



NISSAN



HALF YEARLY REPORT DECEMBER 31, 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

Registered Office

Ghandhara House
109/2, Clifton, 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

Chief Financial Officer

Mr. Muhammad Saleem Baig

Factory

Truck / Car Plants
Port Bin Qasim, Karachi

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. Shinewing 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 Half yearly Report alongwith the standalone financial statements of Ghandhara Nissan limited for the Half year ended December 31, 2015.

A comparison of the current six months results under review with that of the corresponding period last year shows significant improvement. The turnover has increased to Rs.2,129.25 million from 1,880.6 million. The gross profit has increased to Rs.457.16 million from Rs.270.16 million. The distribution and administrative expenses have increased by Rs.15.54 million. The Finance Cost has decreased to Rs.14.06 million from Rs.55.95 million.

The Company has made an after tax profit of Rs.241.72 million as against Rs.79.67 million in the corresponding period.

Truck Business

During the period under review, 336 units of UD Trucks were sold as against 302 units in the corresponding period. In addition 35 units of Dongfeng vehicles in CBU condition were sold as against 22 units in the corresponding period.

Contract Assembly Business

The contract assembly undertaken during the period under review was of 1,009 units as against 724 units during the corresponding period of last year.

Future Outlook

The sale of UD Trucks has increased considerably during the last two years. It is expected that this trend will continue and the company will be able to achieve sales more than the sale of the year 2015.

Moreover, the anticipated growth in the business operations of Ghandhara DF (Pvt.) Ltd. (a wholly owned subsidiary company of GNL) will also supplement the earnings of the parent company.

For and on behalf of the Board of Directors.

Ahmed Kuli Khan Khattak

Chief Executive Officer

Karachi

Dated: February 18, 2016



AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Ghandhara Nissan Limited** as at December 31, 2015 and the related condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof for the half year then ended (here-in-after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

The figures of the condensed interim profit and loss account for the quarters ended December 31, 2015 and 2014 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2015.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the half year ended December 31, 2015 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

SHINEWING HAMEED CHAUDHRI & CO.,
CHARTERED ACCOUNTANTS

Muhammad Ali
Karachi

Dated: February 18, 2016

MUNIFF ZIAUDDIN & CO.,
CHARTERED ACCOUNTANTS

Muhammad Moin Khan
Karachi

Dated: February 18, 2016


**CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2015**

AS AT DECEMBER 31, 2015		(Un-audited) December 31, 2015	(Audited) June 30, 2015
	Note	----- Rupees in '000 -----	
ASSETS			
Non current assets			
Property, plant and equipment	5	1,875,387	1,749,285
Intangible assets		78	88
Long term investments	6	242,630	192,630
Long term loans		7,065	6,477
Long term deposits		16,812	16,633
Due from Subsidiary Company	7	255,344	-
		2,397,316	1,965,113
Current assets			
Stores, spares and loose tools		50,251	50,174
Stock-in-trade		599,458	623,847
Trade debts		253,603	345,727
Loans and advances		42,566	40,212
Deposits and prepayments		38,702	39,094
Other receivables		28,863	30,749
Short term investment		-	30,092
Taxation - net		91,092	117,341
Bank balances	8	458,192	328,915
		1,562,727	1,606,151
Total assets		3,960,043	3,571,264
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital			
80,000,000 (June 30, 2015: 80,000,000) ordinary shares of Rs.10 each		800,000	800,000
Issued, subscribed and paid-up capital			
45,002,500 (June 30, 2015: 45,002,500) ordinary shares of Rs.10 each		450,025	450,025
Share premium		40,000	40,000
Unappropriated profit		793,609	784,086
Total equity		1,283,634	1,274,111
Surplus on revaluation of fixed assets		1,032,980	1,048,295
Liabilities			
Non current liabilities			
Liabilities against assets subject to finance lease		40,994	45,635
Long term deposits		8,611	9,611
Deferred liabilities		113,818	111,969
Deferred taxation		261,392	268,329
		424,815	435,544
Current liabilities			
Trade and other payables		1,204,620	642,881
Accrued mark-up		1,938	7,985
Short term finances		-	32,259
Running finances under mark-up arrangements		-	118,802
Current portion of liabilities against assets subject to finance lease		12,056	11,387
		1,218,614	813,314
Total liabilities		1,643,429	1,248,858
Contingencies and commitments	9		
Total equity and liabilities		3,960,043	3,571,264

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

Ahmed Kuli Khan Khattak
Chief Executive

Ch. Sher Muhammad
Director



CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2015

		Quarter ended		Half year ended	
		December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Note		----- Rupees in '000 -----			
Revenue		991,431	822,827	2,129,253	1,880,597
Cost of sales	10	(781,148)	(706,884)	(1,672,092)	(1,610,442)
Gross profit		210,283	115,943	457,161	270,155
Distribution cost		(14,596)	(10,469)	(24,878)	(18,749)
Administrative expenses		(51,689)	(48,473)	(90,216)	(80,807)
Other income		39,255	8,912	47,722	11,880
Other expenses		(14,381)	(2,917)	(25,926)	(8,731)
Profit from operations		168,872	62,996	363,863	173,748
Finance cost		(9,254)	(25,853)	(14,057)	(55,947)
Profit before taxation		159,618	37,143	349,806	117,801
Taxation		(52,024)	(1,263)	(108,084)	(38,132)
Profit after taxation		107,594	35,880	241,722	79,669
Other comprehensive income		-	-	-	-
Total comprehensive income		107,594	35,880	241,722	79,669
----- (Rupees) -----					
Earnings per share - basic and diluted		2.39	0.80	5.37	1.77

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

Ahmed Kuli Khan Khattak
Chief Executive

Ch. Sher Muhammad
Director



**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2015**

Half year ended

December 31, 2015 December 31, 2014

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

CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation	349,806	117,801
Adjustments for non cash charges and other items:		
Depreciation and amortisation	39,803	36,134
Interest income	(17,489)	(3,064)
Dividend income	(23,248)	-
Finance cost	11,213	45,614
Gain on disposal of property, plant and equipment	(1,706)	(1,429)
Exchange loss	2,844	10,333
Provision for gratuity and compensated absences	6,414	12,637
Amortization of gain on sale and lease back of fixed assets	(3)	(2)
	367,634	218,024

(Increase) / decrease in current assets:

Stores, spares and loose tools	(77)	(2,415)
Stock-in-trade	24,389	(575,710)
Trade debts	92,124	40,873
Loans and advances	(2,354)	(21,740)
Deposits and prepayments	392	(13,578)
Other receivables	(4,132)	12,581
	110,342	(559,989)
Increase in trade and other payables	534,510	223,026

Cash generated from / (used in) operations

Gratuity and compensated absences paid	(4,562)	(1,804)
Long term deposits - net	(1,179)	(1,467)
Long term loans - net	(588)	(482)
Finance cost paid	(17,260)	(33,767)
Taxes paid	(88,772)	(39,429)
	900,125	(195,888)

Net cash generated from / (used in) operating activities

CASH FLOWS FROM INVESTING ACTIVITIES

Fixed capital expenditure	(166,531)	(7,687)
Proceeds from disposal of property, plant and equipment	2,342	4,645
Interest income received	23,507	3,064
Investment made in subsidiary	(50,000)	(10,000)
Interest bearing advance to subsidiary	(255,344)	-
Dividend income	23,248	-
Short term investment	30,092	38,000
	(392,686)	28,022

Net cash (used in) / generated from investing activities

CASH FLOWS FROM FINANCING ACTIVITIES

Lease finances - net	(3,972)	2,353
Short term finances	(32,259)	158,783
Running finances - net	(118,802)	264,662
Dividend paid	(223,129)	(77,580)
	(378,162)	348,218
Net cash (used in) / generated from financing activities	129,277	180,352
Net increase in cash and cash equivalents	328,915	148,618
Cash and cash equivalents - at beginning of the period	458,192	328,970
Cash and cash equivalents - at end of the period	458,192	328,970

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

Ahmed Kuli Khan Khattak
Chief Executive

Ch. Sher Muhammad
Director



CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2015

	Issued, subscribed and paid-up capital	Share premium	Unappro- priated profit	Total
	Rupees in '000			
Balance as at July 1, 2014 - Audited	450,025	40,000	334,375	824,400
Transaction with owners				
Final dividend for the year ended June 30, 2014 at the rate of Rs.2.00 per share	-	-	(90,005)	(90,005)
Total comprehensive income for the half year ended December 31, 2014				
Profit for the period	-	-	79,669	79,669
Other comprehensive income	-	-	-	-
	-	-	79,669	79,669
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred taxation	-	-	15,434	15,434
Balance as at December 31, 2014 - Unaudited	450,025	40,000	339,473	829,498
Balance as at July 1, 2015 - Audited	450,025	40,000	784,086	1,274,111
Transactions with owners				
Final dividend for the year ended June 30, 2015 at the rate of Rs.4.50 per share	-	-	(202,511)	(202,511)
Interim dividend at the rate of Re.1.00 per share	-	-	(45,003)	(45,003)
	-	-	(247,514)	(247,514)
Total comprehensive income for the half year ended December 31, 2015				
Profit for the period	-	-	241,722	241,722
Other comprehensive income	-	-	-	-
	-	-	241,722	241,722
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred taxation	-	-	15,315	15,315
Balance as at December 31, 2015 - Unaudited	450,025	40,000	793,609	1,283,634

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

Ahmed Kuli Khan Khattak
Chief Executive

Ch. Sher Muhammad
Director



**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2015**

1. THE COMPANY AND ITS OPERATIONS

Ghandhara Nissan Limited (the Company) was incorporated on August 8, 1981 in Pakistan as a private limited company and subsequently converted into a public limited company on May 24, 1992. The registered office of the 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 [Pakistan Stock Exchange Limited with effect from January 11, 2016]. The principal business of the Company is assembly / progressive manufacturing of Nissan passenger Cars, UD Trucks and Buses, import and marketing of Nissan vehicles, import and sale of DongFeng complete built-up trucks and assembly of other vehicles under contract agreement.

The Company is a subsidiary of Bibojee Services (Private) Limited which holds 62.32% (June 30, 2015: 62.32%) issued, subscribed and paid-up capital of the Company.

2. BASIS OF PREPARATION

This condensed interim financial information of the Company for the half year ended December 31, 2015 is un-audited and has been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984 (the Ordinance). In case where requirements differ, the provisions of or directives issued under the Ordinance have been followed. The figures for the half year ended December 31, 2015 have, however, been subjected to limited scope review by the auditors as required by the Code of Corporate Governance. 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.

There are certain new International Financial Reporting Standards (standards), amendments to published standards and interpretations that are mandatory for the financial year beginning on July 1, 2015. These considered not to be relevant or to have any significant effect on the Company's financial reporting and operations and are, therefore, not disclosed in this condensed interim financial information.

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 expenses. 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 and 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

		(Un-audited) December 31, 2015 ---- Rupees in '000 ----	(Audited) June 30, 2015
	Note		
Net book value at beginning of the period / year		1,749,285	1,759,365
Additions during the period / year	5.1	166,531	68,928
Disposals, costing Rs.3,546 thousand (June 30, 2015: Rs.10,019 thousand) - at net book value		(636)	(3,463)
Depreciation charge for the period / year		(39,793)	(75,545)
Net book value at end of the period / year		<u>1,875,387</u>	<u>1,749,285</u>
5.1 Additions to property, plant and equipment during the period / year:			
Leasehold land		162,724	-
Plant and machinery		-	11,720
Assembly jigs		-	1,445
Furniture and fixtures		214	-
Vehicles			
- owned		1,000	6,962
- leased		1,782	46,738
Other equipment		49	159
Office equipment		79	755
Computers		683	1,149
		<u>166,531</u>	<u>68,928</u>

6. LONG TERM INVESTMENTS

Subsidiary Company - at cost

Ghandhara DF (Private) Limited

14,999,500 (June 30, 2015: 9,999,500) ordinary shares of Rs.10 each

149,995 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. 11.12 (June 30, 2015: Rs.10.97)

Associated Company - at cost

Ghandhara Industries Limited

5,166,168 (June 30, 2015: 5,166,168) ordinary shares of Rs.10 each

92,635 92,635

Equity held: 24.25% (June 30, 2015: 24.25%)

Fair value: Rs.1,591.335 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

Provision for impairment

1,875	1,875
(1,875)	(1,875)
-	-
<u>242,630</u>	<u>192,630</u>



7. DUE FROM SUBSIDIARY COMPANY - Interest bearing, unsecured

The Company, during the period, approved cash advance limit of Rs.300 million 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 +3.00% and is receivable on quarterly basis.

8. BANK BALANCES

	(Un-audited) December 31, 2015	(Audited) June 30, 2015
	---- Rupees in '000 ----	
Cash at banks on:		
- current accounts	359,187	85,910
- deposits accounts	9,917	9,917
- term deposits receipts	93,000	237,000
	462,104	332,827
Provision for doubtful bank balances	(3,912)	(3,912)
	458,192	328,915

9. CONTINGENCIES AND COMMITMENTS

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

	(Un-audited) December 31, 2015	(Audited) June 30, 2015
	---- Rupees in '000 ----	
9.2 Commitment in respect of irrevocable letters of credit	1,380,691	665,609
9.3 Outstanding bank guarantees	15,967	20,047

10. COST OF SALES

COST OF SALES		(Un-audited)			
		Quarter ended		Half year ended	
		December 31,		December 31,	
		2015	2014	2015	2014
Note		----- Rupees in '000 -----			
	Finished goods at beginning of the period	110,270	44,007	134,973	58,621
	Cost of goods manufactured	10.1 757,767	798,267	1,505,968	1,628,446
	Purchases - trading goods	115,146	60,761	233,186	119,526
		872,913	859,028	1,739,154	1,747,972
		983,183	903,035	1,874,127	1,806,593
	Finished goods at end of the period	(202,035)	(196,151)	(202,035)	(196,151)
		781,148	706,884	1,672,092	1,610,442

**10.1 Cost of goods manufactured**

Raw materials and components consumed	653,689	699,990	1,275,320	1,413,276
Factory overheads	104,078	98,277	230,648	215,170
	757,767	798,267	1,505,968	1,628,446

11. TRANSACTIONS WITH RELATED PARTIES**11.1** Significant transactions with related parties are as follows:

Name	Nature of transaction	(Un-audited) -- Half year ended -- December 31, December 31, 2015 2014	
		--- Rupees in '000 ---	
(i) Holding Company			
Bibojee Services (Private) Limited	Rent of head office	2,700	2,700
	Rent of showroom	6,000	-
	Dividend	154,255	56,092
(ii) Subsidiary Company			
Ghandhara DF (Private) Limited	Advance for issue of shares	-	10,000
	Investment made	50,000	-
	Contract assembly charges	9,664	1,193
	Sale of truck	-	1,000
	Sale of parts	227	-
	Interest bearing advance	255,344	-
	Mark-up accrued on advance	3,203	-
(iii) Associated Companies			
The General Tyre and Rubber Company of Pakistan Limited	Purchase of tyres	41,276	33,689
Ghandhara Industries Limited	Contract assembly charges	70,545	41,418
	Re-imbursement of expenses	-	180
	Purchase of fixed asset	-	2,250
	Purchase of parts	5	-
	Dividend received	23,248	-
Gammon Pakistan Limited	Office rent	750	750
(iv) Others			
UD Trucks Corporation, Japan	Royalty	4,813	7,400
	Dividend	20,059	7,294
	Purchases of complete knock down kits	751,979	1,412,714
Staff provident fund	Contribution made	2,958	2,660
Key management personnel	Remuneration and other benefits	26,716	21,937
	Sale of fleet vehicle	1,925	-



(Un-audited) December 31, 2015	(Audited) June 30, 2015
---- Rupees in '000 ----	

11.2 Period / year end balances are as follows:

Receivables from related parties

Trade debts	49,506	40,636
Loans and advances	530	2,992
Deposits and prepayments	-	3,718
Other receivables	3,203	-

Payable to related parties

Trade and other payables	65,353	52,871
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12. FINANCIAL RISK MANAGEMENT

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

13. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on February 18th, 2016 by the Board of Directors of the Company.

14. 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 half year ended December 31, 2014.

Ahmed Kuli Khan Khattak
Chief Executive

Ch. Sher Muhammad
Director

Karachi

Dated: February 18, 2016



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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 half year ended 31st December 2015.

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

Ghandhara DF (Pvt.) Limited

Ghandhara DF (Pvt.) Limited (GDFPL) was incorporated in Pakistan as a private limited company under the Companies Ordinance, 1984 on 25th June 2013. GNL holds 99.99% shares of GDFPL as on 31st December 2015, to carry on exclusive business of Dongfeng vehicles.

The principal activity of the subsidiary company is assembly/progressive manufacture under toll assembly agreement with GNL and sale of Dongfeng Commercial vehicles.

For and on behalf of the Board of Directors

Ahmed Kuli Khan Khattak

Chief Executive Officer

Karachi

Dated: February 18, 2016



**CONDENSED INTERIM CONSOLIDATED BALANCE SHEET
AS AT DECEMBER 31, 2015**

Un-audited
December 31,
2015

Audited
June 30,
2015

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

ASSETS	Note		
Non current assets			
Property, plant and equipment	6	1,887,459	1,762,699
Intangible assets		399	88
Long term investments	7	554,067	508,761
Long term loans		7,065	6,477
Long term deposits		16,812	16,633
		2,465,802	2,294,658
Current assets			
Stores, spares and loose tools		50,251	50,174
Stock-in-trade		1,102,878	878,968
Trade debts		314,033	375,973
Loans and advances		45,723	40,405
Deposits and prepayments		39,305	41,845
Other receivables		111,027	54,284
Short term investment		-	30,092
Taxation - net		123,077	131,658
Cash and Bank balances	8	464,331	351,724
		2,250,625	1,955,123
Total assets		4,716,426	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		65,711	64,158
Unappropriated profit		847,195	790,961
Equity attributable to shareholders of the Holding Company		1,402,931	1,345,144
Non-controlling interest		8	6
Total equity		1,402,939	1,345,150
Surplus on revaluation of fixed assets		1,386,218	1,403,086
Liabilities			
Non current liabilities			
Liabilities against assets subject to finance lease		40,994	45,635
Long term deposits		8,611	9,611
Deferred liabilities		113,818	111,969
Deferred taxation		262,325	269,262
		425,749	436,477
Current liabilities			
Trade and other payables		1,438,815	894,635
Accrued mark-up		1,937	7,985
Short term finances		48,712	32,259
Running finances under mark-up arrangements		-	118,802
Current portion of liabilities against assets subject to finance lease		12,056	11,387
		1,501,521	1,065,068
Total liabilities		1,927,270	1,501,545
Contingencies and commitments	9		
Total equity and liabilities		4,716,426	4,249,781

The annexed notes from 1 to 14 form an integral part of these financial statements.

Ahmed Kuli Khan Khattak
Chief Executive

Ch. Sher Muhammad
Director



CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2015

	Note	Quarter ended		Half year ended	
		December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
		---- Rupees in '000 ----			
Revenue		1,027,682	852,637	2,268,563	1,929,296
Cost of sales	10	(801,977)	(732,209)	(1,800,510)	(1,652,485)
Gross profit		225,705	120,428	468,052	276,811
Distribution cost		(15,949)	(10,476)	(26,677)	(18,833)
Administrative expenses		(52,105)	(48,459)	(91,622)	(81,240)
Other income		12,945	9,252	21,412	12,220
Other expenses		(14,381)	(2,919)	(25,926)	(8,731)
Profit from operations		156,215	67,826	345,240	180,227
Finance cost		(9,204)	(25,706)	(14,108)	(55,960)
Share of profit of an Associated Company		30,516	5,616	68,554	8,259
Profit before taxation		177,527	47,736	399,686	132,526
Taxation		(52,422)	(5,200)	(111,251)	(40,261)
Profit after taxation		125,105	42,536	288,434	92,265
Other comprehensive income		-	-	-	-
Total comprehensive income		125,105	42,536	288,434	92,265
----- Rupees in '000 -----					
Earnings per share - basic and diluted		2.78	0.95	6.41	2.05

The annexed notes from 1 to 14 form an integral part of these financial statements.



CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2015

	December 31, 2015	December 31, 2014
	---- Rupees in '000 ----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	399,686	132,526
Adjustments for non-cash charges and other items:		
Depreciation and amortisation	41,166	36,449
Interest income	(17,489)	(3,064)
Finance cost	11,264	45,627
Amortization of gain on sale and lease back	(3)	(2)
Gain on disposal of property, plant and equipment	(1,706)	(1,429)
Exchange loss	2,844	10,333
Share of profit of an Associated Company	(68,554)	(8,259)
Provision for gratuity	6,414	6,630
Provision for compensated absences	-	6,007
Operating profit before working capital changes	373,622	224,818
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(77)	(2,415)
Stock-in-trade	(223,910)	(637,165)
Trade debts	58,558	22,816
Loans and advances	(2,354)	(24,499)
Deposit and prepayments	(1,995)	(13,578)
Other receivables	(60,666)	16,072
	(230,445)	(638,769)
Increase/(decrease) in trade and other payables	775,155	307,395
Cash generated from operations	918,333	(106,556)
Gratuity and compensated absences paid	(4,562)	(1,804)
Long term loans - net	(588)	(482)
Long term deposit	(1,179)	(1,467)
Finance cost paid	(17,311)	(33,780)
Taxes paid	(109,608)	(41,781)
Net cash generated from operating activities	785,085	(185,870)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(166,531)	(15,898)
Purchase of Intangible asset	(342)	-
Proceeds from disposal of property, plant and equipment	2,342	4,648
Interest income received	23,507	3,064
Short term investment - net	30,092	38,000
Interest bearing advance to subsidiary	(255,344)	-
Dividend income	23,248	-
Long term deposits - net	-	-
Net cash used in investing activities	(343,029)	29,814
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease finances - net	(3,972)	2,353
Short term finances - net	16,453	158,783
Running finances - net	(118,802)	264,662
Dividend paid	(223,129)	(77,580)
Net cash generated from / (used in) financing activities	(329,449)	348,218
Net increase in cash and cash equivalents	112,607	192,162
Cash and cash equivalents - at beginning of the year	351,724	171,442
Cash and cash equivalents - at end of the year	464,331	363,604

The annexed notes from 1 to 14 form an integral part of these financial statements.

Ahmed Kuli Khan Khattak
Chief ExecutiveCh. Sher Muhammad
Director



CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 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
Final dividend for the year ended June 30, 2014 at the rate of Rs.2 per share				(90,005)	(90,005)	-
Profit for the year	-	-	-	92,263	92,263	-
Other comprehensive profit	-	-	-	-	-	-
Surplus on revaluation of fixed assets realised during the year (net of deferred taxation) on account of incremental depreciation				92,263	92,263	-
Effect of item directly credited in equity by an Associated Company	-	-	1,351	-	1,351	-
Balance as at 31 Dec, 2014	450,025	40,000	63,705	330,232	883,962	5
Balance as at 1 July, 2015	450,025	40,000	64,158	790,961	1,345,144	6
Final dividend dividend for the year ended June 30, 2015	-	-	-	(247,514)	(247,514)	-
Profit for the period	-	-	-	288,432	288,432	2
Other comprehensive profit	-	-	-	-	-	-
Surplus on revaluation of fixed assets realised during the year (net of deferred taxation) on account of incremental depreciation				288,432	288,432	2
Effect of item directly credited in equity by an Associated Company	-	-	1,553	-	1,553	-
Balance as at Dec 31, 2015	450,025	40,000	65,711	847,195	1,402,931	8

The annexed notes from 1 to 14 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 HALF YEAR ENDED DECEMBER 31, 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. [Pakistan Stock Exchange Limited with effect from January 11, 2016].

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 December 31, 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 December 31, 2015	Audited June 30, 2015
		----- Rupees in '000 -----	
Operating fixed assets	6.1	1,887,459	1,762,699
		<u>1,887,459</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	166,531	84,861
Disposal during the period		(636)	(3,463)
Depreciation charged during the period / year		(41,135)	(78,064)
Closing book value		<u>1,887,459</u>	<u>1,762,699</u>
6.2 Additions to Operating fixed assets during the period			
Leasehold Land		162,724	-
Plant & Machinery		-	11,720
Assembly jigs		-	15,358
Vehicles - owned		1,000	8,982
Vehicles - leased		1,783	46,738
Furniture & fixtures		214	-
Other equipment		49	159
Office equipment		79	755
Computers		683	1,149
		<u>166,531</u>	<u>84,861</u>



	Un-audited December 31, 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	81,230	12,676
	<u>173,865</u>	<u>105,311</u>
Share of items directly credited in the equity of Associated company	65,711	64,158
Share of surplus on revaluation of fixed assets of Associated company	353,238	354,791
Dividend received to date	(38,747)	(15,499)
	<u>554,067</u>	<u>508,761</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>554,067</u>	<u>508,761</u>

7.1 The above figure are based on un-audited financial information of the investee company as at September 30, 2015. The latest financial information of investee company as at December 31, 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 September 30, 2015 is as follows:

	Un-audited As at September 30, 2015	Un-audited As at March 31, 2015
	----- Rupees in '000 -----	
Total assets	<u>3,776,980</u>	<u>3,493,133</u>
Total liabilities	<u>1,401,436</u>	<u>1,405,990</u>
Accumulated profit	<u>493,747</u>	<u>204,648</u>



	Three months period ended	
	September 30, 2015	September 30, 2014
Revenues	<u>942,670</u>	<u>789,047</u>
Profit (Loss) before taxation	<u>176,996</u>	<u>42,460</u>
Profit (Loss) after taxation	<u>126,156</u>	<u>24,599</u>

The market value of the investment as at December 31, 2015 was Rs.1,591.335 million (June 30, 2015: Rs 367.986 million)

8. CASH AND BANK BALANCES

Cash in hand	1	1
Cash at banks in:		
- current accounts	365,325	108,718
- deposit accounts	9,917	9,917
- term deposits receipts	<u>93,000</u>	<u>237,000</u>
	468,242	355,635
Provision for doubtful bank balance	<u>(3,912)</u>	<u>(3,912)</u>
	<u>464,331</u>	<u>351,724</u>

9. CONTINGENCIES AND COMMITMENTS

9.1 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 December 31, 2015	Audited June 30, 2015
	----- Rupees in '000 -----	
9.2 Commitment in respect of irrevocable letters of credit	<u>1,433,562</u>	<u>714,432</u>
9.3 Outstanding bank guarantees	<u>15,967</u>	<u>20,047</u>

10. COST OF SALES

	(Un-audited)			
	Quarter ended December 31, 2015	Quarter ended December 31, 2014	Half year ended December 31, 2015	Half year ended December 31, 2014
	----- Rupees in '000 -----			
Finished goods at beginning of the year	103,610	44,007	143,314	59,543
Cost of goods manufactured	<u>793,597</u>	<u>840,891</u>	<u>1,634,387</u>	<u>1,687,788</u>
Purchases - trading goods	<u>373,080</u>	<u>61,683</u>	<u>491,120</u>	<u>119,526</u>
	1,166,677	902,574	2,125,507	1,807,314
Finished goods at end of the year	<u>(468,601)</u>	<u>(214,372)</u>	<u>(468,311)</u>	<u>(214,372)</u>
	<u>801,686</u>	<u>732,209</u>	<u>1,800,510</u>	<u>1,652,485</u>

**10.1 Cost of goods manufactured**

Raw materials and componenets consumed	688,997	742,507	1,402,534	1,472,302
Factory overheads	104,600	98,384	231,853	215,486
	<u>793,597</u>	<u>840,891</u>	<u>1,634,387</u>	<u>1,687,788</u>

11. TRANSACTIONS WITH RELATED PARTIES**11.1** Significant transactions with related parties are as follows:

Name	Nature of transaction	(Un-audited) -- Half year ended -- December 31, December 31, 2015 2014	
		--- Rupees in '000 ---	
(a) Holding company			
Bibojee Services (Private) Limited	Rent of Head Office	2,760	2,700
	Rent of Showroom	6,000	-
	Dividend	154,255	56,092
(b) Associated company			
The General Tyre & Rubber Co.	Purchase of tyres	57,966	33,689
Ghandhara Industries Ltd.	Contract Assembly charges	70,545	41,418
	Re-imbursement of expenses	-	180
	Purchase of fixed asset	-	2,250
	Purchase of parts	5	-
	Dividend received	23,248	
Gammon Pakistan Limited	Office rent	750	750
(c) Others			
UD Trucks Corporation Japan	Royalty	4,813	7,400
	Dividend	20,059	7,294
	Purchase of complete knock down kits	751,979	1,412,714
Staff provident fund	Contribution made	2,958	2,660
Key Management Personnel	Remuneration and other benefits	26,716	21,937
	Sale of fleet vehicles	1,925	-



	Un-audited December 31, 2015	Audited June 30, 2015
11.2 PERIOD END BALANCES		
Receivables from related parties		
Trade debts	39,904	34,416
Loans and advances	-	890
Deposits and prepayments	-	3,718
Payable to related parties		
Trade and other payables	40,645	30,339

12. 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.

13. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on February 18th, 2016 by the Board of Directors of the Holding Company.

14. 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 half year ended December 31, 2014.

Ahmed Kuli Khan Khattak
Chief Executive

Ch. Sher Muhammad
Director

Karachi

Dated: February 18, 2016

BOOK POST



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