



GHANDHARA NISSAN LIMITED



UD TRUCKS



DONGFENG
Trucks

a journey towards
progress

Half Yearly Report
December 31, 2016
(Un-Audited)

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Company Profile

Board of Directors

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

Chairman
President
Chief Executive Officer

Company Secretary

Mr. Muhammad Sheharyar Aslam

Chief Financial Officer

Mr. Muhammad Umair

Registered Office

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

Factory

Truck / Car Plants
Port Bin Qasim, Karachi

Bankers of the Company

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

Audit Committee

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

Human Resource & Remuneration Committee

Lt.Gen. (Retd.) Ali Kuli Khan Khattak	Chairman
Mr. Ahmed Kuli Khan Khattak	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. Junaidy Shoaib Asad
Chartered Accountants
1/6, Block-6, P.E.C.H.S, Mohtarma Laeeq
Begum Road, Off Shahra-e-Faisal,
Near Nursery Flyover, Karachi

Legal & Tax Advisors

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

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

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

Share Registrars

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

NTN :

0802990-3

Sales Tax Registration No:

12-03-8702-001-46



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DIRECTORS' REPORT

Your Directors are pleased to present the Report alongwith the standalone financial statements of Ghandhara Nissan Limited for the Half year ended December, 31, 2016.

Below is the comparison of the six months results under review:

The turnover has increased to Rs.2,649.7 million during current period from Rs.2,129.3 million in the corresponding period last year. The gross profit has increased to Rs.480.3 million from Rs.457.1 million. The distribution and administrative expenses have increased by Rs.23.6 million. The Finance Cost has been reduced to Rs.3.73 million from Rs.14.06 million.

The Company has made an after tax profit of Rs.281.62 million as against Rs.241.72 million in the corresponding period, Earning Per Share of the company is Rs.6.26 per share as compared to Rs.5.37 per share during corresponding period of last year.

During the period under review, sale of UD Trucks have increased by around 21% as compared to corresponding period of last year.

The contract assembly undertaken during the period under review has increased by around 75% as compared to corresponding period of last year.

Your company is considering the opportunity to re-enter into Passenger Car Segment courtesy incentives given by GoP via recently issued (Automotive Development Policy).

In respect of commercial vehicles, UD's existing product PKD, has got a good market share and is a prime contributor to GNL's revenue stream, is going to complete its product life during the next quarter. Discussions are being held with OEM to have a suitable substitute considering dynamics of Pakistan market.

For and on behalf of the Board of Directors

Ahmed Kuli Khan Khattak
Chief Executive Officer

Karachi
Dated: February 16, 2017



ڈائریکٹرز رپورٹ

آپ کے ڈائریکٹرز ششماہی رپورٹ بمعہ گندھارا انسان لمیٹڈ کے 31 دسمبر 2016ء کو ختم ہونے والی ششماہی کے مالیاتی حسابات پیش کر رہے ہیں۔

زیر نظر چھ ماہ کے نتائج کا موازنہ درج ذیل ہے:

گزشتہ سال کے مقابلے میں ٹرن اوور مبلغ 2,129.3 ملین روپے سے بڑھ کر مبلغ 2,649.7 ملین روپے ہو گیا ہے اور کل منافع مبلغ 457.1 ملین سے بڑھ کر مبلغ 480.3 ملین روپے ہو گیا ہے۔ ڈسٹری بیوشن اور ایڈمنسٹریٹو اخراجات میں مبلغ 23.6 ملین روپے کا اضافہ ہوا ہے۔ مالیاتی اخراجات مبلغ 14.06 ملین سے کم ہو کر 3.73 ملین روپے ہو گئے ہیں۔

کمپنی نے بعد از ٹیکس منافع مبلغ 281.62 ملین روپے حاصل کیا ہے جس کا موازنہ گزشتہ سال میں 241.72 ملین روپے سے کیا جاسکتا ہے اور اس سے حاصل ہونے والی آمدنی 6.26 روپے فی شیئر ہے جس کا موازنہ گزشتہ سال کی اسی مدت کے دوران کی آمدنی 5.37 روپے فی شیئر سے کیا جاسکتا ہے۔

زیر نظر مدت کے دوران یوڈی ٹرکس کی فروخت میں 21% کا اضافہ ہوا ہے جس کا موازنہ گزشتہ سال کی مدت سے کیا جاسکتا ہے۔

زیر نظر مدت کے دوران معاہدہ اسمبلی کے حوالے سے اضافہ 75% کے قریب ہوا ہے جس کا موازنہ گزشتہ سال کی اسی مدت سے کیا جاسکتا ہے۔

جی او پی کی حالیہ جاری کردہ آٹوموٹیوڈ ویلپمنٹ پالیسی (اے ڈی پی) کو مدنظر رکھتے ہوئے آپ کی کمپنی پسنجر کار سیکمنٹ میں دوبارہ داخلے پر غور کر رہی ہے۔

تجارتی گاڑیوں کے سلسلے میں یوڈی کی موجودہ پروڈکٹ پی کے ڈی ہے جس نے بہترین مارکیٹ شیئر حاصل کیا ہے اور جی این ایل کی آمدنی کا اہم ڈسٹری بیوٹر ہے جو کہ اگلی سہ ماہی کے دوران اپنی پروڈکٹ کو مکمل کرنے جا رہی ہے اس سلسلے میں او ای ایم کے ساتھ بات چیت جاری ہے جس میں پاکستان مارکیٹ میں مناسب اضافہ ہوگا۔

بورڈ آف ڈائریکٹرز کی جانب سے

کراچی،

مورخہ: 16 فروری 2017ء

احمد کولی خان خٹک

چیف ایگزیکٹو آفیسر

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, 2016 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.

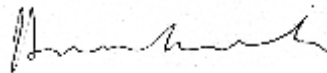
The figures of the condensed interim profit and loss account for the quarters ended December 31, 2016 and 2015 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2016.

Scope of Review

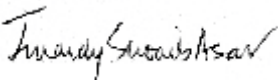
We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial 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, 2016 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
Abdul Hameed Chaudhri

Karachi
Dated: February 16, 2017


JUNAIDY SHOAIB ASAD
CHARTERED ACCOUNTANTS
Farrukh Viqaruddin Junaidy

Karachi
Dated: February 16, 2017

CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2016

		(Un-audited) December 31, 2016	(Audited) June 30, 2016
ASSETS			
Non current assets	Note	----- Rupees in '000 -----	
Property, plant and equipment	5	1,854,799	1,852,218
Intangible assets		58	66
Long term investments	6	242,630	242,630
Long term loans		10,805	9,438
Long term deposits		20,180	17,487
Due from Subsidiary Company	7	409,805	478,444
		2,538,277	2,600,283
Current assets			
Stores, spares and loose tools		68,446	68,048
Stock-in-trade	8	834,908	604,689
Trade debts		238,506	188,332
Loans and advances		91,102	51,116
Deposits and prepayments		44,415	18,317
Other receivables		82,730	86,131
Accrued interest / mark-up		7,500	6,648
Taxation - net		39,727	82,118
Bank balances	9	89,587	375,408
		1,496,921	1,480,807
Total assets		4,035,198	4,081,090
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital 80,000,000 (June 30, 2016: 80,000,000) ordinary shares of Rs.10 each		800,000	800,000
Issued, subscribed and paid-up capital 45,002,500 (June 30, 2016: 45,002,500) ordinary shares of Rs.10 each		450,025	450,025
Share premium		40,000	40,000
Unappropriated profit		1,182,347	1,111,191
Total equity		1,672,372	1,601,216
Surplus on revaluation of fixed assets		1,003,117	1,017,664
Liabilities			
Non current liabilities			
Liabilities against assets subject to finance lease		53,862	40,177
Long term deposits		9,611	8,611
Deferred gain on sale and lease back of fixed asset		8	11
Deferred taxation		269,472	273,566
		332,953	322,365
Current liabilities			
Trade and other payables		1,005,218	1,126,050
Accrued mark-up		275	136
Running finances under mark-up arrangements		4,033	-
Current portion of liabilities against assets subject to finance lease		17,230	13,659
		1,026,756	1,139,845
Total liabilities		1,359,709	1,462,210
Contingencies and commitments	10		
Total equity and liabilities		4,035,198	4,081,090

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

Ahmed Kuli Khan Khattak
Chief Executive

Syed Haroon Rashid
Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2016

	Note	Quarter ended		Half year ended	
		December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
		----- Rupees in '000 -----			
Revenue		1,316,595	991,431	2,649,675	2,129,253
Cost of sales	11	(1,081,430)	(781,148)	(2,169,378)	(1,672,092)
Gross profit		235,165	210,283	480,297	457,161
Distribution cost		(9,868)	(14,596)	(20,862)	(24,878)
Administrative expenses		(68,063)	(51,689)	(117,821)	(90,216)
Other income		64,631	39,255	82,257	47,722
Other expenses		(15,176)	(14,381)	(28,990)	(25,926)
Profit from operations		206,689	168,872	394,881	363,863
Finance cost		(1,755)	(9,254)	(3,728)	(14,057)
Profit before taxation		204,934	159,618	391,153	349,806
Taxation		(51,803)	(52,024)	(109,531)	(108,084)
Profit after taxation		153,131	107,594	281,622	241,722
Other comprehensive income		-	-	-	-
Total comprehensive income		153,131	107,594	281,622	241,722
----- (Rupees) -----					
Earnings per share - basic and diluted		3.40	2.39	6.26	5.37

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

Ahmed Kuli Khan Khattak
Chief Executive

Syed Haroon Rashid
Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2016

	Half year ended	
	December 31, 2016	December 31, 2015
----- Rupees in '000 -----		
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	391,153	349,806
Adjustments for non cash charges and other items:		
Depreciation and amortisation	45,063	39,803
Provision for gratuity	5,381	6,414
Interest income	(20,830)	(17,489)
Dividend income	(51,662)	(23,248)
Gain on disposal of property, plant and equipment	(6)	(1,706)
Amortization of gain on sale and lease back of fixed assets	(3)	(3)
Finance cost	3,728	11,213
Net exchange (gain) / loss	(1,235)	2,844
Operating profit before working capital changes	371,589	367,634
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(398)	(77)
Stock-in-trade	(230,219)	24,389
Trade debts	(50,174)	92,124
Loans and advances	(39,986)	(2,354)
Deposits and prepayments	(26,098)	392
Other receivables	3,401	(4,132)
	(343,474)	110,342
(Decrease) / increase in trade and other payables	(118,369)	534,510
Cash (used in) / generated from operations	(90,254)	1,012,486
Gratuity paid	(10,396)	(4,562)
Long term deposits	(1,693)	(1,179)
Long term loans - net	(1,367)	(588)
Finance cost paid	(3,589)	(17,260)
Taxes paid	(71,234)	(88,772)
Net cash (used in) / generated from operating activities	(178,533)	900,125
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(23,644)	(166,531)
Proceeds from disposal of property, plant and equipment	14	2,342
Interest received	19,978	23,507
Investment made in subsidiary	-	(50,000)
Interest bearing advance to subsidiary - net	68,639	(255,344)
Dividend income	51,662	23,248
Short term investment	-	30,092
Net cash generated from / (used in) investing activities	116,649	(392,686)
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease finances - net	(6,744)	(3,972)
Short term finances	-	(32,259)
Running finances - net	4,033	(118,802)
Dividend paid	(221,226)	(223,129)
Net cash used in financing activities	(223,937)	(378,162)
Net (decrease) / increase in cash and cash equivalents	(285,821)	129,277
Cash and cash equivalents - at beginning of the period	375,408	328,915
Cash and cash equivalents - at end of the period	89,587	458,192

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

Ahmed Kuli Khan Khattak
Chief Executive

Syed Haroon Rashid
Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2016

	Issued, subscribed and paid-up capital	Share premium	Unappro- priated profit	Total
	Rupees in '000			
Balance as at July 1, 2015 - Audited	450,025	40,000	784,086	1,274,111
Transaction with owners recognised directly in equity				
Final dividend for the year ended June 30, 2015 at the rate of Rs.4.50 per share	-	-	(202,511)	(202,511)
Interim dividend for the year ended June 30, 2016 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
Balance as at July 1, 2016 - Audited	450,025	40,000	1,111,191	1,601,216
Transaction with owners recognised directly in equity				
Final dividend for the year ended June 30, 2016 at the rate of Rs.5.00 per share	-	-	(225,013)	(225,013)
Total comprehensive income for the half year ended December 31, 2016				
Profit for the period	-	-	281,622	281,622
Other comprehensive income	-	-	-	-
	-	-	281,622	281,622
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred taxation	-	-	14,547	14,547
Balance as at December 31, 2016 - Unaudited	450,025	40,000	1,182,347	1,672,372

Ahmed Kuli Khan Khattak
Chief Executive

Syed Haroon Rashid
Director

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2016

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 F-3, Hub Chawki Road, S.I.T.E., Karachi. Its manufacturing facilities are located at Port Qasim, Karachi. The Company's shares are listed on Pakistan Stock Exchange Limited.

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 agreements.

The Company is a subsidiary of Bibojee Services (Private) Limited which holds 62.32% (June 30, 2016: 62.32%) of issued, subscribed and paid-up capital of the Company.

2. BASIS OF PREPARATION

This condensed interim financial information is unaudited 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 the 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, 2016 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, 2016.

3. ACCOUNTING POLICIES

The significant 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, 2016.

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, 2016. These are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations and are, therefore, not disclosed in this condensed interim financial information.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

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

During the preparation of this condensed interim financial information, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the audited annual financial statements of the Company for the year ended June 30, 2016.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2016

5. PROPERTY, PLANT AND EQUIPMENT

		(Un-audited) December 31, 2016	(Audited) June 30, 2016
	Note	— Rupees in '000 —	
Operating fixed assets	5.1	1,853,555	1,846,454
Capital work-in-progress - vehicles		1,244	5,764
		1,854,799	1,852,218
5.1 Operating fixed assets			
Net book value at beginning of the period / year		1,846,454	1,749,285
Additions during the period / year	5.2	52,164	185,609
Disposals, costing Rs.39 thousand (June 30, 2016: Rs.4,968 thousand) - at net book value		(8)	(1,460)
Depreciation charge for the period / year		(45,055)	(86,980)
Net book value at end of the period / year		1,853,555	1,846,454
5.2 Additions to property, plant and equipment during the period / year:			
Leasehold land		-	162,724
Plant and machinery		18,929	13,672
Furniture and fixtures		-	294
Vehicles			
- owned		3,076	4,581
- leased		29,700	2,658
Other equipment		-	185
Office equipment		93	220
Computers		366	1,275
		52,164	185,609
6. LONG TERM INVESTMENTS			
Subsidiary Company - at cost			
Gandhara DF (Private) Limited			
14,999,500 (June 30, 2016: 14,999,500) ordinary shares of Rs.10 each		149,995	149,995
Equity held: 99.99% (June 30, 2016: 99.99%)			
Break-up value per share on the basis of latest financial statements is Rs.17.29 (June 30, 2016: Rs.13.90)			
Associated Company - at cost			
Gandhara Industries Limited			
5,166,168 (June 30, 2016: 5,166,168) ordinary shares of Rs.10 each		92,635	92,635
Equity held: 24.25% (June 30, 2016: 24.25%)			
Fair value: Rs.3,747.332 million (June 30, 2016: Rs.2,096.896 million)			
Others - available for sale			
Automotive Testing & Training Center (Private) Limited			
187,500 (June 30, 2016: 187,500) ordinary shares of Rs.10 each - cost		1,875	1,875
Provision for impairment		(1,875)	(1,875)
		-	-
		242,630	242,630

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2016

7. DUE FROM SUBSIDIARY COMPANY - Unsecured and interest bearing

The Company, during the period, extended the aggregate cash limit from Rs.500 million to Rs.800 million of Gandhara DF (Private) Limited (the Subsidiary Company) for its working capital requirements after obtaining requisite approval from the shareholders. 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% per annum and is recoverable on quarterly basis.

8. STOCK-IN-TRADE

	(Un-audited) December 31, 2016	(Audited) June 30, 2016
	— Rupees in '000 —	
Raw materials	573,479	346,421
Finished goods	94,294	113,586
Items in transit	182,135	159,682
Provision for obsolete / slow moving stock	(15,000)	(15,000)
	834,908	604,689

9. BANK BALANCES

Cash at banks on:		
- current accounts	83,582	208,403
- deposits accounts	9,917	9,917
- term deposits receipts	-	161,000
	93,499	379,320
Provision for doubtful bank balances	(3,912)	(3,912)
	89,587	375,408

10. CONTINGENCIES AND COMMITMENTS

10.1 There is no change in status of the contingencies as disclosed in note 29.1 of the audited annual financial statements of the Company for the year ended June 30, 2016.

10.2 Commitment in respect of irrevocable letters of credit as at December 31, 2016 aggregate to Rs.331.979 million (June 30, 2016: Rs.1,501.570 million).

10.3 Guarantees aggregating Rs.11.022 million (June 30, 2016: Rs.11.022 million) are issued by banks of the Company to various government and other institutions. Further, the Company has issued corporate guarantees aggregating Rs.298.987 million (June 30, 2016: Rs.1,441 million) to the commercial banks against letters of credit facilities utilised by the Subsidiary Company.

11. COST OF SALES

		(Un-audited)			
		Quarter ended December 31,		Half year ended December 31,	
		2016	2015	2016	2015
	Note	— Rupees in '000 —			
Finished goods at beginning of the period		77,061	110,270	113,586	134,973
Cost of goods manufactured	11.1	1,011,534	757,767	2,043,307	1,505,968
Purchases - trading goods		141,094	115,146	160,744	233,186
		1,152,628	872,913	2,204,051	1,739,154
		1,229,689	983,183	2,317,637	1,874,127
Finished goods at end of the period		(148,259)	(202,035)	(148,259)	(202,035)
		1,081,430	781,148	2,169,378	1,672,092

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2016

11.1 Cost of goods manufactured

Raw materials and components consumed	818,633	653,689	1,717,153	1,275,320
Factory overheads	192,901	104,078	326,154	230,648
	1,011,534	757,767	2,043,307	1,505,968

12. TRANSACTIONS WITH RELATED PARTIES

12.1 Significant transactions with related parties are as follows:

Name	Nature of transaction	(Un-audited) – Half year ended – December 31, December 31, 2016 2015	
		— Rupees in ‘000 —	
(i) Holding Company			
Bibojee Services (Private) Limited	Rent	5,850	8,700
	Dividend	140,232	154,255
(ii) Subsidiary Company			
Ghandhara DF (Private) Limited	Investment made	-	50,000
	Contract assembly charges	20,188	9,664
	Purchase of parts	1,500	-
	Sale of parts	780	227
	Long term advances	-	255,344
	Long term advances recovered - net	68,639	-
	Interest income	19,189	3,203
	Interest received	17,998	-
	Guarantee commission	1,902	-
	Reimbursement of expenses	246	-
(iii) Associated Companies			
The General Tyre and Rubber Company of Pakistan Limited	Purchase of tyres	31,193	41,276
Gandhara Industries Limited	Contract assembly charges	175,711	70,545
	Rent	660	-
	Body fabrication	676	-
	Sale of truck and parts	1,053	-
	Purchase of parts	1	5
	Dividend income	51,662	23,248
Gammon Pakistan Limited	Office rent	1,500	750
Janana De Malucho Textile Mills Limited	Reimbursement of expenses	30	-
(iv) Others			
UD Trucks Corporation, Japan	Royalty	8,358	4,813
	Dividend	18,235	20,059
	Purchases of complete knock down kits	1,456,599	751,979
Staff provident fund	Contribution made	3,539	2,958
Staff gratuity fund	Contribution made	10,000	-
Key management personnel	Remuneration and other benefits	32,471	26,716
	Sale of fleet vehicle	-	1,925

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2016

12.2 Period / year end balances are as follows:

Receivables from related parties

	Un-audited December 31, 2016	Audited June 30, 2016
Long term loans	1,400	-
Trade debts	96,099	49,350
Loans and advances	600	320
Other receivables	680	2,976
Accrued interest / mark-up	7,500	6,310

Payable to related parties

Trade and other payables	35,090	60,844
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13. FINANCIAL RISK MANAGEMENT

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

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, 2016.

There has been no change in Company's sensitivity to these risks since June 30, 2016 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, 2016.

14. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on February 16, 2017 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, 2016 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, 2015.

Ahmed Kuli Khan Khattak
Chief Executive

Karachi
Dated: February 16, 2017

Syed Haroon Rashid
Director

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 2016.

The Company has annexed consolidated financial statements alongwith its separate financial statements in accordance with the requirements of the International Financial Reporting Standard - 10 (Consolidated Financial Statements)

Ghandhara DF (Pvt.) Limited

Ghandhara DF (Pvt.) Limited (GDFPL) has shown a substantial improvement in the half year with an increase in the Net revenue and the profit after tax by Rs.546 million and Rs.42 million respectively. This is a result of an overwhelming demand for Dongfeng trucks in the local market as compared to other Chinese makes. On a consolidated view, the Profit after tax have increased by 32%. This rise gives an indication of the accelerating business going ahead.

For and on behalf of the Board of Directors

Ahmed Kuli Khan Khattak
Chief Executive Officer

Karachi
Dated: February 16, 2017

کمپنی کے ڈائریکٹرز 31 دسمبر 2016ء کی اختتامی ششماہی کیلئے گندھارا انسان لمیٹڈ (جی این ایل) اور اس کے ماتحت ادارہ گندھارا ڈی ایف (پرائیویٹ) لمیٹڈ کے مرتب کردہ مالیاتی حسابات اور رپورٹ پیش کر رہے ہیں۔

کمپنی نے انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈ 10 (مرتب کردہ مالیاتی حسابات) کے مطابق علیحدہ مالیاتی حسابات اور اس کی کاپیاں منسلک کی ہیں۔

گندھارا ڈی ایف (پرائیویٹ) لمیٹڈ:

گندھارا ڈی ایف (پرائیویٹ) لمیٹڈ (جی ڈی ایف پی ایل) نے موجودہ ششماہی میں شاندار کامیابی ظاہر کی ہے اور اضافی آمدنی اور بعد از ٹیکس منافع مبلغ 564 ملین روپے اور مبلغ 42 ملین روپے بالترتیب اضافہ ہوا ہے اور یہ نتیجہ مقامی مارکیٹ میں ڈونگ فینگ ٹرکس (Dongfeng Trucks) کی طلب کی وجہ سے حاصل ہوا ہے جس کا موازنہ دیگر چائنیز میکس سے کیا جاسکتا ہے۔ مرتب کردہ رائے کے تحت منافع بعد از ٹیکس میں 32% اضافہ ہوا ہے اور یہ اضافہ کاروبار میں ترقی کا اشارہ ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے

کراچی،
مورخہ: 16 فروری 2017ء

احمد کولی خان خٹک
چیف ایگزیکٹو آفیسر

CONSOLIDATED CONDENSED INTERIM BALANCE SHEET

AS AT DECEMBER 31, 2016

		(Un-audited) December 31, 2016	(Audited) June 30, 2016
		----- Rupees in '000 -----	
ASSETS			
Non current assets			
Property, plant and equipment	6	1,864,457	1,862,949
Intangible assets		301	344
Long term investments	7	750,539	647,079
Long term loans		10,805	9,438
Long term deposits		20,180	17,487
		2,646,282	2,537,297
Current assets			
Stores, spares and loose tools		68,446	68,048
Stock-in-trade	8	1,291,910	1,249,977
Trade debts		483,243	448,895
Loans and advances		91,102	51,993
Deposits and prepayments		50,954	23,333
Other receivables		131,579	158,323
Taxation - net		103,353	132,113
Bank balances	9	122,173	394,789
		2,342,760	2,527,471
		4,989,042	5,064,768
Total assets			
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital			
80,000,000 (June 30, 2016: 80,000,000)		800,000	800,000
Issued, subscribed and paid-up capital			
45,002,500 (June 30, 2016: 45,002,500)		450,025	450,025
ordinary shares of Rs.10 each		40,000	40,000
Share premium		67,613	66,516
Items credited directly in equity		1,475,791	1,306,554
Unappropriated profit		2,033,429	1,863,095
Equity attributable to share holders of the Holding Company		15	11
Non-controlling Interest		2,033,444	1,863,106
		1,407,366	1,370,097
Surplus on revaluation of fixed assets			
Liabilities			
Non current liabilities			
Liabilities against assets subject to finance lease		53,862	40,177
Long term deposits		9,611	8,611
Deferred gain on sale and lease back of fixed asset		8	11
Deferred taxation		269,914	274,145
		333,395	322,944
Current liabilities			
Trade and other payables		1,193,299	1,494,826
Accrued mark-up		275	136
Running finances under mark-up arrangements		4,033	-
Current portion of liabilities against assets		17,230	13,659
subject to finance lease		1,214,837	1,508,621
Total liabilities		1,548,232	1,831,565
Contingencies and commitments	10		
Total equity and liabilities		4,989,042	5,064,768

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

Ahmed Kuli Khan Khattak
Chief Executive

Syed Haroon Rashid
Director

CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2016

		Quarter ended		Half year ended	
		December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
		----- Rupees in '000 -----			
	Note				
Revenue		1,696,251	1,027,682	3,325,794	2,268,563
Cost of sales	11	(1,401,255)	(801,977)	(2,743,522)	(1,800,510)
Gross profit		294,995	225,705	582,272	468,053
Distribution cost		(16,546)	(15,949)	(28,078)	(26,677)
Administrative expenses		(70,612)	(52,105)	(121,445)	(91,622)
Other income		4,174	12,945	10,719	21,412
Other expenses		(15,176)	(14,381)	(28,990)	(25,926)
Profit from operations		196,835	156,215	414,478	345,240
Finance cost		(1,953)	(9,204)	(4,209)	(14,108)
Share of Profit from an Associate Company		43,559	30,515	102,209	68,554
Profit before taxation		238,441	177,526	512,478	399,686
Taxation		(66,096)	(52,422)	(132,771)	(111,251)
Profit after taxation		172,345	125,104	379,707	288,435
Other comprehensive income		-	-	-	-
Total comprehensive income		172,345	125,104	379,707	288,435
Attributable to:					
-Share holder of the Holding Company		172,343	125,103	379,704	288,432
-Non-controlling Interest		2	1	3	3
		172,345	125,104	379,707	288,435
		----- (Rupees) -----			
Earnings per share - basic					
and diluted		3.83	2.78	8.44	6.41

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

Ahmed Kuli Khan Khattak
Chief Executive

Syed Haroon Rashid
Director

CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2016

	Half year ended	
	December 31, 2016	December 31, 2015
	----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	512,478	399,686
Adjustments for non cash charges and other items:		
Depreciation and amortisation	46,172	41,166
Provision for gratuity	5,381	6,414
Interest income	(20,830)	(17,489)
Gain on disposal of property, plant and equipment	(6)	(1,706)
Amortization of gain on sale and lease back of fixed assets	(3)	(3)
Share of profit of an associated company	(102,209)	(68,554)
Finance cost	4,209	11,264
Net exchange (gain) / loss	(1,235)	2,844
Operating profit before working capital changes	443,957	373,622
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(398)	(77)
Stock-in-trade	(41,933)	(223,910)
Trade debts	(34,348)	58,558
Loans and advances	(39,109)	(2,354)
Deposits and prepayments	(27,621)	(1,995)
Other receivables	26,744	(60,666)
	(116,665)	(230,444)
(Decrease) / increase in trade and other payables	(299,064)	775,155
Cash (used in) / generated from operations	28,228	918,333
Gratuity paid	(10,396)	(4,562)
Long term deposits	(1,693)	(1,179)
Long term loans - net	(1,367)	(588)
Finance cost paid	(4,070)	(17,311)
Taxes paid	(108,242)	(109,608)
Net cash (used in) / generated from operating activities	(97,540)	785,085
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(23,645)	(166,531)
Purchase of Intangible assets		(342)
Proceeds from disposal of property, plant and equipment	14	2,342
Interest received	20,830	23,507
Interest bearing advance to subsidiary - net		(255,344)
Dividend income	51,662	23,248
Short term investment	-	30,092
Net cash generated from / (used in) investing activities	48,861	(343,028)
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease finances - net	(6,744)	(3,972)
Short term finances	-	16,453
Running finances - net	4,033	(118,802)
Dividend paid	(221,226)	(223,129)
Net cash used in financing activities	(223,937)	(329,450)
Net (decrease) / increase in cash and cash equivalents	(272,616)	112,607
Cash and cash equivalents - at beginning of the period	394,789	351,724
Cash and cash equivalents - at end of the period	122,173	464,331

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

Ahmed Kuli Khan Khattak
Chief Executive

Syed Haroon Rashid
Director

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2016

	Issued, subscribed and paid-up capital	Share premium	Item Credited directly in equity by an Associate	Unappro- priated profit	Total	Non- Controlling Interest
	----- Rupees in '000 -----					
Balance as at July 1, 2015 - Audited	450,025	40,000	64,158	790,961	1,345,144	6
Transaction with owners recognised directly in equity						
Final dividend for the year ended June 30, 2015 at the rate of Rs.4.50 per share	-	-		(202,511)	(202,511)	
Interim dividend for the year ended June 30, 2016 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	-	-		288,432	288,432	3
Other comprehensive income	-	-		-	-	
	-	-	-	288,432	288,432	3
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred taxation	-	-		15,315	15,315	
Item Credited directly in equity by an Associate company			1,553		1,553	
Balance as at December 31, 2015 - Unaudited	450,025	40,000	65,711	847,194	1,402,930	9
Balance as at July 1, 2016 - Audited	450,025	40,000	66,516	1,306,554	1,863,095	11
Transaction with owners recognised directly in equity						
Final dividend for the year ended June 30, 2016 at the rate of Rs.5.00 per share	-	-		(225,013)	(225,013)	
Total comprehensive income for the half year ended December 31, 2016						
Profit for the period	-	-		379,703	379,703	4
Other comprehensive income	-	-		-	-	
	-	-	-	379,703	379,703	4
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred taxation	-	-		14,547	14,547	
Item Credited directly in equity by an Associate company			1,097		1,097	
Balance as at December 31, 2016 - Unaudited	450,025	40,000	67,613	1,475,791	2,033,429	15

Ahmed Kuli Khan Khattak
Chief Executive

Syed Haroon Rashid
Director

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2016

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 THE COMPANY AND ITS OPERATIONS

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

The principal business of the holding 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 agreements.

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. 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 unaudited 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 the 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, 2016 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, 2016.

3. PRINCIPLES OF CONSOLIDATION

The Holding Company's interest in the Subsidiary Company is 99.99% as at Deceember 31, 2016 (June 30, 2016: 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 significant 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, 2016.

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, 2016. These are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations and are, therefore, not disclosed in this condensed interim financial information.

5. ACCOUNTING ESTIMATES AND JUDGEMENTS

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

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2016

During the preparation of this condensed interim financial information, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the audited annual financial statements of the Company for the year ended June 30, 2016.

6. PROPERTY, PLANT AND EQUIPMENT

		(Un-audited) December 31, 2016	(Audited) June 30, 2016
	Note	--- Rupees in '000 ---	
Operating fixed assets	6.3	1,863,213	1,857,186
Capital work-in-progress - vehicles		1,244	5,764
		1,864,457	1,862,950

6.1 Operating fixed assets

Net book value at beginning of the period / year	6.4	1,857,186	1,762,699
Additions during the period / year		52,164	185,609
Disposals, costing Rs.39 thousand (June 30, 2016: Rs.4,968 thousand) - at net book value		(8)	(1,459)
Depreciation charge for the period / year		(46,129)	(89,663)
Net book value at end of the period / year		1,863,213	1,857,186

6.2 Additions to property, plant and equipment during the period / year:

Leasehold land	-	162,724
Plant and machinery	18,929	13,672
Furniture and fixtures	-	294
Vehicles		
- owned	3,076	4,581
- leased	29,700	2,658
Other equipment	-	185
Office equipment	93	220
Computers	366	1,275
	52,164	185,609

7. LONG TERM INVESTMENTS

	(Unaudited) December 31, 2016	(Audited) June 30, 2016
	--- Rupees in '000 ---	
Associate - equity accounted investment	750,539	647,079
Others - available for sale	-	-
	750,539	647,079

7.1 Associated Company - equity accounted investment

Ghandhara Industries Limited

Balance at beginning of the period/ year	647,079	508,761
Share of profit / OCI for the period/ year	102,209	161,566
Share of revaluation	52,913	-
Dividend received	(51,662)	(23,248)
Balance at end of the period/ year	750,539	647,079

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2016

7.1.1 Investment in Ghandhara Industries Limited (GIL) represents 5,166,168 (June 30, 2016: 5,166,168) fully paid ordinary shares of Rs.10 each representing 24.25% (June 30, 2016: 24.25%) of its issued, subscribed and paid-up capital as at June 30, 2016. 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 above figures are based on unaudited condensed interim financial information of GIL as at September 30, 2016. The latest financial statements of GIL as at Decembr 31, 2016 are not presently available.

7.1.3 The market value of investment as at December 31, 2016 was Rs.3,747.3316 million (June 30, 2016: Rs.2,096.896 million).

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

7.2 Summarised financial information of investee company as at June 30, 2016 is as follows:

	Audited As at June 30, 2016	Audited As at June 30, 2015
	--- Rupees in '000 ---	
Total assets	5,160,199	3,347,427
Total liabilities	2,051,646	1,098,040
Accumulated profit	1,022,517	365,002

	Un-Audited September 30, 2016	Un-Audited September 30, 2015
	--- Rupees in '000 ---	
Revenues	1,489,768	942,670
Profit (Loss) before taxation	281,277	176,996
Profit (Loss) after taxation	179,625	126,156

7.3 Others - available for sale

**Automotive Testing & Training Center
(Private) Limited**

187,500 (June 30,2016: 187,500) ordinary shares of
Rs.10 each - **cost**

Provision for impairment

	(Unaudited) December 31, 2016	(Audited) June 30, 2016
	--- Rupees in '000 ---	
	1,875	1,875
	(1,875)	(1,875)
	-	-

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2016

8. STOCK-IN-TRADE

	(Un-audited) December 31, 2016	(Audited) June 30, 2016
	--- Rupees in '000 ---	
Raw materials	770,014	824,944
Finished goods	292,810	165,813
Items in transit	244,086	274,220
Provision for obsolete / slow moving stock	(15,000)	(15,000)
	1,291,910	1,249,977

9. BANK BALANCES

Cash at banks on:		
- current accounts	116,168	227,783
- deposits accounts	9,917	9,917
- term deposits receipts	-	161,000
	126,085	398,700
Provision for doubtful bank balances	(3,912)	(3,912)
	122,173	394,788

10. CONTINGENCIES AND COMMITMENTS

10.1 There is no change in status of the contingencies as disclosed in note 29.1 of the audited annual financial statements of the Company for the year ended June 30, 2016.

10.2 Commitment in respect of irrevocable letters of credit as at December 31, 2016 aggregate to Rs.568.979 million (June 30, 2016: Rs.1,509.470 million).

10.3 Guarantees aggregating Rs.11.022 million (June 30, 2016: Rs.11.022 million) are issued by banks of the Company to various government and other institutions. Further, the Holding Company has issued corporate guarantees aggregating Rs.298.987 million (June 30, 2016: Rs.1,441 million) to the commercial banks against letters of credit facilities utilised by the Subsidiary Company.

11. COST OF SALES

	(Un-audited)			
	Quarter ended December 31,		Half year ended December 31,	
	2016	2015	2016	2015
Note	--- Rupees in '000 ---			
Finished goods at beginning of the period	146,926	103,610	165,813	143,314
Cost of goods manufactured	1,459,482	793,597	2,763,435	1,634,387
Purchases - trading goods	141,622	373,080	161,049	491,120
	1,601,104	1,166,677	2,924,484	2,125,507
	1,748,030	1,270,287	3,090,297	2,268,821
Finished goods at end of the period	(346,775)	(468,311)	(346,775)	(468,311)
	1,401,255	801,977	2,743,522	1,800,510
11.1 Cost of goods manufactured				
Raw materials and components consumed	1,258,845	688,997	2,428,733	1,402,534
Factory overheads	200,637	104,600	334,702	231,853
	1,459,482	793,597	2,763,435	1,634,387

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2016

12. TRANSACTIONS WITH RELATED PARTIES

12.1 Significant transactions with related parties are as follows:

Name	Nature of transaction	(Un-audited) – Half year ended –	
		December 31, 2016	December 31, 2015
-- Rupees in '000 --			
(i) Holding Company			
Bibojee Services (Private) Limited	Rent	7,380	8,700
	Dividend	140,232	154,255
(ii) Associated Companies			
The General Tyre and Rubber Company of Pakistan Limited	Purchase of tyres	41,207	57,966
Ghandhara Industries Limited	Contract assembly charges	175,711	70,545
	Rent	660	-
	Body fabrication	676	-
	Sale of truck and parts	1,053	-
	Purchase of parts	1	5
	Dividend income	51,662	23,248
Gammon Pakistan Limited	Office rent	1,500	750
Janana De Malucho Textile Mills Limited	Reimbursement of expenses	30	-
(iii) Others			
UD Trucks Corporation, Japan	Royalty	8,358	4,813
	Dividend	18,235	20,059
	Purchases of complete knock down kits	1,456,599	751,979
Staff provident fund	Contribution made	3,539	2,958
Staff gratuity fund	Contribution made	10,000	-
Key management personnel	Remuneration and other benefits	33,971	26,716
	Sale of fleet vehicle	-	1,925

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2016

12.2 Period / year end balances are as follows:

Receivables from related parties

Long term loans	1,400	-
Trade debts	87,208	39,922
Loans and advances	600	100

Payable to related parties

Trade and other payables	36,860	31,705
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13. FINANCIAL RISK MANAGEMENT

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

The consolidated 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, 2016.

There has been no change in Groups' sensitivity to these risks since June 30, 2016 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, 2016.

14. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on February 16, 2017 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, 2016 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's for the half year ended December 31, 2015.

Ahmed Kuli Khan Khattak
Chief Executive

Syed Haroon Rashid
Director

Karachi
Dated: February 16, 2017

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