UD TRUCKS

NISSAN

DONGFENG
Trucks

QUARTERLY REPORT

MARCH 31,2016

(Un-Audited)



GHANDHARA NISSAN LIMITED

CONTENTS

02 Company Profile

03 Directors' Report

04 Condensed Interim Balance Sheet

05 Condensed Interim Profit & Loss Account

06 Condensed Interim Cash Flow Statement

07 Condensed Interim Statement of Changes in Equity

08 Notes to the Condensed Interim Financial Information

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

Company Secretary

Mr. Aqiel Amjad Ghani

Chief Financial Officer

Mr. Muhammad Umair

Registered Office

Ghandhara House
109/2, Clifton, Karachi

Factory

Truck / Car Plants
Port Bin Qasim, Karachi

Bankers of the Company

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

Audit Committee

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

Human Resource & Remuneration Committee

Lt.Gen. (R) 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. 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 their report alongwith the standalone financial statements of Ghandhara Nissan limited for the nine months ended March 31, 2016.

Given below is the comparison of the current nine months results under review with that of the corresponding period last year. The turnover is Rs.3,578.243 million as compared to Rs.3,717.66 million during the corresponding period of last year. The gross profit has increased to Rs.774.655 million from Rs.659.129 million. The distribution and administrative expenses have increased by Rs.21.142 million. The Finance Cost has decreased to Rs.17.304 million from Rs.79.068 million.

The Company has made an after tax profit of Rs.413.071 million as against Rs.281.483 million in the corresponding period.

Truck Business

During the period under review, 582 units of UD Trucks were sold as against 604 units in the corresponding period. In addition 44 units of Dongfeng vehicles in CBU condition were sold as against 40 units in the corresponding period.

Contract Assembly Business

The contract assembly undertaken during the period under review was of 1,461 units as against 1,106 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: April 22, 2016

CONDENSED INTERIM BALANCE SHEET
AS AT MARCH 31, 2016

	Note	(Un-audited) March 31, 2016	(Audited) June 30, 2015
		------- Rupees in '000 -------	
ASSETS			
Non current assets			
Property, plant and equipment	5	1,853,042	1,749,285
Intangible assets		73	88
Long term investments	6	242,630	192,630
Long term loans		7,976	6,477
Long term deposits		16,812	16,633
Due from Subsidiary Company	7	263,099	-
		2,383,630	1,965,113
Current assets			
Stores, spares and loose tools		55,553	50,174
Stock-in-trade		624,174	623,847
Trade debts		271,036	345,727
Loans and advances		72,037	40,212
Deposits and prepayments		6,468	39,094
Other receivables		38,815	30,749
Short term investment		-	30,092
Taxation - net		74,361	117,341
Bank balances	8	569,797	328,915
		1,712,241	1,606,151
Total assets		4,095,872	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		972,616	784,086
Total equity		1,462,641	1,274,111
Surplus on revaluation of fixed assets		1,025,322	1,048,295
Liabilities			
Non current liabilities			
Liabilities against assets subject to finance lease		37,867	45,635
Long term deposits		9,611	9,611
Deferred liabilities		111,775	111,969
Deferred taxation		261,391	268,329
		420,645	435,544
Current liabilities			
Trade and other payables		1,175,326	642,881
Accrued mark-up		47	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		11,891	11,387
		1,187,264	813,314
Total liabilities		1,607,908	1,248,858
Contingencies and commitments	9	-	-
Total equity and liabilities		4,095,872	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

Syed Haroon Rashid
Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2016

	Note	Quarter ended		Nine months ended	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
		Rupees in '000			
Revenue		1,448,990	1,837,063	3,578,243	3,717,660
Cost of sales	10	(1,131,496)	(1,448,089)	(2,803,588)	(3,058,531)
Gross profit		317,494	388,974	774,655	659,129
Distribution cost		(11,126)	(11,113)	(36,004)	(29,862)
Administrative expenses		(41,715)	(36,124)	(131,931)	(116,931)
Other income		17,564	5,256	65,286	17,136
Other expenses		(21,318)	(21,549)	(47,244)	(30,280)
Profit from operations		260,898	325,444	624,761	499,192
Finance cost		(3,247)	(23,121)	(17,304)	(79,068)
Profit before taxation		257,651	302,323	607,457	420,124
Taxation		(86,302)	(100,509)	(194,386)	(138,641)
Profit after taxation		171,349	201,814	413,071	281,483
Other comprehensive income		-	-	-	-
Total comprehensive income		171,349	201,814	413,071	281,483
		(Rupees)			
Earnings per share - basic and diluted		3.81	4.48	9.18	6.25

The annexed notes 1 to 14 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 NINE MONTHS ENDED MARCH 31, 2016

	Nine months ended	
	March 31, 2016	March 31, 2015
	------ Rupees in '000 ------	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	607,457	420,124
Adjustments for non cash charges and other items:		
Depreciation and amortisation	63,130	54,053
Interest income	(44,448)	(4,444)
Dividend income	(23,248)	-
Finance cost	13,432	68,574
Gain on disposal of property, plant and equipment	(1,795)	(1,459)
Exchange loss	3,872	10,494
Provision for gratuity	8,822	9,945
Provision for compensated absences	-	6,007
Amortization of gain on sale and lease back of fixed assets	-	(2)
	627,222	563,292
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(5,379)	8,248
Stock-in-trade	(327)	(250,064)
Trade debts	74,691	56,891
Loans and advances	(31,825)	(13,691)
Deposits and prepayments	32,626	(64,938)
Other receivables	(8,066)	29,511
	61,719	(234,043)
Increase in trade and other payables	525,592	281,149
Cash generated from / (used in) operations	1,214,534	610,398
Gratuity and compensated absences paid	(9,016)	(5,279)
Long term deposits - net	(178)	(1,467)
Long term loans - net	(1,499)	(482)
Finance cost paid	(21,370)	(64,384)
Taxes paid	(158,343)	(129,813)
Net cash generated from / (used in) operating activities	1,024,128	408,972
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(168,069)	(26,398)
Proceeds from disposal of property, plant and equipment	2,992	4,745
Interest income received	44,448	4,444
Investment made in subsidiary	(50,000)	(40,000)
Interest bearing advance to subsidiary	(263,099)	-
Dividend income	23,248	-
Short term investment	30,092	38,000
Net cash (used in) / generated from investing activities	(380,388)	(19,208)
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease finances - net	(7,264)	17,761
Short term finances	(32,259)	(388,186)
Running finances - net	(118,802)	241,784
Dividend paid	(244,533)	(88,716)
Net cash (used in) / generated from financing activities	(402,858)	(217,357)
Net increase in cash and cash equivalents	240,882	172,407
Cash and cash equivalents - at beginning of the period	328,915	148,618
Cash and cash equivalents - at end of the period	569,797	321,025

The annexed notes 1 to 14 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 NINE MONTHS ENDED MARCH 31, 2016

	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 nine months ended March 31, 2015				
Profit for the period	-	-	281,483	281,483
Other comprehensive income	-	-	-	-
	-	-	281,483	281,483
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred taxation	-	-	23,143	23,143
Balance as at March 31, 2015	**450,025**	**40,000**	**548,996**	**1,039,021**
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 Rs 1.00 per share			(45,003)	(45,003)
	-	-	(247,514)	(247,514)
Total comprehensive income for the nine months ended March 31, 2016				
Profit for the period	-	-	413,071	413,071
Other comprehensive income	-	-	-	-
	-	-	413,071	413,071
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred taxation	-	-	22,973	22,973
Balance as at March 31, 2016	**450,025**	**40,000**	**972,616**	**1,462,641**

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

Ahmed Kuli Khan Khattak
Chief Executive

Syed Haroon Rashid
Director

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 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 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 nine month ended March 31, 2016 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. 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	Note	(Un-audited) March 31, 2016	(Audited) June 30, 2015
		---- Rupees in '000 ----	
Net book value at beginning of the period / year		**1,749,285**	1,759,365
Additions during the period / year	**5.1**	**168,069**	68,928
Disposals, costing Rs.4,239 thousand (June 30, 2015: Rs.10,019 thousand) - at net book value		**(1,197)**	(3,463)
Depreciation charge for the period / year		**(63,115)**	(75,545)
Net book value at end of the period / year		**1,853,042**	1,749,285
5.1 Additions to property, plant and equipment during the period / year:			
Leasehold land		**162,724**	-
Plant and machinery		**1,050**	11,720
Assembly jigs		-	1,445
Furniture and fixtures		**214**	-
Vehicles - owned		**1,000**	6,962
- leased		**1,783**	46,738
Other equipment		**49**	159
Office equipment		**79**	755
Computers		**1,171**	1,149
		168,069	68,928
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 Equity held: 99.99% (June 30, 2015: 99.99%) Break-up value per share on the basis of latest financial statements is Rs.12.58(June 30, 2015: Rs.10.97)		**149,995**	99,995
Associated Company - at cost			
Ghandhara Industries Limited			
5,166,168 (June 30, 2015: 5,166,168) ordinary shares of Rs.10 each Equity held: 24.25% (June 30, 2015: 24.25%) Fair value: Rs.1,963.402 million (June 30, 2015: Rs.367.986 million)		**92,635**	92,635
Others - available for sale			
Automotive Testing & Training Center (Private) Limited			
187,500 (June 30, 2015: 187,500) ordinary shares of Rs.10 each - **cost**		**1,875**	1,875
Provision for impairment		**(1,875)**	(1,875)
		-	-
		242,630	192,630

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) March 31, 2016	(Audited) June 30, 2015
	---- Rupees in '000 ----	
Cash at banks in:		
- current accounts	**161,792**	85,910
- deposits accounts	**9,917**	9,917
- term deposits receipts	**402,000**	237,000
	573,708	332,827
Provision for doubtful bank balances	**(3,912)**	(3,912)
	569,797	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) March 31, 2016	(Audited) June 30, 2015
		---- Rupees in '000 ----	
9.2	Commitment in respect of irrevocable letters of credit	**1,687,938**	665,609
9.3	Outstanding bank guarantees	**15,967**	20,047

10. **COST OF SALES**

		(Un-audited)			
		Quarter ended March 31,		Nine months ended March 31,	
		2016	2015	**2016**	2015
	Note	---------- Rupees in '000 ----------			
Finished goods at beginning of the period		**202,035**	196,151	**134,973**	58,620
Cost of goods manufactured	**10.1**	**1,058,551**	1,228,283	**2,564,519**	2,856,730
Purchases - trading goods		**67,021**	138,480	**300,207**	258,006
		1,125,572	1,366,763	**2,864,726**	3,114,736
		1,327,607	1,562,914	**2,999,699**	3,173,356
Finished goods at end of the period		**(196,111)**	(114,825)	**(196,111)**	(114,825)
		1,131,496	1,448,089	**2,803,588**	3,058,531

10.1 Cost of goods manufactured

Raw materials and components consumed	**951,778**	1,118,523	**2,227,098**	2,531,800
Factory overheads	**106,772**	153,361	**337,420**	368,331
Work in process at the end of the period	-	(43,601)	-	(43,601)
	1,058,551	1,228,283	**2,564,519**	2,856,730

11. TRANSACTIONS WITH RELATED PARTIES

11.1 Significant transactions with related parties are as follows:

Name	Nature of transaction	(Un-audited) -- Nine months ended -- March 31, 2016	March 31, 2015
		--- Rupees in '000 ---	
(i) Holding Company			
Bibojee Services (Private) Limited	Rent of head office	**4,050**	4,050
	Rent of showroom	**9,000**	-
	Dividend	**154,255**	56,093
(ii) Subsidiary Company			
Ghandhara DF (Private)	Acquisition of shares	**50,000**	40,000
	Contract assembly charges	**13,976**	3,299
	Sale of truck	-	1,000
	Sale of parts	**261**	-
	Interest bearing advance	**263,107**	-
	Mark-up accrued on advance	**10,266**	-
	Mark-up accrued on guarantee commission	**2,672**	-
(iii) Associated Companies			
The General Tyre and Rubber Company of Pakistan Limited	Purchase of tyres	**54,321**	54,178
Ghandhara Industries Limited	Contract assembly charges	**111,922**	60,875
	Sale of vehicles	**34,410**	-
	Re-imbursement of expenses	-	180
	Purchase of fixed asset	-	2,250
	Purchase of parts	**5**	-
	Dividend received	**23,248**	-
Gammon Pakistan Limited	Office rent	**1,375**	1,125
(iv) Others			
UD Trucks Corporation, Japan	Royalty	**8,599**	9,696
	Dividend	**20,059**	7,294
	Purchases of complete knock down kits	**1,339,078**	1,751,634
Staff provident fund	Contribution made	**4,612**	4,058
Key management personnel	Remuneration and other benefits	**41,027**	33,176
	Sale of fleet vehicles	**1,925**	-

	Un-audited March 31, 2015	Audited June 30, 2015
11.2 Period / year end balances are as follows:	----- Rupees in '000 -----	
Receivables from related parties		
Trade debts	**93,902**	40,636
Loans and advances	**8,781**	2,992
Deposits and prepayments	**-**	3,718
Other receivables	**12,938**	-
Payable to related parties		
Trade and other payables	**31,826**	30,219

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. 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 nine months ended March 31, 2015.

14. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on April 22, 2016 by the Board of Directors of the Company.

Ahmed Kuli Khan Khattak
Chief Executive

Syed Haroon Rashid
Director

Karachi
Dated: April 22, 2016

CONTENTS CONSOLIDATED

14 Directors' Report

15 Condensed Interim Consolidated Balance Sheet

16 Condensed Interim Consolidated Profit & Loss Account

17 Condensed Interim Consolidated Cash Flow Statement

18 Condensed Interim Consolidated Statement of Changes in Equity

19 Notes to the Condensed Interim Consolidated Financial Information

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 nine months ended 31st March, 2016.

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 March 2016, 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: April 22, 2016

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2016

	Note	Un-audited March 31, 2016	Audited June 30, 2015
		Rupees in '000	
ASSETS			
Non current assets			
Property, plant and equipment	6	1,864,443	1,762,699
Intangible assets		372	88
Long term investments	7	605,086	508,761
Long term loans		7,976	6,477
Long term deposits		16,812	16,633
		2,494,688	2,294,658
Current assets			
Stores, spares and loose tools		55,553	50,174
Stock-in-trade		1,087,532	878,968
Trade debts		491,210	375,973
Loans and advances		77,479	40,405
Deposits and prepayments		6,980	41,845
Other receivables		68,425	54,284
Short term investment		-	30,092
Taxation - net		105,852	131,658
Cash and Bank balances	8	589,383	351,724
		2,482,414	1,955,123
Total assets		4,977,102	4,249,781
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
Items credited directly in equity by an Associate		66,038	64,158
Unappropriated profit		1,102,213	790,961
Equity attributable to shareholders of the Holding Company		1,658,276	1,345,144
Non-controlling interest		9	6
Total equity		1,658,285	1,345,150
Surplus on revaluation of fixed assets		1,378,233	1,403,086
Liabilities			
Non current liabilities			
Liabilities against assets subject to finance lease		37,867	45,635
Long term deposits		9,611	9,611
Deferred liabilities		111,775	111,969
Deferred taxation		262,324	269,262
		421,578	436,477
Current liabilities			
Trade and other payables		1,507,068	894,635
Accrued mark-up		47	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		11,891	11,387
		1,519,006	1,065,068
Total liabilities		1,940,583	1,501,545
Contingencies and commitments	9		
Total equity and liabilities		4,977,102	4,249,781

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

Ahmed Kuli Khan Khattak
Chief Executive

Syed Haroon Rashid
Director

CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT(UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2016

	Note	Quarter ended		Nine months ended	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
		---------- Rupees in '000 ----------			
Revenue		1,789,009	1,902,139	4,057,572	3,831,435
Cost of sales	10	(1,423,284)	(1,502,319)	(3,223,794)	(3,154,804)
Gross profit		365,725	399,820	833,778	676,631
Distribution cost		(12,334)	(11,264)	(39,011)	(30,097)
Administrative expenses		(42,412)	(36,417)	(134,034)	(117,657)
Other income		7,989	5,567	29,401	17,787
Other expenses		(21,318)	(21,549)	(47,244)	(30,280)
Profit from operations		297,650	336,157	642,890	516,384
Finance cost		(4,517)	(23,139)	(18,625)	(79,099)
Share of profit of an Associated Company		51,019	3,155	119,573	11,414
Profit before taxation		344,151	316,173	743,837	448,699
Taxation		(96,793)	(104,043)	(208,044)	(144,304)
Profit after taxation		247,358	212,130	535,793	304,396
Other comprehensive income		-	-	-	-
Total comprehensive income		247,358	212,130	535,793	304,396
		---------- Rupees in '000 ----------			
Earnings per share - basic and diluted		5.50	4.71	11.91	6.76

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

Ahmed Kuli Khan Khattak
Chief Executive

Syed Haroon Rashid
Director

CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2016

	Nine months ended	
	March 31, 2016	March 31, 2015
	---- Rupees in '000 ----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	743,837	448,699
Adjustments for non-cash charges and other items:		
Depreciation and amortisation	65,185	55,098
Interest income	(44,448)	(5,095)
Finance cost	14,754	68,605
Amortization of gain on sale and lease back	-	(2)
Gain on disposal of property, plant and equipment	(1,795)	(1,459)
Exchange loss	3,872	10,494
Share of profit of an Associated Company	(119,573)	(11,414)
Provision for gratuity	8,822	9,945
Provision for compensated absences	-	6,007
Operating profit before working capital changes	670,654	580,878
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(5,379)	8,248
Stock-in-trade	(208,564)	(301,156)
Trade debts	(122,840)	13,600
Loans and advances	(31,825)	(14,054)
Deposit and prepayments	26,145	(64,938)
Other receivables	(10,147)	22,016
	(352,610)	(336,284)
Increase/(decrease) in trade and other payables	888,699	339,892
Cash generated from operations	1,206,742	584,486
Gratuity and compensated absences paid	(9,016)	(5,275)
Long term loans - net	(1,499)	(482)
Long term deposit	(178)	(1,467)
Finance cost paid	(35,631)	(64,415)
Taxes paid	(189,172)	(137,506)
Net cash generated from operating activities	971,247	375,341
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(168,069)	(34,609)
Purchase of Intangible asset	(342)	
Proceeds from disposal of property, plant and equipment	2,992	4,745
Interest income received	44,448	5,095
Short term investment - net	30,092	38,000
Interest bearing advance to subsidiary	(263,099)	-
Dividend income	23,248	-
Net cash used in investing activities	(330,730)	13,231
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease finances - net	(7,264)	17,761
Short term finances - net	(32,259)	(388,186)
Running finances - net	(118,802)	241,784
Dividend paid	(244,533)	(88,716)
Net cash generated from / (used in) financing activities	(402,858)	(217,357)
Net increase in cash and cash equivalents	237,659	171,215
Cash and cash equivalents - at beginning of the period / year	351,724	171,442
Cash and cash equivalents - at end of the period / year	589,383	342,657

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

Ahmed Kuli Khan Khattak
Chief Executive

Syed Haroon Rashid
Director

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2016

	Share capital	Share premium	Item credited directly in equity by an Associate	Unappro-priated 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	-	-	-	304,396	304,396	-
Other comprehensive income	-	-	-	-	-	
	-	-	-	304,396	304,396	-
Surplus on revaluation of fixed assets realised during the period / year (net of deferred taxation) on account of incremental depreciation	-	-	-	15,434	15,434	-
	-	-				
Effect of item directly credited in equity by an Associated Company	-	-	2,251	-	2,251	-
Balance as at 31 March, 2015	**450,025**	**40,000**	**64,605**	**542,365**	**1,096,995**	**5**
Balance as at 1 July, 2015	**450,025**	**40,000**	**64,158**	**790,961**	**1,345,144**	**6**
Final dividend for the year ended June 30, 2015	-	-	-	(247,514)	(247,514)	-
Profit for the period	-	-	-	535,793	535,793	3
Other comprehensive income	-	-	-	-	-	-
	-	-	-	535,793	535,793	3
Surplus on revaluation of fixed assets realised during the year (net of deferred taxation) on account of incremental depreciation	-	-	-	22,973	22,973	-
Effect of item directly credited in equity by an Associated Company	-	-	1,880	-	1,880	-
Balance as at March 31, 2016	**450,025**	**40,000**	**66,038**	**1,102,213**	**1,658,276**	**9**

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

Ahmed Kuli Khan Khattak
Chief Executive

Syed Haroon Rashid
Director

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MARCH 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 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 March 31, 2016 (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 March 31, 2016	Audited June 30, 2015
		----- Rupees in '000 -----	
Operating fixed assets	6.1	**1,864,443**	1,762,699
		1,864,443	1,762,699
6.1 Operating fixed assets			
Opening net book value		**1,762,699**	1,759,365
Additions during the period / year	6.2	**168,069**	84,861
Disposal during the period / year		**(1,197)**	(3,463)
Depreciation charged during the period / year		**(65,127)**	(78,064)
Closing book value		**1,864,443**	1,762,699
6.2 Additions to Operating fixed assets during the period			
Leasehold Land		**162,724**	-
Plant & Machinery		**1,050**	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		**1,171**	1,149
		168,069	84,861

7. LONG TERM INVESTMENTS	Un-audited March 31, 2016	Audited June 30, 2015
	----- Rupees in '000 -----	
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	**132,249**	12,676
	224,884	105,311
Share of items directly credited in the equity of Associated Company	**66,038**	64,158
Share of surplus on revaluation of fixed assets of Associated Company	**352,911**	354,791
Dividend received to date	**(38,747)**	(15,499)
	605,086	508,761
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)
	-	-
	605,086	508,761

7.1 The above figure are based on un-audited financial information of the investee company as at December 31, 2015. The latest financial information of investee company as at March 31,2016 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 December 31, 2015 is as follows:

	Un-audited As at December 31, 2015	Un-audited As at March 31, 2015
	----- Rupees in '000 -----	
Total assets	**4,612,667**	3,493,133
Total liabilities	**2,122,606**	1,405,990
Accumulated profit	**609,615**	204,648

	Six months ended	
	December 31, 2015	December 31, 2014
Revenues	**2,180,770**	1,375,334
Profit (Loss) before taxation	**485,740**	70,243
Profit (Loss) after taxation	**336,544**	37,610

The market value of the investment as at March 31, 2016 was Rs.1,963.402 billion(June 30, 2015:Rs.367.986 million)

8. CASH AND BANK BALANCES

Cash in hand	**1**	1
Cash at banks in:		
- current accounts	**181,378**	108,718
- deposit accounts	**9,917**	9,917
- term deposits receipts	**402,000**	237,000
	593,294	355,635
Provision for doubtful bank balance	**(3,912)**	(3,912)
	589,383	351,724

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 March 31, 2016	Audited June 30, 2015
		----- **Rupees in '000** -----	
9.2	Commitment in respect of irrevocable letters of credit	**1,759,067**	714,432
9.3	Outstanding bank guarantees	**15,967**	20,047

10. COST OF SALES	(Un-audited) Quarter ended March 31, 2016	Quarter ended March 31, 2015	Nine months ended March 31, 2016	Nine months ended March 31, 2015
	----- Rupees in '000 -----			
Finished goods at beginning of the period / year	**468,311**	214,372	**143,314**	59,543
Cost of goods manufactured	**1,454,162**	1,269,514	**3,088,549**	2,957,302
Purchases - trading goods	**130,753**	133,258	**276,869**	252,784
	1,584,916	1,402,772	**3,365,419**	3,210,086
Finished goods at end of the period / year	**(284,938)**	(114,825)	**(284,938)**	(114,825)
	1,768,288	1,502,319	**3,223,794**	3,154,804

10.1 Cost of goods manufactured				
Raw materials and components consumed	**1,342,584**	1,156,205	**2,745,118**	2,628,507
Factory overheads	**111,578**	156,910	**343,431**	372,396
Work in process at end of the period / year	**-**	(43,601)	**-**	(43,601)
	1,454,162	1,269,514	**3,088,549**	2,957,302

11. TRANSACTIONS WITH RELATED PARTIES

11.1 Significant transactions with related parties are as follows:

	Name of Related Party and Nature of relationship	Nature of Transaction	(Un-audited) March 31, 2016	March 31, 2015
(a)	**Holding company**			
	Bibojee Services (Private) Limited	Rent of Head office	**4,140**	4,050
		Rent of Showroom	**9,000**	
		Dividend paid	**154,255**	56,093
(b)	**Associated company**			
	The General Tyre & Rubber Co.	Purchase of Tyres, Tubes & Flaps	**76,096**	54,178
	Ghandhara Industries Ltd.	Contract Assembly	**111,922**	60,875
		Sale of vehicles	**34,410**	
		Body fabrication	**30**	
		Purchase of Isuzu Parts	**5**	
		Dividend received	**23,248**	
		Re-imbursement of expenses		180
		Purchase of fixed asset		2,250
	Gammon Pakistan Limited	Rent of Rawalpindi office	**1,375**	1,125
(c)	**Others**			
	UD Trucks Corporation Japan	Purchase of CKD Kits of Trucks	**1,339,078**	1,751,634
		Royalty	**8,599**	9,696
		Dividend	**20,059**	7,294
	Employees' Provident Fund	Contributions	**4,612**	4,058
	Key Management Personnel	Salaries & other benefits	**41,027**	33,176
		Sale of fleet vehicles	**1,925**	-

11.2 PERIOD END BALANCES	Un-audited March 31, 2016	Audited June 30, 2015
Receivables from related parties		
Trade debts	**80,079**	34,416
Loans and advances	**8,781**	890
Deposits and prepayments	-	3,718
Payable to related parties		
Trade and other payables	**31,826**	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 consolidated financial information does not include all financial risk management information and disclosures required in the audited annual consolidated financial statements and should be read in conjunction with the audited annual consolidated 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. Further, no re-classifications in the categories of financial assets have been made since June 30, 2015.

13. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', corresponding figures in the condensed interim consolidated balance sheet comprise of balances as per the audited annual consolidated financial statements of the Group for the year ended June 30, 2015 and the corresponding figures in the condensed interim consolidated profit and loss account, condensed interim consolidated cash flow statement and condensed interim consolidated statement of changes in equity comprise of balances of comparable period as per the condensed interim consolidated financial information of the Group for the nine months ended March 31, 2015.

14. DATE OF AUTHORIZATION FOR ISSUE

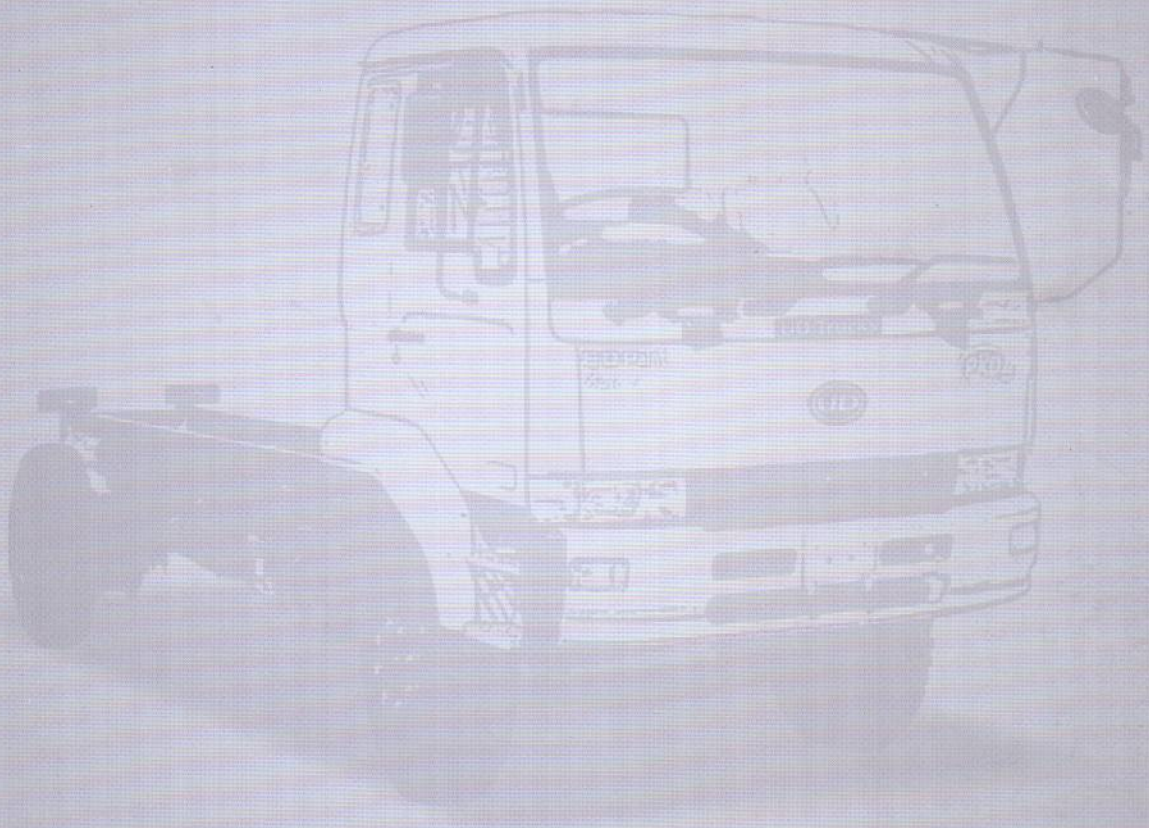
This condensed interim financial information was authorized for issue on April 22, 2016 by the Board of Directors of the Holding Company.

Ahmed Kuli Khan Khattak
Chief Executive

Syed Haroon Rashid
Director

Karachi
Dated: April 22, 2016

BOOK POST



Ghandhara Nissan Limited
Ghandhara House, 109/2, Clifton,
P.O.Box 3812, Karachi - 75600
Tel : 35830251-57
UAN : 111-190-190
Fax : 35830258