

*THE ULTIMATE
MODERNITY
WITH
COMFORT:
CHERY*

Annual Report
2023



GHANDHARA
AUTOMOBILES LIMITED
(Formerly Ghandhara Nissan Limited)

Table of Contents



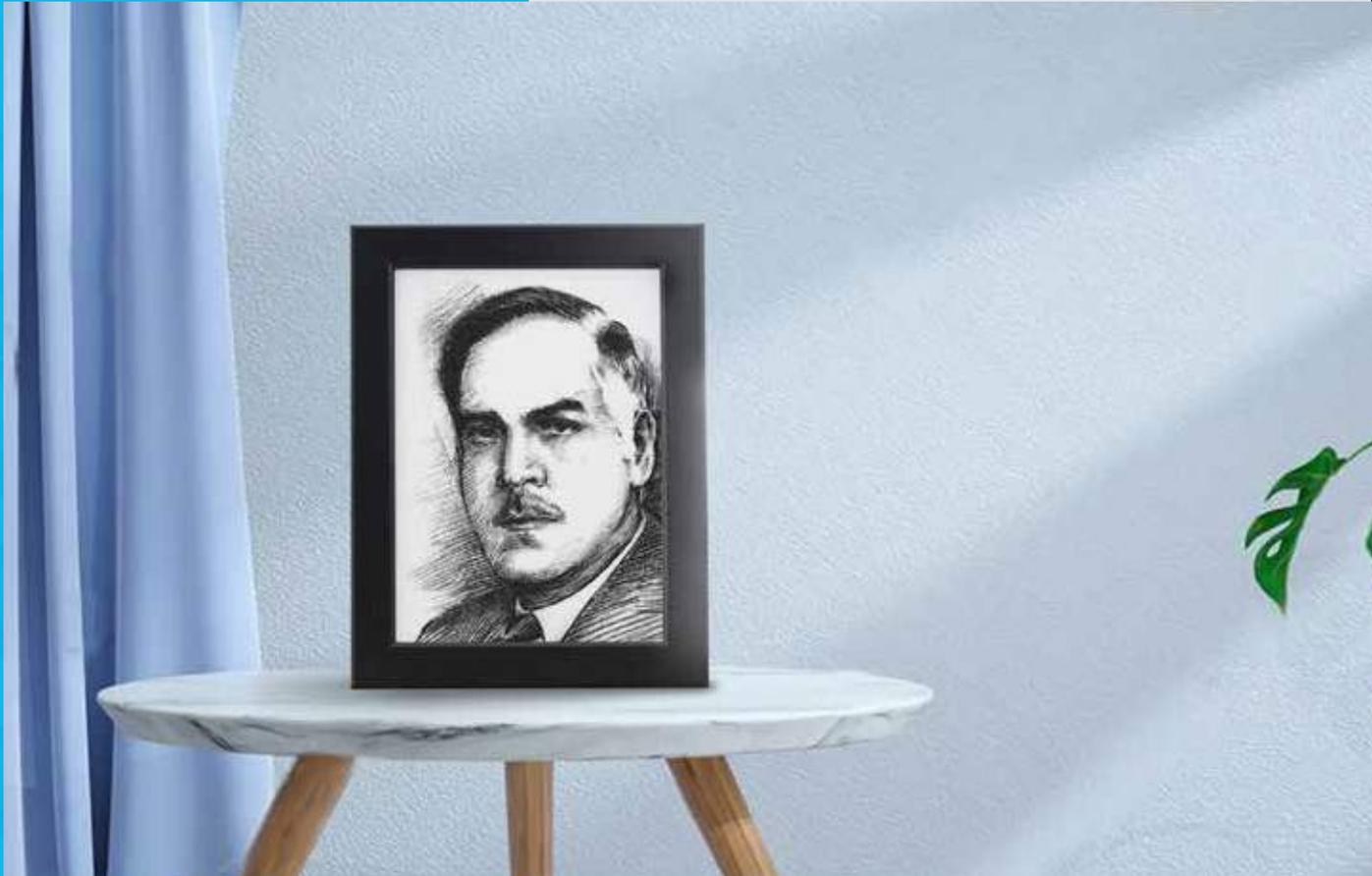
Cover Story

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



Introduction of Founder Chairman	02
Vision & Mission	05
Company Profile	06
Shareholders' Information	08
Organization Chart	09
Notice of AGM (English & Urdu)	10
Chairman's Review (English & Urdu)	20
Directors' Report (English & Urdu)	24
Auditors' Report on Financial Statements	35
Financial Statements (Standalone)	39
Statement of Compliance with listed companies (Code of Corporate Governance) regulations, 2019	80
Review Report on Statement of Compliance contained in listed companies (Code of Corporate Governance) regulations, 2019	83
Key Operating and Financial Data	84
Pattern of Shareholding	85
Categories of Shareholders	86
Directors' Report on Consolidated Financial Statements (English & Urdu) ..,	88
Auditors' Report on Consolidated Financial Statements	90
Consolidated Financial Statements	95
Form of Proxy -	

Late General Habibullah Khan Khattak



General Habibullah Khan Khattak was the Founder Chairman of the Bibojee Group of Companies.

Today, the Group is an industrial empire with an extensive portfolio of businesses comprising two cotton spinning mills, a woolen mill, two automobile assembling plants with extensive marketing setups, a general insurance company, Pakistan's largest tyre manufacturing company, a construction company and two Trusts for supporting education and wildlife protection.



An Illustrious Founder

Fondly known as 'Bibojee', General Habibullah Khan Khattak was born on October 17, 1913 in Wana. He was the son of the renowned personality Khan Bahadur Kuli Khan Khattak. He completed his F.Sc from Islamia College, Peshawar and gave an early glimpse of his potential when in 1934, he became one of 25 candidates to be selected from the Subcontinent from the First Course 'The Pioneers' at the Indian Military Academy, Dehradun.

During his career as a soldier, he rose swiftly through the ranks to become the Chief of Staff of the Pakistan Army at the young age of 45. He was mentioned in dispatches for gallantry in the Second World War and was later awarded Sitara-e-Pakistan and the American Legion of Merit. He retired from the Pakistan Army in December 1959 at the young age of 46 but instead of resting on his laurels, he soon embarked upon a new career as an industrialist, which was to bring him even greater fame and respect.

Core Values:

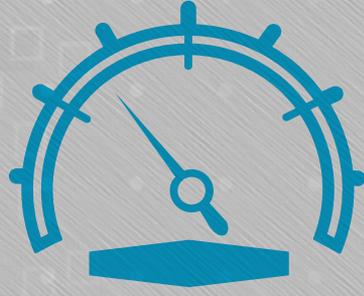
- Perseverance
- Dynamism
- Professionalism

The business empire of General Habibullah was built on the above-mentioned core values and with his innate knack of identifying sick units and expertly reviving them he made his Group emerge as one of the fastest growing industrial conglomerates of Pakistan. A man of vision, General Habibullah developed an informed insight into Pakistan's economy and was blessed with the Midas touch, essential for successful entrepreneurship. He is also credited with introducing the trend of professional management which was subsequently emulated by other Pakistani business houses. He believed that Human Resource is the most important and lasting asset of any business.

Philanthropy

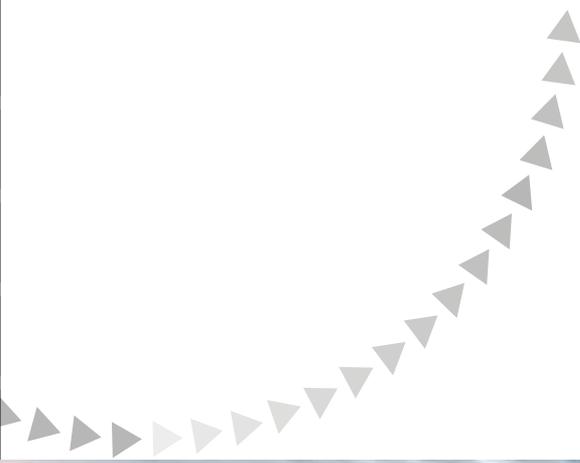
The Love of Giving Back

In addition to being a gifted entrepreneur, General Habibullah was also a great philanthropist who believed in generously giving back to his country - his expertise, experience and financial resources. It was in that spirit that he founded the Waqf-e-Kuli Khan (WKK) in memory of his late father. WKK promotes education and is a fine example of Corporate Social Responsibility which has benefitted thousands of deserving students. The General was also a well-known animal lover, who established The Pakistan Wildlife Conservation Foundation (PWCF) for supporting wildlife in Pakistan. General Habibullah passed away on December 23, 1994 leaving behind a legacy of dynamic leadership, brilliant foresight and exceptional business acumen.



Company Overview





Vision

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

Mission

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

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

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

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



Corporate Information



Board of Directors

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

Acting 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)
Summit Bank Limited
MCB Islamic Bank Limited - (Shariah)

NTN: 0802990-3

Sales Tax Registration No: 12-03-8702-001-46

Share Registrars

CDC Share Registrar Services Ltd.
CDC House, 99-B, Block-B
S.M.C.H.S., Main 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. 07

Shareholders' Information

REGISTERED OFFICE

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

EXCHANGE LISTING

Ghandhara Automobiles Limited [Formerly Ghandhara Nissan Limited] (the Company) is listed on Pakistan Stock Exchange Limited (PSX).

STOCK SYMBOL

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

LISTING FEES

The annual listing fees for the financial year 2023 - 24 were paid to the PSX and Central Depository Company of Pakistan Limited within the prescribed time limit.

STATUTORY COMPLIANCE

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

ANNUAL GENERAL MEETING

Date: October 27, 2023
Time: 10:15 A.M.
Venue: F-3, Hub Chowki Road, SITE, Karachi.

FINANCIAL CALENDAR

October 2023	Audited annual results for the year ended June 30, 2023
October 2023	Mailing of Notice of Annual General Meeting Unaudited first quarter financial results Annual General Meeting
November 2023	Corporate Briefing Session
February 2024	Unaudited half year financial results
April 2024	Unaudited third quarter financial results
June 2024	Annual Budget 2024-25

DATES OF BOOK CLOSURE

The register of the members and shares transfer books of the Company will remain closed from October 21, 2023 to October 27, 2023 (both days inclusive).

TRANSMISSION OF ANNUAL REPORT 2023

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

E-DIVIDEND MANDATE (MANDATORY)

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

Organization Chart



Notice of Annual General Meeting

Notice is hereby given to all the members of GHANDHARA AUTOMOBILES LIMITED [Formerly Ghandhara Nissan Limited] ("the Company") that the Annual General Meeting will be held on Friday, October 27, 2023 at 10:15 AM at F-3, Hub Chauki Road, S.I.T.E., Karachi as well as through electronic means to transact the following business:

Ordinary Business:

1. To confirm the minutes of the Annual General Meeting and Extraordinary General Meeting held on 28th October, 2022 and 22nd June, 2023 respectively.
2. To receive, consider and adopt the Annual Audited Financial Statements of the Company for the year ended 30th June, 2023 together with Directors' and Auditors' Reports thereon and the Review Report of the Chairman.

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

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



3. To appoint Auditors and fix their remuneration for the year ending 30th June, 2024. The retiring auditors M/s. ShineWing Hameed Chaudhri & Co., Chartered Accountants, being eligible have offered themselves for reappointment.

Special Business:

4. To consider to pass the following ordinary resolutions:
 - a) "RESOLVED that the transactions carried out in normal course of business with associated companies/ related parties during the year ended June 30, 2023 (as disclosed in Note-39 of Financial Statements for the year ended June 30, 2023) be and are hereby ratified and approved."
 - b) "RESOLVED that the Chief Executive Officer of the Company be and is hereby authorized to approve all the transactions carried out and to be carried out in normal course of business with associated companies/ related parties during the year ending June 30, 2024 and, in this connection, the Chief Executive Officer be and is hereby also authorized to take any and all necessary actions and sign/execute any and all such documents/indentures as may be required in this regard on behalf of the Company."

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

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

By Order of the Board

IFTIKHAR AHMED KHAN
(COMPANY SECRETARY)

Karachi: 6th October, 2023

NOTES:

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

- i. The Company intends to convene this AGM with minimal physical interaction of shareholders while ensuring compliance with the quorum requirements and requests the members to consolidate their attendance and voting at the AGM through proxies. The Company, furthermore, has made arrangements to ensure that all participants, including shareholders, can now participate in the AGM proceedings via video link. For this, shareholders are required to email their Name, Folio Number, Cell No., and Number of Shares held in their name with subject "Registration for Ghandhara Automobiles Limited AGM" along with valid copy of CNIC (both sides) at info@ghandhara.com.pk. Video link and login credentials will be shared with only those shareholders whose emails, containing all the required particulars, are received by close of office on October 25, 2023. Login facility will be opened thirty minutes before the meeting time to enable the participants to join the meeting after the identification process. Shareholders will be able to login and participate in the AGM proceedings through their devices after completing all the formalities required for the identification and verification of the shareholders. Shareholders can also provide their comments and questions for the agenda items of the AGM at the email address info@ghandhara.com.pk.
- ii. The share transfer books of the Company will remain closed from October 21, 2023 to October 27, 2023 (both days inclusive). The request for transfers shall be received at Company's Share Registrar namely M/s. CDC Share Registrar Services Limited, CDC House, 99 - B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi, Pakistan by the close of business on October 20, 2023 will be considered in time to attend and vote at the meeting.
- iii. A member entitled to attend, speak and vote at this Annual General Meeting shall be entitled to appoint another member, as a proxy to attend and vote on his / her behalf. For proxies in order to be effective, instrument appointing Proxy must be received at the Registered Office or Share Registrar of the Company not less than 48 hours before the time of the meeting. For the convenience of the members, a Proxy Application Form is attached at the end of the Annual Report 2023 and dispatched with notice of AGM.
- iv. Members holding physical shares are requested to notify any change in their addresses immediately to our Share Registrars, M/s. CDC Share Registrar Services Limited, CDC House, 99 - B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi, Pakistan
- v. Any individual Beneficial Owner having shares in CDC, entitled to vote at this Meeting, must bring his / her original Computerized National Identity Card (CNIC) to prove identity, and in case of proxy, a copy of shareholder's attested CNIC must be attached with the proxy form. Representatives of corporate members should bring the usual documents required for such purpose.

CDC Account Holders will also have to follow the under mentioned guidelines as laid down by SECP.

A. For Attending the Meeting:

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

B. For Appointing Proxies:

- (i) In case of individuals, the account holder or sub-account holder and / or the person, whose securities are in group account and their registration details are uploaded as per the regulations, shall submit the proxy form as per the above requirement.
- (ii) The proxy form shall be witnessed by the person whose name, address and CNIC number shall be mentioned on the form.
- (iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- (iv) The proxy shall produce his / her original CNIC or original passport at the time of Meeting.
- (v) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

vi. Procedure for E-Voting:

- I. Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company by the close of business on October 19, 2023.
- II. The web address, login details, and password, will be communicated to members via email. The security codes will be communicated to members through SMS from the web portal of CDC Share Registrar Services Limited (being the e-voting service provider).
- III. Identity of the Members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login.
- IV. E-Voting lines will start from October 21, 2023, 09:00 a.m. and shall close on October 25, 2023 at 5:00 p.m. Members can cast their votes any time during this period. Once the vote on a resolution is cast by a Member, he / she shall not be allowed to change it subsequently.

vii. PROCEDURE FOR VOTING THROUGH POSTAL BALLOT:

The shareholders shall ensure that duly filled and signed ballot papers along with copy of valid Computerized National Identity Card (CNIC)/ copy of passport (non-resident) should reach the Chairman of the meeting through post on the Company's registered address, F-3, Hub Chowki Road, S.I.T.E, Karachi, or e-mail at chairman@ghandhara.com.pk on or before October 26, 2023 during working hours. The signatures on the ballot paper shall match with the signature on CNIC. For the convenience of the shareholders, ballot paper is available on the Company's website at www.ghandharaautomobiles.com.pk for the download.

viii. Transmission of Annual Report 2023

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

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

ix. Video Conference Facility

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

X. Dividend Mandate

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

Xi. Unclaimed Dividend

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

Xii Details of Beneficial Ownership

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

Xiii Placement of Financial Statements on Website:

The Financial Statements of the Company for the year ended June 30, 2023 along with reports have been placed on the website of the Company: <https://www.gandharaautomobiles.com.pk/page-financial-reports>

Xiv Deposit of Physical Shares into CDC Account

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

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

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

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

- 1) Agenda Item No.4 (a) of the Notice – Transactions carried out with associated companies during the year ended June 30, 2023 to be passed as an Ordinary Resolution.

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

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

In view of the above, the transactions conducted during the financial year ended June 30, 2023 with associated company as shown in relevant notes of the Audited Financial Statements are being placed before the shareholders for their consideration and approval/ ratification.

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

- 2) Agenda Item No.4 (b) of the Notice – Authorization of the Chief Executive for the transactions carried out and to be carried out with associated companies during the ensuing year ending June 30, 2024 to be passed as an Ordinary Resolution.

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

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

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



Ghandhara Automobiles Limited (Formerly Ghandhara Nissan Limited)

POSTAL BALLOT PAPER

for voting through post for the Special Business at the Annual General Meeting to be held on Friday, October 27, 2023 at 10:15 AM at F-3, Hub Chowki Road, S.I.T.E., Karachi, the Registered Office of the Company.
Website: www.ghandharaautomobiles.com.pk.

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

Resolution For Agenda Item No. 4 To consider to pass the following ordinary resolutions:

a) "RESOLVED that the transactions carried out in normal course of business with associated companies/ related parties during the year ended June 30, 2023 (as disclosed in Note-39 of Financial Statements for the year ended June 30, 2023) be and are hereby ratified and approved."

b)"RESOLVED that the Chief Executive Officer of the Company be and is hereby authorized to approve all the transactions carried out and to be carried out in normal course of business with associated companies/ related parties during the year ending June 30, 2024 and, in this connection, the Chief Executive Officer be and is hereby also authorized to take any and all necessary actions and sign/execute any and all such documents/indentures as may be required in this regard on behalf of the Company."

Instructions For Poll

1. Please indicate your vote by ticking (√) the relevant box.

2. In case if both the boxes are marked as (√), you poll shall be treated as "Rejected".

I/we hereby exercise my/our vote in respect of the above resolution through ballot by conveying my/our assent or dissent to the resolution by placing tick (√) mark in the appropriate box below;

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

- Dully filled ballot paper should be sent to the Chairman at F-3, Hub Chowki Road, S.I.T.E., Karachi or email at chairman@ghandhara.com.pk
- Copy of CNIC/ Passport (in case of foreigner) should be enclosed with the postal ballot form.
- Ballot paper should reach the Chairman within business hours by or before Thursday October 26, 2023. Any postal ballot received after this date, will not be considered for voting.
- Signature on ballot paper should match with signature on CNIC/ Passport (In case of foreigner).
- Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written poll paper will be rejected.
- In case of a representative of a body corporate, corporation or Federal Government, the Ballot Paper Form must be accompanied by a copy of the CNIC of an authorized person, an attested copy of Board Resolution, / Power of Attorney, / Authorization Letter etc., in accordance with Section(s) 138 or 139 of the Companies Act, 2017 as applicable.
- Ballot Paper form has also been placed on the website of the Company at: www.ghandharanissan.com.pk Members may download the ballot paper from the website or use an original/photocopy published in newspapers.

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

Date _____

گندھارا آٹوموبائلز لمیٹڈ (سابق گندھارا انسان لمیٹڈ)



پوشل بیلٹ پیپر

بروز جمعہ 27 اکتوبر 2023، صبح 10:15 بجے، ایف-3، حب چوکی روڈ، سائیت، کراچی، کمپنی کے رجسٹرڈ آفس میں منعقد ہونے والے کمپنی کے سالانہ اجلاس عام (AGM) میں خصوصی امور میں دوگنگ کیلئے ویب سائٹ: www.gandharautomobiles.com.pk

فولیو نمبر / سی ڈی سی اکاؤنٹ نمبر	
شیئر ہولڈر / پراکسی ہولڈر کا نام	
رجسٹرڈ پتہ	
حصص کی تعداد	
سی این آئی سی نمبر پاسپورٹ نمبر۔ (غیر ملکی ہونے کی صورت میں) (نقل منسلک کریں)	
اضافی معلومات اور منسلک دستاویزات (کارپوریٹ ادارے، کارپوریشن اور وفاقی حکومت کا نمائندہ ہونے کی صورت میں)	
مجاز عہدیدار کا نام	
مجاز عہدیدار کا سی این آئی سی نمبر پاسپورٹ نمبر۔ (غیر ملکی ہونے کی صورت میں) (نقل منسلک کریں)	

ایجنڈا اسٹیم نمبر 4 کیلئے قرارداد۔ درج ذیل عمومی قراردادوں کو پاس کرنے کیلئے غور کرنا

الف) ”قرارداد پایا ہے کہ 30 جون 2023 (جو کہ 30 جون 2023 کو ختم ہونے والے سال کے مالیاتی گوشواروں کے نوٹ 39 ظاہر کیا گیا ہے) کو ختم ہونے والے سال کے دوران متعلقہ پارٹیوں کے ساتھ عمومی طریقہ کار کے مطابق کیے گئے سودوں کی متفقہ طور پر توثیق اور منظوری دی جاتی ہے۔“

ب) ”قرارداد پایا ہے کہ چیف ایگزیکٹو کو بذر بیعہ بذا مجاز بنایا جاتا ہے کہ وہ 30 جون 2024 کو ختم ہونے والے سال کے دوران تمام لین دین اور ملحقہ کمپنیوں / متعلقہ فریقوں کے ساتھ معمول کے طریقہ کار کے تحت کیے جانے والے کاروباری منظوری دے۔ اس سلسلے میں چیف ایگزیکٹو کو بذر بیعہ بذا بھی اختیار دیا جاتا ہے کہ اس ضمن میں جس طرح کی ضرورت ہو کمپنی کی جانب سے کوئی بھی اور تمام ضروری اقدامات کرے اور اس حوالے سے جہاں درکار ہو تمام دستاویزات / اقرارناموں پر دستخط / عمل درآمد کرے۔“

پولنگ کیلئے ہدایات

1- اپنے متعلقہ خانے میں (✓) کے نشان کے ذریعے اپنے ووٹ کا اظہار کریں۔

2- دونوں خانوں میں (✓) نشان ہونے کی صورت میں آپ کا ووٹ ”ضائع“ تصور کیا جائے گا۔

میں رہم مندرجہ ذیل قراردادوں کے حوالے سے بذر بیعہ بذا اپنی رضامندی / غیر رضامندی پر مبنی رائے کا اظہار نیچے دیئے گئے موزوں بکس کو نشان زد کر کے پوشل بیلٹ کے ذریعے اپنا ووٹ ڈال کر کرنا ہوا ہے:

قرارداد	میں رہم قرارداد پر (کیلئے) راضی ہوں / نہیں	میں رہم قرارداد سے غیر متفق (مخالف) ہیں
ایجنڈا اسٹیم نمبر 4a کیلئے قرارداد		
ایجنڈا اسٹیم نمبر 4b کیلئے قرارداد		

1- باضابطہ طور پر ہر شدہ اور دستخط شدہ اصل پوشل بیلٹ، چیئر مین کو ایف-3، حب چوکی، سائیت، کراچی پر ارسال کریں یا chairman@gandhara.com.pk پر ای میل کریں۔

2- سی این آئی سی / پاسپورٹ (غیر ملکی ہونے کی صورت میں) کی نقل پوشل بیلٹ فارم کے ساتھ منسلک ہونا چاہئے۔

3- پوشل بیلٹ فارم مورخہ 26 اکتوبر، 2023 کو یا اس سے قبل دوران اوقات کار اجلاس کے چیئر مین کے پاس پہنچ جانا چاہئے۔ تاریخ ہذا کے بعد موصول کردہ کوئی بھی پوشل بیلٹ، دوگنگ کے لیے نا قابل غور ہوگا۔

4- پوشل بیلٹ پر دستخط ہی سی این آئی سی / پاسپورٹ (غیر ملکی ہونے کی صورت میں) پر موجود دستخط سے موازنہ نہ کئے جائیں گے۔

5- نامکمل، غیر دستخط شدہ، غلط، مخ شدہ، پھینا ہوا، کثیر تہی، دوہری لکھائی کے حامل بیلٹ پیپر زستہ کر دیئے جائیں گے۔

6- کسی کارپوریٹ، کارپوریشن یا وفاقی حکومت کے نمائندے کی صورت میں، بیلٹ پیپر فارم کے ساتھ مجاز شخص کے CNIC کی کاپی، بورڈ کی قرارداد کی تصدیق شدہ کاپی، / پاور آف اٹارنی، / اتھارٹی لیٹر ہونا ضروری ہے۔ جیسا کہ کمپنیز ایکٹ 2017 کے سیکشن 138(ز) یا 139 کے مطابق قابل اطلاق ہے۔

7- بیلٹ پیپر کا فارم کمپنی کی ویب سائٹ www.gandharanissan.com.pk پر بھی دستیاب ہے۔ ممبران ویب سائٹ سے بیلٹ پیپر ڈاؤن لوڈ کر سکتے ہیں یا اخبارات میں شائع ہونے والی اصل / فوٹو کاپی استعمال کر سکتے ہیں۔

تاریخ

شیئر ہولڈر / پراکسی ہولڈر کے دستخط / مجاز فرد کے دستخط

(کارپوریٹ ادارہ ہونے کی صورت میں، کمپنی کی مہر لگانا)

xiv- فزیکل شیئرز سی ڈی سی اکاؤنٹ میں جمع کروانا

کمپنیز ایکٹ 2017 کی شق 72 کے مطابق ہر موجودہ لسٹڈ کمپنی کیلئے ضروری ہے کہ کمیشن کے بیان کردہ طریقہ کار اس کی بیان کردہ تاریخ سے فزیکل شیئرز کو بک انٹری کی شکل میں لائے، اور SECP کی جانب اطلاع کردہ تاریخ سے، اس ایکٹ کے نفاذ یعنی 30 مئی 2017 کے آغاز سے چار سال سے زائد نہیں ہوگی۔

فزیکل شیئرز رکھنے والا شیئرز ہولڈر اپنے فزیکل شیئرز کو اسکرپ لیس فارم میں رکھنے کیلئے براہ راست کسی بھی بروکر یا سرمایہ کار کے اکاؤنٹ کے ساتھ سی ڈی سی کا ذیلی اکاؤنٹ کھول سکتا ہے۔ یہ انہیں کئی طریقوں سے سہولت فراہم کرے گا جس میں شیئرز کی محفوظ تحویل اور فروخت شامل ہے، جب وہ چاہیں، کیونکہ اسٹاک ایکسچینج کے موجودہ ضوابط کے مطابق فزیکل شیئرز کی تجارت کی اجازت نہیں ہے۔

کمپنیز ایکٹ، 2017 کے سیکشن (3) 134 کے تحت اہم حقائق کا بیان

ذیل میں بیان خصوصی امور سے متعلق اہم حقائق بیان کرتا ہے، جو نوٹس کے ایجنڈے میں دیا گیا ہے جس پر اراکین غور کریں گے۔

1) نوٹس کا ایجنڈا آئٹم نمبر (a) 4- 30 جون 2023 کو ختم ہونے والے سال کے دوران متعلقہ کمپنیوں کے ساتھ کیے گئے لین دین کو ایک عام قرارداد کے طور پر منظور کرنا متعلقہ کمپنیوں (متعلقہ فریقین) کے ساتھ معمول کے کاروبار میں کیے گئے لین دین کو بورڈ کے ذریعے منظور کیا جا رہا تھا جیسا کہ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی شق 15- کے مطابق سد مابہی بنیادوں پر آڈٹ کمیٹی نے تجویز کی تھی۔

بورڈ میٹنگ کے دوران ڈائریکٹرز کی طرف سے نشاندہی کی گئی کہ ڈائریکٹرز اس/ان لین دین میں دلچسپی رکھتے ہیں ان کی مشترکہ ڈائریکٹرشپ اور متعلقہ کمپنیوں میں شیئرز رکھنے کی وجہ سے ان لین دین کی منظوری کیلئے ڈائریکٹرز کا کورم مکمل نہیں ہو سکا، جن لین دین کی سالانہ اجلاس عام میں شیئرز ہولڈرز کی طرف سے منظوری لی جانی ہے۔

مذکورہ بالا کو مد نظر رکھتے ہوئے، متعلقہ کمپنی کے ساتھ 30 جون 2023 کو ختم ہونے والے مالی سال کے دوران کئے گئے لین دین جیسا کہ آڈٹ شدہ مالیاتی بیانات کے متعلقہ نوٹس میں دکھایا گیا ہے، شیئرز ہولڈرز کے سامنے ان کے غور اور منظوری/توثیق کے لیے پیش کیا جا رہا ہے۔

ڈائریکٹرز کی اس قرارداد میں دلچسپی ملحقہ کمپنیوں میں ان کی مشترکہ ڈائریکٹرشپ اور ان کی حصص داری تک محدود ہے۔

2) نوٹس کا ایجنڈا آئٹم نمبر (b) 4- 30 جون 2024 کو ختم ہونے والے آنے والے سال کے دوران متعلقہ کمپنیوں کے ساتھ کئے جانے والے لین دین کے لئے چیف ایگزیکٹو کو ایک عام قرارداد کے طور پر مجاز قرار دیا جائے گا۔

کمپنی متعلقہ کمپنیوں کے ساتھ کاروبار کے معمول کے مطابق لین دین کرے گی۔ ڈائریکٹرز اپنی مشترکہ ڈائریکٹرشپ اور متعلقہ کمپنیوں میں حصص داری کی وجہ سے ان لین دین میں دلچسپی رکھتے ہیں۔ اس لیے متعلقہ کمپنیوں کے ساتھ اس طرح کے لین دین کو شیئرز ہولڈرز سے منظور ہونا ضروری ہے۔

30 جون 2024 کو ختم ہونے والے سال کے دوران لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی شق 15- کی دفعات کی تعمیل کرنے کیلئے، شیئرز ہولڈرز چیف ایگزیکٹو کو متعلقہ کمپنیوں کے ساتھ کیے گئے لین دین کی منظوری دینے اور کاروبار کے معمول کے مطابق کرنے کا اختیار دے سکتے ہیں۔

ڈائریکٹرز کی اس قرارداد میں دلچسپی ملحقہ کمپنیوں میں ان کی مشترکہ ڈائریکٹرشپ اور ان کی حصص داری تک محدود ہے۔

جو شیئرز ہولڈرز مذکورہ دستاویزات کی بارڈ کاپی حاصل کرنا چاہتے ہیں وہ کمپنی سیکریٹری/شیئرز رجسٹرار کو درخواست بھیج سکتے ہیں، سالانہ رپورٹ میں فراہم کردہ معیاری درخواست فارم اور کمپنی کی ویب سائٹ پر بھی دستیاب ہے اور کمپنی مذکورہ دستاویزات کی بارڈ کاپیاں فراہم کرے گی۔ اس قسم کے مطالبے کے ایک ہفتے کے اندر شیئرز ہولڈرز کو دستاویز، بلا معاوضہ فراہم کر دی جائیں گی، لہذا وہ شیئرز ہولڈرز سالانہ رپورٹ بشمول اجلاس عام کا نوٹس بذریعہ ای میل وصول کرنا چاہتے ہیں ان سے درخواست کی جاتی ہے کہ وہ سالانہ رپورٹ میں فراہم کردہ معیاری درخواست فارم پر اپنی تحریری رضامندی فراہم کریں اور یہ کمپنی کی ویب سائٹ www.ghandharaautomobiles.com.pk پر بھی دستیاب ہے۔

ix۔ ویب پورٹل کی سہولت

اگر کمپنی کم از کم 10 فیصد شیئرز رکھے والے ممبران کی طرف سے، جو کسی دوسرے شہر میں مقیم ہوں، اجلاس کے انعقاد سے کم از کم دس (10) دن پہلے ویڈیو لنک کے ذریعے اجلاس میں شرکت کی رضامندی حاصل کرتی ہے تو کمپنی اس شہر میں ایسی سہولت کی دستیابی کی شرط پوڈیو لنک کی سہولت کا بندوبست کرے گی۔ اس شہر میں اس طرح کی سہولت کی دستیابی کے لیے کمپنی ممبران کو ویڈیو کانفرنس کی سہولت کے مقام کے بارے میں سالانہ اجلاس عام کی تاریخ سے کم از کم 5 دن پہلے مطلع کرے گی اور ساتھ ہی انہیں اس سہولت تک رسائی کے قابل بنانے کے لیے ضروری مکمل معلومات فراہم کرے گی۔

x۔ ڈیویڈنڈ مینڈیٹ

کمپنیز ایکٹ 2017 کی شق 242 اور کمپنیز (ڈسٹری بیوشن آف ڈیویڈنڈ) ریگولیشنز 2017 کی شقوں کے تحت کمپنی کیلئے لازم ہے کہ وہ اپنے حصص یافتہ کو اس کے مقرر کردہ اکاؤنٹ میں صرف الیکٹرانک ذریعے سے براہ راست کیش ڈیویڈنڈ بھیجے۔ ایسے شیئرز ہولڈرز سے، براہ راست اپنے بینک اکاؤنٹ میں ڈیویڈنڈ حاصل کرنے کے لیے، شیئرز ہولڈرز سے درخواست کی جاتی ہے کہ وہ کمپنی کی ویب سائٹ یعنی <http://www.ghandharaautomobiles.com.pk> پر دستیاب ڈیویڈنڈ مینڈیٹ فارم کو پُر کریں اور اس پر باضابطہ دستخط کر کے اپنے کارآمد کمپیوٹرائزڈ قومی شناختی کارڈ/این ٹی این کی نقل کے ساتھ رجسٹرار میسرز سی سی شیئرز رجسٹرار سروسز لمیٹڈ، سی ڈی ہاؤس، نمبر B-99، ایس ایم سی ایچ اے، مین شاہراہ فیصل، کراچی کو بھیجوا دیں، اگر فریڈیکل شیئرز کی صورت میں ہوں۔ اگر شیئرز سی سی میں رکھے گئے ہیں تو ڈیویڈنڈ مینڈیٹ فارم کو براہ راست شیئرز ہولڈر کے بروکر/شریک کار/سی ڈی سی اکاؤنٹ کی خدمات میں جمع کروانا چاہیے۔

xi۔ غیر دعویہ دار ڈیویڈنڈ

کمپنیز ایکٹ، 2017 کے سیکشن 244 کی دفعات کے مطابق، مقررہ طریقہ کار کو مکمل کرنے کے بعد، مقررہ تاریخ سے 3 سال یا اس سے زیادہ مدت کے لیے بقایا تمام قابل ادائیگی ڈیویڈنڈ کو وفاقی حکومت کو جمع کر دیا جائے گا۔ غیر دعویہ دار شیئرز کی صورت میں SECP کو دیا جائے گا۔

xii۔ فائدہ مند ملکیت کی تفصیلات

2018 کے SECP سرکلر نمبر 16 اور 20 کی طرف کارپوریٹ اداروں/قانونی افراد کی توجہ بھی حاصل کی جاتی ہے۔ متعلقہ شیئرز ہولڈرز (کارپوریٹ اداروں/قانونی افراد) کو مشورہ دیا جاتا ہے کہ وہ جتنی فائدہ اٹھانے والے مالکان سے متعلق معلومات اور/یا دیگر تفصیلات کمپنی کے شیئرز رجسٹرار کو فراہم کریں جیسا کہ اس میں تجویز کیا گیا ہے۔

xiii۔ ویب سائٹ پر مالی گوشواروں کے مقام کا تعین

30 جون 2023 کو ختم ہونے والے سال کے لیے کمپنی کے مالیاتی گوشواروں کے ساتھ رپورٹس کمپنی کی ویب سائٹ پر ڈال دی گئی ہیں:

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

(ii) سی ڈی سی پرجسٹرڈ ممبران سے بھی درخواست کی جاتی ہے کہ وہ اپنی تفصیلات، شناختی کارڈ، CDS میں نمبر اور اکاؤنٹ نمبر ساتھ لائیں۔

(iii) کاروباری ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ کے ہمراہ نامزد فرد کے دستخط کے نمونے اجلاس کے وقت پیش کرنے ہوں گے (ماسوائے اس کے کہ پہلے ہی فراہم کیے جا چکے ہوں)۔

B۔ پراسی کی تقرری کیلئے

(i) انفرادی صورت میں، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر، اور/یا وہ شخص جس کی سیکورٹیز گروپ اکاؤنٹ میں ہیں اور ان کی رجسٹریشن کی تفصیلات اپ لوڈ کی گئی ہیں، درج بالا ضرورت کے مطابق پراسی فارم جمع کرائیں گے۔

(ii) دو افراد، جن کے نام، پتے، اور CNIC نمبر فارم پر درج ہوں گے، پراسی کی گواہی دیں گے۔

(iii) پراسی فارم کے ساتھ CNIC یا بینیفٹشل مالکان اور پراسی کے پاسپورٹ کی تصدیق شدہ کاپیاں پیش کی جائیں گی۔

(iv) پراسی مینٹنگ کے وقت اپنا اصل CNIC یا اصل پاسپورٹ پیش کرے گا/گی۔

(v) کاروباری ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ کے ہمراہ نامزد فرد کے دستخط کے نمونے نمائندگی نامے کے ہمراہ کمپنی کے پاس جمع کروانے ہوں گے۔

vi۔ ای وونگ کا طریقہ کار

I۔ ای وونگ کی سہولت کی تفصیلات کمپنی کے ان اراکین کے ساتھ ایک ای میل کے ذریعے شیئر کی جائیں گی جن کے پاس اپنے درست CNIC نمبر، موبائل نمبر، اور ای میل ایڈریس کمپنی کے ممبران کے رجسٹر میں 19 اکتوبر 2023 کو کاروباری اوقات ختم ہونے سے پہلے تک دستیاب ہوں گے۔

II۔ ویب ایڈریس، لاگ ان کی تفصیلات، اور پاس ورڈ، ای میل کے ذریعے اراکین کو مطلع کیا جائے گا۔ سیکورٹی کوڈ سی ڈی سی شیئر رجسٹر ارسوز لمیٹڈ کے ویب پورٹل (ای وونگ سروس فراہم کنندہ ہونے کے ناطے) سے ایس ایم ایس کے ذریعے اراکین کو بتائے جائیں گے۔

III۔ ای وونگ کے ذریعے ووٹ ڈالنے کا ارادہ رکھنے والے اراکین کی شناخت الیکٹرانک دستخط یا لاگ ان کے لیے تصدیق کے ذریعے کی جائے گی۔

IV۔ ای وونگ لائنیں 21 اکتوبر 2023 صبح 9 بجے سے شروع ہوں گی اور 25 اکتوبر 2023 کو شام 5 بجے بند ہوں گی۔ ممبران اس مدت کے دوران کسی بھی وقت اپنا ووٹ ڈال سکتے ہیں۔ ایک بار کسی رکن کی طرف سے قرارداد پر ووٹ ڈالنے کے بعد، اسے بعد میں تبدیل کرنے کی اجازت نہیں ہوگی۔

vii۔ پوسٹل بیلٹ کے ذریعے وونگ کا طریقہ کار

اراکین اس بات کو یقینی بنائیں گے کہ وہ بیلٹ پیپر کو کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) کی درست نقل کے ساتھ صحیح طریقے سے بھریں اور دستخط شدہ بیلٹ پیپر مینٹنگ کے پیپر میں تک کمپنی کے رجسٹرڈ ایڈریس، ایف-3، حب چوکی روڈ، S.I.T.E، کراچی یا ای میل پر ڈاک یا chairman@ghandhara.com.pk پر ای میل کے ذریعے 26 اکتوبر 2023 کو سالانہ اجلاس عام سے ایک دن پہلے، کام کے اوقات کے دوران، ضرور پہنچ جائیں۔ بیلٹ پیپر پر دستخط CNIC پر دستخط سے مماثل ہوں گے۔ شیئر ہولڈرز کی سہولت کے لیے بیلٹ پیپر کمپنی کی ویب سائٹ www.ghandharaautomobiles.com.pk پر ڈاؤن لوڈ کرنے کے لیے دستیاب ہے۔

viii۔ سالانہ رپورٹ 2023 کی ترسیل

ویب سائٹ لنک/کیو آر کوڈ کے ذریعے آڈٹ شدہ مالیاتی گوشواروں/نوٹس کی ترسیل کے حوالے سے ایکٹ کے سیکشن (6) 223 کی دفعات کے مطابق، تمام لسٹڈ کمپنیوں کو اجازت ہے کہ وہ اپنے سالانہ مالیاتی گوشواروں کے ساتھ آڈیٹ کی رپورٹ، ڈائریکٹرز کی رپورٹ، سالانہ اجلاس عام ("سالانہ رپورٹ") کے نوٹس شیئر ہولڈرز کو مندرجہ بالا ویب سائٹ کے لنک/کیو آر کوڈ کے ذریعے ارسال کرے۔

نوٹس:

i۔ سالانہ اجلاس عام (AGM) میں شرکت:

کمپنی کو رم کے تقاضوں کی تعمیل کو یقینی بناتے ہوئے شیئرز ہولڈرز کے کم سے کم جسمانی تعامل کے ساتھ اس سالانہ اجلاس عام کو منعقد کرنے کا ارادہ رکھتی ہے اور اراکین سے درخواست کرتی ہے کہ وہ پراکسیز کے ذریعے سالانہ اجلاس عام میں اپنی حاضری اور ووٹنگ کو مستحکم کریں۔ مزید برآں، کمپنی نے اس بات کو یقینی بنانے کے لیے انتظامات کیے ہیں کہ شیئرز ہولڈرز سمیت تمام شرکاء، اب ویڈیو لنک کے ذریعے سالانہ اجلاس عام کی کارروائی میں شرکت کر سکتے ہیں۔ اس کے لیے شیئرز ہولڈرز کو اپنے نام، فون نمبر، موبائل فون نمبر، اور اپنے نام پر رکھے گئے شیئرز کی تعداد "گندھارا آٹوموبائلز لمیٹڈ کے سالانہ اجلاس عام کیلئے رجسٹریشن" کے عنوان کے ساتھ لکھی گئی درخواست CNIC کی درست کاپی (دونوں طرف سے اسکیں کر کے) پر مشتمل، ای میل 25 اکتوبر 2023 کو دفتر کے بند ہونے سے پہلے موصول ہو چکی ہوں گی۔ شناخت کا عمل مکمل ہونے کے بعد اجلاس شروع ہونے سے 30 منٹ پہلے لاگ ان کی سہولت کھول دی جائے گی تاکہ شرکاء کو اجلاس میں شامل ہونے کے قابل بنایا جاسکے۔ شیئرز ہولڈرز کی شناخت اور تصدیق کیلئے درکار تمام رسمی کارروائیوں کو مکمل کرنے کے بعد وہ اپنی ڈیوائسز کے ذریعے لاگ ان کر کے سالانہ اجلاس عام کی کارروائی میں حصہ لے سکیں گے۔ شیئرز ہولڈرز سالانہ اجلاس عام کے ایجنڈا آئٹمز کے لیے اپنے تہرے اور سوالات بھی ای میل ایڈریس info@ghandhara.com.pk پر فراہم کر سکتے ہیں۔

ii۔ سالانہ اجلاس عام کیلئے کمپنی کے حصص منتقلی کی کتابیں 21 اکتوبر سے 27 اکتوبر 2023 تک (بشمول دونوں ایام) بند رہیں گی۔ سالانہ اجلاس عام میں حاضری کے مقصد کیلئے، ہمارے شیئرز رجسٹر اری میسرز سی ڈی سی شیئرز رجسٹر اری میسرز لمیٹڈ، سی ڈی سی ہاؤس، نمبر B-99، ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی، 20 اکتوبر 2023 کو کاروباری دن کے اختتام تک موصول ہونے والی منتقلیوں کی درخواست حاضری کیلئے بروقت سمجھی جائے گی۔

iii۔ اس اجلاس میں شرکت اور ووٹ دینے کا / اہل کوئی کمپنی ممبر کسی دوسرے فرد کو اپنی جگہ اجلاس میں شریک ہونے اور ووٹ دینے کیلئے نمائندہ مقرر کر سکتا / سکتی ہے۔ نمائندگی ناموں کے موثر ہونے کیلئے ضروری ہے کہ وہ اجلاس کے انعقاد کے وقت سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس یا ادارے کے شیئرز رجسٹر اری آفس میں موصول ہو چکے ہوں۔ اراکین کی سہولت کیلئے سالانہ رپورٹ 2023 کے آخر میں ایک پراکسی درخواست فارم منسلک ہے، جسے اجلاس عام کے نوٹس کے ساتھ ارسال کر دیا گیا ہے۔

iv۔ فزیکل شیئرز رکھنے والے اراکین سے درخواست کی جاتی ہے کہ وہ اپنے پتوں میں کسی بھی قسم کی تبدیلی کے بارے میں فوری طور پر شیئرز رجسٹر اری میسرز سی ڈی سی شیئرز رجسٹر اری میسرز لمیٹڈ، سی ڈی ہاؤس، نمبر B-99، ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی کو مطلع کریں۔

v۔ CDC میں رجسٹرڈ کوئی بھی انفرادی بینفٹشل مالک، اس اجلاس میں ووٹ دینے کا حقدار کو شناخت ثابت کرنے کیلئے اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) لازمی ساتھ لانا چاہیے، اور پراکسی کی صورت میں، شیئرز ہولڈرز کے تصدیق شدہ CNIC کی ایک نقل پراکسی فارم کے ساتھ منسلک کرنی چاہیے۔ کارپوریٹ ممبران کے نمائندوں کو اس مقصد کے لیے درکار معمول کے دستاویزات ساتھ لانا چاہیے۔

CDC کا ووٹ ہولڈرز کو بھی ایس ای سی پی کی طرف سے بیان کردہ درج ذیل ہدایات پر عمل کرنا ہوگا۔

A۔ اجلاس میں شرکت کیلئے

(i) انفرادی حیثیت سے، اکاؤنٹ ہولڈرز یا ذیلی اکاؤنٹ ہولڈرز اور / یا وہ شخص، جس کی سیکورٹیز گروپ اکاؤنٹ میں ہیں اور ان کی رجسٹریشن کی تفصیلات ضوابط کے مطابق اپ لوڈ کی گئی ہیں، اجلاس میں شرکت کے وقت اپنی اصل کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) یا پاسپورٹ دکھا کر شناخت کروائے گا۔

سالانہ اجلاس عام کی اطلاع

بذریعہ ہذا گندھارا آٹوموبائل لمیٹڈ (کمپنی) کے تمام اراکین کو مطلع کیا جاتا ہے کہ کمپنی کا سالانہ اجلاس عام (AGM)، بروز جمعہ 27 اکتوبر 2023، صبح 10:15 بجے، ایف۔3، حب چوکی روڈ، سائیٹ، کراچی میں درج ذیل امور کی انجام دہی کیلئے منعقد کیا جائے گا۔ اجلاس کے دوران مندرجہ ذیل امور انجام دیے جائیں گے۔

عمومی امور

- 1-28 اکتوبر 2022 کو ہونے والے سالانہ اجلاس عام اور 22 جون 2023 کو ہونے والے غیر معمولی اجلاس عام کے منٹس کی بالترتیب توثیق۔
- 2-30 جون 2023 کو مکمل ہونے والے سال کیلئے کمپنی کے سالانہ آڈٹ شدہ مالی گوشوارے مع ڈائریکٹرز اور آڈیٹرز کی رپورٹس کی وصولی، غور و خوض اور منظوری۔
- کمپنیز ایکٹ 2017 کے سیکشن (7) 223 کے تحت ضرورت کے مطابق، کمپنی کے مالی گوشوارے کمپنی کی ویب سائٹ پر اپ لوڈ کر دیے گئے ہیں، جنہیں درج ذیل لنک/QR کوڈ سے ڈاؤن لوڈ کیا جاسکتا ہے:

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



- 3-30 جون 2024 کو مکمل ہونے والے سال کیلئے آڈیٹرز کی تقرری اور ان کے معاوضے کا تعین۔ سبکدوش ہونے والے آڈیٹرز میسرز شائن ونگ حمید چوہدری ایٹڈ کمپنی، چارٹرڈ اکاؤنٹنٹس نے اہل ہونے کی ناطے خود کو دوبارہ تقرری کیلئے پیش کیا ہے۔

خصوصی امور

- 4-درج ذیل عمومی قراردادوں کی منظوری پر غور و خوض۔
الف) ”قرار پایا ہے کہ 30 جون 2023 (جو کہ 30 جون 2023 کو ختم ہونے والے سال کے مالیاتی گوشواروں کے نوٹ 39 ظاہر کیا گیا ہے) کو ختم ہونے والے سال کے دوران متعلقہ پارٹیوں کے ساتھ عمومی طریقہ کار کے مطابق کیے گئے سودوں کی متفقہ طور پر توثیق اور منظوری دی جاتی ہے۔“
ب) ”قرار پایا ہے کہ چیف ایگزیکٹو کو بذریعہ ہذا مجاز بنایا جاتا ہے کہ وہ 30 جون 2024 کو ختم ہونے والے سال کے دوران تمام لیمن اور ملحقہ کمپنیوں/متعلقہ فریقوں کے ساتھ معمول کے طریقہ کار کے تحت کیے جانے والے کاروبار کی منظوری دے۔ اس سلسلے میں چیف ایگزیکٹو کو بذریعہ ہذا یہ بھی اختیار دیا جاتا ہے کہ اس ضمن میں جس طرح کی ضرورت ہو کمپنی کی جانب سے کوئی بھی اور تمام ضروری اقدامات کرے اور اس حوالے سے جہاں درکار ہو تمام دستاویزات/اقرارناموں پر دستخط/عمل درآمد کرے۔“
کمپنیز ایکٹ 2017 کے سیکشن 134(3) کے مطابق اسٹیٹمنٹ آف میٹریل فیکٹ درج بالا بیان کردہ خصوصی امور سے متعلق ہے جو اجلاس کے اس نوٹس کے ساتھ منسلک ہے۔
- 5-چیئر مین کی اجازت سے دیگر امور پر غور

بجلم بورڈ

انوار احمد خان
کمپنی سیکریٹری

کراچی

06 اکتوبر 2023



Chairman's Review Report

I am pleased to present the Annual Report FY2023 and the Audited Financial Statements of the Company for the year ended June 30, 2023 to our valued shareholders.

Economy at a Glance

During the year under review, the economy remained subdued on account of low foreign reserves and rising inflation due to LC restriction, rupee devaluation and hike in energy prices. Last year's floods caused extensive damage to agricultural land, livestock, roads, and other infrastructure, affecting the output of crops and livestock. The Government has taken measures to mitigate the socio-economic fallout and through comprehensive reforms, fiscal consolidation efforts, agriculture sector's improvements, human resource development and social welfare programs, the Government is firmly committed to continue the revival of the economy.

Further, the International Monetary Fund (IMF) approved a 9-month Stand-By Arrangement (SBA) for Pakistan for an amount of US dollar 3 billion to support the economic stabilization program.

Auto-Sector Overview

Currently, Automobile industry is facing multiple challenges, which are making it difficult for manufacturers to remain profitable. One of the primary issues is the continued import restrictions by SBP on CKD which is leading to reduced capacity utilization and hence plant closures which subsequently results in lay-off. The depreciation of the Pakistani rupee, rising inflation, and tighter fiscal and monetary measures have a negative effect on the industry, along with diminishing consumer demand.

All these factors have contributed to the recent decline in sales. According to the latest data from the PAMA, sales volumes of auto industry for Heavy Commercial Vehicles (HCVs) were 3,182 units during the FY2022-23 as compared to 5,802 units during the corresponding period of last year showing a decline of 45%. For Light Commercial Vehicles (LCVs), sales were 5,683 units during the FY2022-23 as compared to 17,006 units during the corresponding period of last year showing a decline of 67%. Whereas for Passenger Car segment, sales were 44,596 units during the year ended June 30, 2023 as compared to 104,321 units during the corresponding period of last year showing a decline of 57%.

Karachi
Dated: 3rd October, 2023

Company's performance

I am pleased to report that our company has earned a profit after-tax of Rs.63.69 million during the FY2023 (after-tax profit of Rs.101.15 million last year).

The profitability has been achieved as a result of business growth-oriented policies of the Board and proactive initiatives to improve underlying performance. The Management is continuously improving efficiency in the business to deliver higher value to all the stakeholders.

We are pleased to announce that the Company received an overwhelming response to the Chery products which was introduced at the end of last financial year.

Future Outlook

The economy, over the years, has shown a continued volatility and uncertainty. Majority of the issues in economy can be resolved by export generation, institutional capacity development, moving towards privatization, and supply-side measures aimed at providing long-term benefits to the economy. However, this will require a national consensus of all stakeholders in devising long term policies for moving towards sustainable development.

As the economy recovers, the automobile sector is expected to resume its growth momentum. While the macroeconomic situation undergoes a re-alignment, the Company remains confident in continuing its journey of sustained long-term growth. The Company is well-poised and has demonstrated its ability to avail new opportunities and handle adversity with an aim to keep building a long-term business proposition that increases stakeholder value.

Acknowledgement

The Company acknowledges the continued support and cooperation of Chery Automobile Co., Ltd., Anhui Jianghuai Automobile Group Corp., Limited (China), Renault Trucks S.A.S (France), China Dongfeng Motor Industry Import and Export Co. Limited, and Dongfeng Automobile Company Limited (China), Moreover, on behalf of management, I would like to take this opportunity to thank our valued customers for the trust they continue to place in us, the management team & employees for their sincere efforts, the Board of Directors for their guidance, all Bankers, Dealers, Vendors, Associates and Shareholders for their support and cooperation throughout the year.

Lt.Gen.(Retd.) Ali Kuli Khan Khattak
For and on behalf of the
Board of Directors

چیئر مین کا جائزہ رپورٹ

میں اپنے قابل قدر حصص یافتگان کو مالی سال 2023 کی سالانہ رپورٹ اور 30 جون 2023 کو ختم ہونے والے سال کیلئے ادارے کے آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کر رہا ہوں۔

معیشت پر ایک نظر

زیر جائزہ سال کے دوران، کم ہوتے غیر ملکی ذخائر اور بڑھتی ہوئی مہنگائی کی وجہ سے معیشت زبوں حالی کا شکار رہی جس میں ایل سی کی پابندی، روپے کی قدر میں کمی اور توانائی کی قیمتوں میں اضافہ جیسی وجوہات بھی شامل تھیں۔ گزشتہ سال کے سیلاب نے زرعی زمین، مویشیوں، سڑکوں اور دیگر انفراسٹرکچر کو بڑے پیمانے پر نقصان پہنچایا، جس سے فصلوں اور مویشیوں کی پیداوار متاثر ہوئی۔ حکومت نے سماجی و اقتصادی کمزوری کو کم کرنے کے لیے اقدامات کیے اور جامع اصلاحات، مالیاتی استحکام کی کوششوں، زرعی شعبے کی بہتری، انسانی وسائل کی ترقی اور سماجی بہبود کے پروگراموں کے ذریعے حکومت معیشت کی بحالی کو جاری رکھنے کے لیے پرعزم ہے۔ مزید برآں، بین الاقوامی مالیاتی فنڈ (IMF) نے پاکستان کے لیے معاشی استحکام کے پروگرام کو سپورٹ کرنے کیلئے 3 بلین امریکی ڈالر کی رقم کیلئے 9 ماہ کے اسٹینڈ بائی ارنجمنٹ (SBA) کی منظوری دی۔

ٹو سیکٹر کا جائزہ

فی الحال، آٹوموبائل انڈسٹری کو متعدد چیلنجز کا سامنا ہے، جو مینوفیکچررز کے لیے منافع بخش رہنا مشکل بنا رہے ہیں۔ بنیادی مسائل میں سے ایک اسٹیٹ بینک آف پاکستان کی جانب سے CKD پر مسلسل درآمدی پابندیاں ہیں جو صلاحیت کے استعمال میں کمی کا باعث بن رہی ہیں اور اس وجہ سے پلانٹ بند ہو رہے ہیں جس کے نتیجے میں کاروبار بند کرنے کے سوا کوئی چارہ نہیں رہتا۔ پاکستانی روپے کی قدر میں کمی، بڑھتی ہوئی مہنگائی، اور سخت مالیاتی اقدامات کسٹمرز کی مانگ میں کمی کے ساتھ صنعت پر منفی اثرات مرتب کر رہے ہیں۔

ان تمام عوامل نے فروخت میں حالیہ تنزیل میں اہم کردار ادا کیا ہے۔ PAMA کے تازہ ترین اعداد و شمار کے مطابق، ہیوی کمرشل و ہیکلز (HCVs) کے لیے آٹو انڈسٹری کی فروخت کا حجم مالی سال 2022-23 کے دوران 3,182 گاڑیاں تھا جو گزشتہ سال کی اسی مدت کے دوران 5,802 گاڑیوں کے مقابلے میں 45 فیصد کی تنزیل کو ظاہر کرتا ہے۔ ہلکی کمرشل گاڑیوں (LCVs) کے لیے، مالی سال 2022-23 کے دوران فروخت 5,683 گاڑیاں تھی جو کہ گزشتہ سال کی اسی مدت کے دوران 17,006 گاڑیوں کے مقابلے میں 67 فیصد کی تنزیل کو ظاہر کرتی ہے۔ جبکہ مسافر کاروں کے حوالے سے 30 جون 2023 کو ختم ہونے والے سال کے دوران 44,596 گاڑیوں کی فروخت ہوئی جو کہ گزشتہ سال کی اسی مدت کے دوران 104,321 گاڑیوں کے مقابلے میں 57 فیصد کی کمی کو ظاہر کرتی ہے۔

ادارے کی کارکردگی

مجھے یہ بتاتے ہوئے خوشی ہو رہی ہے کہ ہماری کمپنی نے مالی سال 2023 کے دوران 63.69 بلین روپے کا بعد از ٹیکس منافع کمایا ہے (گزشتہ سال 101.15 بلین روپے کا بعد از ٹیکس منافع)۔

یہ منافع بورڈ کی کاروباری ترقی پر مبنی پالیسیوں اور بنیادی کارکردگی کو بہتر بنانے کے لیے فعال اقدامات کے نتیجے میں حاصل ہوا ہے۔ انتظامیہ تمام اسٹیک ہولڈرز بہترین کاروباری فوائد فراہم کرنے کیلئے کاروبار میں کارکردگی کو مسلسل بہتر بنا رہی ہے۔ ہمیں یہ اعلان کرتے ہوئے خوشی ہو رہی ہے کہ کمپنی کو گزشتہ مالی سال کے آخر میں متعارف کروائی گئی چیری پروڈکٹس کے لیے زبردست ردعمل ملا ہے۔

مستقبل کا منظر نامہ

کئی برسوں سے معیشت نے مسلسل اتار چڑھاؤ اور غیر یقینی صورتحال کا مظاہرہ کیا ہے۔ معیشت کے زیادہ تر مسائل برآمدات کی پیداوار، ادارہ جاتی صلاحیت کی پیش رفت، نجکاری کی طرف رجحان اور سپلائی کے حوالے سے وابستہ اقدامات سے حل کیے جاسکتے ہیں، جن کا مقصد معیشت کو طویل مدت فوائد فراہم کرنا ہے۔ تاہم، اس کے لیے پائیدار ترقی کی جانب بڑھنے کے لیے طویل مدتی پالیسیاں وضع کرنے کے لیے تمام اسٹیک ہولڈرز میں قومی اتفاق رائے کی ضرورت ہوگی۔ جیسے جیسے معیشت بحال ہوگی، آٹوموبائل سیکٹر میں اپنی ترقی کی رفتار دوبارہ شروع ہونے کی امید ہے۔ جب کہ میکرو اکنامک صورتحال از سر نو سنبھلنے کے دور سے گزر رہی ہے، ادارہ طویل مدتی ترقی کے اپنے سفر کو جاری رکھنے میں پراعتماد ہے۔ ادارہ کلی طور پر تیار ہے اور اس نے نئے مواقع سے فائدہ اٹھانے اور مشکلات سے نمٹنے کی اپنی صلاحیت کا مظاہرہ کیا ہے جس کا مقصد ایک طویل مدت کاروباری مقصد پر عمل درآمد کو جاری رکھنا ہے جس سے اسٹیک ہولڈرز کو قابل قدر فوائد میں اضافہ ہوتا ہے۔

اعتراف

ادارہ چیری آٹوموبائل کمپنی لمیٹڈ، آنہوئی جیا ناہوئی آٹوموبائل گروپ کارپوریشن، لمیٹڈ (چین)، رینالٹ ٹرک ایس اے ایس (فرانس) اور چاننا ڈونگ فینگ موٹر انڈسٹری ایچ آر اینڈ ایکسپورٹ کمپنی لمیٹڈ (چین) کی مسلسل حمایت اور تعاون کا اعتراف کرتا ہے۔ مزید برآں، میں اس موقع کا فائدہ اٹھاتے ہوئے اپنے قابل قدر صارفین کا مجلسانہ کوششوں کیلئے اپنی میٹمنٹ ٹیم اور ملازمین کا، ان کی رہنمائی کیلئے بورڈ آف ڈائریکٹرز کا، سال بھر میں حمایت اور تعاون کیلئے تمام پیئرز، ڈیلرز، ویڈرز، ایسوسی ایٹس اور حصص یافتگان کا شکریہ ادا کرنا چاہتا ہوں۔

Ali Khan

لیفٹیننٹ جنرل (ر) علی قلی خان خانک

بورڈ آف ڈائریکٹرز کیلئے اور ان کی جانب سے

مورخہ: 13 اکتوبر 2023

Directors' Report

On behalf of the Board of Directors, we are presenting Directors' Report together with Audited Accounts and Auditors' Report thereon for the year ended 30th June 2023.

Principal Activities

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

Financial Results

The financial results for the year ended 30th June 2023 are summarized below:

	2023	2022
	(Rupees in thousands)	
Revenue	10,033,096	5,359,062
Profit before taxation	243,279	130,528
Taxation		
Current	(132,274)	(69,001)
Deferred	(47,309)	39,628
	(179,583)	(29,373)
Profit after taxation	63,696	101,155
Other comprehensive Income / (loss)	9,243	(12,150)
Total comprehensive Income	72,939	89,005
Accumulated profit		
Brought forward	2,281,351	2,158,630
Incremental depreciation	31,997	33,716
	2,313,348	2,192,346
Accumulated profit Carried forward	2,386,287	2,281,351
Earnings per share	1.12	1.77

Developments during the Financial Year

Currently, Automobile industry is facing multiple challenges like LC restrictions, which are making it difficult for manufacturers to remain profitable. Due to LC restrictions, we have not achieved optimum production and consequently sales have been dented. Moreover, purchasing power of the buyer has remained on a lower side due to suppressed market. In order to address this issue, the company has also targeted institutional and corporate sales during the last financial year.

Holding company

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

Chairman's Review

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

Dividend

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

Board of Directors and its Committees

The Board

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

Human Resource and Remuneration (HR&R) Committee

The Committee meets annually to review and recommend improvement in compensation / remuneration of employees and devise policies for the development of senior executives. The CEO of the Company and the Head of HR of Company attended the Human Resource and Remuneration Committee meeting. The Committee met once during 2022-23.

Board Audit Committee (BAC)

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

After each meeting, the Chairman of the Committee reports to the Board. During the year 2022-23, four BAC meetings were held. Attendance by each member is as follows:

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

Meetings of Board of Directors

During the year 2022-23, six meetings of Board of Directors were held. Attendance by each Director was as follows:

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

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

Performance Evaluation of Board of Directors and Committees of the Board

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

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

Review of CEO's Performance

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

Directors' Remuneration

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

- The remuneration including incentives and other benefits of the Chief Executive Officer during the year amounts to Rs.19.9 million (2022: Rs.19.9 million).
- The Company does not pay remuneration to non-executive directors including independent directors except fee for attending the meetings. For further details on remuneration of Directors and CEO in FY 2022-23, please refer note-38 to the Financial Statements.

External Auditors

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

Internal Audit

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

Material changes

There have been no material changes since June 30, 2023 to date of the report and the Company has not entered into any material commitment during this period, which would have an adverse impact on the financial position of the Company. All the material events and other price sensitive information are reported to PSX on as and when basis.

Pattern of Shareholding

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

Related Party Transactions

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

Communication

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

Safeguarding of Records

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

Health, Safety and Environment

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

Corporate Social Responsibility

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

Corporate and Financial reporting framework

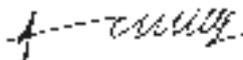
The Directors confirm the compliance with Corporate and Financial Reporting Framework of the Securities and Exchange Commission of Pakistan and Code of Corporate Governance for the following matters:

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

	Value of investment	Year ended
Provident Fund	Rs.207.23 million	June 30, 2022
Gratuity Fund	Rs.187.29 million	June 30, 2022

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

For and on behalf of the Board of Directors



Ahmad Kuli Khan Khattak
Chief Executive Officer



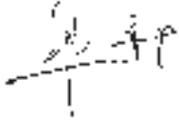
Muhammad Saleem Baig
Director

Karachi
Dated: 3rd October, 2023

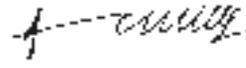
ختم ہونے والا سال	سرمایہ کاری کی مالیت	
30 جون 2022	207.23 ملین روپے	پروویڈنٹ فنڈ
30 جون 2022	187.29 ملین روپے	گرپجویٹ فنڈ

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

برائے ومنجانب بورڈ آف ڈائریکٹرز



ڈائریکٹر



چیف ایگزیکٹو آفیسر

کراچی

مورخہ 13 اکتوبر 2023

مواصلات

کمپنی حصص یافتگان کے ساتھ رابطے کی اہمیت پر توجہ مرکوز رکھتی ہے کمپنیز ایکٹ 2017 میں بیان کردہ مدت کے اندر ان میں سالانہ، ششماہی اور سہ ماہی رپورٹس تقسیم کی جاتی ہیں۔ کمپنی کی سرگرمیوں کو اس کی ویب سائٹ www.ghandharanissan.com.pk پر بروقت بنیادوں پر اپ ڈیٹ کیا جاتا ہے۔

ریکارڈ کا تحفظ

کمپنی اپنے مالیاتی ریکارڈز کی اسٹوریج اور محفوظ تحویل پر بہت زور دیتی ہے۔ برقی دستاویزات تک رسائی کو پاس ورڈ پروٹیکٹڈ جامع نظام کے اطلاق کے ذریعے محفوظ بنایا گیا ہے۔

صحت، حفاظت اور ماحولیات

ہم صحت، حفاظت اور ماحولیات کے اعلیٰ ترین معیار کو برقرار رکھنے پر پختہ عزم رکھتے ہیں تاکہ ان لوگوں کی فلاح و بہبود کو یقینی بنایا جاسکے جو ہمارے ساتھ کام کرتے ہیں اور ان آبادیوں کی بھی، جہاں ہم کام کرتے ہیں۔

کاروباری سماجی ذمہ داریاں

کمپنی مجموعی کاروباری ماحول کے تناظر میں سماجی، ماحولیاتی اور اخلاقی ذمہ داریوں پر توجہ مرکوز رکھتی ہے۔ کمپنی تمام اسٹیک ہولڈرز کے بہترین مفاد میں کام کرنے کیلئے پرعزم ہے۔ ان نظامی اس بات کو یقینی بنانا چاہتی ہے کہ کمپنی کی کسی بھی سرگرمی کی وجہ سے معاشرہ کسی بھی طور متاثر نہ ہو۔

کاروباری اور مالیاتی رپورٹنگ کا فریم ورک

ڈائریکٹرز درج ذیل امور کیلئے سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) اور کوڈ آف کارپوریٹ گورننس کے ساتھ کاروباری اور مالیاتی رپورٹنگ فریم ورک کی تعمیل کی تصدیق کرتے ہیں:

- کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشواروں، اس کی صورت حال، اس کے آپریشن کے نتائج، نقد بہاؤ (کیش فلو)، اور ایکویٹی میں تبدیلی کو منصفانہ طور پر پیش کیا جاتا ہے۔
- کمپنی کے کھاتوں کی کتابیں باقاعدہ برقرار رکھی گئی ہیں۔
- مالیاتی گوشواروں کی تیاری میں حساب کتاب کی مناسب پالیسیوں کو مستقل طور پر لاگو کیا گیا ہے اور گوشواروں کے تخمینے معقول اور محتاط فیصلوں پر مبنی ہیں۔
- مالیاتی گوشواروں کی تیاری میں بین الاقوامی مالیاتی رپورٹنگ کے معیارات کی، جیسا کہ پاکستان میں لاگو ہیں، پیروی کی گئی ہے، اور اس سے کسی بھی انحراف کا مناسب طور پر انکشاف اور وضاحت کی گئی ہے۔
- انٹرنل کنٹرول کا نظام ڈیزائن کے اعتبار سے درست ہے اور اسے مؤثر طریقے سے نافذ کر کے نگرانی میں رکھا گیا ہے۔
- کمپنی کے جاری ادارے کے طور پر کام کاروبار جاری رکھنے کی صلاحیت پر کوئی خاص شبہات نہیں ہیں۔
- گزشتہ 6 سال کے دوران کلیدی آپریٹنگ اور مالی اعداد و شمار کو سالانہ رپورٹ میں شامل کیا گیا ہے۔
- کارپوریٹ گورننس کے بہترین طریقوں سے کوئی اہم انحراف نہیں کیا گیا، جیسا کہ پاکستان اسٹاک ایکسچینج کی رولز بک میں تفصیل سے بیان کیا گیا ہے۔
- ٹیکس اور محصولات کے بارے میں معلومات مالیاتی گوشواروں کے متعلقہ نوٹس میں دی گئی ہیں۔
- اسٹاف ریٹائرمنٹ فنڈز کی جانب سے کئی گئی سرمایہ کاری کی مالیت متعلقہ آڈٹ شدہ گوشواروں کے مطابق ذیل میں دی گئی ہیں:

ڈائریکٹر کا معاوضہ

- بورڈ ممبران کا معاوضہ بورڈ خود منظور کرتا ہے۔ تاہم کارپوریٹ گورننس کے ضابطے کے مطابق، اس بات کو یقینی بنایا جاتا ہے کہ ڈائریکٹر اپنے معاوضے کا فیصلہ کرنے میں حصہ نہ لے۔ معاوضہ پالیسی کی اہم خصوصیات درج ذیل ہیں۔
- سال کے دوران چیف ایگزیکٹو آفیسر کی مراعات اور دیگر فوائد سمیت معاوضہ 19.9 ملین روپے ہے۔ (2022 میں 19.9 ملین روپے)
 - کمپنی نان ایگزیکٹو ڈائریکٹرز بشمول خود مختار ڈائریکٹرز کو معاوضہ ادا نہیں کرتی، ماسوائے اجلاسوں میں شرکت کی فیس کے۔ مالی سال 2022-23 میں ڈائریکٹرز اور سی ای او کے معاوضے کے بارے میں مزید تفصیلات کیلئے، براہ کرم مالیاتی گوشوارے میں نوٹ 38 ملاحظہ فرمائیں۔

بیرونی آڈیٹرز

موجودہ بیرونی آڈیٹرز میسرز سائن ونگ حمید چوہدری اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو رہے ہیں، اور اہلیت کی بنا پر خود کو دوبارہ تقرری کیلئے پیش کرتے ہیں۔ بورڈ کی آڈٹ کمیٹی میسرز سائن ونگ حمید چوہدری اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی دوبارہ تقرری کی سفارش کرتی ہے۔

اندرونی آڈٹ

کمپنی کا ایک خود مختار اندرونی آڈٹ فنکشن ہے۔ بورڈ آف آڈٹ اس فنکشن کے وسائل اور اختیار کی مناسبت سے ہر سہ ماہی جائزہ لیتی ہے۔ اندرونی آڈٹ کا سربراہ بورڈ کی آڈٹ کمیٹی کو عملی طور پر رپورٹ کرتا ہے۔ بورڈ کی آڈٹ کمیٹی کاروباری شعبوں کی سالانہ اور سہ ماہی تشخیص کی بنیاد پر آڈٹ پلان کی منظوری دیتی ہے۔ اندرونی آڈٹ فنکشن مالیاتی آپریشنل اور کمپلائنس کنٹرولز کا جائزہ لیتا ہے اور بورڈ کی آڈٹ کمیٹی کو نتائج کی رپورٹ دیتا ہے۔

اہم تبدیلیاں

30 جون 2023 سے اس رپورٹ کی تاریخ تک کوئی قابل ذکر تبدیلی نہیں آئی ہے اور کمپنی نے اس عرصے میں ایسا کوئی اہم معاہدہ نہیں کیا ہے، جس سے کمپنی کی مالی حیثیت پر منفی اثرات مرتب ہوں۔ تمام اہم واقعات اور دیگر قیمتوں کے اعتبار سے حساس معلومات کی پی ایس ایکس (PSX) کو جیسی ہے جہاں ہے کہ بنیاد پر اطلاعات دی جاتی ہیں۔

حصص کی ملکیت کا اسلوب

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

متعلقہ پارٹی سے لین دین

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

ہر میٹنگ کے بعد، کمیٹی کا چیئرمین بورڈ کو رپورٹ کرتا ہے۔ سال 2022-23 کے دوران بی اے سی کے چار اجلاس منعقد ہوئے۔ ہر ممبر کی حاضری حسب ذیل ہے:

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

بورڈ آف ڈائریکٹرز کے اجلاس

مالی سال 2022-23 کے دوران بورڈ آف ڈائریکٹرز کے چھ (6) اجلاس ہوئے۔ ہر ڈائریکٹر کی حاضری حسب ذیل ہے:

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

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

متعلقہ دفعات میں بورڈ کی طے شدہ ذمہ داریوں کا نبھانے کے سلسلے میں ان کی کارکردگی کا تجزیہ

سی ای او کی کارکردگی کا تجزیہ

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

مالی سال کے دوران پیش رفت

فی الحال، آٹوموبائل انڈسٹری کو ایل سی کی پابندیوں جیسے متعدد چیلنجز کا سامنا ہے، جو مینوفیکچررز کے لیے منافع بخش رہنا مشکل بنا رہے ہیں۔ ایل سی کی پابندیوں کی وجہ سے، ہم زیادہ سے زیادہ پیداوار حاصل نہیں کر پائے اور اس کے نتیجے میں فروخت میں تنزیلی ہوئی ہے۔ مزید برآں، زبوں حال مارکیٹ کی وجہ سے خریدار کی قوت خرید کم رہی۔ اس مسئلے کو حل کرنے کے لیے، کمپنی نے گزشتہ مالی سال کے دوران ادارہ جاتی اور کارپوریٹ سیلز کو بھی ہدف بنایا ہے۔

ہولڈنگ کمپنی

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

چیئر مین کا جائزہ

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

بورڈ آف ڈائریکٹرز اور اس کی کمیٹیاں

بورڈ

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

انسانی وسائل اور معاوضہ کمیٹی (HR&R)

ملازمین کے مشاہرے اور معاوضے کا جائزہ لینے اور بہتری کی سفارش کرنے اور سینئر ایگزیکٹوز کی ترقی کی پالیسیاں وضع کرنے کیلئے کمیٹی کا ہر سال اجلاس منعقد ہوتا ہے۔ کمپنی کے سی ای او اور کمپنی کے ہیومن ریسورس کے سربراہ انسانی وسائل اور معاوضہ (HR&R) کی کمیٹی کے اجلاس میں شرکت کرتے ہیں۔ کمیٹی نے 2022-23 نے ایک بار ملاقات کی۔

بورڈ آڈٹ کمیٹی (BAC)

بورڈ کی آڈٹ کمیٹی اپنی نگرانی کی ذمہ داریوں کو پورا کرنے، بنیادی طور پر شیئر ہولڈرز کیلئے مالی اور غیر مالیاتی معلومات کا جائزہ لینے اور رپورٹ کرنے، اندرونی کنٹرول کے نظام اور رسک مینجمنٹ اور آڈٹ کے عمل میں بورڈ کی معاونت کرتی ہے۔ اسے انتظامیہ سے معلومات طلب کرنے اور مناسب سمجھے جانے والے بیرونی آڈیٹرز یا مشیروں سے براہ راست مشورہ کرنے کی خود مختاری حاصل ہے۔ چیف فنانشل آفیسر باقاعدگی سے بورڈ آڈٹ کمیٹی کے اجلاسوں میں دعوت کے ذریعے شرکت کرتے ہیں۔

ڈائریکٹرز رپورٹ

بورڈ آف ڈائریکٹرز کی جانب سے ہم 30 جون 2023 کو ختم ہونے والے سال کے مالی گوشواروں آڈٹ شدہ اکاؤنٹس اور آڈیٹرز کی رپورٹ کے ہمراہ پیش کر رہے ہیں۔

بنیادی سرگرمیاں

کمپنی کا بنیادی کاروبار، گاڑیاں بشمول چیری SUVs کی پنجر کاروں، JAC ٹرکس کی اسمبلی، پروگریسیو مینوفیکچرنگ، مکمل تیار حالت میں نسان، ڈونگ فینگ اور رینالٹ گاڑیوں کی درآمد اور فروخت اور کنٹریکٹ ایگریمنٹ کے تحت گاڑیوں کی اسمبلی ہے۔

ادارے کے مالیاتی نتائج

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

2022	2023
(روپے ہزاروں میں)	
5,359,062	10,033,096
130,528	243,279
(69,001)	(132,274)
39,628	(47,309)
(29,373)	(179,583)
101,155	63,696
(12,150)	9,243
89,005	72,939
2,158,630	2,281,351
33,716	31,997
2,192,346	2,313,348
2,281,351	2,386,287
1.77	1.12

آمدنی

منافع قبل از ٹیکس

ٹیکس

موجودہ

مؤخر شدہ

بعد از ٹیکس منافع

دیگر جامع (نقصان) / آمدنی

مجموعی جامع آمدنی

جمع شدہ

آگے منتقل کیا گیا

اضافی فرسودگی

آگے منتقل کیا گیا جمع شدہ منافع

فی حصص آمدنی

Independent Auditor's Report



INDEPENDENT AUDITORS' REPORT to the members of Ghandhara Automobiles Limited - Formerly Ghandhara Nissan Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of **Ghandhara Automobiles Limited - Formerly Ghandhara Nissan Limited** (the Company), which comprise the statement of financial position as at June 30, 2023, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2023 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

Following are the Key Audit Matters:

S.No. Key Audit Matter

How the matter was addressed in our audit

1. Revenue recognition

Refer notes 4.20 and 29 to the financial statements. The Company is engaged in assembly / progressive manufacturing of vehicles including vehicles under contract agreement and import & sale of vehicles in Completely Built-up condition. The Company recognized revenue from the sales aggregating to Rs.10,033,096 thousand for the year ended June 30, 2023 with an increase of 87.22% from last year. We identified recognition of revenue as a key audit matter due to significant increase and it includes large number of revenue transactions involving a large number of customers spread in various geographical locations. Further, revenue is one of the key performance indicator of the Company.

Our audit procedures in respect of this area included:

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

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

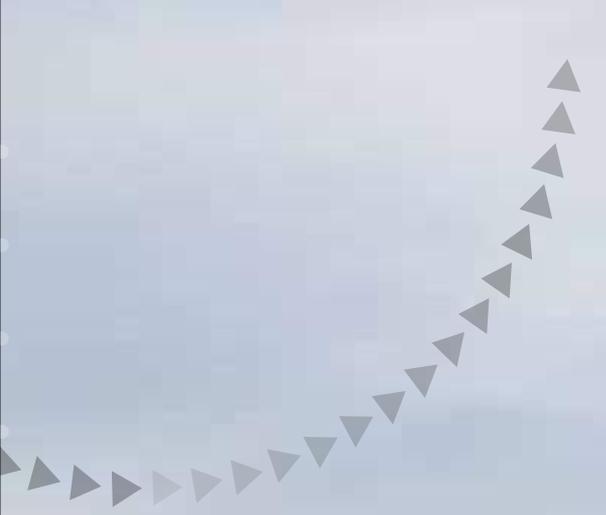
Based on our audit, we further report that in our opinion:

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

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



SHINEWING HAMEED CHAUDHRI & CO.
CHARTERED ACCOUNTANTS
KARACHI; October 03, 2023
UDIN : AR202310104grL6oOqH4

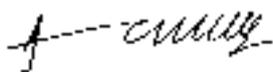
A decorative graphic consisting of a series of small, light blue triangles pointing to the right, arranged in a slightly curved line that starts from the left edge and points towards the top right corner of the page.

Financial Statements (Standalone)

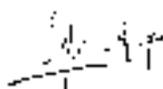
Statement of Financial Position

AS AT JUNE 30, 2023

ASSETS	<i>Note</i>	2023	2022
		(Rupees in '000)	
Non current assets			
Property, plant and equipment	5	5,392,028	5,427,099
Intangible assets	6	2,314	1,960
Long term investments	7	222,906	222,906
Long term loans	8	1,473	4,754
Long term deposits	9	26,252	23,148
Due from the Subsidiary Company	10	272,242	797,027
		5,917,215	6,476,894
Current assets			
Stores, spares and loose tools		225,733	169,235
Stock-in-trade	11	1,654,704	2,731,376
Trade debts	12	247,589	330,323
Loans and advances	13	46,348	55,414
Deposits and prepayments	14	14,789	613
Investments	15	-	675,863
Other receivables	16	77,415	289,942
Accrued interest / mark-up	17	46,658	43,121
Taxation - net		559,333	305,357
Bank balances	18	1,302,234	2,119,985
		4,174,803	6,721,229
Total assets		10,092,018	13,198,123



Chief Executive Officer



Director



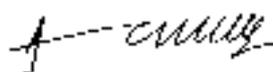
Acting Chief Financial Officer

Statement of Financial Position

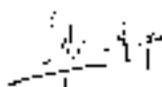
AS AT JUNE 30, 2023

	Note	2023	2022
(Rupees in '000)			
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	19	570,025	570,025
Capital reserves			
- share premium		1,102,721	1,102,721
- surplus on revaluation of fixed assets	20	2,110,527	2,142,524
		3,213,248	3,245,245
Revenue reserve - unappropriated profits		2,386,287	2,281,351
Total equity		6,169,560	6,096,621
Liabilities			
Non current liabilities			
Lease liabilities	21	67,969	43,063
Long term borrowings	22	764,451	845,553
Deferred income - government grants	23	151,706	196,854
Long term deposits	24	57,226	28,226
Deferred taxation	25	303,373	252,289
		1,344,725	1,365,985
Current liabilities			
Trade and other payables	26	1,317,904	5,274,185
Accrued mark-up		68,684	36,739
Short term borrowings	27	692,287	93,765
Current portion of lease liabilities	21	29,512	20,359
Current maturity of long term borrowings	22	413,618	258,146
Current portion of deferred income - government grants	23	45,149	41,722
Unclaimed dividends		10,579	10,601
		2,577,733	5,735,517
Total liabilities		3,922,458	7,101,502
Contingencies and commitments	28		
Total equity and liabilities		10,092,018	13,198,123

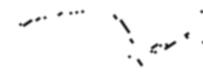
The annexed notes from 1 to 47 form an integral part of these financial statements.



Chief Executive Officer



Director



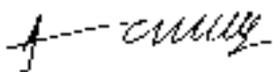
Acting Chief Financial Officer

Statement of Profit or Loss and other Comprehensive Income

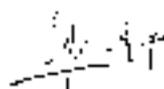
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 (Rupees in '000)	2022
Revenue	29	10,033,096	5,359,062
Cost of sales	30	(9,396,687)	(4,946,808)
Gross profit		636,409	412,254
Distribution cost	31	(170,041)	(107,183)
Administrative expenses	32	(258,505)	(224,661)
Other income	33	417,037	215,633
Other expenses	34	(87,423)	(19,284)
Profit from operations		537,477	276,759
Finance cost	35	(294,198)	(146,231)
Profit before taxation		243,279	130,528
Taxation	36	(179,583)	(29,373)
Profit after taxation		63,696	101,155
Other comprehensive income / (loss)			
Items that will not be reclassified to profit or loss			
Re-measurement of staff retirement benefit obligation		13,018	(17,112)
Impact of deferred tax		(3,775)	4,962
Other comprehensive income / (loss) for the year - net of tax		9,243	(12,150)
Total comprehensive income for the year		72,939	89,005
(Rupees)			
Earnings per share - basic and diluted	37	1.12	1.77

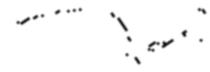
The annexed notes from 1 to 47 form an integral part of these financial statements.



Chief Executive Officer



Director



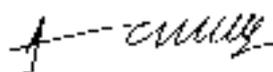
Acting Chief Financial Officer

Statement of Changes in Equity

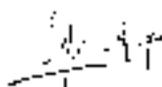
FOR THE YEAR ENDED JUNE 30, 2023

	Share capital	Capital reserves		Revenue reserve	Total
		Share premium	Surplus on revaluation of fixed assets	Unappropriated profit	
			(Rupees in '000)		
Balance as at July 1, 2021	570,025	1,102,721	2,176,240	2,158,630	6,007,616
Total comprehensive income for the year ended June 30, 2022					
Profit for the year	-	-	-	101,155	101,155
Other comprehensive loss	-	-	-	(12,150)	(12,150)
	-	-	-	89,005	89,005
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred tax	-	-	(33,716)	33,716	-
Balance as at June 30, 2022	570,025	1,102,721	2,142,524	2,281,351	6,096,621
Total comprehensive income for the year ended June 30, 2023					
Profit for the year	-	-	-	63,696	63,696
Other comprehensive income	-	-	-	9,243	9,243
	-	-	-	72,939	72,939
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred tax	-	-	(31,997)	31,997	-
Balance as at June 30, 2023	570,025	1,102,721	2,110,527	2,386,287	6,169,560

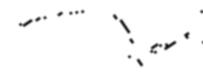
The annexed notes from 1 to 47 form an integral part of these financial statements.



Chief Executive Officer



Director



Acting Chief Financial Officer

Statement of Cash Flows

FOR THE YEAR ENDED JUNE 30, 2023

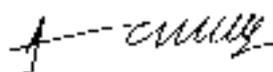
	2023	2022
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	243,279	130,528
Adjustments for non-cash charges and other items:		
Depreciation and amortisation	346,382	197,345
Provision for gratuity	13,829	12,015
Reversal of expected credit losses	(1,014)	(64)
Fair value gain on investments in mutual funds	-	(392)
Interest income	(342,459)	(178,300)
Dividend income	(6,372)	(619)
Gain on disposal of property, plant and equipment	(6,020)	(2,308)
Gain on disposal of investments	(13,186)	-
Finance cost	290,856	139,758
Exchange loss - net	68,475	9,610
Operating profit before working capital changes	593,770	307,573
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(56,498)	(32,768)
Stock-in-trade	1,076,672	(2,043,588)
Trade debts	83,748	25,712
Loans and advances	9,066	(45,515)
Deposit and prepayments	(14,176)	59,989
Other receivables	212,527	(273,503)
	1,311,339	(2,309,673)
(Decrease) / increase in trade and other payables	(3,996,440)	4,648,478
Cash (used in) / generated from operations	(2,091,331)	2,646,378
Gratuity paid	(29,127)	(14,864)
Long term loans - net	3,281	1,080
Long term deposits - net	29,000	500
Finance cost paid	(258,911)	(108,405)
Income taxes paid - net	(386,250)	(263,504)
Net cash (used in) / generated from operating activities - carried forward	(2,733,338)	2,261,185

Statement of Cash Flows

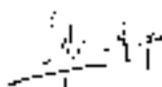
FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
	(Rupees in '000)	
Net cash (used in) / generated from operating activities - brought forward	(2,733,338)	2,261,185
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for fixed capital expenditure	(257,471)	(1,552,548)
Payments for intangible assets	(900)	(499)
Proceeds from disposal of property, plant and equipment	22,180	13,247
Interest income received	338,922	155,584
Due from Subsidiary Company - net	524,785	(247,742)
Gain on disposal of investments	13,186	-
Long term deposits - net	(3,104)	4,313
Investments	675,863	(675,471)
Dividend received	6,372	619
Net cash generated from / (used in) investing activities	1,319,833	(2,302,497)
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease finances - net	(35,395)	(40,295)
Long term borrowings - obtained	354,027	1,312,000
Long term borrowings - repaid	(321,378)	(133,375)
Short term borrowings - net	598,522	(6,235)
Dividends paid	(22)	-
Net cash generated from financing activities	595,754	1,132,095
Net (decrease) / increase in cash and cash equivalents	(817,751)	1,090,783
Cash and cash equivalents at beginning of the year	2,119,985	1,029,202
Cash and cash equivalents at end of the year	1,302,234	2,119,985

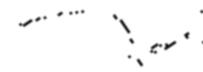
The annexed notes from 1 to 47 form an integral part of these financial statements.



Chief Executive Officer



Director



Acting Chief Financial Officer

Notes to the Financial Statements

FOR THE YEAR ENDED JUNE 30, 2023

1. THE COMPANY AND ITS OPERATIONS

Gandhara Automobiles Limited - formerly Gandhara Nissan Limited (the Company) was incorporated on August 8, 1981 in Pakistan as a private limited company and subsequently converted into a public limited company on May 24, 1992. The Company is a subsidiary of Bibojee Services (Private) Limited (BSL). The registered office of the Company is situated at F-3, Hub Chowki Road, S.I.T.E., Karachi. Its manufacturing facilities are located at Port Qasim, Karachi and regional offices in Lahore and Rawalpindi. The Company's shares are listed on Pakistan Stock Exchange Limited. The Company has changed its name from Gandhara Nissan Limited to Gandhara Automobiles Limited, approved by the Securities and Exchange Commission of Pakistan through a certificate of Incorporation on Change of Name dated April 18, 2023.

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.2 Functional and presentation currency

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

2.3 New and amended standards and interpretations

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

New and amended standards mandatory for the first time for the financial year beginning July 1, 2022:

- (a) Amendments to IAS 16 'Property, Plant and Equipment' prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss. The amendments apply retrospectively, but only to items of PPE made available for use on or after the beginning of the earliest period presented in the financial statements in which the company first applies the amendments.

- (b) Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' is applicable for accounting periods beginning on or after January 1, 2022. Under IAS 37, a contract is 'onerous' when the unavoidable costs of meeting the contractual obligations – i.e. the lower of the costs of fulfilling the contract and the costs of terminating it – outweigh the economic benefits. The amendments clarify that the 'costs of fulfilling a contract' comprise both the incremental costs – e.g. direct labour and materials; and an allocation of other direct costs – e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract.

The other new standards, amendments to published accounting and reporting standards and interpretations that are mandatory in Pakistan for the financial year beginning on July 1, 2022 are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations.

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

The following new standards and amendments to approved accounting standards are not effective for the financial year beginning on July 1, 2022 and have not been early adopted by the Company:

- (a) Amendments to IAS 1, 'Presentation of Financial Statements' is applicable on accounting periods beginning on or after January 1, 2023. The amendments includes requiring companies to disclose their material accounting policies rather than their significant accounting policies, clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed and also clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.
- (b) Amendment to IAS 12, 'Income Taxes' is applicable on accounting periods beginning on or after January 1, 2023. The amendments narrow the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision.
- (c) Amendment to IFRS 16, 'Leases' is applicable on accounting periods beginning on or after January 1, 2024. Amendments impact how a seller-lessee accounts for variable lease payments that arise in a sale-and-leaseback transaction. On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains. The amendments introduce a new accounting model for variable payments and will require seller-lessees to reassess and potentially restate sale-and-leaseback transactions entered.
- (d) Amendments to IAS 1 'Presentation of Financial Statements' is applicable on accounting periods beginning on or after January 1, 2024. Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of this amendments, the requirement for a right to be unconditional has been removed and instead, the amendments requires that a right to defer settlement must have substance and exist at the end of the reporting period. This right may be subject to a company complying with conditions (covenants) specified in a loan arrangement.

At October 31, 2022, after reconsidering certain aspects of the amendments, the IASB reconfirmed that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date.

There are number of other standards, amendments and interpretations to the approved accounting standards that are not yet effective and are also not relevant to the Company and therefore, have not been presented here.

3. BASIS OF MEASUREMENT

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

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

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

- (i) Estimate of useful lives and residual values of property, plant & equipment and intangible assets (notes 4.1 and 4.2)
- (ii) Stock-in-trade (note 4.8)
- (iii) Provision for expected credit losses (note 4.9)
- (iv) Provision for staff benefits (note 4.14)
- (v) Provision for warranty (note 4.16)
- (vi) Provision for taxation (note 4.18)

4. SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Property, plant and equipment

4.1.1 Operating fixed assets

Owned assets

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

Subsequent cost

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

Depreciation

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

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

Disposal

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

Revaluation of assets

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

4.1.2 Right of use assets

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

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

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

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

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

Impairment

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

4.1.3 Capital work-in-progress

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

4.2 Intangible assets

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

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

Subsequent expenditure

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

Amortisation

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

4.3 Non current assets held for sale

Non current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction rather than continuing use and sale is considered highly probable. They are stated at the lower of carrying amount and fair value less cost to sell.

4.4 Financial assets

4.4.1 Classification

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

a) Financial assets at amortised cost

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

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

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

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

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

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

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

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

4.4.2 Recognition and measurement

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

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

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

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

4.5 Financial liabilities

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

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

4.6 Off-setting of financial assets and liabilities

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

4.7 Stores, spares and loose tools

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

4.8 Stock-in-trade

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

Stock category

Complete Knock Down Kits (CKD)
Complete Built-up Units (CBU)
Local raw materials
Work-in-process and finished goods

Valuation method

Specific cost identification
Specific cost identification
At cost on weighted average basis.
At cost which comprises of raw materials, import incidentals, direct labour and appropriate portion of manufacturing overheads.
At invoice price plus all charges paid thereon up to the reporting date.

Stock-in-transit

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

4.9 Trade debts and other receivables and related impairment

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

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

4.10 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities outstanding for more than 12 months as at the reporting date, in which case, they are classified as non-current assets.

4.11 Cash and cash equivalents

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

4.12 Share capital

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

4.13 Mark-up bearing loans and borrowings

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

4.14 Staff benefits

4.14.1 Defined benefit plan

The Company operates funded gratuity scheme which defines the amount of benefit that an employee will receive on retirement subject to minimum qualifying period of service under the scheme. The amount of retirement benefit is usually dependent on one or more factors such as age, years of service and salary. Provision for gratuity is made annually to cover obligation under the scheme in accordance with the actuarial recommendations. Latest actuarial valuation was conducted on June 30, 2023 on the basis of the projected unit credit method by an independent Actuary. The liability recognised in the statement of financial position in respect of defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

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

4.14.2 Defined contribution plan

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

4.15 Trade and other payables

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

4.16 Warranty obligations

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

4.17 Research and development cost

Research and development cost is charged in the year in which it is incurred. Development costs previously charged to income are not recognised as an asset in the subsequent period.

4.18 Taxation

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

Current

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

Deferred

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

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

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

4.19 Provisions, contingent assets and contingent liabilities

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

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

4.20 Revenue recognition

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

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

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

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

4.21 Borrowing cost

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

4.22 Government grants

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

4.23 Foreign currency transactions and translation

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

4.24 Impairment loss

The carrying amounts of the Company's assets are reviewed at each reporting date to identify circumstances indicating occurrence of impairment loss or reversal of provisions for impairment losses. If any indications exist, the recoverable amounts of such assets are estimated and impairment losses or reversals of impairment losses are recognised in the statement of profit or loss. Reversal of impairment loss is restricted to the original cost of the asset.

4.25 Segment reporting

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

4.26 Earnings per share

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

4.27 Dividend and appropriation to reserves

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

5. PROPERTY, PLANT AND EQUIPMENT

	Note	2023	2022
		(Rupees in '000)	
Operating fixed assets	5.1	5,101,227	5,278,619
Capital work-in-progress includes:			
Buildings	5.8	136,922	29,278
Plant and machinery		129,503	112,057
Softwares, computers, and servers		24,376	7,145
		290,801	148,480
		<u>5,392,028</u>	<u>5,427,099</u>

5.1 Operating fixed assets

	Freehold land (note 5.2)	Leasehold land (note 5.2)	Buildings on freehold land	Buildings on lease hold land	Leasehold improvements	Plant and machinery	Assembly jigs	Furniture and fixture	Owned vehicles	Other equipment	Office equipment	Computers and servers	Right of use assets	Total
(Rupees in 000')														
At July 1, 2021														
Revaluation / cost	1,567,875	222,980	776,684	93,745	87,206	872,789	20,215	44,358	94,976	36,918	15,053	23,926	146,549	4,003,274
Accumulated depreciation	-	(84,881)	(90,315)	(9,493)	(12,752)	(134,830)	(14,289)	(13,442)	(69,157)	(27,878)	(12,750)	(16,674)	(53,146)	(539,607)
Net book value	1,567,875	138,099	686,369	84,252	74,454	737,959	5,926	30,916	25,819	9,040	2,303	7,252	93,403	3,463,667
Year ended June 30, 2022														
Opening net book value	1,567,875	138,099	686,369	84,252	74,454	737,959	5,926	30,916	25,819	9,040	2,303	7,252	93,403	3,463,667
Additions	-	202,336	3,300	441,424	-	532,903	794,041	11,298	13,958	1,627	1,487	3,416	16,931	2,022,721
Disposals (Note 5.7)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- cost	-	-	-	-	-	-	-	-	(6,825)	-	-	-	(10,148)	(16,973)
- accumulated depreciation	-	-	-	-	-	-	-	-	2,417	-	-	-	3,617	6,034
Depreciation charge (Note 5.5)	-	(15,496)	(34,344)	(6,052)	(3,723)	(45,136)	(54,121)	(3,498)	(6,531)	(3,120)	(986)	(3,017)	(20,479)	(196,830)
Closing net book value	1,567,875	324,939	655,325	519,624	70,731	1,225,726	745,846	38,716	28,511	7,547	2,804	7,651	83,324	5,278,619
At June 30, 2023														
Revaluation / cost	1,567,875	425,316	779,984	535,169	87,206	1,405,692	814,256	55,656	102,109	38,545	16,540	27,342	153,332	6,009,022
Accumulated depreciation	-	(100,377)	(124,659)	(15,545)	(16,475)	(179,966)	(68,410)	(16,940)	(73,598)	(30,998)	(13,736)	(19,691)	(70,008)	(730,403)
Net book value	1,567,875	324,939	655,325	519,624	70,731	1,225,726	745,846	38,716	28,511	7,547	2,804	7,651	83,324	5,278,619
Year ended June 30, 2023														
Opening net book value	1,567,875	324,939	655,325	519,624	70,731	1,225,726	745,846	38,716	28,511	7,547	2,804	7,651	83,324	5,278,619
Additions	-	-	34,273	-	-	72,567	-	3,407	657	632	393	3,221	69,454	184,604
Disposals (Note 5.7)	-	-	-	-	-	-	-	-	(44,129)	-	-	-	(6,984)	(51,113)
- cost	-	-	-	-	-	-	-	-	33,006	-	-	-	1,947	34,953
- accumulated depreciation	-	-	-	-	-	-	-	-	(11,123)	-	-	-	(5,037)	(16,160)
Transferred from right of use assets to owned assets	-	-	-	-	-	-	-	-	17,929	-	-	-	(17,929)	-
- cost	-	-	-	-	-	-	-	-	(10,671)	-	-	-	10,671	-
- accumulated depreciation	-	-	-	-	-	-	-	-	7,258	-	-	-	(7,258)	-
Depreciation charge (Note 5.5)	-	(32,494)	(33,198)	(25,991)	(3,537)	(62,751)	(149,169)	(3,986)	(8,234)	(2,623)	(1,000)	(3,123)	(19,740)	(345,836)
Closing net book value	1,567,875	292,445	656,400	493,643	67,194	1,235,542	596,677	38,137	17,069	5,556	2,197	7,749	120,743	5,101,227
At June 30, 2023														
Revaluation / cost	1,567,875	425,316	814,257	535,169	87,206	1,478,259	814,256	59,063	76,566	39,177	16,933	30,563	197,873	6,142,513
Accumulated depreciation	-	(132,871)	(157,857)	(41,526)	(20,012)	(242,717)	(217,579)	(20,926)	(59,497)	(33,621)	(14,736)	(22,814)	(77,130)	(1,041,286)
Net book value	1,567,875	292,445	656,400	493,643	67,194	1,235,542	596,677	38,137	17,069	5,556	2,197	7,749	120,743	5,101,227
Depreciation rate (% per annum)	10	5	5	5	5	5	20	10	20	33	33	33	20	20

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

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

- 5.3 Freehold land, buildings on freehold land and plant & machinery had previously been revalued on June 30, 1997, June 30, 1999, January 1, 2004, June 30, 2009 and June 30, 2014.

The Company as on December 31, 2018 again revalued its freehold land, buildings on freehold land, plant & machinery and assembly jigs. The revaluation exercise was carried out by independent valuer - Tristar International Consultant (Private) Limited, (Approved valuers of Pakistan Banks' Association) Room No. 17, 3rd Floor, Davis Hytes, 38-Davis Road, Lahore. Freehold land was revalued on the basis of current market price whereas buildings on freehold land, plant & machinery and assembly jigs were revalued on the basis of depreciated market value (level 2 of fair value hierarchy). The different levels of fair value have been defined in IFRS 13 are mentioned in note 41.2.

The surplus arisen on latest revaluation exercise aggregating Rs.1,431,103 thousand has been incorporated in the books of the Company and at the time of latest revaluation, forced sale value of the freehold lands, buildings on freehold lands and plant & machinery along with jigs were Rs.1,254,300 thousand, Rs.596,642 thousand and Rs.478,906 thousand respectively.

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

	Note	2023	2022
		(Rupees in '000)	
Freehold land		61,456	61,456
Buildings on freehold land		144,214	116,181
Plant and machinery		880,322	851,810
Assembly jigs		595,692	744,615

- 5.5 Depreciation charge has been allocated as follows:

Cost of goods manufactured	30.1	319,757	170,353
Administrative expenses	32	26,079	26,477
		345,836	<u>196,830</u>

- 5.6 The Company's present and future land, buildings on freehold land, plant & machinery and specific vehicles are under mortgaged / hypothecated charged up to Rs.1,970,667 thousand (2022: Rs.2,677,667 thousand) with banks for finance facilities.

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

Particulars of assets	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain	Mode of disposal	Particulars of buyers
(Rupees in '000')							
Item having book value exceeding Rs. 500,000 each							
Vehicles	2,885	1,018	1,867	3,796	1,929	Negotiation	Ex - Employee Mr. Kamran Ayub
	4,099	929	3,170	3,884	714	Company policy	Mr. Muhammad Umair
	26,200	21,502	4,698	6,500	1,802	Negotiation	Others Al Mehmoodia Trunckwalas (Pvt.) Limited, Karachi
	3,425	1,337	2,088	3,175	1,087	Insurance Claim	IGI General Insurance Limited
	-	-	-	-	-		
	36,609	24,786	11,823	17,355	5,532		
Items having book value up to Rs.500,000 each	14,504	10,167	4,337	4,825	488		
June 30, 2023	51,113	34,953	16,160	22,180	6,020		
June 30, 2022	16,973	6,034	10,939	13,247	2,308		

5.8 Include Rs. 125,000 thousand (2022: Rs. 25,000 thousand) advance paid to Business Vision (Private) Limited - a related party against reservation of floor in project name SKY GARDEN located at office building at plot no.108, C.F, 1-5, old Clifton quarters, Karachi.

6. INTANGIBLE ASSETS

These represent computer software licenses.

Cost

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

Note
2023
2022
(Rupees in '000)

5,119	4,620
900	499
6,019	5,119

Accumulated amortisation

At beginning of the year
Charge for the year

32

3,159	2,644
546	515

At end of the year

3,705	3,159
-------	-------

Net book value

2,314	1,960
--------------	--------------

Rate of amortisation (% - per annum)

25	25
-----------	-----------

7. LONG TERM INVESTMENTS

Subsidiary Company - at cost

Gandhara DF (Private) Limited
14,999,500 (2022: 14,999,500) ordinary shares of Rs.10 each
Equity held: 99.99% (2022: 99.99%)
Break-up value per share on the basis of latest financial statements is Rs.46.88 (2022:Rs.36.93)

149,995	149,995
----------------	---------

Associated Company - at cost

Gandhara Industries Limited (GIL)
8,132,336 (2022: 8,132,336) ordinary shares of Rs.10 each
Equity held: 19.09% (2022: 19.09%)
Fair value: Rs.654,978 thousand
(2022: Rs.1,284,665 thousand)

7.1

72,911	72,911
---------------	--------

Others - available for sale

Automotive Testing & Training Centre (Private) Limited

187,500 (2022: 187,500) ordinary shares of Rs.10 each - cost
Provision for impairment

1,875	1,875
(1,875)	(1,875)

222,906	222,906
----------------	----------------

7.1 2,000,0000 (2022: 3,924,684) shares of GIL having fair value Rs.161,080 thousand (2022: Rs.619,982 thousand) are under lien of a commercial bank as collateral against short term finance facility.

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

	Note	2023	2022
(Rupees in '000)			
Loans to employees			
Related parties - Key Management Personnel	8.1 & 8.2	-	579
Other employees	8.1	4,626	9,158
		4,626	9,737
Less: amounts recoverable within one year and grouped under current assets			
Related parties - Key Management Personnel		-	579
Other employees		3,153	4,404
	13	3,153	4,983
		1,473	4,754

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

8.2 The maximum aggregate amount outstanding at the end of any month during the year ended June 30, 2023 from Key Management Personnel aggregated to Rs.483 thousand (2022: Rs.1,635 thousand).

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

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

	2023	2022
(Rupees in '000)		
Deposits held with / against:		
Central Depository Company of Pakistan Limited	25	25
Lease facilities	17,917	13,013
Utilities	8,189	9,989
Others	121	121
	26,252	23,148

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

10.1 The Company has an aggregate cash limit of Rs.800,000 thousand (2022: Rs.800,000 thousand) that can be provided as loan to Ghandhara DF (Private) Limited (Subsidiary company) for its working capital requirements. This advance is unsecured and has been granted for a period of three years. It carries mark-up at rate of six months KIBOR+1.85% and is receivable on quarterly basis.

10.2 The maximum aggregate amount of loan at the end of any month during the year was Rs.799,360 thousand (2022: Rs.797,027 thousand).

11. STOCK-IN-TRADE

	2023	2022
	(Rupees in '000)	
Raw materials		
In hand	748,449	942,058
Provision for slow moving inventories	(11,184)	(11,184)
	<u>737,265</u>	<u>151,529</u>
In transit	117,533	817,959
	<u>854,798</u>	<u>1,748,833</u>
Finished goods		
In hand		
Complete built units - trucks and cars	134,896	303,445
Complete knockdown units - trucks and cars	323,880	256,784
Spare parts	182,640	172,559
Held with third parties		
Complete built units - trucks and cars	17,387	98,948
Complete knockdown units - trucks and cars	113,769	138,967
In transit		
Complete built units - trucks	-	2,326
Spare parts	27,334	9,514
	<u>799,906</u>	<u>982,543</u>
	<u>1,654,704</u>	<u>2,731,376</u>

11.1 The present and future stock-in-trade, trade debts and receivables aggregating Rs.6,288,017 thousand (2022: 6,420,683 thousand) are under pledge / joint hypothecation charge with banks against short term borrowings (Refer note 27).

12. TRADE DEBTS - Unsecured

	Note	2023	2022
		(Rupees in '000)	
Considered good against sale of:			
Vehicles and assembly charges	12.1	238,879	317,331
Spare parts		8,710	12,992
		<u>247,589</u>	<u>330,323</u>
Considered doubtful		3,561	4,575
		<u>251,150</u>	<u>334,898</u>
Provision for expected credit losses	12.4	(3,561)	(4,575)
		<u>247,589</u>	<u>330,323</u>

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

Gandhara DF (Private) Limited	38	6,142
Gandhara Industries Limited	90,243	98,679
	<u>90,281</u>	<u>104,821</u>

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

	2023	2022
	(Rupees in '000)	
Up to 3 months	<u>90,281</u>	<u>104,821</u>

12.3 The maximum aggregate amount of trade receivable from related parties at the end of any month during the year was Rs.135,619 thousand (2022: Rs.159,850 thousand).

12.4 Movement in provision for expected credit losses

	Note	2023	2022
(Rupees in '000)			
Balance at beginning of the year		4,575	4,639
Reversal for the year - net		(1,014)	(64)
Balance at end of the year		<u>3,561</u>	<u>4,575</u>

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

Current portion of long term loans	8	3,153	4,983
Advances to / against:			
Related party - Key Management Personnel		6	18
Other employees		1,840	3,059
Provision for other employees		(454)	(454)
Suppliers, contractors and others		41,232	47,445
		42,624	50,068
Letters of credit		571	363
		<u>46,348</u>	<u>55,414</u>

14. DEPOSITS AND PREPAYMENTS

Current account balances with statutory authorities		<u>14,789</u>	<u>613</u>
---	--	---------------	------------

15. INVESTMENTS

	2023	2022		
(Number of Units)				
-	2,998,639	HBL Financial Sector Income Fund Plan I	-	300,000
-	1,002,513	Meezan Rozana Amdani Fund	-	50,126
-	1,484,740	HBL Cash Fund	-	150,423
-	15,128,863	NBP Money Market Fund	-	150,246
-	247,981	UBL Liquidity Plus Fund - Class 'C'	-	25,068
			-	<u>675,863</u>

16. OTHER RECEIVABLES
Considered good and interest free

Due from Subsidiary Company	16.1	1,649	951
Sales tax refundable / adjustable		-	179,688
Margin against letters of credit		63,711	99,239
Security deposits and earnest money - interest free		3,562	3,562
Provision for security deposits and earnest money		(3,442)	(3,442)
		120	120
Workers' profit participation fund	26.5	-	2,990
Others		11,935	6,954
		<u>77,415</u>	<u>289,942</u>

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

17. ACCRUED INTEREST / MARK-UP	Note	2023	2022
(Rupees in '000)			
Interest / mark-up accrued on:			
- long term advance to Subsidiary Company		25,066	32,414
- term deposits receipts		<u>21,592</u>	<u>10,707</u>
		<u>46,658</u>	<u>43,121</u>
18. BANK BALANCES			
Cash at banks in:			
- current accounts		176,136	133,133
- saving accounts	18.1	70,480	1,077,563
- deposit account	18.2 & 18.4	404,119	410,557
- term deposits receipts	18.3 & 18.4	<u>655,411</u>	<u>502,644</u>
		1,306,146	2,123,897
Provision for doubtful bank balance	18.5	<u>(3,912)</u>	<u>(3,912)</u>
		<u>1,302,234</u>	<u>2,119,985</u>

18.1 At reporting date, these carry mark-up up to the rate of 19.50% (2022:12.25%) per annum.

18.2 This carries mark-up at the rate 20.50% (2022: 13.00%) per annum.

18.3 Term deposit receipts (TDRs) have expected maturity of 90 (2022:90) days from respective dates of acquisition. These TDRs carry mark-up at rate of 20.40% (2022: 11.65%) per annum.

18.4 These are under lien as cash margin against financing facilities availed from financial institutions under Temporary Economic Refinance Facility (TERF). (Refer note 22).

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

19. SHARE CAPITAL

19.1 Authorized capital	2023		2022	
(Rupees in '000)				
80,000,000 (2022: 80,000,000) ordinary shares of Rs.10 each	<u>800,000</u>		<u>800,000</u>	
19.2 Issued, subscribed and paid-up capital				
	2023	2022		
	(No. of shares)			
	26,800,000	26,800,000	Ordinary shares of Rs.10 each fully paid in cash	268,000
	200,000	200,000	Ordinary shares of Rs.10 each issued as fully paid bonus shares	2,000
	30,002,500	30,002,500	Ordinary shares of Rs.10 each issued for acquisition	300,025
	<u>57,002,500</u>	<u>57,002,500</u>		<u>570,025</u>

19.3 At June 30, 2023, Bibojee Services (Private) Limited (the Holding Company) holds 57.76% (2022: 57.76%) of share capital of the Company.

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

20. SURPLUS ON REVALUATION OF FIXED ASSETS - Net

	2023	2022
	(Rupees in '000)	
Balance at beginning of the year	2,404,054	2,451,541
Transferred to unappropriated profit on account of incremental depreciation for the year	(45,066)	(47,487)
	2,358,988	2,404,054
Less: related deferred tax of:		
- opening balance	261,530	275,301
- incremental depreciation for the year	(13,069)	(13,771)
- closing balance	248,461	261,530
Balance at end of the year	2,110,527	2,142,524

21. LEASE LIABILITIES - Secured

Balance at beginning of the year	63,422	86,786
Assets acquired during the year	66,377	12,932
Repaid / adjusted during the year	(32,318)	(36,296)
	97,481	63,422
Current portion grouped under current liabilities	(29,512)	(20,359)
Balance at end of the year	67,969	43,063

21.1 These represent vehicles acquired under diminishing musharakah arrangements from First Habib Modaraba. Rentals are payable on monthly basis. These finance facilities, during the year, were subject to finance cost at the rates ranged from 16.01% to 23.03% (2022: 8.45% to 16.63%) per annum. These facilities are secured against title of the leased vehicles in the name of lessor. The Company intends to exercise its option to purchase the leased vehicles upon completion of the lease terms.

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

Particulars	Upto one year	From one to five years	2023	Upto one year	From one to five years	2022
	(Rupees in 000')					
Minimum lease payments	44,380	85,783	130,163	27,035	49,082	76,117
Finance cost allocated to future periods	(14,868)	(17,814)	(32,682)	(6,676)	(6,019)	(12,695)
Present value of minimum lease payments	29,512	67,969	97,481	20,359	43,063	63,422

22. LONG TERM BORROWINGS	Note	2023	2022
		(Rupees in '000)	
Loan under refinance scheme for payment of wages and salaries	22.1.1	-	68,049
Demand finance loan	22.1.2	475,242	374,544
Temporary Economic Refinance Facility (TERF)	22.1.3	499,682	499,682
Islamic Temporary Economic Refinance Facility (ITERF)	22.1.4	400,000	400,000
		1,374,924	1,342,275
Adjustment pertaining to fair value of loan at below market interest rate (government grant) - net		(196,855)	(238,576)
		1,178,069	1,103,699
Current portion grouped under current liabilities		(413,618)	(258,146)
		764,451	845,553

22.1 Movement in face value of long term loan

Balance at the beginning of the year	1,342,275	163,650
Loan obtained during the year	354,027	1,312,000
Loan re-paid during the year	(321,378)	(133,375)
Balance at the end of the year	1,374,924	1,342,275

22.1.1 This represents long term loans received from Bank Alfalah Limited and Bank of Punjab under 'Refinance Scheme for payment of Wages and Salaries to the Workers and Employees of Business Concerns' (the Scheme) introduced by the State Bank of Pakistan. These facilities are secured first equitable mortgage charge over industrial plot (land) limited to Rs.200 million with 25% margin. Mark-up on loans is chargeable at 1% and 2.50%. The principal was repayable in eight quarterly installments started from January, 2021. The Company during the year repaid Rs. 68,049 thousand (2022:Rs.95,601 thousand).

22.1.2 The Company has obtained demand finance loan facility amounting Rs.500,000 thousand from Karandaz Pakistan for the purpose of onwards lending to SME truck owners. The loan carries mark-up at the rate of 3 months KIBOR plus 1.50% and is secured against first pari passu by the way of hypothecation charge over all present and future current assets with 25% margin. This loan is for up to three years from the date of disbursement and is repayable in monthly equal instalments. The Company, during the year, acquired further loan of Rs. 354,027 thousand and repaid Rs.253,329 thousand (2022: Rs.37,774 thousand).

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

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

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

	2023	2022
	(Rupees in '000)	
Balance at beginning of the year	238,576	8,153
Difference of fair value of loan and loan received	-	253,558
Amortisation of loan	(41,721)	(23,135)
Balance at end of the year	196,855	238,576

23. DEFERRED INCOME - GOVERNMENT GRANTS		2023	2022
		(Rupees in '000)	
Balance at beginning of the year		238,576	8,153
Grant recognised on loan at below market interest rate		-	253,558
Released to statement of profit or loss		(41,721)	(23,135)
		196,855	238,576
Current portion grouped under current liabilities		(45,149)	(41,722)
Balance at end of the year		151,706	196,854
23.1	The Company recognised government grant on below market interest loan received - (note 22.1.3 and note 22.1.4) in accordance with IAS - 20 'Accounting for government grants and disclosure of government assistance'.		
24. LONG TERM DEPOSITS - Interest free		2023	2022
		(Rupees in '000)	
Dealers' deposits		50,115	21,115
Vendors		111	111
Others		7,000	7,000
		57,226	28,226
25. DEFERRED TAXATION - Net			
The liability for deferred taxation comprises of temporary differences relating to:			
- accelerated tax depreciation allowance		207,334	233,893
- surplus on revaluation of fixed assets		248,461	261,530
- lease finances		6,746	5,772
- provision for expected credit losses		(1,033)	(1,327)
- provision for other receivables		(998)	(998)
- provision for obsolete / slow moving inventories		(3,243)	(3,243)
- provision for bank balances		(1,134)	(1,134)
- unabsorbed tax depreciation		(152,760)	(242,204)
		303,373	252,289
25.1	Deferred tax asset on minimum tax recoupable has not been recognized on prudent basis.		
26. TRADE AND OTHER PAYABLES		2023	2022
		(Rupees in '000)	
Trade creditors	26.1	124,077	209,737
Bills payable		272,948	543,901
Custom duty payable		206,994	-
Accrued liabilities	26.2	117,214	95,808
Refundable - CKD / CBU business		1,403	1,403
Contract liabilities - customers advances and credit balances	26.3	353,303	4,185,803
Commission		52,457	71,490
Unclaimed gratuity		231	231
Payable to gratuity fund	26.4	811	29,127
Provision against additional custom duty		80,669	80,669
Sales tax payable		44,109	-
Withholding tax		722	12,506
Workers' profit participation fund	26.5	10,121	-
Workers' welfare fund		5,837	2,664
Retention money		2,175	2,175
Others	26.6	44,833	38,671
		1,317,904	5,274,185
26.1	Includes Rs. Nil (2022: Rs.2,060 thousand) and Rs.6,884 thousand (Rs. 1,331 thousand) payable to Ghandhara Tyre and Rubber Company Limited - an Associated Company and Bibojee Services (Private) Limited - the Holding Company respectively.		

26.2 Includes Rs. 17,324 thousand (2022: Rs.5,363 thousand) which pertains to a Key Management Person.

26.3 These represent advances from customers against sale of vehicles.

26.4 Provision for gratuity

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

The latest actuarial valuation of the Scheme as at June 30, 2023 was carried out using the 'Projected Unit Credit Method'. Details of the Scheme as per the actuarial valuation are as follows:

26.4.1 Statement of financial position reconciliation

	2023	2022
	(Rupees in '000)	
Present value of defined benefit obligation	218,269	198,893
Fair value of plan assets	(218,484)	(187,621)
Benefits payable	1,026	17,855
Net liability at end of the year	<u>811</u>	<u>29,127</u>

26.4.2 Net liability recognised

Net liability at beginning of the year	29,127	14,864
Charge to statement of profit or loss	13,829	12,015
Contributions made by the Company	(29,127)	(14,864)
Re-measurement recognised in other comprehensive income	(13,018)	17,112
Net liability at end of the year	<u>811</u>	<u>29,127</u>

26.4.3 Movement in the present value of defined benefit obligation

Balance at beginning of the year	198,893	177,555
Current service cost	14,333	12,627
Interest expense	25,549	16,934
Benefits paid	(11,118)	(7,824)
Benefits due but not paid	(1,027)	(8,613)
Re-measurement	(8,361)	8,214
Balance at end of the year	<u>218,269</u>	<u>198,893</u>

26.4.4 Movement in the fair value of plan assets

Balance at beginning of the year	187,621	171,934
Contribution received during the year	29,127	14,864
Interest income	26,053	17,545
Benefits paid	(28,974)	(7,824)
Re-measurement	4,657	(8,898)
Balance at end of the year	<u>218,484</u>	<u>187,621</u>

26.4.5 Expense recognised in statement of profit or loss

Current service cost	14,333	12,627
Net interest income	(504)	(612)
	<u>13,829</u>	<u>12,015</u>

26.4.6 Re-measurement recognised in other comprehensive income

	2023	2022
	(Rupees in '000)	
Financial assumptions	16,541	673
Experience adjustments	(24,902)	7,541
Re-measurements of plan assets	(4,657)	8,898
	<u>(13,018)</u>	<u>17,112</u>

26.4.7 Plan assets comprise of

Fixed income instruments	100,000	-
Mutual fund securities	2,783	67,328
Cash at bank	115,701	120,293
	<u>218,484</u>	<u>187,621</u>

26.4.8 Significant actuarial assumptions and sensitivity

	2023	2022
	(% per annum)	
Discount rate	16.25	13.25
Expected rate of increase in future salaries		
- first year	21.00%	13.75%
- long term	15.75%	13.75%
Mortality rates (for death in service)	SLIC	SLIC
	(2001-2005)-1	(2001-2005)-1

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

	Defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
	(Rupees in '000)		
Discount rate	1.00%	<u>200,917</u>	<u>238,254</u>
Increase in future salaries	1.00%	<u>238,144</u>	<u>200,706</u>

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

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

26.4.9 Based on actuary's advice, the expected charge to statement of profit or loss for the year ending June 30, 2024 amounts to Rs.14,139 thousand.

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

26.4.11 Historical information

	2023	2022	2021	2020	2019
	(Rupees in '000)				
Present value of defined benefit obligation	<u>218,269</u>	<u>198,893</u>	<u>177,555</u>	<u>164,362</u>	<u>148,318</u>
Experience adjustment	<u>(13,018)</u>	<u>17,112</u>	<u>2,501</u>	<u>(1,828)</u>	<u>8,195</u>

26.4.12 Expected maturity analysis of undiscounted retirement benefit plan:

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
	(Rupees in '000)				
At June 30, 2023	<u>18,960</u>	<u>16,730</u>	<u>57,781</u>	<u>7,654,645</u>	<u>7,748,116</u>

26.5 Workers' profit participation fund	Note	2023	2022
		(Rupees in '000)	
Balance at beginning of the year		(2,990)	6,256
Allocation for the year	34	13,111	7,010
Interest on funds utilised in the Company's business	35	-	201
		10,121	13,467
Payment made during the year		-	(16,457)
Balance at end of the year		10,121	(2,990)
26.6	Includes deposits and instalments under the Company's staff vehicle policy aggregating Rs.32,922 thousand (2022: Rs.26,326 thousand).	2023	2022
		(Rupees in '000)	
27. SHORT TERM BORROWINGS			
Running finances	27.1	562,287	14
Term finance - short term loan	27.2	130,000	-
Finance against imported merchandise		-	93,751
		692,287	93,765
27.1	Running finance and short term facilities available from commercial banks under mark-up arrangement aggregated to Rs.990,000 thousand including sub limit of Rs.565,000 thousand (2022: Rs.990,000 thousand) and are secured by way of equitable, hypothecation and pari passu charge over fixed and current assets of the Company. These, during the current financial year, carry mark-up at the rates ranging from 15.31% to 23.98% (2022: 8.51% to 15.31%) per annum. The arrangements are expiring on April 30, 2023.		
27.2	This facility is a sub limit of opening letters of credits facility from Samba Bank Limited. It carries mark-up @ 22.34% (2022: Nil) per annum.		
27.3	The facilities for opening letters of credits (LCs) as at June 30, 2023 aggregated to Rs.4,400,000 thousand (2022: Rs.4,550,000 thousand) of which the amount remained unutilised at the year-end was Rs.3,863,582 thousand (2022: Rs.4,123,814 thousand). Further, the Company also has facilities for Finance against Import Merchandise, Finance Against Trust Receipts (FATR) and Short Term finances aggregating Rs.3,150,000 thousand (2022: Rs.2,800,000 thousand) and letters of guarantee facilities aggregating Rs.300,000 thousand (2022: Rs.400,000 thousand) as sub limits of these LCs facilities. These facilities are secured against effective pledge of imported consignment, first pari passu charge over land along with buildings and plant & machinery and hypothecation charge over present and future stocks & books debts.		
27.4	Above facilities aggregated to Rs.1,500,000 thousand (2022: Rs.1,600,000 thousand) for opening letters of credits, letter of guarantees facilities and finance against import merchandise facilities are also available to the Subsidiary Company at Group level.		
28. CONTINGENCIES AND COMMITMENTS			
28.1	Certain cases have been filed against the Company in respect of employees matters. These cases are pending before High Court of Sindh and National Industrial Relations Commission, Karachi. The management is confident that the outcome of these cases will be in the Company's favour.		
28.2	Commitments outstanding for irrevocable letters of credit relating to capital expenditure, raw materials and components as at June 30, 2023 aggregated to Rs.263,470 thousand (2022: Rs.826,186 thousand).		
28.3	Commitments outstanding for capital expenditure other than through letters of credit as at June 30, 2023 aggregated to Rs. 336,300 thousand (2022: Rs. 425,000 thousand).		
28.4	Guarantees aggregating Rs.18,778 thousand (2022: Rs.27,134 thousand) are issued by banks of the Company to various government and other institutions. Further, the Company has issued corporate guarantees aggregating Rs.325,500 thousand (2022: Rs.583,954 thousand) to the commercial banks against running finances and letters of credit facilities utilised by the Subsidiary Company.		

29. REVENUE - Net	Note	2023	2022
		(Rupees in '000)	
Manufacturing activity			
Sales		11,953,626	5,448,880
Less:			
- sales tax and federal excise duty		2,141,368	841,556
- commission		217,490	124,565
		<u>2,358,858</u>	<u>966,121</u>
		<u>9,594,768</u>	<u>4,482,759</u>
Trading activity			
Sales		526,602	1,034,186
Less:			
- sales tax		77,755	150,266
- discount and commission		10,519	7,617
		<u>88,274</u>	<u>157,883</u>
		<u>438,328</u>	<u>876,303</u>
		<u>10,033,096</u>	<u>5,359,062</u>
30. COST OF SALES			
Finished goods at beginning of the year		970,703	531,270
Cost of goods manufactured	30.1	9,040,228	4,454,845
Purchases - trading goods		158,328	931,396
		<u>9,198,556</u>	<u>5,386,241</u>
Finished goods at end of the year	11	(772,572)	(970,703)
		<u>9,396,687</u>	<u>4,946,808</u>
30.1 Cost of goods manufactured			
Raw materials and parts consumed	30.2	7,604,127	3,432,583
Fabrication of contract vehicles		20,209	27,127
Stores and spares consumed		169,120	108,866
Salaries, wages and benefits	30.3	599,512	463,458
Transportation		43,590	36,136
Repair and maintenance		81,850	50,637
Depreciation	5.5	319,757	170,353
Insurance		5,348	4,229
Communication		2,298	2,171
Rent, rates and taxes		1,321	1,961
Travelling and entertainment		1,073	459
Plant utilities		145,419	121,980
Printing, stationery and office supplies		2,565	2,471
Royalty expense		21,622	12,388
Plant security		20,231	18,056
Other manufacturing expenses		2,186	1,970
		<u>9,040,228</u>	<u>4,454,845</u>
30.2 Raw materials and parts consumed			
Stocks at beginning of the year		930,874	86,531
Purchases		7,410,518	4,276,926
		<u>8,341,392</u>	<u>4,363,457</u>
Stocks at end of the year	11	(737,265)	(930,874)
		<u>7,604,127</u>	<u>3,432,583</u>
30.3			
Salaries, wages and benefits include Rs.8,886 thousand (2023: Rs.7,448 thousand) and Rs.6,468 thousand (2022: Rs.5,769 thousand) in respect of staff retirement gratuity and staff provident fund respectively.			

31. DISTRIBUTION COST	Note	2023	2022
		(Rupees in '000)	
Salaries and benefits	31.1	72,755	73,589
Utilities		841	766
Rent		5,591	5,317
Insurance		3,865	1,333
Repair and maintenance		576	554
Travelling and entertainment		4,280	2,058
Telephone and postage		411	451
Vehicle running		158	846
Printing, stationery and office supplies		346	2,096
Warranty services		1,149	831
Godown and forwarding		41,622	7,422
Sales promotion expenses		38,142	11,834
Others		305	86
		170,041	107,183

31.1 Salaries and benefits include Rs.1,280 thousand (2022: Rs.980 thousand) and Rs.2,398 thousand (2022: Rs.2,580 thousand) in respect of staff retirement gratuity and staff provident fund respectively.

32. ADMINISTRATIVE EXPENSES	Note	2023	2022
		(Rupees in '000)	
Salaries and benefits	32.1	147,637	135,448
Utilities		2,419	1,695
Rent, rates and taxes		18,839	15,673
Directors' fee		3,500	4,150
Insurance		2,483	2,151
Repairs and maintenance		1,066	3,398
Depreciation and amortisation	5.5 & 6	26,625	26,992
Auditors' remuneration	32.2	1,354	1,284
Advertising		1,139	-
Travelling and conveyance		10,881	2,419
Legal and professional charges		12,588	9,312
Vehicle running		4,595	2,351
Telephone and postage		8,428	7,094
Printing and stationery		3,663	3,639
Donation	32.3	-	490
Subscriptions		10,084	5,041
Others		3,204	3,524
		258,505	224,661

32.1 Salaries and benefits include Rs.3,663 thousand (2022: Rs.3,587 thousand) and Rs.4,237 thousand (2022: Rs.4,044 thousand) in respect of staff retirement gratuity and staff provident fund respectively.

32.2 Auditors' remuneration	2023	2022
	(Rupees in '000)	
Remuneration in respect of auditors' services for:		
- statutory audit and half yearly review	1,000	1,000
- certification and others	209	144
- audits of retirement fund and workers' profit participation fund	45	45
- sindh sales tax @ 8%	100	95
	1,354	1,284

32.3 None of the directors or their spouses had any interest in the donees.

33. OTHER INCOME	<i>Note</i>	2023	2022
		(Rupees in '000)	
Income from financial assets			
Interest / mark-up earned on:			
- PLS accounts	33.1	53,440	18,078
- term deposit receipts and deposit accounts	33.1	148,040	73,218
- long term advance to Subsidiary Company	33.2	140,979	87,004
Gain from sale of investment in mutual funds		13,186	-
Fair value gain on investments in mutual funds		-	392
Dividend income - mutual funds' investment		6,372	555
Reversal of provision for expected credit losses		1,014	64
		363,031	179,311
Income from non-financial assets			
Scrap sales - net of sales tax		29,175	14,245
Gain on disposal of operating fixed assets	5.7	6,020	2,308
Commission income against corporate guarantee		6,915	7,290
Rental income		9,750	6,750
Service income - net of sales tax		557	880
Reversal of provision / liabilities written back		-	3,920
Others		1,589	929
		54,006	36,322
		417,037	215,633
33.1	Interest at the rates ranged from 13.00 % to 20.40% (2022: 6.40% to 11.65%) per annum has been earned during the year on term deposit receipts and deposit accounts placed under conventional banking system.		
33.2	Interest at the rates ranged from 17.76% to 24.82% (2022: 10.00% to 17.20%) per annum has been earned during the year on long term advance to Subsidiary Company.		
	<i>Note</i>	2023	2022
		(Rupees in '000)	
34. OTHER EXPENSES			
Workers' profit participation fund	26.5	13,111	7,010
Workers' welfare fund		5,837	2,664
Exchange loss		68,475	9,610
		87,423	19,284
35. FINANCE COST			
Mark-up on :			
- long term borrowings		114,145	24,363
- short term borrowings		95,486	53,877
- running finances		66,669	54,345
- customer advances		288	-
		276,588	132,585
Lease finance charges		14,268	6,972
Interest on workers' profit participation fund	26.5	-	201
Bank and other charges		3,342	6,473
		294,198	146,231
36. TAXATION			
Current tax			
Current tax on profits for the year		133,923	69,001
Adjustment for current tax of prior years		(1,649)	-
		132,274	69,001
Deferred tax			
Origination and reversal of temporary differences		47,309	(39,628)
		179,583	29,373

36.1 No numeric tax rate reconciliation for the current year and preceding year is given in the financial statements, as provision made primarily represents minimum tax due under section 113 of the Income Tax Ordinance, 2001 (the Ordinance) and tax deducted under section 150 and 153 of the Ordinance.

37. EARNINGS PER SHARE - BASIC AND DILUTED

37.1 Basic earnings per share

	2023	2022
	(Rupees in '000)	
Profit after taxation	<u>63,696</u>	<u>101,155</u>

	2023	2022
	(Number of shares)	
Weighted average ordinary shares in issue	<u>57,002,500</u>	<u>57,002,500</u>

	2023	2022
	(Rupees)	
Earnings per share - basic and diluted	<u>1.12</u>	<u>1.77</u>

37.2 Diluted earnings per share

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

38. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2023			2022		
	Chief Executive	Director	Executive	Chief Executive	Director	Executive
	(Rupees in '000)					
Managerial remuneration	15,780	-	111,463	15,780	-	100,206
Bonus	1,400	-	8,234	1,400	-	9,400
Contribution to provident fund	850	-	4,949	850	-	4,394
Gratuity	850	-	2,879	850	-	3,029
Utilities	1,020	-	6,181	1,020	-	5,656
	<u>19,900</u>	<u>-</u>	<u>133,706</u>	<u>19,900</u>	<u>-</u>	<u>122,685</u>
Number of persons	<u>1</u>	<u>-</u>	<u>32</u>	<u>1</u>	<u>-</u>	<u>32</u>

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

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

38.3 Remuneration to other directors

Aggregate amount charged in the financial statements for meeting fee to Directors was Rs.3,500 thousand (2022: Rs.4,150 thousand).

39. TRANSACTIONS WITH RELATED PARTIES

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

Name	Nature of transactions	2023	2022
		(Rupees in '000)	
(i) Holding Company			
Bibojee Services (Private) Limited - 57.76% shares held in the Company	Corporate office rent	8,186	7,381
	Contract assembly charges	2,633	2,106
	Sale of fleet vehicle	-	2,600
	Reimbursement of expenses	-	652
(ii) Subsidiary Company			
Gandhara DF (Private) Limited 99.99% shares held by the Company	Contract assembly charges	94,631	47,245
	Purchase of parts	273	631
	Sale of parts	43	164
	Long term advances given - net	-	247,742
	Payment received against long term advances - net	524,785	-
	Interest income	140,979	87,004
	Guarantee commission	7,814	8,238
	Rental income	9,750	6,750
(iii) Associated Companies			
Gandhara Industries Limited 19.09% shares held by the Company (39.1)	Contract assembly charges	640,212	847,987
	Sale of vehicles	45,405	-
	Head office rent	4,393	3,962
	Purchase of parts	-	204
	Reimbursement of expenses	-	108
	Fabrication of vehicle	-	750
	Sale of parts	25	-
Gandhara Tyre and Rubber Company Limited (39.1)	Purchase of tyres, tubes and flaps	26,996	26,397
Gammon Pakistan Limited (39.1)	Regional office rent	4,093	3,691
Business Vision (Private) Limited (39.1)	Booking advance for office floor	100,000	25,000
Janana De Malucho Textile Mills Limited (39.1)	Sale of vehicles	37,074	-
	Reimbursement of expenses	2,720	2,605
Rehman Cotton Mills Limited (39.1)	Sale of vehicles	13,538	-
Universal Insurance Company Limited (39.1)	Sale of vehicle	5,604	-
	Reimbursement of expenses	1,590	-
Bannu Woollen Mills Limited (39.1)	Sale of vehicles	16,970	-
(iv) Others			
Staff provident fund	Contribution made	13,102	12,393
Staff gratuity fund	Contribution made	29,127	14,864
Key management personnel	Remuneration and other short term benefits	98,207	103,625
	Sale of fleet vehicles	792	-

39.1 Associated company by virtue of common directorship.

40. PLANT CAPACITY

Against the production capacity of 4,800 (2022: 4,800) trucks, buses and pickups on single shift basis, the Company assembled 3,132 (2022: 5,200) trucks, buses and pickups of JAC, DongFeng and Isuzu on single shift along with overtime basis. The Company has also processed 2,980 (2022: 5,092) truck cabs and pickups through paint shop.

Against the designed annual production capacity of 6,000 (2022: 6,000) vehicles at car plant on single shift basis, the Company during the year assembled 1,318 (2022: 226) Chery SUVs.

41. FINANCIAL RISK MANAGEMENT

41.1 Financial risk factors

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

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

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

(a) Credit risk

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

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

The maximum exposure to credit risk as at June 30, 2023 along with comparative is tabulated below:

	2023	2022
	(Rupees in '000)	
Long term loans	1,473	4,754
Long term deposits	8,335	10,135
Due from Subsidiary Company	272,242	797,027
Trade debts	247,589	330,323
Loans and advances	3,153	4,983
Investments	-	675,863
Other receivables	77,415	110,254
Accrued interest / mark-up	46,658	43,121
Bank balances	1,302,234	2,119,861
	1,959,099	4,096,321

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

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

	2023	2022
	(Rupees in '000)	
Up to 3 months	246,427	321,460
3 to 6 months	1,100	10,464
6 to 12 months	1,050	-
More than 12 months	2,573	2,974
Provision for expected credit losses	(3,561)	(4,575)
	247,589	330,323

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

(b) Liquidity risk

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

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

	Carrying amount	Contractual cash flows	Maturity upto one year	Maturity more than one year
(Rupees in '000)				
June 30, 2023				
Lease liabilities	97,481	130,163	44,380	85,783
Long term borrowings	1,178,069	1,600,317	508,604	1,091,713
Long term deposits	57,226	57,226	-	57,226
Trade and other payables	903,812	903,812	903,812	-
Accrued mark-up	68,684	68,684	68,684	-
Short term borrowings	692,287	733,824	733,824	-
Unclaimed dividends	10,579	10,579	10,579	-
	3,008,138	3,504,605	2,269,883	1,234,722
June 30, 2022				
(Rupees in '000)				
Lease liabilities	63,422	76,117	27,035	49,082
Long term borrowings	1,103,699	1,600,591	341,584	1,259,007
Long term deposits	28,226	28,226	-	28,226
Trade and other payables	1,073,212	1,073,212	1,073,212	-
Accrued mark-up	36,739	36,739	36,739	-
Short term borrowings	93,765	97,354	97,354	-
Unclaimed dividends	10,601	10,601	10,601	-
	2,409,664	2,922,840	1,586,525	1,336,315

(c) Market risk

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

Foreign exchange risk

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

	Rupees	Euro	U.S. Dollar	RMB
(in '000)				
June 30, 2023				
Trade and other payables	284,481	-	100	6,398
June 30, 2022				
Trade and other payables	560,037	5	78	17,548

The following significant exchange rates have been applied:

	Reporting date rate	
	2023	2022
RMB to Rupee	39.98	30.93
U.S. Dollar to Rupee	287.10	206.00
Euro to Rupee	314.27	215.79

Sensitivity analysis

At June 30, 2023, if Rupee had strengthened by 5% against RMB, Dollar and Euro with all other variables held constant, profit before taxation for the year would have been higher/ (lower) by the amount shown below mainly as a result of net foreign exchange gain / (loss) on translation of net financial liabilities.

Effect on profit for the year

	2023	2022
	(Rupees in '000)	
RMB to Rupee	12,790	27,139
U.S. Dollar to Rupee	1,434	807
Euro to Rupee	-	56
	<u>14,224</u>	<u>28,002</u>

Interest rate risk

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

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

	2023	2022
	(Rupees in '000)	
Fixed rate instruments - financial assets		
Bank balances	<u>1,130,010</u>	<u>1,990,764</u>
Variable rate instruments		
Financial assets		
Due from the Subsidiary Company	<u>272,242</u>	<u>797,027</u>
Financial liabilities		
Long term borrowings	1,178,069	1,103,699
Short term borrowings	692,287	93,765
Liabilities against assets subject to finance lease	97,481	63,422
	<u>1,967,837</u>	<u>1,260,886</u>

Sensitivity analysis

At June 30, 2023, if the interest rates on the Company's variable rate instruments had been 1% higher / (lower) with all other variables held constant, profit before tax for the year would have been Rs.16,956 thousand (2022: Rs.4,639 thousand) lower / higher mainly as a result of net higher / (lower) interest income.

Price risk

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

41.2 Fair value of financial assets and liabilities

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

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

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

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

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

Valuation techniques used to determine fair values

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

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

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

41.3 Financial instruments by category

	2023	2022
Financial assets as per statement of financial position		
At amortised cost		(Rupees in '000)
Long term loans	1,473	4,754
Long term deposits	26,252	23,148
Due from Subsidiary Company	272,242	797,027
Trade debts	247,589	330,323
Loans and advances	4,545	7,606
Accrued interest / mark-up	46,658	43,121
Other receivables	77,415	110,254
Bank balances	1,302,234	2,119,985
At fair value through profit and loss		
Investments	-	675,863
	<u>1,978,408</u>	<u>4,112,081</u>
Financial liabilities as per statement of financial position		
Lease liabilities	97,481	63,422
Long term borrowings	1,178,069	1,103,699
Long term deposits	57,226	28,226
Trade and other payables	903,812	1,073,212
Accrued mark-up	68,684	36,739
Short term borrowings	692,287	93,765
Unclaimed dividend	10,579	10,601
	<u>3,008,138</u>	<u>2,409,664</u>

42. CAPITAL RISK MANAGEMENT

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

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

	2023	2022
	(Rupees in '000)	
Total borrowings	1,967,837	1,260,886
Bank balances	(1,302,234)	(2,119,985)
Net borrowings / (bank balance)	665,603	(859,099)
Total equity	6,169,560	6,096,621
Total capital	6,835,163	5,237,522
Gearing ratio	9.74%	0.00%

43. NUMBER OF EMPLOYEES

The total number of employees (including contractual employees) as at June 30, 2023 were 1,060 (2022: 1,057), average number of employees during the year were 1,056 (2022: 969).

44. PROVIDENT FUND

44.1 The following information is based on un-audited financial statements of Ghandhara Nissan Limited - Employees' Provident Fund (the Fund) for the year ended June 30, 2023:

	2023	2022
	(Rupees in '000)	
Size of the Fund - total assets	212,963	197,377
Cost of investments made	193,944	135,983
Percentage of investments made	91.07%	68.90%
Fair value of investments	220,059	209,008

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

45. SHAHRIAH SCREENING DISCLOSURE

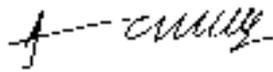
	2023		2022	
	Convent- -ional	Shariah Compliant (Rupees in '000)	Convent- -ional	Shariah Compliant
Cash and bank balances	733,730	572,416	1,368,218	755,679
Accrued mark-up	10,621	36,037	6,241	36,880
Accrued mark-up on borrowings	52,282	16,402	28,013	8,726
Revenue	-	10,033,096	-	5,359,062
Other income				
a) Profit on saving accounts, term deposit receipts and loan to subsidiary	130,759	211,700	143,741	34,559
b) Gain from sale of investment	13,186	-	-	-
c) Dividend income	5,983	389	407	148
d) Others including exchange gain on actual currency	-	55,020	-	36,778
Mark-up / interest expense	189,980	100,876	114,887	24,670

46. CORRESPONDING FIGURES

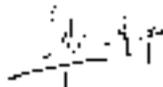
The corresponding figures have been rearranged and reclassified, wherever considered necessary for the purposes of comparison and better presentation the effect of which is not material.

47. DATE OF AUTHORISATION FOR ISSUE

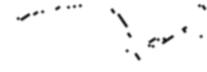
These financial statements were authorised for issue on October 3, 2023 by the Board of Directors of the Company.



Chief Executive Officer



Director



Acting Chief Financial Officer

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

Name of company **Ghandhara Automobiles Limited**
(Formerly Ghandhara Nissan Limited)
Year Ended: 30th June 2023

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

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

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

2. The composition of the Board is as follows:

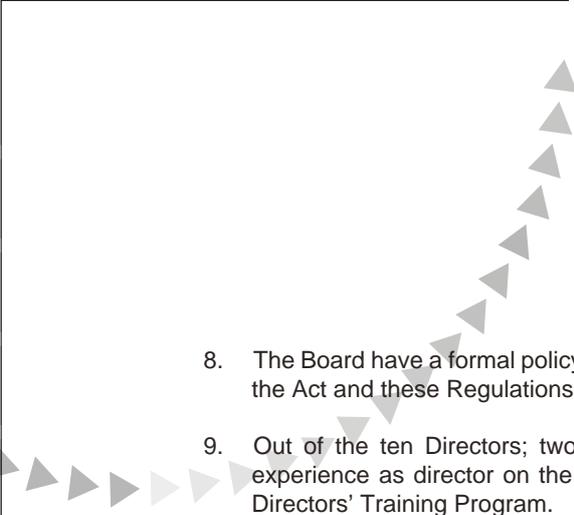
Sr. No.	Name of Directors	Category	Number
1.	Mr. Polad Merwan Polad		
2.	Mr. Salman Rasheed (FCA)	Independent Directors	3
3.	Mr. Muhammad Jawaid Iqbal (CFA)		
4.	Lt. Gen. (Retd.) Ali Kuli Khan Khattak		
5.	Mr. Sikandar Kuli Khan Khattak	Non - Executive Directors	5
6.	Mr. M. Saleem Baig		
7.	Syed Haroon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

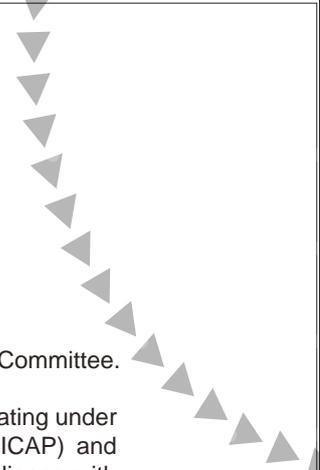
The Board was reconstituted on February 2, 2022 for a term of three years.

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

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

- 3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.
- 4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
- 5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company.
- 6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Companies Act, 2017 and these Regulations, 2019.
- 7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.

- 
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. Out of the ten Directors; two directors are exempted from Directors' Training Program based on their experience as director on the board of Listed Companies and eight directors have obtained certificate of Directors' Training Program.
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. CEO and CFO have duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below.-
- a) Audit Committee:
- Mr. Polad Merwan Polad - Chairman
 - Lt.Gen (Retd.) Ali Kuli Khan Khattak - Member
 - Mr. Salman Rasheed (FCA) - Member
 - Mr. Muhammad Zia - Member
 - Mr. Muhammad Saleem Baig - Member
- b) Human Resource and Remuneration Committee:
- Mr. Muhammad Jawaid Iqbal - Chairman
 - Mr. Ahmad Kuli Khan Khattak - Member
 - Mrs. Shahnaz Sajjad Ahmad - Member
 - Mr. Muhammad Zia - Member
 - Mr. Polad Merwan Polad - Member
13. The terms of reference of the aforesaid Committees have been formed, documented and advised to the Committees for compliance.
14. The frequency of meetings (quarterly/half yearly/ yearly) of the Committees were as per following:-
- a) Audit Committee:
- 1st Meeting : within one month of end of quarter.
 - 2nd Meeting : within two months of end of half year.
 - 3rd Meeting : within one month of end of quarter.
 - 4th Meeting : within three months of end of quarter
- b) Human Resource and Remuneration Committee:
- Held once during the financial year

- 
15. The Board has set up an effective internal Audit Function which functionally reports to the Audit Committee.
 16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company.
 17. The statutory Auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
 18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

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

On Behalf of the Board of Directors



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

Karachi
Dated: 3rd October 2023

INDEPENDENT AUDITORS' REVIEW REPORT TO To the members of Ghandhara Automobiles Limited - Formerly Ghandhara Nissan Limited

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

We have reviewed the enclosed Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Ghandhara Automobiles Limited formerly Ghandhara Nissan Limited (the Company) for the year ended June 30, 2023, in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2023.



SHINEWING HAMEED CHAUDHRI & CO.
CHARTERED ACCOUNTANTS
KARACHI; October 03, 2023
UDIN: CR202310104FS1yWraCv

Key Operating and Financial Data

Particulars	Jun-23	Jun-22	Jun-21	Jun-20	Jun-19	Jun-18
Sales	10,033,096	5,359,062	3,225,727	1,663,080	2,373,750	2,218,734
Gross profit	636,409	412,254	345,915	5,022	320,089	433,304
Profit / (Loss) before tax	243,279	130,528	115,554	(215,932)	5,421	1,252,196
Profit / (Loss) after tax	63,696	101,155	130,752	(206,623)	(28,806)	1,037,521
Share Capital	570,025	570,025	570,025	570,025	570,025	450,025
Shareholders equity without revaluation surplus	4,059,033	3,954,097	3,831,376	3,655,346	3,822,607	3,695,640
Shareholders equity with revaluation surplus	6,169,560	6,096,621	6,007,616	5,878,640	6,083,965	4,667,881
Fixed Assets	5,392,028	5,427,099	4,065,389	4,105,816	3,912,436	2,133,465
Total Assets	10,192,018	13,198,123	7,300,478	6,901,852	7,097,988	5,825,353
Unit Produced and Supplied (Contract Assembly)	2,481	3,959	2,301	2,282	4,336	4,525
Units Produced	3,132	5,200	3,710	2,713	618	359
Units Sold (CBU)	38	74	83	50	94	526
Units Sold (CKD)	1,980	1,410	955	155	618	177
Interim Dividend - Cash	-	-	-	-	-	-
Dividend - Cash	-	-	-	-	-	-
Ratios						
Profitability						
Gross profit margin	6.3%	7.7%	10.7%	0.3%	13.5%	19.5%
Profit/(Loss) before tax	2.42%	2.44%	3.58%	-12.98%	0.23%	56.44%
Profit/(Loss) after tax	0.6%	1.9%	4.1%	-12.4%	-1.2%	46.8%
Return to shareholders:						
Return/(Loss) on Equity without surplus(BT)	6.0%	3.3%	3.0%	-5.9%	0.1%	33.9%
Return/(Loss) on Equity without surplus (AT)	1.6%	2.6%	3.4%	-5.7%	-0.8%	28.1%
Earning/(Loss) per share (BT)-Rs.	4.27	2.29	2.03	(3.79)	0.10	27.79
Basic Earning Per Share	1.22	1.77	2.29	(3.62)	(0.51)	23.02
Activity:						
Sales to total assets - Times	0.98	0.41	0.44	0.24	0.33	0.38
Sales to fixed assets -Times	1.86	0.99	0.79	0.41	0.61	1.04
Liquidity:						
Current ratio -Times	1.66	1.17	2.83	3.57	3.77	3.20
Break-up value per share- Rs.	108.23	106.95	105.39	103.13	106.73	103.72

Pattern of Shareholding

No. of Shareholders	Shareholdings' Slab			Total Shares Held
1,024	1	To	100	50,344
1,878	101	To	500	710,260
1,067	501	To	1000	919,383
1,489	1001	To	5000	3,662,471
258	5001	To	10000	1,897,500
97	10001	To	15000	1,223,605
44	15001	To	20000	805,803
24	20001	To	25000	536,582
19	25001	To	30000	531,631
13	30001	To	35000	436,754
4	35001	To	40000	154,639
4	40001	To	45000	174,100
5	45001	To	50000	247,538
2	55001	To	60000	118,889
2	60001	To	65000	126,664
4	65001	To	70000	275,380
6	70001	To	75000	436,935
2	75001	To	80000	156,588
2	85001	To	90000	180,000
4	90001	To	95000	377,288
2	95001	To	100000	200,000
1	100001	To	105000	103,500
4	105001	To	110000	428,485
3	130001	To	135000	401,500
1	135001	To	140000	135,700
1	145001	To	150000	150,000
2	150001	To	155000	304,172
1	155001	To	160000	157,200
1	170001	To	175000	175,000
1	180001	To	185000	180,102
1	195001	To	200000	200,000
1	220001	To	225000	225,000
1	245001	To	250000	245,813
1	290001	To	295000	293,182
1	305001	To	310000	306,000
1	385001	To	390000	388,512
1	415001	To	420000	416,000
1	420001	To	425000	421,949
1	465001	To	470000	467,901
1	695001	To	700000	700,000
1	1525001	To	1530000	1,526,582
1	3645001	To	3650000	3,647,090
1	6485001	To	6490000	6,485,029
1	26420001	To	26425000	26,421,429
<u>5,979</u>				<u>57,002,500</u>

Category of Shareholders

As at of June 30, 2023

S.No.	Categories of Shareholders	Number of Shares held	Category wise no. of Folios/ CDC Accounts	Category wise Shares held	Percentage
1	Director, CEO, their Spouses and minor children		15	190,928	0.3349
	Lt. Gen. (Retd.) Ali Kuli Khan Khattak	76,086			
	Mr. Ahmad Kuli Khan Khattak	88,113			
	Mrs. Shahnaz Sajjad Ahmad	23,567			
	Mr. Sikandar Kuli Khan Khattak	100			
	Mr. Muhammad Zia	648			
	Mr. Muhammad Saleem Baig	632			
	Mr. Polad Merwan Polad	1281			
	Mr. Salman Rasheed (FCA)	500			
	Mr. Muhammad Jawaid Iqbal	1			
2	Associate Companies		3	32,921,887	57.7552
	Bibojee Services (Pvt) Ltd.	32,921,887			
3	NIT & ICP		2	1,532,332	2.6882
	CDC - Trustee National Investment (unit) Trust	1,526,582			
	Investment Corporation of Pakistan	5,750			
4	Banks, DFI & NBFII		4	479,661	0.8415
	National Bank of Pakistan	1,510			
	National Bank of Pakistan Trustee Wing, Head Office	250			
	MCB Bank Limited – Treasury	467,901			
	Pak-Qatar Investment (Pvt.) Limited	10,000			
5	Insurance Companies		4	53,299	0.0935
	Gulf Insurance Company Limited	17,800			
	GHAF Limited	31,599			
	Premier Insurance Limited	3,900			
6	Modarabas & Mutual Funds		5	1,565,464	2.7463
	First Alnoor Modaraba	26,793			
	Cdc - Trustee National Investment (Unit) Trust	1,526,582			
	Dccl - Trustee AKD Islamic Stock Fund	999			
	Cdc - Trustee Alfalah Consumer Index Exchange Traded Fund	5,778			
	The Pakistan Fund	5,312			
7	General Public (Local)		5,636	14,272,441	25.0383
8	General Public (Foreign)		257	368,723	0.6469
9	Foreign Companies		1	3,647,090	6.3981
10	Others		51	1,970,675	3.4572
			5,978	57,002,500	100.00

Shareholders holding 10% or more

Voting interest in the Company

Bibojee Services (Pvt.) Limited

Share held

Percentage

32,921,887

57.76



Consolidated Reports

Directors' Report on Consolidated Financial Statements

The directors are pleased to present their report together with consolidated financial statements of Ghandhara Automobiles Limited and its subsidiary Ghandhara DF (Pvt.) Limited for the year ended 30th June, 2023.

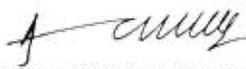
The economy of country faced extreme pressure during the outgoing year, uncertainty and insufficient external financing and low level of foreign exchange reserves remained major concerns during FY23 which were exacerbated by the fallout of floods, political instability and soaring inflation rates. These challenges have posed unprecedented difficulties for the Auto industry,

Nonetheless, we demonstrated adaptability and determination to find new ways to reduce the impact of these external forces through expanding its product line-up.

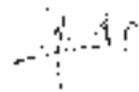
The financial results for the year ended June 30, 2023 are summarized below:

	2023 (Rupees in thousands)	2022
Revenue	13,104,563	6,381,609
Gross Profit	1,132,373	560,641
Operating Profit	782,723	259,427
Profit after Tax	173,527	280,667
Earnings per share (Rs.)	3.04	4.92

For and on behalf of the Board of Directors



Chief Executive Officer



Director

Karachi

Dated: 3rd October, 2023

اجتماعی مالیاتی گوشواروں پر ڈائریکٹرز رپورٹ

ڈائریکٹرز 30 جون 2023 کو ختم ہونے والے سال کے لیے گندھارا آٹوموبائلز لمیٹڈ اور اس کے ماتحت ادارے گندھارا ڈی ایف (پرائیویٹ) لمیٹڈ کے مشترکہ مالی گوشواروں کے ساتھ اپنی رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

ملک کی معیشت کو سال گزشتہ کے دوران انتہائی دباؤ کا سامنا کرنا پڑا، مالی سال 2023 کے دوران غیر یقینی صورتحال اور ناکافی بیرونی فنڈنگ اور زر مبادلہ کے ذخائر کی کم سطح، اہم خدشات میں شامل رہے، جن میں سیلاب، سیاسی عدم استحکام اور مہنگائی کی بڑھتی ہوئی شرحوں کے نتیجے میں مزید اضافہ ہو گیا۔ ان چیلنجز نے آٹو انڈسٹری کیلئے ایسی مشکلات کھڑی کیں جو ماضی میں نہیں ملتی۔

بہر حال، ہم نے اپنی مصنوعات کی لائن اپ کو وسعت دے کر ان بیرونی عوامل کے اثرات کو کم کرنے کی نئی راہیں تلاش کرنے کے لیے عزم کا مظاہرہ کیا اور خود کو حالات کے موافق ڈھالنے کیلئے کوشاں رہے۔

30 جون 2023 کو ختم ہونے والے سال کیلئے مالی نتائج کا خلاصہ ذیل میں دیا جا رہا ہے۔

(روپے ہزاروں میں)

2022	2023	
6,381,609	13,104,563	آمدنی
560,641	1,132,373	مجموعی منافع
259,427	782,723	آپریٹنگ منافع
280,667	173,527	بعد از ٹیکس منافع
4.92	3.04	آمدنی فی شیئر (روپے)

برائے و منجانب بورڈ آف ڈائریکٹرز



ڈائریکٹر



چیف ایگزیکٹو آفیسر

کراچی

تاریخ: 03 اکتوبر 2023

INDEPENDENT AUDITORS' REPORT

To the members of Ghandhara Automobiles Limited - Formerly Ghandhara Nissan Limited

Opinion

We have audited the annexed consolidated financial statements of **Ghandhara Automobiles Limited** - Formerly Ghandhara Nissan Limited (the Group), which comprise the consolidated statement of financial position as at June 30, 2023, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matter(s)

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

Following are the Key Audit Matters:

S.No. Key Audit Matter

1. Revenue recognition

Refer notes 4.20 and 27 to the consolidated financial statements. The Group is engaged in assembly / progressive manufacturing of vehicles including vehicles under contract agreement and import & sale of parts / vehicles in completely built-up condition. The Group recognized revenue from the sales aggregating to Rs.13,104,563 thousand for the year ended June 30, 2023. We identified recognition of revenue as a key audit matter as there is an increase of 105.35% from last year and it includes large number of transactions involving a large number of customers. Further, revenue is one of the key performance indicator of the Company.

2. Trade debts

Refer note 4.9 and 11 to the consolidated financial statements, the Group has trade debts aggregating Rs.1,161,598 thousand as at June 30, 2023 as compared to Rs.697,381 thousand as at June 30, 2022. An estimate for provision for doubtful debts aggregating Rs.30,708 thousand has been recognised using projected credit loss model. We identified this area as key audit matter because trade debts represent a significant balance for the Company and estimating the recoverable amount involves inherent uncertainty.

How the matter was addressed in our audit

Our audit procedures in respect of this area included:

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

Our audit procedures in respect of this area included:

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

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

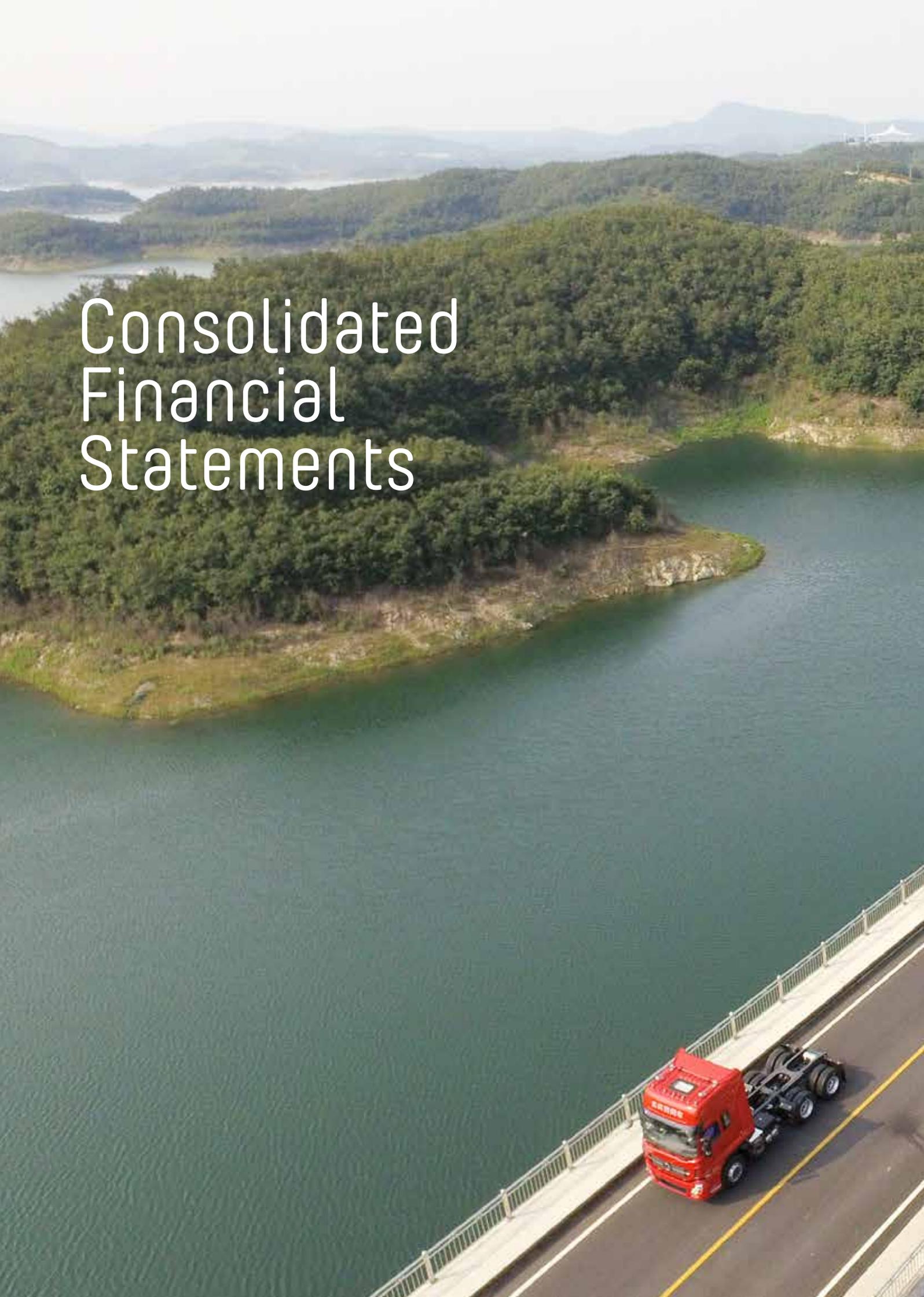
From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation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

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



SHINewing HAMEED CHAUDHRI & CO.
CHARTERED ACCOUNTANTS
KARACHI; October 03, 2022
UDIN : AR2023101045wCYUZvnd

Consolidated Financial Statements

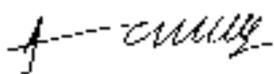




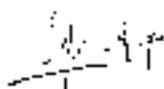
Consolidated Statement of Financial Position

AS AT JUNE 30, 2023

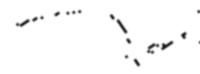
	Note	2023	2022
		(Rupees in '000)	
ASSETS			
Non current assets			
Property, plant and equipment	5	5,408,073	5,442,916
Intangible assets	6	3,750	3,874
Long term investments	7	1,271,261	1,312,254
Long term loans	8	6,578	9,914
Long term deposits	9	29,070	25,708
		6,718,732	6,794,666
Current assets			
Stores, spares and loose tools		225,733	169,235
Stock-in-trade	10	2,346,343	4,331,960
Trade debts	11	1,161,598	697,381
Loans and advances	12	58,054	56,531
Deposits and prepayments	13	19,906	5,738
Investments	14	-	675,863
Accrued interest / mark-up		21,592	11,074
Other receivables	15	106,781	456,538
Taxation - net		638,675	387,383
Cash and bank balances	16	1,325,392	2,239,593
		5,904,074	9,031,296
Total assets		12,622,806	15,825,962



Chief Executive Officer



Director



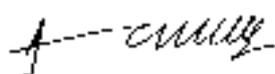
Acting Chief Financial Officer

Consolidated Statement of Financial Position

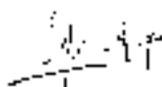
AS AT JUNE 30, 2023

	Note	2023	2022
		(Rupees in '000)	
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	17	570,025	570,025
Capital reserves			
- share premium		1,102,721	1,102,721
- surplus on revaluation of fixed assets - net	18	2,779,358	2,813,584
- Items directly credited to equity by an Associate		79,823	77,594
		3,961,902	3,993,899
Revenue reserve - unappropriated profits		3,389,143	3,175,876
Equity attributable to shareholders of the Holding Company		7,921,070	7,739,800
Non-controlling interest		61	46
Total equity		7,921,131	7,739,846
Liabilities			
Non current liabilities			
Lease liabilities	19	70,349	45,298
Long term borrowings	20	764,451	845,553
Deferred income - government grants	21	151,706	196,854
Long term deposits	22	64,226	35,226
Deferred taxation - net	23	295,988	249,307
		1,346,720	1,372,238
Current liabilities			
Trade and other payables	24	1,799,536	5,752,007
Accrued mark-up		86,202	48,356
Short term borrowings	25	968,351	581,211
Current portion of lease liabilities	19	31,520	21,835
Current maturity of long term borrowings	20	413,618	258,146
Current portion of deferred income - government grants	21	45,149	41,722
Unclaimed dividends		10,579	10,601
		3,354,955	6,713,878
Total liabilities		4,701,165	8,086,116
Contingencies and commitments	26		
Total equity and liabilities		12,622,806	15,825,962

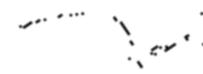
The annexed notes from 1 to 46 form an integral part of these consolidated financial statements.



Chief Executive Officer



Director



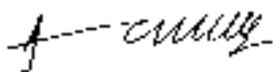
Acting Chief Financial Officer

Consolidated Statement of Profit or Loss and other Comprehensive Income

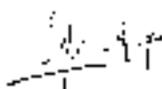
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
		(Rupees in '000)	
Revenue	27	13,104,563	6,381,609
Cost of sales	28	(11,972,190)	(5,820,968)
Gross profit		1,132,373	560,641
Distribution cost	29	(194,974)	(140,148)
Administrative expenses	30	(318,700)	(277,483)
Other income	31	267,731	138,028
Other expenses	32	(103,707)	(21,611)
Profit from operations		782,723	259,427
Finance cost	33	(354,735)	(194,482)
		427,988	64,945
Share of (loss) / profit of an Associate	7.1	(38,214)	263,414
Profit before taxation		389,774	328,359
Taxation	34	(216,247)	(47,692)
Profit after taxation		173,527	280,667
Other comprehensive income / (loss)			
Items that will not be reclassified to profit or loss			
Re-measurement of staff retirement benefit obligation		14,840	(17,324)
Impact of deferred tax		(4,303)	5,024
- re-measurement of staff retirement benefit obligation - net		(2,779)	(748)
Other comprehensive income / (loss) for the year - net of tax		7,758	(13,048)
Total comprehensive income for the year		181,285	267,619
Attributable to:			
- Shareholders of the Holding Company		181,270	267,627
- Non-controlling interest		15	(8)
		181,285	267,619
		(Rupees)	
Earnings per share - basic and diluted	35	3.04	4.92

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



Chief Executive Officer



Director



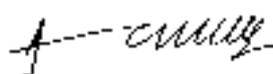
Acting Chief Financial Officer

Consolidated Statement of Changes in Equity

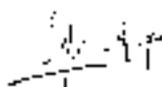
FOR THE YEAR ENDED JUNE 30, 2023

	Share capital	Share premium	Capital reserves		Revenue reserve Unappropriated profit	Total	Non - controlling interest
			Surplus on revaluation of fixed assets	Items directly credited to equity by an Associate			
(Rupees in thousand)							
Balance as at July 1, 2022	570,025	1,102,721	2,849,529	75,365	2,874,533	7,472,173	54
Total comprehensive income for the year ended June 30, 2022							
Profit for the year	-	-	-	-	280,675	280,675	(8)
Other comprehensive loss	-	-	-	-	(13,048)	(13,048)	-
	-	-	-	-	267,627	267,627	(8)
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred tax	-	-	(33,716)	-	33,716	-	-
Effect of item directly credited in equity by an Associate	-	-	(2,229)	2,229	-	-	-
Balance as at June 30, 2022	570,025	1,102,721	2,813,584	77,594	3,175,876	7,739,800	46
Total comprehensive income for the year ended June 30, 2023							
Profit for the year	-	-	-	-	173,512	173,512	15
Other comprehensive income	-	-	-	-	7,758	7,758	-
	-	-	-	-	181,270	181,270	15
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred tax	-	-	(31,997)	-	31,997	-	-
Effect of item directly credited in equity by an Associate	-	-	(2,229)	2,229	-	-	-
Balance as at June 30, 2023	570,025	1,102,721	2,779,358	79,823	3,389,143	7,921,070	61

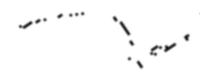
The annexed notes from 1 to 46 form an integral part of these consolidated financial statements.



Chief Executive Officer



Director



Acting Chief Financial Officer

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED JUNE 30, 2023

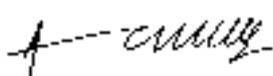
	2023	2022
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	389,774	328,359
Adjustments for non-cash charges and other items:		
Depreciation and amortisation	350,077	201,172
Provision for gratuity	16,161	14,201
Charge / (reversal) of provision for expected credit losses	13,272	(14,938)
Interest income	(209,745)	(94,342)
Gain on disposal of property, plant and equipment	(6,020)	(5,391)
Gain on disposal of investment	(13,186)	-
Fair value gain on investments in mutual funds	-	(392)
Dividend income - mutual funds' investment	(6,372)	(555)
Share of loss / (profit) of an Associate	38,214	(263,414)
Finance cost	354,735	194,482
Exchange loss - net	84,759	11,937
Operating profit before working capital changes	1,011,669	371,119
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(56,498)	(32,768)
Stock-in-trade	1,985,617	(3,069,512)
Trade debts	(477,489)	214,763
Loans and advances	(1,523)	(44,566)
Deposit and prepayments	(14,168)	68,150
Other receivables	349,757	(438,490)
	1,785,696	(3,302,423)
(Decrease) / increase in trade and other payables	(4,007,026)	4,977,887
Cash (used in) / generated from operations	(1,209,661)	2,046,583
Gratuity paid	(31,525)	(18,268)
Long term loans - net	3,336	4,615
Long term deposits - net	29,000	2,000
Finance cost paid	(316,889)	(154,910)
Income taxes paid - net	(425,161)	(157,559)
Net cash (used in) / generated from operating activities - carried forward	(1,950,900)	1,722,461

Consolidated Statement of Cash Flows

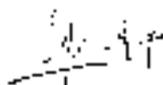
FOR THE YEAR ENDED JUNE 30, 2023

	2023	2022
	(Rupees in '000)	
Net cash (used in) / generated from operating activities - brought forward	(1,950,900)	1,722,461
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for fixed capital expenditure	(257,471)	(1,554,305)
Payments for intangible assets	(900)	(899)
Proceeds from disposal of property, plant and equipment	22,180	88,455
Interest income received	199,227	92,610
Long term deposits - net	(3,362)	3,431
Investments	689,049	(675,471)
Dividends received	6,372	555
Net cash generated from / (used in) investing activities	655,095	(2,045,624)
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease finances - net	(38,163)	(42,714)
Long term borrowings - obtained	354,027	1,312,000
Long term borrowings - repaid	(321,378)	(133,375)
Short term borrowings - net	387,140	341,022
Dividends paid	(22)	-
Net cash generated from financing activities	381,604	1,476,933
Net (decrease) / increase in cash and cash equivalents	(914,201)	1,153,770
Cash and cash equivalents at beginning of the year	2,239,593	1,085,823
Cash and cash equivalents at end of the year	1,325,392	2,239,593

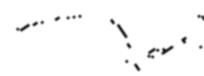
The annexed notes from 1 to 46 form an integral part of these consolidated financial statements.



Chief Executive Officer



Director



Acting Chief Financial Officer

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED JUNE 30, 2023

1. THE GROUP AND ITS OPERATIONS

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

1.2 Ghandhara Automobiles Limited

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

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

1.3 Ghandhara DF (Private) Limited

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

The Subsidiary Company has cooperation agreement with China DongFeng Motor Industry Imp. & Exp. Co. Limited as well as 'Motor Vehicles & Related Products Distribution' agreements with DongFeng Automobile Company Limited.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.2 Basis of consolidation

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

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

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

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

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

2.3 Transactions and non-controlling interests

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

2.4 Functional and presentation currency

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

2.5 Changes in accounting standards and interpretations

2.5.1 Standards and amendments to approved accounting standards effective in current year New and amended standards mandatory for the first time for the financial year beginning July 1, 2022:

- (a) Amendments to IAS 16 'Property, Plant and Equipment' prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss. The amendments apply retrospectively, but only to items of PPE made available for use on or after the beginning of the earliest period presented in the financial statements in which the company first applies the amendments.
- (b) Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' is applicable for accounting periods beginning on or after January 1, 2022. Under IAS 37, a contract is 'onerous' when the unavoidable costs of meeting the contractual obligations – i.e. the lower of the costs of fulfilling the contract and the costs of terminating it – outweigh the economic benefits. The amendments clarify that the 'costs of fulfilling a contract' comprise both the incremental costs – e.g. direct labour and materials; and an allocation of other direct costs – e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract.

The other new standards, amendments to published accounting and reporting standards and interpretations that are mandatory in Pakistan for the financial year beginning on July 1, 2022 are considered not to be relevant or to have any significant effect on the Group's financial reporting and operations.

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

The following new standards and amendments to approved accounting standards are not effective for the financial year beginning on July 1, 2022 and have not been early adopted by the Group:

- (a) Amendments to IAS 1, 'Presentation of Financial Statements' is applicable on accounting periods beginning on or after January 1, 2023. The amendments includes requiring companies to disclose their material accounting policies rather than their significant accounting policies, clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed and also clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.
- (b) Amendment to IAS 12, 'Income Taxes' is applicable on accounting periods beginning on or after January 1, 2023. The amendments narrow the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision.
- (c) Amendment to IFRS 16, 'Leases' is applicable on accounting periods beginning on or after January 1, 2024. Amendments impact how a seller-lessee accounts for variable lease payments that arise in a sale-and-leaseback transaction. On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains. The amendments introduce a new accounting model for variable payments and will require seller-lessees to reassess and potentially restate sale-and-leaseback transactions entered.
- (d) Amendments to IAS 1 'Presentation of Financial Statements' is applicable on accounting periods beginning on or after January 1, 2024. Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of this amendments, the requirement for a right to be unconditional has been removed and instead, the amendments requires that a right to defer settlement must have substance and exist at the end of the reporting period. This right may be subject to a company complying with conditions (covenants) specified in a loan arrangement.

At October 31, 2022, after reconsidering certain aspects of the amendments, the IASB reconfirmed that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date.

There are a number of other standards, amendments and interpretations to the published standards that are not yet effective and are also not relevant to the Group and, therefore, have not been presented here.

3. BASIS OF MEASUREMENT

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

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

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

- (i) Estimate of useful lives and residual values of property, plant & equipment and intangible assets (notes 4.1 and 4.2)
- (ii) Stock-in-trade (note 4.8)
- (iii) Provision for expected credit losses (note 4.9)
- (iv) Provision for staff benefits (note 4.14)
- (v) Provision for warranty (note 4.16)
- (vi) Provision for taxation (note 4.18)

4. SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Property, plant and equipment

4.1.1 Operating fixed assets

Owned assets

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

Subsequent cost

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

Depreciation

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

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

Disposal

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

Revaluation of assets

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

4.1.2 Right of use assets

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

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

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

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

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

Impairment

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

4.1.3 Capital work-in-progress

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

4.2 Intangible assets

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

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

Subsequent expenditure

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

Amortisation

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

4.3 Non current assets held for sale

Non current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction rather than continuing use and sale is considered highly probable. They are stated at the lower of carrying amount and fair value less cost to sell.

4.4 Financial assets

4.4.1 Classification

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

(a) Financial assets at amortised cost

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

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

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

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

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

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

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

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

4.4.2 Recognition and measurement

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

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

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

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

4.5 Financial liabilities

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

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

4.6 Off-setting of financial assets and liabilities

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

4.7 Stores, spares and loose tools

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

4.8 Stock-in-trade

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

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

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

4.9 Trade debts and other receivables

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

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

4.10 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities outstanding for more than 12 months as at the reporting date, in which case, they are classified as non current assets.

4.11 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of statement of cash flows, cash and cash equivalents include cash and bank balances, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less.

4.12 Share capital

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

4.13 Mark-up bearing loans and borrowings

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

4.14 Staff benefits

4.14.1 Defined benefit plan - The Holding Company

The Group operates funded gratuity schemes which defines the amount of benefit that an employee will receive on retirement subject to minimum qualifying period of service under the schemes. The amount of retirement benefit is usually dependent on one or more factors such as age, years of service and salary. Provision for gratuity is made annually to cover obligation under the scheme in accordance with the actuarial recommendations. Latest actuarial valuations were conducted on June 30, 2023 on the basis of the projected unit credit method by an independent Actuary. The liability recognised in the consolidated statement of financial position in respect of defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

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

4.14.2 Defined contribution plan

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

4.15 Trade and other payables

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

4.16 Warranty obligations

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

4.17 Research and development cost

Research and development cost is charged in the year in which it is incurred. Development costs previously charged to income are not recognised as an asset in the subsequent period.

4.18 Taxation

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

Current

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

Deferred

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

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

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

4.19 Provisions, contingent assets and contingent liabilities

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

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

4.20 Revenue recognition

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

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

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

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

4.21 Government grants

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

4.22 Borrowing cost

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

4.23 Foreign currency transactions and translation

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

4.24 Impairment loss

The carrying amounts of the Group's assets are reviewed at each reporting date to identify circumstances indicating occurrence of impairment loss or reversal of provisions for impairment losses. If any indications exist, the recoverable amounts of such assets are estimated and impairment losses or reversals of impairment losses are recognised in the consolidated profit or loss. Reversal of impairment loss is restricted to the original cost of the asset.

4.25 Segment reporting

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

4.26 Earnings per share

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

4.27 Dividend and appropriation to reserves

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

5. PROPERTY, PLANT AND EQUIPMENT

	Note	2023	2022
(Rupees in '000)			
Operating fixed assets	5.1	5,117,272	5,294,436
Capital work-in-progress includes:			
Buildings	5.8	136,922	29,278
Plant and machinery		129,503	112,057
Software, computers and servers		24,376	7,145
		290,801	148,480
		5,408,073	5,442,916

5.1 Operating fixed assets

	Freehold land (note 5.2)	Leasehold land (note 5.2)	Buildings on freehold land	Buildings on lease hold land	Leasehold improvements	Plant and machinery	Assembly jigs	Furniture and fixture	Owned vehicles	Other equipment	Office equipment	Computers and servers	Right of use assets	Total
At July 1, 2021														
Revaluation / cost	1,567,875	222,980	776,684	93,745	87,206	872,789	34,128	52,905	94,976	36,918	15,100	23,990	156,436	4,035,732
Accumulated depreciation	-	(84,881)	(90,315)	(9,493)	(12,752)	(134,830)	(25,163)	(14,882)	(69,157)	(27,878)	(12,753)	(16,678)	(56,834)	(565,616)
Net book value	1,567,875	138,099	686,369	84,252	74,454	737,959	8,965	38,023	25,819	9,040	2,347	7,312	99,602	3,480,116
Year ended June 30, 2022														
Opening net book value	1,567,875	138,099	686,369	84,252	74,454	737,959	8,965	38,023	25,819	9,040	2,347	7,312	99,602	3,480,116
Additions	-	202,336	3,300	441,424	-	532,903	794,041	11,372	13,958	5,032	1,487	3,416	16,831	2,026,200
Disposals (Note 5.7)	-	-	-	-	-	-	-	-	(6,825)	-	-	-	(11,714)	(18,539)
- cost	-	-	-	-	-	-	-	-	2,417	-	-	-	4,295	6,712
- accumulated depreciation	-	-	-	-	-	-	-	-	(4,408)	-	-	-	(7,419)	(11,827)
Depreciation charge	-	(15,496)	(34,344)	(6,052)	(3,723)	(45,136)	(54,729)	(4,215)	(6,858)	(3,891)	(986)	(3,017)	(21,606)	(200,053)
Closing net book value	1,567,875	324,939	655,325	519,624	70,731	1,225,726	748,277	45,180	28,511	10,181	2,848	7,711	87,508	5,294,436
At June 30, 2022														
Revaluation / cost	1,567,875	425,316	779,984	535,169	87,206	1,405,692	828,169	64,277	102,109	41,950	16,587	27,406	161,653	6,043,393
Accumulated depreciation	-	(100,377)	(124,659)	(15,545)	(16,475)	(179,966)	(79,892)	(19,097)	(73,598)	(31,769)	(13,739)	(19,695)	(74,145)	(748,957)
Net book value	1,567,875	324,939	655,325	519,624	70,731	1,225,726	748,277	45,180	28,511	10,181	2,848	7,711	87,508	5,294,436
Year ended June 30, 2023														
Opening net book value	1,567,875	324,939	655,325	519,624	70,731	1,225,726	748,277	45,180	28,511	10,181	2,848	7,711	87,508	5,294,436
Additions	-	-	34,273	-	-	72,567	-	3,407	657	632	393	3,221	72,889	188,049
Disposals (Note 5.7)	-	-	-	-	-	-	-	-	(44,129)	-	-	-	(6,984)	(51,113)
- cost	-	-	-	-	-	-	-	-	33,006	-	-	-	1,947	34,953
- accumulated depreciation	-	-	-	-	-	-	-	-	(11,123)	-	-	-	(5,037)	(16,160)
Transferred from lease to owned assets	-	-	-	-	-	-	-	-	17,929	-	-	-	(17,929)	-
- cost	-	-	-	-	-	-	-	-	(10,671)	-	-	-	10,671	-
- accumulated depreciation	-	-	-	-	-	-	-	-	7,258	-	-	-	(7,258)	-
Depreciation charge (Note 5.5)	-	(32,494)	(33,198)	(25,981)	(3,537)	(62,751)	(149,655)	(4,632)	(8,234)	(3,527)	(1,000)	(3,123)	(20,921)	(349,053)
Closing net book value	1,567,875	292,445	656,400	493,643	67,194	1,235,542	598,622	43,955	17,069	7,286	2,241	7,809	127,191	5,117,272
At June 30, 2023														
Revaluation / cost	1,567,875	425,316	814,257	535,169	87,206	1,478,259	828,169	67,684	76,566	42,582	16,980	30,627	209,639	6,180,329
Accumulated depreciation	-	(132,871)	(157,857)	(41,526)	(20,012)	(242,717)	(229,547)	(23,729)	(59,497)	(35,296)	(14,739)	(22,818)	(82,448)	(1,063,057)
Net book value	1,567,875	292,445	656,400	493,643	67,194	1,235,542	598,622	43,955	17,069	7,286	2,241	7,809	127,191	5,117,272
Depreciation rate (% per annum)	10	5	5	5	5	5	20	10	20	33	33	33	20	20

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

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

5.3 Freehold land, buildings on freehold land and plant & machinery had previously been revalued on June 30, 1997, June 30, 1999, January 1, 2004, June 30, 2009 and June 30, 2014.

The Holding Company as on December 31, 2018 again revalued its freehold land, buildings on freehold land, plant & machinery and assembly jigs. The revaluation exercise was carried out by independent valuer - Tristar International Consultant (Private) Limited, (Approved valuers of Pakistan Banks' Association) Room No. 17, 3rd Floor, Davis Hynes, 38-Davis Road, Lahore. Freehold land was revalued on the basis of current market price whereas buildings on freehold land, plant & machinery and assembly jigs were revalued on the basis of depreciated market value (level 2 of fair value hierarchy). The different levels of fair value have been defined in IFRS 13 and are mentioned in note 39.2.

The surplus arisen on latest revaluation exercise aggregating Rs.1,431,103 thousand has been incorporated in the books of the Holding Company and at the time of latest revaluation, forced sale value of the freehold lands, buildings on freehold lands and plant & machinery along with jigs were Rs.1,254,300 thousand, Rs.596,642 thousand and Rs.478,906 thousand respectively.

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

	Note	2023	2022
		(Rupees in '000)	
Freehold land		61,456	61,456
Buildings on freehold land		144,214	116,181
Plant and machinery		880,322	851,810
Assembly Jigs		595,692	744,615

5.5 Depreciation charge has been allocated as follows:

Cost of goods manufactured	28.1	320,293	171,023
Distribution cost	29	2,337	2,553
Administrative expenses	30	26,423	26,477
		349,053	200,053

5.6 The Holding Company's present and future land, buildings on freehold land, plant & machinery and specific vehicles are under mortgaged / hypothecated charged up to Rs.1,970,667 thousand (2022: Rs.2,677,667 thousand) with banks for finance facilities.

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

Particulars of assets	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain	Mode of disposal	Particulars of buyers
(Rupees in 000')							
Item having book value exceeding Rs. 500,000 each							Ex - Employee
Vehicles	2,885	1,018	1,867	3,796	1,929	Negotiation	Mr. Kamran Ayub
	4,099	929	3,170	3,884	714	Company policy	Mr. Muhammad Umair
	26,200	21,502	4,698	6,500	1,802	Negotiation	Others
	3,425	1,337	2,088	3,175	1,087	Insurance claim	Al Mehmoodia Trunckwalas Holdings (Pvt.) Limited, Karachi.
	-	-	-	-	-		IGI General Insurance Limited.
	36,609	24,786	11,823	17,355	5,532		
Items having book value up to Rs.500,000 each	14,504	10,167	4,337	4,825	488		
June 30, 2023	51,113	34,953	16,160	22,180	6,020		
June 30, 2022	18,539	6,712	11,827	15,027	3,200		

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

6. INTANGIBLE ASSETS

These represent computer software licenses.

Note

2023

2022

(Rupees in '000)

Cost

At beginning of the year

8,008

7,109

Addition during the year

900

899

At end of the year

8,908

8,008

Accumulated amortisation

At beginning of the year

4,134

3,015

Charge for the year

30

1,024

1,119

At end of the year

5,158

4,134

Net book value

3,750

3,874

Rate of amortisation (% - per annum)

25

25

7. LONG TERM INVESTMENTS

Associate - equity accounted investment

7.1

1,271,261

1,312,254

Others - available for sale

7.2

-

-

1,271,261

1,312,254

7.1 Ghandhara Industries Limited

Balance at beginning of the year

1,312,254

1,049,588

Share of (loss) / profit for the year

(38,214)

263,414

Share of other comprehensive loss

(2,779)

(748)

Balance at end of the year

1,271,261

1,312,254

- 7.1.1 Investment in Ghandhara Industries Limited (GIL) represents 8,132,336 (2022: 8,132,336) fully paid ordinary shares of Rs.10 each representing 19.09% (2022: 19.09%) of its issued, subscribed and paid-up capital as at June 30, 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 summary of financial statements / reconciliation of GIL as of March 31, 2023 is as follows:

	March 31, 2023	March 31, 2022
	(Rupees in '000)	
Summarised Statement of Financial Position		
Non current assets	4,391,714	4,317,751
Current assets	12,316,752	12,043,187
	16,708,466	16,360,938
Non current liabilities	142,685	120,465
Current liabilities	9,916,074	9,375,985
	10,058,759	9,496,450
Net asset	6,649,707	6,864,488
Reconciliation to carrying amount		
Opening net assets	6,864,488	5,488,266
(Loss) / profit for the year	(200,220)	1,380,143
Other comprehensive (loss) / income	(14,561)	(3,921)
Closing net assets	6,649,707	6,864,488
Holding Company's share (Percentage)	19.086%	19.086%
Holding Company's share	1,269,163	1,310,156
Goodwill and other adjustment	2,098	2,098
Carrying amount of investment	1,271,261	1,312,254
	Nine months period ended	
	March 31, 2023	March 31, 2022
Summarised profit or loss account		
Revenue	12,750,910	17,755,871
Profit before tax	476,433	1,539,915
Profit after tax	260,817	1,189,537

7.1.3 The above figures are based on unaudited condensed interim financial information of GIL as at March 31, 2023. The latest financial statements of GIL as at June 30, 2023 are not presently available. Accordingly, results of operations of first three quarters of financial year 2023 and last quarter of financial year 2022 have been considered.

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

7.1.5 The market value of investment as at June 30, 2023 was Rs.654,978 thousand (June 30, 2022: Rs.1,284,665 thousand)

7.1.6 2,000,000 (2022: 3,924,684) shares of GIL having fair value Rs.161,080 thousand (2022: Rs.619,982 thousand) are under lien of a commercial bank as collateral against short term finance facility.

7.2 Others - available for sale

Automotive Testing & Training Centre (Private) Limited

	2023	2022
	(Rupees in '000)	
187,500 (2022: 187,500) ordinary shares of Rs.10 each - cost	1,875	1,875
Provision for impairment	(1,875)	(1,875)
	-	-

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

	Note	2023	2022
(Rupees in '000)			
Loans to employees			
Related parties - Key Management Personnel	8.1 & 8.2	-	579
Other employees	8.1	9,871	14,618
		9,871	15,197
Less: amounts recoverable within one year and grouped under current assets			
Related parties - Key Management Personnel		-	579
Other employees		3,293	4,704
	12	3,293	5,283
		6,578	9,914

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

8.2 The maximum aggregate amount outstanding at the end of any month during the year ended June 30, 2023 from Key Management Personnel aggregated to Rs.483 thousand (2022: Rs.1,635 thousand).

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

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

	Note	2023	2022
(Rupees in '000)			
Deposits held with / against:			
Central Depository Company of Pakistan Limited		25	25
Lease facilities		19,115	13,953
Utilities		9,809	11,609
Others		121	121
		29,070	25,708

10. STOCK-IN-TRADE

Raw materials

In hand		886,111	1,603,899
Provision for obsolete / slow moving inventories	10.1	(11,184)	(11,184)
		874,927	1,592,715
In transit		374,317	1,002,534
		1,249,244	2,595,249

Finished goods

In hand			
Complete built units - trucks and cars		134,896	312,196
Complete knockdown units - trucks and cars		437,416	719,858
Spare parts		326,091	331,294
Held with third parties			
Complete built units - trucks and cars		17,387	90,197
Complete knockdown units - trucks and cars		153,975	271,326
In transit			
Complete built units - trucks		-	2,326
Spare parts		27,334	9,514
		1,097,099	1,736,711
		2,346,343	4,331,960

10.1 The present and future stock-in-trade, trade debts and receivables aggregating Rs. 9,021,350 thousand (2022: Rs.9,821,018 thousand) are under pledge / joint hypothecation charge with banks against short term finances and running finances (Refer note 25).

11. TRADE DEBTS - Unsecured

Considered good against sale of Vehicles and assembly charges	<i>Note</i>	2023	2022
		(Rupees in '000)	
- due from Ghandhara Industries Limited an Associated Company	11.1	104,810	98,679
- others		1,028,365	575,494
		1,133,175	674,173
Spare parts		28,423	23,208
		1,161,598	697,381
Considered doubtful		30,708	17,436
		1,192,306	714,817
Provision for expected credit losses		(30,708)	(17,436)
		1,161,598	697,381

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

	2023	2022
	(Rupees in '000)	
Up to 3 months	104,810	98,679

11.2 The maximum aggregate amount of trade receivable from related parties at the end of any month during the year was Rs.101,481 thousand (2022: Rs.147,144 thousand).

11.3 Movement in provision for expected credit losses	<i>Note</i>	2023	2022
		(Rupees in '000)	
Balance at beginning of the year		17,436	32,374
Charged / (reversal) for the year - net		13,272	(14,938)
Balance at end of the year		30,708	17,436

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

Current portion of long term loans	8	3,293	5,283
Advances to:			
Related party- Key Management Personnel		6	18
Other employees		2,632	3,291
Provision for doubtful loans - other employees		(454)	(454)
Suppliers, contractors and others		52,006	47,941
		54,190	50,796
Letters of credit		571	452
		58,054	56,531

13. DEPOSITS AND PREPAYMENTS

Prepaid rent		-	238
Current account balances with statutory authorities		19,906	5,500
		19,906	5,738

14. INVESTMENTS

2023	2022	Note	2023	2022
(Number of Units)			(Rupees in '000)	
-	2,998,639	HBL Financial Sector Income Fund Plan I	-	300,000
-	1,002,513	Meezan Rozana Amdani Fund	-	50,126
-	1,484,740	HBL Cash Fund	-	150,423
-	15,128,863	NBP Money Market Fund	-	150,246
-	247,981	UBL Liquidity Plus Fund - Class 'C'	-	25,068
			-	675,863

15. OTHER RECEIVABLES

Considered good and interest free

Sales tax refundable / adjustable			-	305,997
Margin against letter of credits			94,611	138,232
Security deposits and earnest money - interest free			3,562	3,562
Provision for doubtful deposits and earnest money			(3,442)	(3,442)
			120	120
Workers' profit participation fund	24.5		-	2,990
Others			12,050	9,199
			106,781	456,538

16. CASH AND BANK BALANCES

Cash in hand			308	394
Cash at banks on:				
- current accounts			183,861	151,828
- saving accounts	16.1		79,805	1,115,982
- deposit account	16.2 & 16.4		404,119	410,557
- term deposits receipts	16.3 & 16.4		661,211	564,744
			1,328,996	2,243,111
Provision for doubtful bank balance	16.5		(3,912)	(3,912)
			1,325,084	2,239,199
			1,325,392	2,239,593

16.1 At reporting date, these carry mark-up up to the rate of 19.50% (2022:12.25%) per annum.

16.2 This carries mark-up at the rate 20.50% (2022: 13.00%) per annum.

16.3 Term deposit receipts (TDRs) have expected maturity up to 90 (2022:90) days from respective dates of acquisition. These TDRs carry mark-up at rate ranging from 9.80% to 20.40% (2022: 9.80% to 11.65%) per annum.

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

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

17. SHARE CAPITAL

17.1 Authorized capital

	2023	2022
	(Rupees in '000)	
80,000,000 (2022: 80,000,000) ordinary shares of Rs.10 each	800,000	800,000

17.2 Issued, subscribed and paid-up capital

2023	2022		2023	2022
(No. of shares)			(Rupees in '000)	
26,800,000	26,800,000	Ordinary shares of Rs.10 each fully paid in cash	268,000	268,000
200,000	200,000	Ordinary shares of Rs.10 each issued as fully paid bonus shares	2,000	2,000
30,002,500	30,002,500	Ordinary shares of Rs.10 each issued for acquisition	300,025	300,025
57,002,500	<u>57,002,500</u>		570,025	<u>570,025</u>

17.3 At June 30, 2023, Bibojee Services (Private) Limited (the Ultimate Holding Company) holds 57.76% (2022: 57.76%) of share capital of the Holding Company.

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

	Note	2023	2022
		(Rupees in '000)	
18. SURPLUS ON REVALUATION OF FIXED ASSETS - Net			
Surplus on revaluation of the Holding Company's fixed assets	18.1	2,110,527	2,142,524
Share of surplus on revaluation of fixed assets of an Associated Company		668,831	671,060
		2,779,358	<u>2,813,584</u>
18.1 Surplus on revaluation of the Holding Company's fixed assets			
Balance at beginning of the year		2,404,054	2,451,541
Transferred to unappropriated profit on account of incremental depreciation for the year		(45,066)	(47,487)
		2,358,988	2,404,054
Less: related deferred tax of:			
- opening balance		261,530	275,301
- incremental depreciation for the year		(13,069)	(13,771)
- closing balance		248,461	261,530
Balance at end of the year		2,110,527	<u>2,142,524</u>
19. LEASE LIABILITIES - Secured			
Balance at beginning of the year		67,133	92,916
Assets acquired during the year		68,956	12,932
Repaid / adjusted during the year		(34,220)	(38,715)
		101,869	67,133
Current portion grouped under current liabilities		(31,520)	(21,835)
Balance at end of the year		70,349	<u>45,298</u>

- 19.1** These represent vehicles acquired under diminishing musharakah arrangements from First Habib Modaraba. Rentals are payable on monthly basis. These finance facilities, during the year, were subject to finance cost at the rates ranged from 16.01% to 23.03% (2022: 8.45% to 16.63%) per annum. These facilities are secured against title of the leased vehicles in the name of lessor. The Group intends to exercise its option to purchase the leased vehicles upon completion of the lease terms.

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

Particulars	Upto one year	From one to five years	2023	Upto one year	From one to five years	2022
	(Rupees in '000')					
Minimum lease payments	46,964	88,705	135,669	28,843	51,459	80,302
Finance cost allocated to future periods	(15,444)	(18,356)	(33,800)	(7,008)	(6,161)	(13,169)
Present value of minimum lease payments	31,520	70,349	101,869	21,835	45,298	67,133

20. LONG TERM BORROWINGS

	Note	2023	2022
		(Rupees in '000)	
Loan under refinance scheme for payment of wages and salaries	20.1.1	-	68,049
Demand finance loan	20.1.2	475,242	374,544
Temporary Economic Refinance Facility (TERF)	20.1.3	499,682	499,682
Islamic Temporary Economic Refinance Facility (ITERF)	20.1.4	400,000	400,000
		1,374,924	1,342,275
Adjustment pertaining to fair value of loan at below market interest rate (government grant) - net		(196,855)	(238,576)
		1,178,069	1,103,699
Current portion grouped under current liabilities		(413,618)	(258,146)
		764,451	845,553

20.1 Movement in face value of long term loan

Balance at the beginning of the year	1,342,275	163,650
Loan obtained during the year	354,027	1,312,000
Loan re-paid during the year	(321,378)	(133,375)
Balance at the end of the year	1,374,924	1,342,275

- 20.1.1** This represents long term loans received from Bank Alfalah Limited and Bank of Punjab under 'Refinance Scheme for payment of Wages and Salaries to the Workers and Employees of Business Concerns' (the Scheme) introduced by the State Bank of Pakistan. These facilities are secured first equitable mortgage charge over industrial plot (land) limited to Rs.200 million with 25% margin. Mark-up on loans is chargeable at 1% and 2.50%. The principal was repayable in eight quarterly installments started from January, 2022. The Holding Company during the year repaid Rs. 68,049 thousand (2022:Rs.95,601 thousand).

- 20.1.2** The Holding Company has obtained demand finance loan facility amounting Rs.500,000 thousand from Karandaaz Pakistan for the purpose of onwards lending to SME truck owners. The loan carries mark-up at the rate of 3 months KIBOR plus 1.50% and is secured against first pari passu by the way of hypothecation charge over all present and future current assets with 25% margin. This loan is for up to three years from the date of disbursement and is repayable in monthly equal instalments. The Holding Company, during the year, acquired further loan of Rs. 354,027 thousand and repaid Rs.253,329 thousand (2022: Rs.37,774 thousand).

- 20.1.3** This represents loan received from JS Bank Limited under Temporary Economic Refinance Facility (TERF) introduced by State Bank of Pakistan for the purpose to finance / retire letter of credits for import / purchase of brand new plant and machinery for Chery car project. The facility is secured against 100%

cash collateral in shape of lien over 3 months term deposit. Mark-up is chargeable at SBP rate (1%) plus 3.50% bps per annum. The loan is for ten years with a grace period of two years and is repayable in thirty two equal quarterly instalments.

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

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

	2023	2022
	(Rupees in '000)	
Balance at beginning of the year	238,576	8,153
Difference of fair value of loan and loan received	-	253,558
Amortisation of loan	(41,721)	(23,135)
Balance at end of the year	196,855	<u>238,576</u>

21. DEFERRED INCOME - GOVERNMENT GRANTS

Balance at beginning of the year		238,576	8,153
Grant recognised on loan at below market interest rate	21.1	-	253,558
Released to statement of profit or loss		(41,721)	(23,135)
		196,855	238,576
Current portion grouped under current liabilities		(45,149)	(41,722)
Balance at end of the year		151,706	<u>196,854</u>

- 21.1** The Company recognised government grant on below market interest loan received - (note 20.1.3 and note 20.1.4) in accordance with IAS - 20 'Accounting for government grants and disclosure of government assistance'.

22. LONG TERM DEPOSITS - Interest free

	2023	2022
	(Rupees in '000)	
Dealers' deposit	57,115	28,115
Vendors	111	111
Others	7,000	7,000
	64,226	<u>35,226</u>

23. DEFERRED TAXATION - Net

The liability for deferred taxation comprises of temporary differences relating to:		
- accelerated tax depreciation allowance		207,225
- surplus on revaluation of fixed assets		248,461
- lease finances		7,343
- provision for expected credit losses		(8,906)
- provision for other receivables		(998)
- provision for obsolete / slow moving inventories		(3,243)
- provision for bank balances		(1,134)
- unabsorbed tax losses of the Holding Company		(152,760)
		295,988
		<u>249,307</u>

- 23.1** Deferred tax asset on minimum tax recoupable has not been recognized on prudent basis.

24. TRADE AND OTHER PAYABLES	Note	2023	2022
		(Rupees in '000)	
Trade creditors	24.1	170,708	271,850
Bills payable		477,174	728,177
Custom duty payable		206,994	-
Accrued liabilities	24.2	158,686	137,529
Refundable - CKD / CBU business		1,403	1,403
Contract liabilities - customers advances and credit balances	24.3	388,772	4,282,749
Commission		70,682	82,443
Unclaimed gratuity		231	231
Payable to gratuity fund	24.4	1,321	31,525
Provision against additional custom duty		130,897	130,897
Sales tax payable		108,755	-
Withholding tax		722	21,626
Workers' profit participation fund	24.5	10,121	-
Workers' welfare fund		5,837	2,664
Retention money		2,175	2,175
Others	24.6	65,058	58,738
		1,799,536	5,752,007

24.1. Includes Rs. Nil (2022: Rs.2,060 thousand) and Rs.16,401 thousand (Rs.2,662 thousand) payable to Ghandhara Tyre and Rubber Company Limited - an Associated Company and Bibojee Services (Private) Limited - the Holding Company respectively.

24.2 Includes Rs. 17,324 thousand (2022: Rs.5,363 thousand) which pertains to a Key Management Person.

24.3 These represent advances from customers against sales of vehicles.

24.4 Provision for gratuity

The Holding Company and the Subsidiary Company have established separate funds namely 'Ghandhara Nissan Limited - Employees Gratuity Fund' [GNL-GF] and 'Ghandhara DF (Private) Limited - Employees Gratuity Fund' [GDF-GF] respectively, which are governed under an irrevocable trust to pay / manage gratuities of eligible employees. These are trustee-administered fund and are governed by local regulations which mainly includes Trust Act, 1882, Companies Act, 2017, Income Tax Ordinance, 2001, Income Tax Rules, 2002 and Rules under the Trust deeds of the respective Schemes. Responsibility for governance of the Schemes, including investment decisions and contributions schedules lies with the board of trustees. Trustee of the Fund are appointed by the Group and are employees of the Holding Company.

The latest actuarial valuation of both Schemes as at June 30, 2023 was carried out using the 'Projected Unit Credit Method'. Details of the Scheme as per the actuarial valuation are as follows:

24.4.1 Statement of financial position reconciliation	2023	2022
	(Rupees in '000)	
Present value of defined benefit obligation	227,076	206,685
Fair value of plan assets	(226,897)	(193,115)
Benefits payable	1,142	17,955
Net liability at end of the year	1,321	31,525
24.4.2 Net liability recognised		
Net liability at beginning of the year	31,525	18,268
Charge to profit or loss	16,161	14,201
Contributions made by the Group	(31,525)	(18,268)
Re-measurement recognised in other comprehensive income	(14,840)	17,324
	1,321	31,525

24.4.3 Movement in the present value of defined benefit obligation

	2023	2022
	(Rupees in '000)	
Balance at beginning of the year	206,685	183,163
Current service cost	16,522	14,640
Interest expense	26,585	17,498
Benefits paid	(11,517)	(8,193)
Benefits due but not paid	(1,144)	(8,713)
Re-measurement	(10,055)	8,290
Balance at end of the year	<u>227,076</u>	<u>206,685</u>

24.4.4 Movement in the fair value of plan assets

Balance at beginning of the year	193,115	174,138
Contribution received during the year	31,525	18,268
Interest income	26,945	17,936
Benefits paid	(29,473)	(8,193)
Re-measurement	4,785	(9,034)
Balance at end of the year	<u>226,897</u>	<u>193,115</u>

24.4.5 Expense recognised in consolidated statement of profit or loss

Current service cost	16,522	14,640
Net interest income	(361)	(439)
	<u>16,161</u>	<u>14,201</u>

24.4.6 Re-measurement recognised in consolidated other comprehensive income

Financial assumptions	16,956	724
Experience adjustments	(27,011)	7,566
Re-measurements of plan assets	(4,785)	9,034
	<u>(14,840)</u>	<u>17,324</u>

24.4.7 Plan assets comprise of

Fixed income instruments	100,000	3,000
Mutual fund securities	8,516	69,363
Cash at bank	118,381	120,752
	<u>226,897</u>	<u>193,115</u>

24.4.8 Significant actuarial assumptions and sensitivity

	2023	2022
	(% per annum)	
Discount rate	16.25	13.25
Expected rate of increase in future salaries		
- first year	21.00	13.25
- long term	15.75	13.25
Mortality rates (for death in service)	SLIC	SLIC
	(2001-2005)-1	(2001-2005)-1

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

	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
	(Rupees in '000)		
Discount rate	1.00%	<u>208,530</u>	<u>248,527</u>
Increase in future salaries	1.00%	<u>248,419</u>	<u>208,297</u>

25.2 The facilities for opening letters of credit as at June 30, 2023 aggregate to Rs.5,500,000 thousand (2022: Rs.5,045,000 thousand) of which the amount remained unutilised at the year-end was Rs.4,959,556 thousand (2022: Rs.6,582,682 thousand). Further, the Group also has facilities of Finance against Import Merchandise, Finance Against Trust Receipts (FATR) and Short Term finances aggregating Rs.3,350,000 thousand (2022: Rs.3,350,000 thousand) as sub limits of these letters of credit facilities and letters of guarantee facilities aggregating Rs.406,000 thousand (2022: Rs.562,000 thousand) including Rs.400,000 thousand as sub limits of these letters of credit facilities. These facilities are secured against effective pledge of imported consignments, first pari passu charge over land along with buildings and plant & machinery and hypothecation charge over present and future stocks & books debts. The arrangements are expiring on June 30, 2024.

25.3 Facilities aggregated Rs.1,500,000 thousand (2022: Rs.1,600,000 thousand) out of the above mentioned facilities are also available to the Group level.

26. CONTINGENCIES AND COMMITMENTS

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

26.2 Commitment in respect of irrevocable letters of credit as at June 30, 2023 aggregate to Rs.336,300 thousand (2022: Rs.1,067,318 thousand).

26.3 Guarantees aggregating Rs. 24,578 thousand (2022: Rs. 89,234 thousand) are issued by banks of the Group to various government and other institutions. Further, the Holding Company has issued corporate guarantees aggregating Rs.325,500 thousand (2022: Rs.583,954 thousand) to the commercial banks against running finances and letters of credit facilities utilised by the Subsidiary Company.

27. REVENUE - Net

	Note	2023	2022
(Rupees in '000)			
Manufacturing activity			
Sales		15,485,799	6,456,903
Less:			
- sales tax and federal excise duty		2,665,292	988,021
- commission		230,270	127,692
		2,895,562	1,115,713
		12,590,237	5,341,190
Trading activity			
Sales		619,373	1,231,625
Less:			
- sales tax		91,564	178,954
- discount and commission		13,483	12,252
		105,047	191,206
		514,326	1,040,419
		13,104,563	6,381,609

28. COST OF SALES

Finished goods at beginning of the year		1,724,871	926,073
Cost of goods manufactured	28.1	11,112,493	5,502,102
Purchases - trading goods		204,591	1,117,664
		11,317,084	6,619,766
Finished goods at end of the year	10	(1,069,765)	(1,724,871)
		11,972,190	5,820,968

28.1 Cost of goods manufactured

Note **2023** **2022**
(Rupees in '000)

Raw materials and parts consumed	28.2	9,576,239	4,436,736
Fabrication of contract vehicles		65,925	30,698
Stores and spares consumed		179,116	113,469
Salaries, wages and benefits	28.3	629,383	494,796
Transportation		43,590	36,136
Repair and maintenance		81,850	50,637
Depreciation	5.5	320,293	171,023
Insurance		6,028	5,195
Communication		2,510	2,171
Rent, rates and taxes		1,321	1,961
Travelling and entertainment		1,073	868
Plant utilities		145,419	121,980
Printing, stationery and office supplies		2,565	2,471
Royalty expense		23,621	13,935
Plant security		31,374	18,056
Other manufacturing expenses		2,186	1,970
		11,112,493	5,502,102

28.2 Raw materials and parts consumed

Stocks at beginning of the year		1,592,715	266,388
Purchases		8,858,451	5,763,063
		10,451,166	6,029,451
Stocks at end of the year	10	(874,927)	(1,592,715)
		9,576,239	4,436,736

28.3 Salaries, wages and benefits include Rs.9,894 thousand (2022: Rs. 8,367 thousand) and Rs.7,545 thousand (2022: Rs.6,768 thousand) in respect of staff retirement gratuity and staff provident fund respectively.

29. DISTRIBUTION COST

Note **2023** **2022**
(Rupees in '000)

Salaries and benefits	29.1	88,908	96,787
Utilities		841	766
Rent		5,591	5,317
Insurance		4,222	1,582
Repair and maintenance		576	554
Travelling and entertainment		4,483	2,433
Telephone and postage		668	643
Depreciation	5.5	2,337	2,553
Vehicle running		422	998
Printing, stationery and office supplies		768	2,721
Security		413	360
Warranty services		1,377	1,921
Godown and forwarding		43,763	7,946
Sales promotion expenses		39,157	14,546
Others		1,448	1,021
		194,974	140,148

29.1 Salaries and benefits include Rs.2,470 thousand (2022: Rs. 2,105 thousand) and Rs.2,915 thousand (2022: Rs. 3,378 thousand) in respect of staff retirement gratuity and staff provident fund respectively.

30. ADMINISTRATIVE EXPENSES	<i>Note</i>	2023	2022
		(Rupees in '000)	
Salaries and benefits	30.1	162,237	151,635
Utilities		3,083	2,689
Rent, rates and taxes		32,378	27,973
Directors' fee		3,575	4,223
Provision for expected credit losses		13,272	-
Insurance		2,487	2,155
Repairs and maintenance		4,339	5,101
Depreciation and amortisation	5.5 & 6	27,447	27,596
Auditors' remuneration	30.2	1,980	1,869
Advertising		1,139	-
Travelling and conveyance		13,752	4,798
Legal and professional charges		15,047	11,365
Vehicle running		4,956	3,180
Telephone and postage		9,608	8,434
Printing and stationery		3,945	3,988
Subscriptions		10,535	5,222
Security expenses		5,716	13,241
Donation	30.3	-	490
Others		3,204	3,524
		318,700	277,483

30.1 Salaries and benefits include Rs.3,797 thousand (2022: Rs.3,729 thousand) and Rs.4,585 thousand (2022: Rs. 4,432 thousand) in respect of staff retirement gratuity and staff provident fund respectively.

30.2 Auditors' remuneration

	2023	2022
	(Rupees in '000)	
Remuneration in respect of auditors' services for:		
- statutory audit	1,500	1,500
- certification and others	268	144
- audit of retirement fund	65	87
- sindh sales tax @ 8%	147	138
	1,980	1,869

30.3 None of the directors or their spouses had any interest in the donees.

31. OTHER INCOME

	<i>Note</i>	2023	2022
		(Rupees in '000)	
Income from financial assets			
Interest / mark-up earned on:			
- PLS and saving accounts	31.1	61,705	21,124
- term deposit receipts and deposit accounts	31.1	148,040	73,218
Gain from sale of investment in mutual funds		13,186	-
Fair value gain on investments in mutual funds		-	392
Dividend income - mutual funds' investment		6,372	555
Reversal of provision for expected credit losses - net		-	14,938
		229,303	110,227
Income from non-financial assets			
Scrap sales - net of sales tax		29,175	16,116
Gain on disposal of operating fixed assets	5.7	6,020	5,391
Service income - net of sales tax		1,610	1,414
Reversal of provision / liabilities written back		-	3,920
Others		1,623	960
		38,428	27,801
		267,731	138,028

31.1 Interest at the rates ranged from 13.00 % to 20.40% (2022: 6.40% to 11.65%) per annum has been earned during the year on term deposit receipts and deposit accounts placed under conventional banking system.

32. OTHER EXPENSES	Note	2023	2022
		(Rupees in '000)	
Workers' profit participation fund	24.5	13,111	7,010
Workers' welfare fund		5,837	2,664
Exchange loss - net		84,759	11,937
		<u>103,707</u>	<u>21,611</u>

33. FINANCE COST

Mark-up on :

- long term borrowings		114,145	24,363
- running finances		110,736	85,591
- short term borrowings		109,122	69,616
- customer advances		288	-
		<u>334,291</u>	<u>179,570</u>

Lease finance charges

Interest on workers' profit participation fund	24.5	-	201
Bank and other charges		5,429	7,318
		<u>354,735</u>	<u>194,482</u>

34. TAXATION

Current

Current tax on profits for the year		175,518	82,423
Adjustment for current tax of prior years		(1,649)	-
		<u>173,869</u>	<u>82,423</u>

Deferred

Origination and reversal of temporary differences		42,378	(34,731)
		<u>216,247</u>	<u>47,692</u>

34.1 No numeric tax rate reconciliation for the current year and preceding year is given in the consolidated financial statements, as provision made primarily represents minimum tax due under section 113 of the Income Tax Ordinance, 2001 (the Ordinance) and tax deducted under section 150 and 153 of the Ordinance.

35. EARNINGS PER SHARE - BASIC AND DILUTED

35.1 Basic earnings per share

	2023	2022
	(Rupees in '000)	
Profit after taxation	<u>173,512</u>	<u>280,675</u>

(Number of shares)

Weighted average ordinary shares in issue	<u>57,002,500</u>	<u>57,002,500</u>
---	-------------------	-------------------

(Rupees)

Earnings per share - basic and diluted	<u>3.04</u>	<u>4.92</u>
--	-------------	-------------

35.2 Diluted earnings per share

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

36. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2023			2022		
	Chief Executive	Director	Executive	Chief Executive	Director	Executive
	(Rupees in '000)					
Managerial remuneration	15,780	-	117,533	15,780	-	106,200
Bonus	2,800	-	8,745	2,800	-	10,103
Contribution to provident fund	850	-	5,224	850	-	4,674
Gratuity	850	-	2,993	850	-	3,121
Utilities	1,020	-	6,512	1,020	-	6,001
	21,300	-	141,007	21,300	-	130,099
Number of persons	1	-	34	1	-	35

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

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

36.3 Aggregate amount charged in the Consolidated financial statements for meeting fee to Directors of Holding Company and Subsidiary Company was Rs. 3,575 thousand (2022: Rs. 4,223 thousand).

37. TRANSACTIONS WITH RELATED PARTIES

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

Name	Nature of transactions	2023	2022
		(Rupees in '000)	
(i) Ultimate Holding Company			
Bibojee Services (Private) Limited - 57.76% shares held in the Company	Corporate office rent	16,371	14,762
	Contract assembly revenue	2,633	2,106
	Sale of fleet vehicle	-	2,600
	Reimbursement of expenses	-	652
(ii) Associated Companies			
Ghandhara Industries Limited 19.09% shares held by the Company (37.1)	Contract assembly revenue	640,212	847,987
	Reimbursement of expenses	-	108
	Purchase of parts	-	204
	Sale of parts	18,967	-
	Head office rent	8,787	7,924
	Sale of vehicles	45,405	-
	Fabrication of vehicle	-	750
Ghandhara Tyre and Rubber Company of Pakistan Limited (37.1)	Purchase of tyres, tubes and flaps	34,298	26,397
Gammon Pakistan Limited (37.1)	Regional office rent	4,093	3,691
Rehman Cotton Mills Limited (37.1)	Sale of pre-fabricated building structure	-	86,878
	Sale of vehicles	13,538	-
Business Vision (Private) Limited (37.1)	Booking advance for office floor	100,000	25,000
Janana De Malucho Textile Mills Limited (37.1)	Sale of vehicles	37,074	-
	Reimbursement of expenses	2,720	2,605

Name	Nature of transactions	2023	2022
		(Rupees in '000)	
Bannu Woolen Mills Limited (37.1)	Sale of vehicles	16,969	-
Universal Insurance Company Limited (37.1)	Sale of vehicles	5,604	-
	Reimbursement of expenses	1,590	-
(iii) Others			
Staff provident funds	Contribution made	15,045	14,578
Staff gratuity funds	Contribution made	31,526	18,268
Key management personnel	Remuneration and other short term benefits	98,207	104,180
	Sale of fleet vehicles	792	-

37.1 Associated company by virtue of common directorship.

38. PLANT CAPACITY

The Holding Company

Against the production capacity of 4,800 (2022: 4,800) trucks, buses and pickups on single shift basis, the Holding Company assembled 3,132 (2022: 5,200) trucks and buses of JAC, DongFeng and Isuzu on single shift along with overtime basis. The Holding Company has also processed 2,980 (2022: 5,092) truck cabs and pickups through paint shop.

Against the designed annual production capacity of 6,000 (2022: 6,000) vehicles at car plant on single shift basis, the Holding Company during the year assembled 1,318 (2022: 226) Chery SUVs.

39. FINANCIAL RISK MANAGEMENT

39.1 Financial risk factors

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

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

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

(a) Credit risk

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

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

The maximum exposure to credit risk as at June 30, 2023 along with comparative is tabulated below:

	2023	2022
	(Rupees in '000)	
Long term loans	6,578	9,914
Long term deposits	9,955	11,755
Trade debts	1,161,598	697,381
Loans and advances	5,477	8,138
Investments	-	675,863
Accrued interest / mark-up	21,592	11,074
Other receivables	106,781	150,541
Bank balances	1,325,392	2,239,592
	<u>2,637,373</u>	<u>3,804,258</u>

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

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

	2023	2022
	(Rupees in '000)	
up to 3 months	1,133,549	676,177
3 to 6 months	20,486	11,668
6 to 12 months	1,550	2,492
more than 12 months	36,721	24,480
Provision for expected credit losses	(30,708)	(17,436)
	<u>1,161,598</u>	<u>697,381</u>

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

(b) Liquidity risk

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

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

	Carrying amount	Contractual cash flows	Maturity upto one year	Maturity more than one year
	(Rupees in '000)			
June 30, 2023				
Lease liabilities	101,869	135,669	46,964	88,705
Long term borrowings	1,178,069	1,600,317	508,604	1,091,713
Long term deposits	64,226	64,226	-	64,226
Trade and other payables	1,285,329	1,285,329	1,285,329	-
Accrued mark-up	86,202	86,202	86,202	-
Short term borrowings	968,351	1,026,452	1,026,452	-
Unclaimed dividends	10,579	10,579	10,579	-
	<u>3,694,625</u>	<u>4,208,774</u>	<u>2,964,130</u>	<u>1,244,644</u>

	Carrying amount	Contractual cash flows	Maturity upto one year	Maturity more than one year
	(Rupees in '000)			
June 30, 2022				
Lease liabilities	67,133	80,302	28,843	51,459
Long term borrowings	1,103,699	1,600,591	341,584	1,259,007
Long term deposits	35,226	35,226	-	35,226
Trade and other payables	1,444,968	1,444,968	1,444,968	-
Accrued mark-up	48,356	48,356	48,356	-
Short term borrowings	581,211	603,006	603,006	-
Unclaimed dividends	10,601	10,601	10,601	-
	<u>3,291,194</u>	<u>3,823,050</u>	<u>2,477,358</u>	<u>1,345,692</u>

(c) Market risk

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

Foreign exchange risk

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

	Rupees	Euro	U.S. Dollar	RMB
	(in '000)			
June 30, 2023				
Trade and other payables	<u>500,701</u>	<u>-</u>	<u>100</u>	<u>11,806</u>
June 30, 2022				
Trade and other payables	<u>752,046</u>	<u>5</u>	<u>287</u>	<u>22,366</u>

The following significant exchange rates have been applied:

	Reporting date rate	
	2023	2022
RMB to Rupee	39.98	30.93
U.S. Dollar to Rupee	287.10	206.00
Euro to Rupee	314.27	215.79

Sensitivity analysis

At June 30, 2023, if Rupee had strengthened by 5% against RMB, Dollar and Euro with all other variables held constant, profit before taxation for the year would have been higher/ (lower) by the amount shown below mainly as a result of net foreign exchange gain / (loss) on translation of net financial liabilities.

	2023	2022
	(Rupees in '000)	
Effect on profit for the year		
RMB to Rupee	23,601	34,588
U.S. Dollar to Rupee	1,434	2,957
Euro to Rupee	-	56
	<u>25,035</u>	<u>37,601</u>

Interest rate risk

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

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

	2023	2022
	(Rupees in '000)	
Fixed rate instruments - financial assets		
Bank balances	<u>1,145,135</u>	<u>2,091,283</u>
Variable rate instruments - financial liabilities		
Lease liabilities	101,869	67,133
Long term borrowings	1,178,069	1,103,699
Short term borrowings	968,351	581,211
	<u>2,248,289</u>	<u>1,752,043</u>

Sensitivity analysis

At June 30, 2023, if the interest rates on the Group's variable rate instruments had been 1% higher / (lower) with all other variables held constant, loss before tax for the year would have been Rs. 22,483 thousand (2022: Rs.17,520 thousand) lower / higher mainly as a result of net higher / (lower) interest expense.

Price risk

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

39.2 Fair value of financial assets and liabilities

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

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

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

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

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

Valuation techniques used to determine fair values

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

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

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

39.3 Financial instruments by categories

	2023	2022
Financial assets as per statement of financial position		
At amortised cost		
Long term loans	6,578	9,914
Long term deposits	9,955	11,755
Trade debts	1,161,598	697,381
Loans and advances	5,477	8,138
Accrued interest / mark-up	21,592	11,074
Other receivables	106,781	150,541
Bank balances	1,325,392	2,239,593
At fair value through profit and loss		
Investments	-	675,863
	2,637,373	3,128,396
Financial liabilities as per statement of financial position		
Lease liabilities	101,869	67,133
Long term borrowings	1,178,069	1,103,699
Long term deposits	64,226	35,226
Trade and other payables	1,285,329	1,444,968
Accrued mark-up	86,202	48,356
Short term borrowings	968,351	581,211
Unclaimed dividend	10,579	10,601
	3,694,625	3,291,194

40. CAPITAL RISK MANAGEMENT

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

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

	2023	2022
(Rupees in '000)		
Total borrowings	2,248,289	1,752,043
Bank balances	(1,325,084)	(2,239,199)
Net borrowings / (bank balance)	923,205	(487,156)
Total equity	7,921,070	7,739,800
Total capital	8,844,275	7,252,644
Gearing ratio	10.44%	0.00%

41. OPERATING SEGMENTS

These consolidated financial statements have been prepared on the basis of a single reportable segment.

- (a) All non-current assets of the Group at June 30, 2023 and 2022 are located in Pakistan.
- (b) 100% (2022: 100%) of the Group's sales relate to customers in Pakistan.
- (c) None (2022: Two) of the Group's customers contributed towards more than 10% (2022:30.47%) of the sales during the year aggregating Rs. Nil (2022: Rs. 1,944,647 thousand) which exceeds 10% of the sales of the Group.

42. NUMBER OF EMPLOYEES

The total number of employees (including contractual employees) as at June 30, 2023 were 1,119 (2022: 1,124), average number of employees during the year were 1,121 (2022: 1,045).

43. PROVIDENT FUND RELATED DISCLOSURES

- 43.1 The following information is based on un-audited financial statements of the Holding Company's Provident Fund for the year ended June 30, 2023:

	2023	2022
	(Rupees in '000)	
Size of the Fund - total assets	212,963	197,377
Cost of investments made	193,944	135,983
Percentage of investments made	91.07%	68.90%
Fair value of investments	220,059	209,008

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

44. SHAHRIAH SCREENING DISCLOSURE

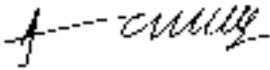
	2023		2022	
	Convent -ional	Shariah Compliant	Convent -ional	Shariah Compliant
	(Rupees in '000)			
Bank balances	851,057	577,939	1,479,982	763,129
Accrued mark-up	10,621	10,971	6,241	4,833
Accrued mark-up on borrowings	69,800	16,402	39,630	8,726
Revenue	-	13,104,563	-	6,381,609
Other income				
a) Profit on saving accounts and term deposit receipts	139,024	70,721	59,783	34,559
b) Gain from sale of investment	13,186	-	-	-
d) Dividend income	5,983	389	407	148
e) Others including exchange gain on actual currency	-	38,428	-	42,739
Mark-up / interest expense	248,430	100,876	162,494	24,670

45. CORRESPONDING FIGURES

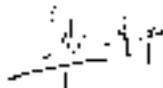
The corresponding figures have been rearranged and reclassified, wherever considered necessary for the purposes of comparison and better presentation the effect of which is not material.

46. DATE OF AUTHORISATION FOR ISSUE

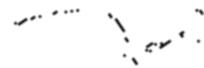
These consolidated financial statements were authorised for issue on October 3, 2023 by the Board of Directors of the Holding Company.



Chief Executive Officer



Director



Acting Chief Financial Officer

Form of Proxy

I / We _____
of _____ being
a member(s) of Ghandhara Automobiles Limited and holder of _____
Ordinary Shares as per Registered Folio No./CDC Participant's ID and Account No.
_____ hereby appoint _____
of _____
or failing him/her _____ of _____
_____ who is also member of Ghandhara
Automobiles Limited vide Registered Folio No./CDC Participant's ID and Account No. _____ as
may/our proxy to vote for me/us and on my/our behalf at the 41st Annual General Meeting of the
Company to be held on Friday, 27th October 2023 at 10:15 A.M. and any adjournment thereof.

Signed this _____ day of _____ 2023

Witness: _____
Name with
CNIC No.: _____
Address: _____

Signature _____
Witness: _____
Name with
CNIC No.: _____
Address: _____

AFFIX
REVENUE
STAMP
Rs.5/-

IMPORTANT:

1. This form of Proxy duly completed must be deposited at the Company's registered office F-3, Hub Chauki Road, S.I.T.E., Karachi, not later than 48 hours before the time of holding the meeting.
2. A Proxy should also be a member of the Company.
3. CDC Shareholders and their Proxies must each attach an attested photocopy of their computerized National Identity Card or Passport with this Proxy Form.

نمائندگی فارم

میں / ہم _____

جو _____ کے گندھارا آٹوموبائل لمیٹڈ کے ممبر ہونے کے ناطے

شیلڈرز جسٹریٹیو کے مطابق عام شیلڈرز کے اہل ہیں / CDC کے شراکت کار کا شناختی نمبر _____

کا تقرر کرتے ہیں _____

جو _____ کے یا ان کی ناکامی کی صورت میں _____ کے

میرے / ہمارے نمائندہ کے طور پر کمپنی کی 41 واں سالانہ جنرل میٹنگ میں میری / ہماری طرف سے میرے / ہمارے لیے میرے / ہمارے نائب کے طور پر ووٹ دے سکتے ہیں جو بروز جمعہ

127 اکتوبر 2023 کو صبح 10:15 بجے، منعقد ہونے والی ہے۔

دستخط _____ دن _____ 2023 کو کیے گئے۔

دستخط _____

گواہ _____

نام _____

شناختی کارڈ نمبر _____

پتہ _____

گواہ _____

نام _____

شناختی کارڈ نمبر _____

پتہ _____

5 روپے کے ریونیو ٹکٹ پر دستخط

اہم:

1. اس نمائندگی فارم کو پوری طرح مکمل اور دستخط شدہ ہونا چاہیے اور میٹنگ منعقد ہونے کے بعد 48 گھنٹوں سے کم نہ ہونے والی مدت میں کمپنی کے رجسٹرڈ آفس F-3، جب چوکی روڈ، سائٹ میں جمع کیا جانا چاہیے۔

2. نمائندہ خود بھی کمپنی کا ممبر ہونا چاہیے۔

3. CDC کے شیلڈرز ہولڈرز اور ان کے نمائندے اس نمائندگی فارم کے ساتھ اپنے کمپیوٹر انزڈ قومی شناختی کارڈ یا پاسپورٹ تصدیق شدہ کاپی ضرور منسلک کریں۔



Address: F-3, Hub Chowki Road, S.I.T.E., Karachi-75730
UAN : 111-190-190 Tel: 021-32556901 Fax: 021-32556911-12
Email: info@ghandharaautomobiles.com.pk URL: www.ghandharaautomobiles.com.pk

