Issuance cost totaling Rs.17.28 million was incurred in relation to above right issue which has been set-off with the subscription money received and accordingly accounted for as a deduction from equity on allotment of shares.

## 9. CONTINGENCIES AND COMMITMENTS

9.1 There is no material change in status of the contingencies as disclosed in note 30.1 of the audited annual financial statements of the Company for the year ended June 30, 2018.

9.2 Commitment in respect of irrevocable letters of credit as at September 30, 2018 aggregate to Rs.423.851 million (June 30, 2018: Rs.140.251 million).

9.3 Guarantees aggregating Rs.5.601 million (June 30, 2018: Rs.5.601 million) are issued by banks of the Company to various government and other institutions. Further, the Company has issued corporate guarantees aggregating Rs.1287.868 million (June 30, 2018: Rs.538.749 million) to the commercial banks against banking facilities utilised by the Subsidiary Company.

## 10. COST OF SALES

		----- (Un-Audited) -----	
		September 30, 2018	September 30, 2017
		----- Rupees '000 -----	
Finished goods at beginning of the period	Note	378,552	213,001
Cost of goods manufactured	10.1	573,974	133,876
Purchases - trading goods		116,111	141,098
		690,085	274,974
Finished goods at end of the period		(591,069)	(113,214)
		477,568	374,761
10.1 Cost of goods manufactured			
Raw materials and parts consumed		423,718	-
Factory overheads		150,256	133,876
		573,974	133,876

**Notes to the Condensed Interim Financial Information (Un-audited)**

For the three months period ended September 30, 2018

**11. TRANSACTIONS WITH RELATED PARTIES**

Related parties comprise of the Holding Company, Subsidiary Company, Associated Companies, directors of the 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 Company in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties are shown under receivables and payables. Significant transactions with related parties are as follows:

Name	Nature of transaction	----- Un-audited -----	
		September 30, 2018	September 30, 2017
----- Rupees '000 -----			
<b>(i) Holding Company</b>			
Bibojee Services (Private) Limited - 57.76% shares held in the Holding Company	Corporate office rent	1,500	1,500
	Subscription money against right issue	81,734	-
<b>(ii) Subsidiary Company</b>			
Ghandhara DF (Private) Limited 99.99% shares held by the Company	Contract assembly charges	68,293	18,855
	Purchase of parts	7	44
	Sale of parts	-	2,392
	Long term advances made - net	-	190,100
	Repayment against Long term advances - net	382,253	-
	Interest income	19,604	9,803
	Guarantee commission	4,457	1,130
<b>(iii) Associated Companies</b>			
Ghandhara Industries Limited 19.09% shares held by the Company (11.1)	Contract assembly charges	205,979	219,375
	Purchase of parts	24	3
	Sale of parts	-	6
	Head office rent	704	660
The General Tyre and Rubber Company of Pakistan Limited (11.1)	Purchase of tyres, tubes and flaps	19	-
Gammon Pakistan Limited (11.1)	Regional office rent	750	750
Janana De Malucho Textile (11.1) Mills Limited	Reimbursement of expenses	399	-
<b>(iv) Others</b>			
Staff provident fund	Contribution made	2,281	1,969
Key management personnel	Remuneration and other short term benefits	23,582	17,310

**Notes to the Condensed Interim Financial Information (Un-audited)**

For the three months period ended September 30, 2018

11.1 Associated company by virtue of common directorship.

11.2 Period / year end balances are as follows:

Receivables from related parties

Long term loans

Trade debts

Loan and advances

Deposits and prepayments

Payable to related parties

Trade and other payables

	Unaudited September 30, 2018	Audited June 30, 2018
	----- Rupees '000 -----	
	253	889
	117,865	90,798
	1,604	1,989
	1,490	6,355
	45,367	39,411

These are in the normal course of business and are settled in ordinary course of business.

**12. FINANCIAL RISK MANAGEMENT****12.1 Financial risk factors**

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

There have been no significant changes in the risk management policies since the year end.

The condensed interim financial information does not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Company's audited annual financial statements for the year ended June 30, 2018.

**12.2 Fair value measurement of financial instruments**

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

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

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

**Assets - Recurring fair value measurement**

Financial assets at fair value

profit or loss

September 30, 2018

Short term investments

June 30, 2018

Short term investments

through

	Level 1	Level 2	Level 3	Total
	----- Rupees '000 -----			
	1,319,144	-	-	-
	100,928	-	-	-

There was no transfers amongst the levels and any change in valuation techniques during the period.





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

For the three months period ended September 30, 2018

### 13. 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 year ended June 30, 2018 and the corresponding figures in the condensed interim statement of profit or loss account and other comprehensive income, condensed interim statement of cash flows condensed interim statement of changes in equity comprise of balances of comparable period as per the condensed interim financial information of the Company for the period ended September, 30, 2017.

### 14. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information were authorised for issue on October 24, 2018 by the Board of Directors of the Company.

Ahmed Kuli Khan Khattak  
Chief Executive Officer

Polad Merwan Polad  
Director

Muhammad Umair  
Chief Financial Officer

# **Consolidated Financial Statements**

- **Directors' Report on Consolidated Condensed Interim Financial information (English)**
- **Directors' Report on Consolidated Condensed Interim Financial information (Urdu)**
- **Consolidated Condensed Interim Statement of Financial Position**
- **Consolidated Condensed Interim Statement of Profit & Loss account & other comprehensive income**
- **Consolidated Condensed Interim Statement of Cash Flows**
- **Consolidated Condensed Interim Statement of Changes in Equity**
- **Notes to the Consolidated Condensed Interim Financial Information**



## Directors' Report

The directors are pleased to present their report together with consolidated condensed interim financial information of Ghandhara Nissan Limited (GNL) and its subsidiary Ghandhara DF (Pvt.) Limited (GDFPL) for the first quarter ended 30th September 2018.

The Company has annexed consolidated un-audited condensed interim financial information alongwith its standalone un-audited condensed interim financial information.

The consolidated un-audited condensed interim financial information show turnover of Rs. 1,783.9 million, gross profit of Rs. 314.2 million and profit after tax of Rs. 193.3 million.

Moreover, Dongfeng business has seen substantial growth during the period due to consistency in performance and after-sales service for the esteemed customers.

Going forward, the brand is expecting growing demand from Oil Sector due to fleet replacement as a result of OGRA requirements and infrastructural projects in pipeline.

Considering the growing business of Dongfeng trucks, together with the impact of recently introduced JAC and Renault Trucks, we are confident to offer added value to our stakeholders.

For and on behalf of the Board of Directors

Ahmed Kuli Khan Khattak  
Chief Executive Officer

Polad Merwan Polad  
Director

Karachi  
Dated: 24th October, 2018



## ڈائریکٹرز رپورٹ

ڈائریکٹرز کی جانب سے بصد خوشی گندھارا انسان لمیٹڈ (جی این ایل) اور اس کی ذیلی کمپنی گندھارا ڈی ایف (پرائیویٹ) لمیٹڈ (جی ڈی ایف پی ایل) کی 30 ستمبر 2018 کو ختم ہونے والی پہلی سہ ماہی رپورٹ کے لیے عبوری مالیاتی معلومات پیش خدمت ہے۔ کمپنی نے عبوری مجموعی مالیاتی گوشوارے کے ساتھ بمع انفرادی عبوری گوشوارے کا ضمیمہ منسلک کر دیا ہے۔

مجموعی عبوری مالیاتی گوشوارے کے مطابق فروخت 1,783.9 ملین روپے ہے، خام منافع 314.2 ملین روپے اور بعد از ٹیکس منافع 193.3 ملین روپے ہے۔

مزید یہ کہ DONGFENG کاروبار کی کارکردگی میں مسلسل اضافہ اور معزز کسٹمرز کے لئے بعد از فروخت سروس میں نمایاں بہتری ہوئی ہے۔

مزید براہ پائپ لائن میں بنیادی تعمیراتی منصوبوں اور اوگرا کی ضروریات کے مد نظر تیل کی ترسیل پر مامور گاڑیوں کی تبدیلی کی وجہ سے ہمارے برانڈ کو آئل سیکٹر سے بڑھتی طلب کی توقع ہے۔

ہمیں قوی امید ہے کہ DONGFENG ٹرکس کے بڑھتے ہوئے کاروبار اور حالیہ متعارف کردہ JAC اور RENAULT ٹرکس کی وجہ سے ہم اپنے کرم فرماؤں کی بہتر خدمت کر سکیں گے۔

بورڈ آف ڈائریکٹرز کی جانب سے



پولاڈ مردان پولاڈ  
ڈائریکٹر



احمد علی خان خٹک  
چیف ایگزیکٹو آفیسر

کراچی

تاریخ: ۲۴ اکتوبر، ۲۰۱۸

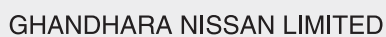
**Consolidated Condensed Interim Statement of Financial Position**

As at September 30, 2018

		(Un-Audited) September 30, 2018	(Audited) June 30, 2018
		----- Rupees '000 -----	
<b>ASSETS</b>	Note		
<b>Non current assets</b>			
Property, plant and equipment	6	2,228,403	2,140,333
Intangible assets		2,720	2,900
Long term investments	7	903,745	886,352
Long term loans		5,949	6,972
Long term deposits		26,657	20,735
		<u>3,167,474</u>	<u>3,057,292</u>
<b>Current assets</b>			
Stores, spares and loose tools		101,775	91,767
Stock-in-trade		1,827,510	1,767,583
Trade debts		1,240,478	1,201,044
Loans and advances		77,489	76,224
Deposits and prepayments		106,907	18,931
Investments	8	1,319,114	100,928
Other receivables		66,201	146,617
Taxation - net		91,797	66,965
Cash and bank balances		666,109	1,323,012
		<u>5,497,380</u>	<u>4,793,071</u>
<b>Total assets</b>		<u>8,664,854</u>	<u>7,850,363</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Share capital	9	570,025	450,025
Subscription money against right issue		-	1,054,319
<b>Capital reserve</b>			
- share premium		1,102,721	40,000
- surplus on revaluation of fixed assets		1,279,451	1,286,608
- Items directly credited to equity by an Associate		70,643	70,235
		<u>2,452,815</u>	<u>1,396,843</u>
<b>Revenue reserve - unappropriated profit</b>		<u>3,166,307</u>	<u>2,966,287</u>
Equity attributable to shareholders of the Holding Company		6,189,147	5,867,474
Non-controlling interest		53	44
<b>Total equity</b>		<u>6,189,200</u>	<u>5,867,518</u>
<b>Liabilities</b>			
<b>Non current liabilities</b>			
Liabilities against assets subject to finance lease		59,673	65,828
Long term deposits		9,611	9,611
Deferred taxation		260,580	265,416
		<u>329,864</u>	<u>340,855</u>
<b>Current liabilities</b>			
Trade and other payables		2,090,934	1,429,111
Accrued mark-up on running finance		4,670	9,528
Running finance under mark-up arrangements		-	153,661
Current portion of liabilities against assets subject to finance lease		39,511	39,015
Unclaimed dividend		10,675	10,675
		<u>2,145,790</u>	<u>1,641,990</u>
<b>Total liabilities</b>		<u>2,475,654</u>	<u>1,982,845</u>
Contingencies and commitments	10		
<b>Total equity and liabilities</b>		<u>8,664,854</u>	<u>7,850,363</u>

The annexed notes from 1 to 15 form an integral part of this consolidated condensed interim financial information.

Ahmed Kuli Khan Khattak  
Chief Executive OfficerPolad Merwan Polad  
DirectorMuhammad Umair  
Chief Financial Officer



## For the three months period ended September 30, 2018

The annexed notes from 1 to 15 form an integral part of this consolidated condensed interim financial information.

  
Muhammad Umair  
Chief Financial Officer

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


For the three months period ended September 30, 2018

	Three months period ended	
	September 30, 2018	September 30, 2017
	----- Rupees '000 -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	259,358	243,559
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation and amortisation	26,186	25,134
Provision for gratuity	2,525	1,921
Interest income	(6,326)	(10,433)
Loss disposal of property, plant and equipment	-	293
Gain on disposal of non current assets for sale	-	(36,802)
Unrealised gain on investments	(18,186)	-
Share of profit of an Associate	(17,393)	(40,485)
Amortization of gain on sale and lease back of fixed assets	-	(1)
Finance cost	7,054	2,712
Exchange loss - net	4,987	-
<b>Operating profit before working capital changes</b>	<b>258,205</b>	<b>185,898</b>
<b>(Increase) / decrease in current assets:</b>		
Stores, spares and loose tools	(10,008)	6,088
Stock-in-trade	(59,927)	(104,478)
Trade debts	(39,434)	(150,035)
Loans and advances	(1,265)	(20,919)
Deposit and prepayments	(87,976)	(18,360)
Other receivables	80,416	(4,814)
	(118,194)	(292,518)
<b>Increase / (decrease) in trade and other payables</b>	<b>654,310</b>	<b>(88,853)</b>
<b>Cash generated from / (used in) operations</b>	<b>794,321</b>	<b>(195,473)</b>
Gratuity paid	-	(1,922)
Long term loans - net	1,023	78
Long term deposits - net	(5,922)	-
Finance cost paid	(11,912)	(2,344)
Taxes paid	(95,746)	(83,438)
<b>Net cash generated from / (used in) operating activities</b>	<b>681,764</b>	<b>(283,099)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(105,519)	(30,017)
Proceeds from disposal of property, plant and equipment	1,271	177,913
Interest income received	6,326	10,445
Short term investment	(1,200,000)	-
<b>Net cash (used in) / generated from investing activities</b>	<b>(1,297,922)</b>	<b>158,341</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Lease finances - net	(15,486)	(11,396)
Running finance under mark-up arrangements	(153,661)	-
Dividend paid	-	(11)
Proceeds from rights issue - net of issuance costs	128,402	-
<b>Net cash used in financing activities</b>	<b>(40,745)</b>	<b>(11,407)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(656,903)</b>	<b>(136,165)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>1,323,012</b>	<b>573,693</b>
<b>Cash and cash equivalents at end of the period</b>	<b>666,109</b>	<b>437,528</b>

The annexed notes from 1 to 15 form an integral part of this consolidated condensed interim financial information.

  
**Ahmed Kuli Khan Khattak**  
 Chief Executive Officer

  
**Polad Merwan Polad**  
 Director

  
**Muhammad Umair**  
 Chief Financial Officer

**Consolidated Condensed Interim Statement of Changes in Equity (Un-audited)**


For the three months period ended September 30, 2018

	Share capital	Subscription money against right issue	Share premium	Items directly credited to equity by an Associate	Unappropriated profit	Surplus on revaluation of fixed assets	Total	Non-controlling interest
	Rupees '000							
Balance as at July 1, 2017	450,025	-	40,000	68,426	1,818,045	1,382,153	3,758,649	26
Total comprehensive income for the period ended September 30, 2017								
Profit for the period	-	-	-	-	182,632	-	182,632	5
Other comprehensive loss	-	-	-	-	-	-	-	-
	-	-	-	-	182,632	-	182,632	5
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred tax	-	-	-	-	7,274	(7,274)	-	-
Effect of item directly credited in equity by an Associated Company	-	-	-	477	-	(477)	-	-
Balance as at September 30, 2017	450,025	-	40,000	68,903	2,007,951	1,374,402	3,941,281	31
Balance as at July 1, 2018	450,025	1,054,319	40,000	70,235	2,966,287	1,286,608	5,867,474	44
Transactions with owners, recognised directly in equity								
Gross subscription money received	-	131,733	-	-	-	-	131,733	-
Issuance cost	-	(3,331)	-	-	-	-	(3,331)	-
Net subscription money	-	128,402	-	-	-	-	128,402	-
Issuance of right shares	120,000	(1,182,721)	1,062,721	-	-	-	-	-
Total comprehensive income for the period ended September 30, 2018								
Profit for the period	-	-	-	-	193,271	-	193,271	9
Other comprehensive income	-	-	-	-	-	-	-	-
	-	-	-	-	193,271	-	193,271	9
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred tax	-	-	-	-	6,749	(6,749)	-	-
Effect of item directly credited in equity by an Associated Company	-	-	-	408	-	(408)	-	-
Balance as at September 30, 2018	570,025	-	1,102,721	70,643	3,166,307	1,279,451	6,189,147	53

The annexed notes from 1 to 15 form an integral part of this consolidated condensed interim financial information.

  
 Ahmed Kuli Khan Khattak  
 Chief Executive Officer

  
 Polad Merwan Polad  
 Director

  
 Muhammad Umair  
 Chief Financial Officer



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

For the three months period ended September 30, 2018

### 1. THE GROUP AND ITS OPERATIONS

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

#### 1.2 Ghandhara Nissan Limited

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'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 JAC Trucks, import and sale of Nissan, Dongfeng and Renault vehicles in Completely Built-up condition and assembly of other vehicles under contract agreement.

#### 1.3 Ghandhara DF (Private) Limited

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

The Subsidiary Company has cooperation agreement with 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 condensed interim financial information 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
- Provision 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. The condensed interim financial information of the Group for the quarter ended September 30, 2018 is unaudited.

2.2 The condensed interim financial information do not include all the information and disclosures as required in the annual financial statements and should be read in conjunction with the Group's annual financial statements for the year ended June 30, 2018.

2.3 This condensed interim financial information are being submitted to the shareholders as required by the Listing Regulations of Pakistan Stock Exchange and section 237 of the Act.

**Notes to the Consolidated Condensed Interim Financial Information (Un-audited)**

For the three months period ended September 30, 2018

**3. ACCOUNTING POLICIES**

3.1 The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial information are the same as those applied in the preparation of audited annual financial statements of the Group for the year ended June 30, 2018, except for certain amendments which did not have any effect on these condensed interim financial information.

3.2 Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

3.3 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 condensed interim financial information.

**4. PRINCIPLES OF CONSOLIDATION**

These consolidated condensed interim financial information include the condensed interim financial information of Holding Company and its Subsidiary Company. The Holding Company's direct interest in the Subsidiary Company is 99.99% as at September 30, 2018 ( June 30, 2018: 99.99%).

Consolidated condensed financial information 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 this consolidated condensed interim financial information 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 this consolidated condensed interim financial information, 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, 2018.

**6. PROPERTY, PLANT AND EQUIPMENT**

Operating fixed assets  
Capital work-in-progress

		Unaudited September 30, 2018	Audited June 30, 2018
Note	----- Rupees '000 -----		
6.1		1,951,411	1,947,962
		276,992	192,371
		<u>2,228,403</u>	<u>2,140,333</u>
6.2		1,947,962	1,928,917
		30,725	132,450
		(1,271)	(3,496)
		(26,005)	(109,909)
		<u>1,951,411</u>	<u>1,947,962</u>

**6.1 Operating fixed assets**

Book value at beginning of the period / year  
Additions during the period / year  
Disposals costing Rs.2,761 thousand  
(June 30, 2018: Rs.6,379 thousand) - at book value  
Depreciation charge for the period / year  
Book value at end of the period / year

**Notes to the Consolidated Condensed Interim Financial Information (Un-audited)**

For the three months period ended September 30, 2018

		Unaudited September 30, 2018	Audited June 30, 2018
		----- Rupees '000 -----	
<b>6.2 Additions to operating fixed assets, including</b>			
transfer from capital work-in-progress,			
during the period / year were as follows:			
	Note		
Leasehold improvements		-	44,751
Plant and machinery		14,138	33,740
Assembly Jigs		-	6,341
Furniture and fixtures		-	254
Vehicles			
- owned		6,685	11,925
- leased		9,827	15,095
Other equipment		-	14,154
Office equipment		-	4,338
Computers		75	1,852
		<u>30,725</u>	<u>132,450</u>
<b>7. LONG TERM INVESTMENTS</b>			
Associate - equity accounted investment	7.1	903,745	886,352
Others - available for sale	7.2	-	-
		<u>903,745</u>	<u>886,352</u>
<b>7.1 Ghandhara Industries Limited</b>			
Balance at beginning of the period / year		886,352	857,012
Share of profit / OCI for the period / year		17,393	346,606
Disposal of investment		-	(239,773)
Dividend received		-	(77,493)
Balance at end of the period / year		<u>903,745</u>	<u>886,352</u>
<b>7.1.1</b>			
Investment in Ghandhara Industries Limited (GIL) represents 4,066,168 (June 30, 2018: 4,066,168) fully paid ordinary shares of Rs.10 each representing 19.09% (June 30, 2018: 19.09%) of its issued, subscribed and paid-up capital as at September 30, 2018. 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 audited financial statements of the investee company as at June 30, 2018. The latest financial statements of GIL as at September 30, 2018 are not presently available.			
<b>7.1.3</b>			
The market value of investment as at September 30, 2018 was Rs.2,757 million (June 30, 2018: Rs.2,873 million).			
<b>7.2 Others - available for sale</b>			
<b>Automotive Testing &amp; Training Centre</b>			
<b>(Private) Limited</b>			
187,500 (June 30, 2018: 187,500) ordinary shares of			
Rs.10 each - cost		1,875	1,875
Provision for impairment		(1,875)	(1,875)
		<u>-</u>	<u>-</u>

**Notes to the Consolidated Condensed Interim Financial Information (Un-audited)**

For the three months period ended September 30, 2018

**8. INVESTMENTS - at fair value through profit or loss**

September 30, 2018	June 30, 2018		Unaudited September 30, 2018	Audited June 30, 2018
----- Number of units -----			----- Rupees '000 -----	
-	11,645,239	BMA Chundrigar Road	-	100,928
68,919,422	-	Savings Fund	710,752	-
60,727,516	-	BMA Empress Cash Fund	608,362	-
		NAFA Money Market Fund	1,319,114	100,928

**9. SHARE CAPITAL****9.1 Authorized capital**

80,000,000 (June 30, 2018: 80,000,000) ordinary shares of Rs.10 each

800,000	800,000
---------	---------

**9.2 Issued, subscribed and paid-up capital**

September 30, 2018	June 30, 2018		Unaudited September 30, 2018	Audited June 30, 2018
----- No. of shares -----			----- Rupees '000 -----	
14,800,000	14,800,000	Ordinary shares of Rs.10 each fully paid in cash	148,000	148,000
200,000	200,000	Ordinary shares of Rs.10 each issued as fully paid bonus shares	2,000	2,000
30,002,500	30,002,500	Ordinary shares of Rs.10 each issued for acquisition	300,025	300,025
12,000,000	-	Ordinary shares of Rs.10 each issued as right (Refer note 9.4)	120,000	-
57,002,500	45,002,500		570,025	450,025

**9.3** At September 30, 2018, Bibojee Services (Private) Limited (the Ultimate Holding Company) holds 57.76% (June 30, 2018: 56.32%) of share capital of the Holding Company.

**9.4 Issuance of 26.67% right shares**

The Board of Directors of the Holding Company in their meeting held on April 24, 2018 approved issue of 12,000,000 right shares at exercise price of Rs.100 per share (including premium of Rs.90 per share) in proportion of 26.67 shares for every 100 shares held as at May 8, 2018. The right shares were issued for the purpose of revival of existing assembly facility for the progressive manufacturing of Datsun passenger cars, as well as to enhance the capacity to cater the increase in existing operations of the Holding Company.

These right shares have been issued to Holding Company's existing share holders. Total amount raised through the rights issue is Rs.1,200 million comprising of Rs.120 million and Rs.1,080 million in respect of ordinary share capital and share premium respectively. In this respect, the Holding Company has allotted 12,000,000 ordinary shares during the period.

Issuance cost totaling Rs.17.28 million was incurred in relation to above right issue which has been set-off with the subscription money received and accordingly accounted for as a deduction from equity on allotment of shares.

**Notes to the Consolidated Condensed Interim Financial Information (Un-audited)**

For the three months period ended September 30, 2018

**10. CONTINGENCIES AND COMMITMENTS**

- 10.1** There is no change in status of the contingencies as disclosed in note 28.1 of the audited annual consolidated financial statements of the Group for the year ended June 30, 2018.
- 10.2** Commitment in respect of irrevocable letters of credit as at September 30, 2018 aggregate to Rs.423.851 million (June 30, 2018: Rs.140.251 million).
- 10.3** Guarantees aggregating Rs.5.601 million (June 30, 2018: Rs.5.601 million) are issued by banks of the Group to various government and other institutions. Further, the Holding Company has issued corporate guarantees aggregating Rs.1,287.868 million (June 30, 2018: Rs.538.749 million) to the commercial banks against banking facilities utilised by the Subsidiary Company.

**11. COST OF SALES**

		------(Un-Audited)-----	
		September 30, 2018	September 30, 2017
		----- Rupees '000 -----	
Finished goods at beginning of the period		615,916	302,797
Cost of goods manufactured	11.1	1,526,644	497,973
Purchases - trading goods		116,939	141,098
		1,643,583	639,071
Finished goods at end of the period		(789,742)	(195,049)
		1,469,757	746,819
<b>11.1 Cost of goods manufactured</b>			
Raw materials and parts consumed		1,364,885	365,152
Factory overheads		161,759	132,821
		1,526,644	497,973

**Notes to the Consolidated Condensed Interim Financial Information (Un-audited)**

For the three months period ended September 30, 2018

**12. TRANSACTIONS WITH RELATED PARTIES**

Related parties comprise of the Ultimate Holding Company, Associated Companies, directors of the Group, companies in which directors are interested, staff retirement benefit plans, key management personnel and close members of the families of the directors & key management personnel. The Group in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties are shown under receivables and payables. Significant transactions with related parties are as follows:

Name	Nature of transaction	----- Un-audited -----	
		September 30, 2018	September 30, 2017
		----- Rupees '000 -----	
<b>(i) Ultimate Holding Company</b>			
Bibojee Services (Private) Limited - 57.76% shares held in the Holding Company	Corporate office rent	3,000	3,000
	Subscription money against right issue	81,734	-
<b>(ii) Associated Companies</b>			
Ghandhara Industries Limited 19.09% shares held by the Holding Company (12.1)	Contract assembly charges	205,979	219,375
	Purchase of parts	32	2,879
	Sale of parts	16	5,831
	Head office rent	704	660
The General Tyre and Rubber Company of Pakistan Limited (12.1)	Purchase of tyres, tubes and flaps	19	8,871
Gammon Pakistan Limited (12.1)	Regional office rent	750	750
Janana De Malucho Textile Mills Limited (12.1)	Reimbursement of expenses	399	-
<b>(iii) Others</b>			
Staff provident fund	Contribution made	2,344	1,969
Key management personnel	Remuneration and other short term benefits	24,482	18,210

**12.1 Associated company by virtue of common directorship.**

(Un-audited) (Audited)

**12.2 Period / year end balances are as follows:**

	September 30, 2018	June 30, 2018
----- Rupees '000 -----		
Receivables from related parties		
Long term loans	253	889
Trade debts	86,772	90,798
Loan and advances	1,604	1,989
Deposits and prepayments	5,755	6,355
Payable to related parties		
Trade and other payables	45,367	39,411

These are in the normal course of business and are settled in ordinary course of business.

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

For the three months period ended September 30, 2018

### 13. FINANCIAL RISK MANAGEMENT

#### 13.1 Financial risk factors

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

There have been no significant changes in the risk management policies since the year end.

The consolidated condensed interim financial information does not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Group's audited annual financial statements for the year ended June 30, 2018.

#### 13.2 Fair value measurement of financial instruments

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

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

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

#### Assets - Recurring fair value measurement

#### Financial assets at fair value through profit or loss September 30, 2018

	Level 1	Level 2	Level 3	Total
	----- Rupees '000 -----			
Short term investments June 30, 2018	1,319,144	-	-	-
Short term investments	100,928	-	-	-

There was no transfers amongst the levels and any change in valuation techniques during the period.

### 14. 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 Group for year ended June 30, 2018 and the corresponding figures in the condensed interim profit or loss account 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 information of the group for the period ended September, 30, 2017.

### 15. DATE OF AUTHORISATION FOR ISSUE

This consolidated condensed interim financial information was authorised for issue on October 24, 2018 by the Board of Directors of the Holding Company.

  
**Ahmed Kuli Khan Khattak**  
 Chief Executive Officer

  
**Polad Merwan Polad**  
 Director

  
**Muhammad Umair**  
 Chief Financial Officer

## Notes

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