



NISSAN



QUARTERLY REPORT

SEPTEMBER 30,

2015

(Un-Audited)



GHANDHARA NISSAN LIMITED



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COMPANY PROFILE

Board of Directors

Mr. Raza Kuli Khan Khattak
 Lt.Gen. (Retd.) Ali Kuli Khan Khattak
 Mr. Ahmed Kuli Khan Khattak
 Mr. Mushtaq Ahmed Khan (FCA)
 Ch. Sher Muhammad
 Mr. Jamil A. Shah
 Syed Haroon Rashid
 Mr. Mohammad Zia
 Mr. Larbi Hbil

Chairman
 President
 Chief Executive Officer

Company Secretary

Mr. Aqiel Amjad Ghani

Chief Financial Officer

Mr. Muhammad Saleem Baig

Registered Office

Ghandhara House
 109/2, Clifton, Karachi

Factory

Truck / Car Plants
 Port Bin Qasim, Karachi

Bankers of the Company

National Bank of Pakistan Limited
 The Bank of Khyber
 Faysal Bank Limited
 Soneri Bank Limited
 MCB Bank Limited
 United Bank Limited
 Allied Bank Limited
 The Bank of Tokyo – Mitsubishi Ltd
 NIB Bank Limited
 Habib Bank Limited
 Askari Commercial Bank Limited
 Summit Bank Limited
 Industrial & Commercial Bank of China

Audit Committee

Mr. Mohammad Zia	Chairman
Lt.Gen. (R) Ali Kuli Khan Khattak	Member
Ch. Sher Muhammad	Member
Mr. Jamil A. Shah	Member

Human Resource & Remuneration Committee

Lt.Gen. (R) Ali Kuli Khan Khattak	Chairman
Mr. Ahmed Kuli Khan Khattak	Member
Ch. Sher Muhammad	Member
Mr. Muhammad Zia	Member
Mr. Jamil A. Shah	Member

Auditors

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

M/s. Muniff Ziauddin & Co.
 Chartered Accountants
 Business Executive Centre
 F/17/3, Block 8, Clifton
 Karachi

Legal & Tax Advisors

Shaukat Law Associates
 217-218, Central Hotel Annexe
 Abdullah Haroon Road
 Karachi

Share Registrars

T H K Associates (Pvt.) Ltd.
 2nd Floor, State Life Bldg. No.3
 Dr. Zia uddin Ahmed Road
 Karachi



DIRECTORS' REPORT

Your Directors are pleased to present the Quarterly Report alongwith the standalone financial statements of Ghandhara Nissan Limited for the First Quarter ended September 30, 2015.

A comparison of the quarter results under review with that of the corresponding period last year shows significant improvement. The turnover has increased to Rs.1,138 million from Rs.1,058 million. The gross profit has increased to Rs.232 million from Rs.154 million. The distribution and administrative expenses have increased by Rs.8.2 million. The Finance Cost has decreased to Rs.4.8 million from Rs.30 million.

The Company has made an after tax profit of Rs.119.1 million as against Rs.46.1 million in the corresponding period.

Truck Business

During the period under review, 197 units of Trucks were sold as against 181 units in the same period last year.

Contract Assembly Business

The contract assembly undertaken during the period under review was of 435 units as against 353 units during first quarter ended 30th September, 2014.

Future Outlook

The sale of UD Trucks has picked up over the last two years. Moreover, the local assembly of Dongfeng units by Ghandhara DF (Pvt.) Ltd. a wholly owned subsidiary, will supplement the profitability of the Company

The Directors have declared an interim cash dividend of 10% i.e. Re 1.00 per share.

For and on behalf of the Board of Directors

Ahmed Kuli Khan Khattak

Chief Executive Officer

Karachi

Dated: October 22, 2015

**GHANDHARA NISSAN LIMITED****CONDENSED INTERIM BALANCE SHEET
AS AT SEPTEMBER 30, 2015****(Un-audited)
September 30,
2015****(Audited)
June 30,
2015**

ASSETS	Note	----- Rupees in '000 -----	
Non current assets			
Property, plant and equipment	5	1,731,626	1,749,285
Intangible assets		83	88
Long term investments	6	242,630	192,630
Long term loans		6,892	6,477
Long term deposits		16,633	16,633
		<u>1,997,865</u>	<u>1,965,113</u>
Current assets			
Stores, spares and loose tools		49,444	50,174
Stock-in-trade	7	222,265	623,847
Trade debts		436,429	345,727
Loans and advances		95,315	40,212
Deposits and prepayments		13,250	39,094
Other receivables		61,660	30,749
Short term investment		-	30,092
Taxation - net		91,376	117,341
Bank balances	8	938,764	328,915
		<u>1,908,503</u>	<u>1,606,151</u>
Total assets		<u>3,906,368</u>	<u>3,571,264</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital		450,025	450,025
Share premium		40,000	40,000
Unappropriated profit		910,872	784,086
Total equity		<u>1,400,897</u>	<u>1,274,111</u>
Surplus on revaluation of fixed assets		<u>1,040,637</u>	<u>1,048,295</u>
Liabilities			
Non current liabilities			
Liabilities against assets subject to finance lease		43,943	45,635
Long term deposits		8,611	9,611
Deferred liabilities		113,824	111,969
Deferred taxation		268,329	268,329
		<u>434,708</u>	<u>435,544</u>
Current liabilities			
Trade and other payables		1,005,457	642,881
Accrued mark-up		744	7,985
Short term finances	9	-	32,259
Running finances under mark-up arrangements		11,804	118,802
Current portion of liabilities against assets subject to finance lease		12,121	11,387
		<u>1,030,126</u>	<u>813,314</u>
Total liabilities		<u>1,464,833</u>	<u>1,248,858</u>
Contingencies and commitments	10		
Total equity and liabilities		<u>3,906,368</u>	<u>3,571,264</u>

The annexed notes from 1 to 15 form an integral part of these financial statements.

Ahmed Kuli Khan Khattak
Chief ExecutiveCh. Sher Muhammad
Director



**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT(UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2015**

		Quarter ended	
	Note	September 30, 2015	September 30, 2014
		---- Rupees in '000 ----	
Revenue		1,137,822	1,057,770
Cost of sales	11	(905,944)	(903,558)
Gross profit		231,878	154,212
Distribution cost		(10,282)	(8,280)
Administrative expenses		(38,527)	(32,334)
Other income		8,467	2,968
Other expenses		(11,545)	(5,814)
Profit from operations		179,991	110,752
Finance cost		(4,803)	(30,094)
Profit before taxation		175,189	80,658
Taxation		(56,060)	(34,570)
Profit after taxation		119,128	46,088
Other comprehensive income		-	-
Total comprehensive income		119,128	46,088
		----- Rupees -----	
Earnings per share - basic and diluted		2.65	1.02

The annexed notes from 1 to 15 form an integral part of these financial statements.

Ahmed Kuli Khan Khattak
Chief Executive

Ch. Sher Muhammad
Director

**GHANDHARA NISSAN LIMITED****CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2015**

September 30, 2015 September 30, 2014
 ---- Rupees in '000 ----

CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation	175,189	80,658
Adjustments for non-cash charges and other items:		
Depreciation and amortisation	19,187	15,782
Interest income	(5,505)	(166)
Finance cost	3,807	24,224
Gain on disposal of property, plant and equipment	(1,091)	-
Exchange loss	416	5,870
Provision for gratuity	3,207	2,688
Operating profit before working capital changes	195,210	129,056
(Increase) / decrease in current assets:		
Stores, spares and loose tools	730	13,536
Stock-in-trade	401,582	(86,546)
Trade debts	(90,702)	(51,080)
Loans and advances	(55,103)	(10,363)
Deposit and prepayments	25,844	1,150
Other receivables	(33,726)	(17,138)
	248,625	(150,441)
Increase/(decrease) in trade and other payables	362,576	(67,880)
Cash generated from operations	806,410	(89,265)
Gratuity and compensated absences paid	(1,352)	(546)
Long term loans - net	(415)	-
Long term deposit	(1,000)	-
Finance cost paid	(11,464)	(12,314)
Taxes paid	(30,095)	1,400
Net cash generated from operating activities	762,084	(100,725)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(2,149)	-
Proceeds from disposal of property, plant and equipment	1,717	-
Interest income received	8,320	166
Advance against equity	(50,000)	-
Short term investment - net	30,092	-
Long term deposits - net	-	(907)
Net cash used in investing activities	(12,020)	(741)
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease finances - net	(958)	(1,030)
Short term finances - net	(32,259)	(128,720)
Running finances - net	(106,998)	236,073
Net cash generated from / (used in) financing activities	(140,215)	106,323
Net Increase in cash and cash equivalents	609,849	4,857
Cash and cash equivalents - at beginning of the year	328,915	148,618
Cash and cash equivalents - at end of the year	938,764	153,475

The annexed notes from 1 to 15 form an integral part of these financial statements.



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2015**

	Share capital	Share premium	Unappro- priated profit	Total
	Rupees in '000			
Balance as at 1 July, 2014	450,025	40,000	334,375	824,400
Profit for the year	-	-	46,088	46,088
Other comprehensive income	-	-	-	-
	-	-	46,088	46,088
Surplus on revaluation of fixed assets realised during the year (net of deferred taxation) on account of incremental depreciation	-	-	2,034	2,034
Balance as at Sept 30, 2014	450,025	40,000	382,497	872,522
Balance as at 1 July, 2015	450,025	40,000	784,086	1,274,111
Profit for the year	-	-	119,128	119,128
Other comprehensive income	-	-	-	-
	-	-	119,128	119,128
Surplus on revaluation of fixed assets realised during the year (net of deferred taxation) on account of incremental depreciation	-	-	7,658	7,658
Balance as at Sept 30, 2015	450,025	40,000	910,872	1,400,897

The annexed notes from 1 to 15 form an integral part of these financial statements.

Ahmed Kuli Khan Khattak
Chief Executive

Ch. Sher Muhammad
Director



**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2015**

1. COMPANY AND ITS OPERATIONS

Ghandhara Nissan Limited (the Company) was incorporated on August 8, 1981 in Pakistan as a private limited company and subsequently converted into a public limited company on May 24, 1992. The registered office of the Company is situated at Ghandhara House, 109/2 Clifton, Karachi. Its manufacturing facilities are located at Port Qasim, Karachi. The Company's shares are listed on Karachi and Islamabad Stock Exchanges.

The principal business of the Company is assembly / progressive manufacture of Nissan passenger Cars, UD Trucks and Buses, import and marketing of Nissan vehicles and assembly of other vehicles under contract agreement.

2. BASIS OF PREPARATION

This condensed interim financial information is un-audited and has been prepared in accordance with the International Accounting Standard 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This condensed interim financial information does not include all the information required for annual financial statements and therefore should be read in conjunction with the audited annual financial statements of the Company for the year ended June 30, 2015.

3. ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are consistent with those applied in the preparation of audited annual financial statements for the year ended June 30, 2015 except as described below. The Company has adopted all the new standards and amendments to standards, including any consequential amendments to other standards which are applicable for the financial year beginning on July 1, 2015. The adoption of these new and amended standards did not have any impact on the Company.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed interim financial information, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited annual financial statements for the year ended June 30, 2015.

5. PROPERTY, PLANT AND EQUIPMENT	Note	(Un-audited) September 30, 2015	(Audited) June 30, 2015
		----- Rupees in '000 -----	
Operating fixed assets	5.1	1,731,626	1,749,285
		<u>1,731,626</u>	<u>1,749,285</u>



	(Un-audited) September 30, 2015	(Audited) June 30, 2015
	----- Rupees in '000 -----	
5.1 Operating fixed assets		
Net book value at beginning of period / year	1,749,285	1,759,365
Additions during the period / year 5.2	2,028	68,928
Disposals costing Rs 2,597 thousand (June 30, 2015:Rs 10,019 thousand)-at net book value	(626)	(3,463)
Depreciation charged during the period / year	(19,061)	(75,545)
Net book value at end of the period / year	<u>1,731,626</u>	<u>1,749,285</u>
5.2 Additions to Operating fixed assets during the period		
Plant & Machinery	-	11,720
Assembly jigs	-	1,445
Vehicles - owned	-	6,962
Vehicles - leased	1,783	46,738
Furniture & fixtures	133	-
Other equipment	-	159
Office equipment	-	755
Computers	112	1,149
	<u>2,028</u>	<u>68,928</u>
6. LONG TERM INVESTMENTS		
Subsidiary Company - at cost		
Ghandhara DF (Private) Limited		
9,999,500 (June 30, 2015: 9,999,500) ordinary shares of Rs.10 each	99,995	99,995
Equity held: 99.99% (June 30, 2015: 99.99%)		
Break-up value per share on the basis of latest financial statements is Rs.11.58 (June 30, 2015:Rs 10.97)		
Advance against equity of Ghandhara DF (Pvt) Ltd	50,000	-
Associated Company - at cost		
Ghandhara Industries Limited - at cost		
5,166,168 (June 30, 2015: 5,166,168) ordinary shares of Rs.10 each		
Equity held: 24.25% (June 30, 2015: 24.25%)	92,635	92,635
Fair value: Rs.769.759 million (June 30, 2015: Rs.367.986 million)		
Others - available for sale		
Automotive Testing & Training Center (Private) Limited		
187,500 (June 30, 2015: 187,500) ordinary shares of Rs.10 each - cost	1,875	1,875
Provision for impairment	(1,875)	(1,875)
	-	-
	<u>242,630</u>	<u>192,630</u>

**GHANDHARA NISSAN LIMITED**

		(Un-audited) September 30, 2015	(Audited) June 30, 2015
		----- Rupees in '000 -----	
7. STOCK-IN-TRADE			
Raw materials			
In hand		126,995	249,099
In transit		-	239,775
		<u>126,995</u>	<u>488,874</u>
Work in process		-	-
Finished goods			
In hand			
Vehicles - Trucks / Buses		45,265	46,872
Spare parts		20,736	39,583
In transit Complete Built-up Units - Car		1,832	
Held with third parties			
Vehicles-Trucks		-	49,218
In transit			
Complete Built-up Units - Trucks		42,437	14,300
		<u>110,270</u>	<u>149,973</u>
Less:provision for obsolete / slow moving stock		(15,000)	(15,000)
		<u>222,265</u>	<u>623,847</u>
8. BANK BALANCES			
	Note		
Cash at banks in:			
- current accounts		134,560	85,910
- deposit accounts	8.1	9,917	9,917
- term deposits receipts	8.1	798,200	237,000
		<u>942,676</u>	<u>332,827</u>
Provision for doubtful bank balance	8.2	(3,912)	(3,912)
		<u>938,764</u>	<u>328,915</u>
8.1	Term deposit receipts (TDRs) have maturity days ranging from thirty to two hundred and ten days from respective dates of acquisition. These TDRs carry mark-up at rates of 5.60% to 6.30% per annum.(June 30, 2015: 6% to 7.40%)		



		(Un-audited) September 30, 2015	(Audited) June 30, 2015
		----- Rupees in '000 -----	
9. SHORT TERM FINANCES - Secured			
Short term demand finance			
- Faysal Bank Limited	9.3	-	32,259
		-	32,259

10. CONTINGENCIES AND COMMITMENTS

10.1 There is no change in status of the contingencies as disclosed note 28.1 of the audited annual financial statements of the Company for the year ended June 30, 2015.

		(Un-audited) September 30, 2015	(Audited) June 30, 2015
		----- Rupees in '000 -----	
10.2 Outstanding bank guarantees		20,047	20,047
10.3 Commitment in respect of Irrevocable letters of credit		1,071,272	665,609

11. COST OF SALES

Note

Finished goods at beginning of the year
Cost of goods manufactured
Purchases - trading goods

11.1

Finished goods at end of the year

	(Un-audited) September 30, 2015	(Un-audited) September 30, 2014
	----- Rupees in '000 -----	
Finished goods at beginning of the year	149,973	58,621
Cost of goods manufactured	748,201	830,179
Purchases - trading goods	118,040	58,765
	866,241	888,944
Finished goods at end of the year	(110,270)	(44,007)
	905,944	903,558

11.1 Cost of goods manufactured

Raw materials and components consumed
Factory overheads

	(Un-audited) September 30, 2015	(Un-audited) September 30, 2014
Raw materials and components consumed	621,631	713,286
Factory overheads	126,570	116,893
	748,201	830,179

12. RELATED PARTY TRANSACTIONS

12.1 Significant transactions with related parties are as follows:

Name of Related Party and Nature
of relationship

Nature of Transaction

(a) Holding company

Bibojee Services (Private) Limited Rent of Head Office
Rent of Showroom

	(Un-audited) September 30, 2015	(Un-audited) September 30, 2014
	----- Rupees in '000 -----	
Bibojee Services (Private) Limited	1,350	1,350
	3,000	-

**GHANDHARA NISSAN LIMITED**

		(Un-audited) September 30, 2015	(Un-audited) September 30, 2014
		----- Rupees in '000 -----	
(b) Subsidiary company			
Ghandhara DF (Pvt) Ltd	Contract Assembly	3,592	-
	Advance for issue of shares	50,000	-
(c) Associated company			
The General Tyre & Rubber Co.	Purchase of Tyres, Tubes & Flaps	22,233	14,746
UD Trucks Corporation Japan	Purchase of CKD Kits of Trucks	147,113	586,702
	Royalty	98	3,446
Ghandhara Industries Ltd.	Contract Assembly	31,110	24,289
	Purchase of Isuzu Parts	5	
Gammon Pakistan Limited	Rent of Rawalpindi office	375	375
(d) Others			
Employees' Provident Fund	Contributions	1,411	1,224
Key Management Personnel	Salaries & other benefits	13,514	9,887
Post retirements benefits	Gratuity	-	2,688

12.2 PERIOD END BALANCES

		(Un-audited) September 30, 2015	(Audited) June 30, 2015
		----- Rupees in '000 -----	
Receivables from related parties			
Trade debts		51,007	40,636
Loans and advances		710	890
Deposits and prepayments		-	3,718
Payable to related parties			
Trade and other payables		20,648	30,219

13. FINANCIAL RISK MANAGEMENT

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

The condensed interim financial information does not include all financial risk management information and disclosures required in the audited annual financial statements and should be read in conjunction with the audited annual financial statement for the year ended June 30, 2015.



There has been no change in Company's sensitivity to these risks since June 30, 2015 except for general exposure to fluctuations in foreign currency and interest rates. There have been no change in the risk management policies during the period.

There have been no significant changes in the business or economic circumstances during the period that would have affected the fair values of the financial assets of the Company. Further, no re-classifications in the categories of financial assets have been made since June 30, 2015.

14. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on 22 October 2015 by the Board of Directors of the Company.

15. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', corresponding figures in the condensed interim balance sheet comprise of balances as per the audited annual financial statements of the Company for year ended June 30, 2015 and the corresponding figures in the condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity comprise of balances of comparable period as per the condensed interim financial information of the Company for the quarter ended Sept 30, 2014.

Ahmed Kuli Khan Khattak
Chief Executive

Ch. Sher Muhammad
Director

Karachi
Dated: 22 October 2015



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DIRECTORS' REPORT

The directors are pleased to present their report together with consolidated financial statements of Ghandhara Nissan Limited (GNL) and its subsidiary Ghandhara DF (Pvt.) Limited for the first quarter ended 30th September 2015.

The Company has annexed consolidated financial statements along with its separate financial statements in accordance with the requirements of the International Accounting Standard-27 (Consolidated and Separate Financial Statements)

Ghandhara DF (Pvt.) Limited

The market response for the Trucks introduced by Ghandhara DF (Pvt.) Limited (GDFPL) is very encouraging and its products are competitive in terms of makes available and prices offered by other Chinese makes.

For and on behalf of the Board of Directors

Ahmed Kuli Khan Khattak

Chief Executive Officer

Karachi

Dated: 22nd October, 2015

**GHANDHARA NISSAN LIMITED****CONDENSED INTERIM CONSOLIDATED BALANCE SHEET
AS AT SEPTEMBER 30, 2015****(Un-audited)**
September 30,
2015
(Audited)
June 30,
2015

		Rupees in '000	
ASSETS	Note		
Non current assets			
Property, plant and equipment	6	1,744,369	1,762,699
Intangible assets		83	88
Long term investments	7	546,799	508,761
Long term loans		6,892	6,477
Long term deposits		16,633	16,633
		2,314,777	2,294,658
Current assets			
Stores, spares and loose tools		49,444	50,174
Stock-in-trade	8	534,246	878,968
Trade debts		519,425	375,973
Loans and advances		101,150	40,405
Deposits and prepayments		13,327	41,845
Other receivables		105,503	54,284
Short term investment		-	30,092
Taxation - net		114,440	131,658
Cash and Bank balances	9	955,366	351,724
		2,392,901	1,955,123
Total assets		4,707,678	4,249,781
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital		450,025	450,025
Share premium		40,000	40,000
Items credited directly in equity by an Associate		65,083	64,158
Unappropriated profit		961,948	790,961
Equity attributable to shareholders of the Holding Company		1,517,056	1,345,144
Non-controlling interest		6	6
Total equity		1,517,062	1,345,150
Surplus on revaluation of fixed assets		1,394,503	1,403,086
Liabilities			
Non current liabilities			
Liabilities against assets subject to finance lease		43,943	45,635
Long term deposits		8,611	9,611
Deferred liabilities		113,824	111,969
Deferred taxation		269,262	269,262
		435,641	436,477
Current liabilities			
Trade and other payables		1,335,801	894,635
Accrued mark-up		744	7,985
Short term finances	10	-	32,259
Running finances under mark-up arrangements		11,804	118,802
Current portion of liabilities against assets subject to finance lease		12,123	11,387
		1,360,472	1,065,068
Total liabilities		1,796,113	1,501,545
Contingencies and commitments	11		
Total equity and liabilities		4,707,678	4,249,781

The annexed notes from 1 to 17 form an integral part of these financial statements.

Ahmed Kuli Khan Khattak
Chief ExecutiveCh. Sher Muhammad
Director



**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT(UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2015**

		Quarter ended	
		September 30, 2015	September 30, 2014
	Note	---- Rupees in '000 ----	
Revenue		1,240,881	1,076,659
Cost of sales	12	(998,533)	(920,276)
Gross profit		242,347	156,383
Distribution cost		(10,728)	(8,357)
Administrative expenses		(39,517)	(32,781)
Other Income		8,467	2,968
Other expenses		(11,545)	(5,812)
Profit from operations		189,024	112,401
Finance cost		(4,904)	(30,254)
Share of profit of an Associated Company		38,038	2,643
Profit before taxation		222,158	84,789
Taxation		(58,829)	(35,061)
Profit after taxation		163,329	49,728
Other comprehensive income		-	-
Total comprehensive income		163,329	49,728
----- Rupees -----			
Earnings per share - basic and diluted		3.63	1.11

The annexed notes from 1 to 17 form an integral part of these financial statements.

Ahmed Kuli Khan Khattak
Chief Executive

Ch. Sher Muhammad
Director

**GHANDHARA NISSAN LIMITED****CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2015**

September 30, September 30,
2015 2014
--- Rupees in '000 ---

CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation 222,158 84,789

Adjustments for non-cash charges and other items:

Depreciation and amortisation	19,858	15,782
Interest income	(5,505)	(166)
Finance cost	3,908	24,384
Gain on disposal of property, plant and equipment	(1,091)	-
Exchange loss	416	5,870
Share of profit of an Associated Company	(38,038)	(2,643)
Provision for gratuity	3,207	2,688

Operating profit before working capital changes 204,913 130,705

(Increase) / decrease in current assets:

Stores, spares and loose tools	730	13,536
Stock-in-trade	344,721	(86,545)
Trade debts	(137,231)	(51,080)
Loans and advances	(55,103)	(12,998)
Deposit and prepayments	20,882	1,150
Other receivables	(51,516)	(14,901)

122,483 (150,838)

Increase/(decrease) in trade and other payables

Cash generated from operations 434,424 (44,283)

Gratuity and compensated absences paid	761,819	(64,417)
Long term loans - net	(1,352)	(546)
Long term deposit	(415)	-
Finance cost paid	(1,000)	-
Taxes paid	(11,566)	(12,474)
	(41,611)	109

Net cash generated from operating activities 705,876 (77,327)

CASH FLOWS FROM INVESTING ACTIVITIES

Fixed capital expenditure	(2,149)	(7,208)
Proceeds from disposal of property, plant and equipment	1,717	-
Interest income received	8,320	166
Short term investment - net	30,092	-
Long term deposits - net	-	(907)

Net cash used in investing activities 37,980 (7,949)

CASH FLOWS FROM FINANCING ACTIVITIES

Lease finances - net	(957)	(1,030)
Short term finances - net	(32,259)	(128,720)
Running finances - net	(106,998)	236,073

Net cash generated from / (used in) financing activities (140,214) 106,323

Net increase in cash and cash equivalents 603,642 21,048

Cash and cash equivalents - at beginning of the year 351,724 171,442

Cash and cash equivalents - at end of the year 955,366 192,490

The annexed notes from 1 to 17 form an integral part of these financial statements.



CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2015

	Share capital	Share premium	Item credited directly in equity by an Associate	Unappropriated profit	Total	Non-controlling interest
	Rupees in '000					
Balance as at 1 July, 2014	450,025	40,000	62,354	312,540	864,919	5
Profit for the year	-	-	-	49,728	49,728	-
Other comprehensive profit	-	-	-	-	-	-
	-	-	-	49,728	49,728	-
Surplus on revaluation of fixed assets realised during the year (net of deferred taxation) on account of incremental depreciation	-	-	-	2,034	2,034	-
Effect of item directly credited Company	-	-	-	-	-	-
Balance as at 30 Sept, 2014	450,025	40,000	62,354	364,302	916,681	5
Balance as at 1 July, 2015	450,025	40,000	64,158	790,961	1,345,144	6
Profit for the year	-	-	-	163,329	163,329	-
Other comprehensive profit	-	-	-	-	-	-
	-	-	-	163,329	163,329	-
Surplus on revaluation of fixed assets realised during the year (net of deferred taxation) on account of incremental depreciation	-	-	-	7,658	7,658	-
Effect of item directly credited In equity by an Associated Company	-	-	925	-	925	-
Balance as at Sept 30, 2015	450,025	40,000	65,083	961,948	1,517,056	6

The annexed notes from 1 to 17 form an integral part of these financial statements.

Ahmed Kuli Khan Khattak
Chief Executive

Ch. Sher Muhammad
Director

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2015****1. THE GROUP AND ITS OPERATIONS**

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

1.2 Ghandhara Nissan Limited

Ghandhara Nissan Limited (the Holding Company) was incorporated on August 8, 1981 in Pakistan as a private limited company and subsequently converted in to a public limited company on May 24, 1992. The registered office of the Holding Company is situated at Ghandhara House, 109/2, Clifton, Karachi. Its manufacturing facilities are located at Port Qasim, Karachi. The Holding Company's shares are listed on Karachi and Islamabad Stock Exchanges.

The principal business of the Holding Company is assembly / progressive manufacture of Nissan passenger Cars, UD Trucks and Buses, import and marketing of Nissan vehicles 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 Ghandhara House, 109/2 Clifton, Karachi. The principal business of the Subsidiary Company is to carry-out CKD operations of DongFeng vehicles.

2. BASIS OF PREPARATION

This condensed interim financial information is un-audited and has been prepared in accordance with the International Accounting Standard 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This condensed interim financial information does not include all the information required for annual financial statements and therefore should be read in conjunction with the audited annual financial statements for the year ended June 30, 2015.

3. PRINCIPLES OF CONSOLIDATION

The Holding Company's interest in the Subsidiary Company is 99.99% as at September 30, 2015 (June 30, 2015: 99.99%).

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

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



4. ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are consistent with those applied in the preparation of audited annual financial statements for the year ended June 30, 2015 except as described below.

The Group has adopted all the new standards and amendments to standards, including any consequential amendments to other standards which are applicable for the financial year beginning on July 1, 2015. The adoption of these new and amended standards did not have any impact on the Group.

5. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited annual financial statements for the year ended June 30, 2015.

6. PROPERTY, PLANT AND EQUIPMENT	Note	(Un-audited) September 30, 2015	(Audited) June 30, 2015
		Rupees in '000	
Operating fixed assets	6.1	1,744,369	1,762,699
		<u>1,744,369</u>	<u>1,762,699</u>
6.1 Operating fixed assets			
Opening net book value		1,762,699	1,759,365
Additions during the period / year	6.2	2,028	84,861
Disposal during the period		(626)	(3,463)
Depreciation charged during the period / year		<u>(19,732)</u>	<u>(78,064)</u>
Closing book value		<u>1,744,369</u>	<u>1,762,699</u>
6.2 Additions to Operating fixed assets during the period			
Plant & Machinery		-	11,720
Assembly jigs		-	15,358
Vehicles - owned		-	8,982
Vehicles - leased		1,783	46,738
Furniture & fixtures		133	-
Other equipment		-	159
Office equipment		-	755
Computers		<u>112</u>	<u>1,149</u>
		<u>2,028</u>	<u>84,861</u>

**GHANDHARA NISSAN LIMITED**

	(Un-audited) September 30, 2015	(Audited) June 30, 2015
----- Rupees in '000 -----		
7. LONG TERM INVESTMENTS		
Ghandhara Industries Limited - at cost		
5,166,168 (2015: 5,166,168) ordinary shares of Rs.10 each		
Equity held: 24.25% (2015: 24.25%)		
Cost	92,635	92,635
Share of post acquisition profits	50,714	12,676
	<u>143,349</u>	<u>105,311</u>
Share of items directly credited in the equity of Associated Company	65,083	64,158
Share of surplus on revaluation of fixed assets of Associated Company	353,866	94,791
Dividend received to date	(15,499)	(15,499)
	<u>546,799</u>	<u>68,761</u>
Others - available for sale		
Automotive Testing & Training Center (Private) Limited		
187,500 (2015: 187,500) ordinary shares of Rs.10 each - cost	1,875	1,875
Provision for impairment	(1,875)	(1,875)
	<u>-</u>	<u>-</u>
	<u>546,799</u>	<u>68,761</u>

7.1 The above figure are based on audited financial information of the investee company as at June 30, 2015. The latest financial information of investee company as at 30 Sept 2015 is not presently available.

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

7.3 Summarised financial information of investee company as at June 30, 2015 is as follows:

	(Audited) As at June 30, 2015	(Audited) As at June 30, 2014
----- Rupees in '000 -----		
Total assets	<u>3,347,427</u>	<u>3,721,740</u>
Total liabilities	<u>1,098,040</u>	<u>1,701,528</u>
Accumulated profit	<u>365,002</u>	<u>133,989</u>
Revenues	<u>3,293,329</u>	<u>2,466,127</u>
Profit (Loss) before taxation	<u>327,016</u>	<u>15,812</u>
Profit (Loss) after taxation	<u>223,790</u>	<u>24,068</u>

The market value of the investment as at September 30, 2015 was Rs.769.759 million (June 30, 2015: Rs 367.986 million)



	(Un-audited) September 30, 2015	(Audited) June 30, 2015
	----- Rupees in '000 -----	
8. STOCK-IN-TRADE		
Raw materials		
In hand	286,501	364,145
In transit	152,475	371,509
	<u>438,976</u>	<u>735,654</u>
Work in process	-	-
Finished goods		
-In hand		
Vehicles - Trucks / Buses	45,265	46,872
Spare parts	20,736	47,924
In transit Complete Built-up Units - Car	1,832	
- Held with third parties		
Vehicles - Trucks	-	49,218
Complete Built-up Units - Trucks	42,437	14,300
	<u>110,270</u>	<u>158,314</u>
Less: provision for obsolete / slow moving stock	(15,000)	(15,000)
	<u>534,246</u>	<u>878,968</u>
9. CASH AND BANK BALANCES		
Cash in hand	1	1
Cash at banks in:		
- current accounts	151,160	108,718
- deposit accounts	9,917	9,917
- term deposits receipts	798,200	237,000
	<u>959,277</u>	<u>355,635</u>
Provision for doubtful bank balance	(3,912)	(3,912)
	<u>955,366</u>	<u>351,724</u>

- 9.1** Term deposit receipts (TDRs) have maturity days ranging from thirty to two hundred and ten days from respective dates of acquisition. These TDRs carry mark-up at rates of 5.60% to 6.30% per annum. (June 30, 2015: 6% to 7.40%)



	(Un-audited) September 30, 2015 ----- Rupees in '000 -----	(Audited) June 30, 2015
10. SHORT TERM FINANCES - Secured		
Short term demand finance		
- Faysal Bank Limited	-	32,259
	<u>-</u>	<u>32,259</u>
11. CONTINGENCIES AND COMMITMENTS		
11.1 There is no change in status of the contingencies as disclosed in note 28.1 of the audited annual consolidated financial statements of the Group for the year ended June 30, 2015		
	(Un-audited) September 30, 2015 ----- Rupees in '000 -----	(Audited) June 30, 2015
11.2 Outstanding bank guarantees	20,047	20,047
11.3 Commitment in respect of irrevocable letters of credit	<u>1,144,982</u>	<u>714,432</u>
12. COST OF SALES	(Un-audited) September 30, 2015 ----- Rupees in '000 -----	(Un-audited) September 30, 2014
Finished goods at beginning of the year	149,973	59,543
Cost of goods manufactured	840,790	846,897
Purchases - trading goods	118,040	57,843
	958,830	904,740
Finished goods at end of the year	<u>(110,270)</u>	<u>(44,007)</u>
	<u>998,533</u>	<u>920,276</u>
12.1 Cost of goods manufactured		
Raw materials and components consumed	713,537	729,795
Factory overheads	127,253	117,102
	<u>840,790</u>	<u>846,897</u>



13. TRANSACTIONS WITH RELATED PARTIES

13.1 Significant transactions with related parties are as follows:

Name of Related Party and Nature of relationship	Nature of Transaction	(Un-audited) September 30, 2015 ----- Rupees in '000 -----	(Un-audited) September 30, 2014
(a) Holding company			
Bibojee Services (Private) Limited	Rent of Head Office	1,380	1,350
	Rent of Showroom	3,000	-
(b) Associated company			
The General Tyre & Rubber Co.	Purchase of Tyres, Purchase of tyres	32,151	14,746
Gandhara Industries Ltd.	Contract Assembly	31,110	24,289
	Purchase of Isuzu Parts	5	-
Gammon Pakistan Limited	Rent of Rawalpindi office	375	375
(c) Others			
UD Trucks Corporation Japan	Purchase of CKD Kits of Trucks	147,113	586,702
	Royalty	98	3,446
Employees' Provident Fund	Contributions	1,411	1,224
Key Management Personnel	Salaries & other benefits	13,514	9,887
Post retirement benefits	Gratuity	-	2,688

	(Un-audited) September 30, 2015 ----- Rupees in '000 -----	(Audited) June 30, 2015
13.2 PERIOD END BALANCES		

Receivables from related parties

Trade debts	97,132	34,416
Loans and advances	710	890
Deposits and prepayments	-	3,718

Payable to related parties

Trade and other payables	20,798	30,339
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**14. FINANCIAL RISK MANAGEMENT**

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

The condensed interim financial information does not include all financial risk management information and disclosures required in the audited annual financial statements and should be read in conjunction with the audited annual financial statement for the year ended June 30, 2015.

There has been no change in Group's sensitivity to these risks since June 30, 2015 except for general exposure to fluctuations in foreign currency and interest rates. There have been no change in the risk management policies during the period.

There have been no significant changes in the business or economic circumstances during the period that would have affected the fair values of the financial assets of the Group's. Further, no re-classifications in the categories of financial assets have been made since June 30, 2015.

15. OPERATING SEGMENTS

This condensed interim consolidated financial information has been prepared on the basis of a single reportable segment.

- (a) All non-current assets of the Group at September 30, 2015 are located in Pakistan.
- (b) Revenues from external customers attributed to foreign countries in aggregate are not material.
- (c) The Group has earned revenues from one (September 30, 2014:one) customer amounting to Rs 150.556 million (September 30, 2014:Rs 221.111 million) during the current period which constituted 12.13%(September 30, 2014 : 20.54%) of the total sales.

16. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on 22 October, 2015 by the Board of Directors of the Holding Company.

17. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', corresponding figures in the condensed interim balance sheet comprise of balances as per the audited annual financial statements of the Group for year ended June 30, 2015 and the corresponding figures in the condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity comprise of balances of comparable period as per the condensed interim financial information of the Group for the quarter ended September 30, 2014.

Ahmed Kuli Khan Khattak
Chief Executive

Karachi

Dated:22 October 2015

Ch. Sher Muhammad
Director