

Quarterly Report
September 30th, 2017
(Un-audited)



GHANDHARA NISSAN LIMITED



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Company Profile

Board of Directors

Mr. Raza Kuli Khan Khattak	Chairman
Lt. Gen. (Retd.) Ali Kuli Khan Khattak	President
Mr. Ahmed Kuli Khan Khattak	Chief Executive Officer
Mr. Mushtaq Ahmed Khan (FCA)	
Mr. Jamil A. Shah	
Syed Haroon Rashid	
Mr. Mohammad Zia	
Mr. Muhammad Saleem Baig	
Mr. Polad Merwan Polad	

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
Bank Al Habib Limited
Bank Alfalah Islamic
Al Baraka Bank (Pakistan) Limited

Audit Committee

Mr. Mohammad Zia	Chairman
Lt. Gen. (Retd.) Ali Kuli Khan Khattak	Member
Mr. Jamil A. Shah	Member
Mr. Polad Merwan Polad	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 Shahrah-e-Faisal
Near Nursery Flyover, Karachi

Legal & Tax Advisors

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

Share Registrars

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

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

NTN:

0802990-3

Sales Tax Registration No:

12-03-8702-001-46



Directors' Report

Your Directors are pleased to present the Quarterly Report alongwith the standalone financial statements of Ghandhara Nissan Limited for the First Quarter ended September 30, 2017.

The financial results for the quarter ended September 30, 2017 are summarized below:

	Sep 30 2017	Sep 30 2016
	----- Rupees '000 -----	
Revenue	527,521	1,333,080
Gross Profit	152,760	245,132
Operating Profit	139,358	188,192
Net Profit	95,678	128,491
Earnings Per Share (Rupees)	2.13	2.86

During the quarter, sales of JAC Trucks in CBU form have started contributing to company's revenue stream.

Related Party Transactions

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

Future Outlook

The Company is already gearing itself to commence the local assembly of JAC Trucks in near future. With a good market repute of Dongfeng products coupled with an overwhelming response for JAC Trucks, the company will continue its focus on delivering value to its stakeholders.

The directors are also grateful to the Principals, customers, vendors and other business associates for their continued patronage and support.

For and on behalf of the Board of Directors



Ahmed Kuli Khan Khattak
Chief Executive Officer



Muhammad Zia
Director

Karachi
Dated: October 23, 2017



ڈائریکٹرز رپورٹ

آپ کے ڈائریکٹرز کی جانب سے بصد خوشی 30 ستمبر 2017 کو ختم ہونے والی سہ ماہی کے لیے گندھارا انسان لمیٹڈ کی سہ ماہی رپورٹ بمعہ انفرادی فنانشل اسٹیٹمنٹ پیش خدمت ہے۔

30 ستمبر 2017 کو ختم ہونے والی سہ ماہی کے مالیاتی نتائج کا خلاصہ حسب ذیل ہے:

30 ستمبر 2016	30 ستمبر 2017	
----- (روپے ہزاروں روپے میں) -----		
1,333,080	527,521	ریونیو
245,132	152,760	مجموعی منافع
188,192	139,358	آپریٹنگ منافع
128,491	95,678	خالص منافع
2.86	2.13	فی حصص آمدنی (روپے)

اس سہ ماہی کے دوران JAC ٹرکس کی CBU صورت میں فروخت شروع ہونے سے کمپنی کے ریونیو میں مدد ملنے لگی ہے۔

متعلقہ پارٹی ٹرانزیکشنز:

تمام متعلقہ پارٹیوں کے ساتھ ٹرانزیکشنز احتیاط کے ساتھ کی گئیں اور ان کا اظہار فنانشل اسٹیٹمنٹ میں کر دیا گیا ہے۔

مستقبل کی توقعات:

کمپنی کی جانب سے JAC ٹرکس کی مقامی سطح پر اسمبلنگ شروع کرنے کا عمل پہلے ہی تیزی سے جاری ہے، مارکیٹ میں DONGFENG پروڈکٹس کی اچھی شہرت کے ساتھ JAC ٹرکس کی زبردست پذیرائی کی وجہ سے کمپنی اپنے سٹیک ہولڈرز کو بہترین مصنوعات کی فراہمی پر خصوصی توجہ دینے کا عمل جاری رکھے گی۔

ڈائریکٹرز اپنے پرنسپل، کسٹمرز، وینڈرز اور دیگر کاروباری رفقاء کار کے شکرگزار ہیں کہ انہوں نے اپنی سہ پرستی اور مدد جاری رکھی۔

بورڈ آف ڈائریکٹرز کی جانب سے

احمد قاسم خان خٹک

چیف ایگزیکٹو آفیسر

محمد ضیاء

ڈائریکٹر



Condensed Interim Balance Sheet

As at September 30, 2017

		(Un-Audited) September 30, 2017	(Audited) June 30, 2017
		----- Rupees '000 -----	
ASSETS	Note		
Non current assets			
Property, plant and equipment	5	1,985,348	1,983,445
Intangible assets		46	50
Long term investments	6	242,630	242,630
Long term loans		9,468	9,546
Long term deposits		19,266	19,266
Due from Subsidiary Company	7	488,240	313,140
		<u>2,744,998</u>	<u>2,568,077</u>
Current assets			
Stores, spares and loose tools		80,386	86,474
Stock-in-trade		196,406	277,690
Trade debts		197,295	181,088
Loans and advances		67,728	49,773
Deposits and prepayments		28,077	16,625
Other receivables		15,233	18,082
Accrued interest/mark-up		9,943	7,669
Bank balances	8	388,842	514,390
		983,910	1,151,791
Non current assets classified as held for sale		-	137,909
Total assets		<u>3,728,908</u>	<u>3,857,777</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital			
80,000,000 (June 30, 2016: 80,000,000)		800,000	800,000
ordinary shares of Rs.10 each			
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		1,416,495	1,313,543
Total equity		<u>1,906,520</u>	<u>1,803,568</u>
Surplus on revaluation of fixed assets		981,296	988,570
Liabilities			
Non current liabilities			
Liabilities against assets subject to finance lease		49,490	53,699
Long term deposits		9,611	9,611
Deferred liabilities		5	6
Deferred taxation		277,253	282,527
		<u>336,359</u>	<u>345,843</u>
Current liabilities			
Trade and other payables		414,870	628,809
Accrued mark-up		715	347
Current portion of liabilities against assets subject to finance lease		17,046	18,474
Taxation - net		72,102	72,166
		<u>504,733</u>	<u>719,796</u>
Total liabilities		<u>841,092</u>	<u>1,065,639</u>
Contingencies and commitments	9	-	-
Total equity and liabilities		<u>3,728,908</u>	<u>3,857,777</u>

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

Ahmed Kuli Khan Khattak
Chief Executive Officer

Muhammad Zia
Director



Condensed Interim Profit and Loss Account (Un-audited)

For the Quarter ended September 30, 2017

		September 30, 2017	September 30, 2016
	Note	----- Rupees '000 -----	
Revenue		527,521	1,333,080
Cost of sales	10	(374,761)	(1,087,948)
Gross profit		152,760	245,132
Distribution cost		(11,305)	(10,994)
Administrative expenses		(49,694)	(49,758)
Other income		57,727	17,626
Other expenses		(10,130)	(13,814)
Profit from operations		139,358	188,192
Finance cost		(2,675)	(1,973)
Profit before taxation		136,683	186,219
Taxation		(41,005)	(57,728)
Profit after taxation		95,678	128,491
		----- Rupees -----	
Earnings per share - basic and diluted		2.13	2.86

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

Ahmed Kuli Khan Khattak
Chief Executive Officer

Muhammad Zia
Director

Condensed Interim Cash Flow Statement (Un-audited)

For the Quarter ended September 30, 2017

	September 30, 2017	September 30, 2016
	----- Rupees '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	136,683	186,219
Adjustments for non-cash charges and other items:		
Depreciation and amortisation	24,623	22,115
Interest income	(14,916)	(12,701)
Finance cost	1,970	1,286
Gain on disposal of property, plant and equipment	(36,509)	(6)
Exchange loss	-	188
Provision for gratuity	1,921	3,272
Operating profit before working capital changes	113,772	200,373
(Increase) / decrease in current assets:		
Stores, spares and loose tools	6,088	(3,896)
Stock-in-trade	81,284	13,081
Trade debts	(16,207)	(153,550)
Loans and advances	(17,955)	(59,345)
Deposit and prepayments	(11,452)	(56,643)
Other receivables	2,849	12,098
	44,607	(248,255)
Increase in trade and other payables	(213,928)	(269,559)
Cash (used in)/generated from operations	(55,548)	(317,441)
Gratuity and compensated absences paid	(1,922)	(3,283)
Long term loans	78	(445)
Finance cost paid	(1,602)	(1,592)
Taxes paid	(46,343)	(38,670)
Net Cash (used in)/ generated from operating activities	(105,337)	(361,431)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(30,017)	(7,823)
Proceeds from disposal of property, plant and equipment	177,913	15
Interest income received	12,642	12,701
Interest bearing advance to subsidiary	(175,100)	108,058
Net cash (used in) / generated from investing activities	(14,562)	112,951
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease finances - net	(5,637)	(2,910)
Dividend paid	(11)	-
Net cash generated from / (used in) financing activities	(5,648)	(2,910)
Net increase/(decrease) in cash and cash equivalents	(125,548)	(251,390)
Cash and cash equivalents - at beginning of the period	514,390	375,408
Cash and cash equivalents - at end of the period	388,842	124,017

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



Ahmed Kuli Khan Khattak
Chief Executive Officer



Muhammad Zia
Director

Condensed Interim Statement of Changes in Equity (Un-audited)

For the Quarter ended September 30, 2017

	Share capital	Share premium	Unappropriated profit	Total
	----- Rupees '000 -----			
Balance as at 1 July, 2016 - Audited	450,025	40,000	1,111,191	1,601,216
Transaction with owners				
Profit for the period	-	-	128,491	128,491
Other comprehensive loss	-	-	-	-
	-	-	128,491	128,491
Surplus on revaluation of fixed assets realised during the period (net of deferred taxation) on account of incremental depreciation	-	-	7,273	7,273
Balance as at Sept 30, 2016 - Unaudited	<u>450,025</u>	<u>40,000</u>	<u>1,246,956</u>	<u>1,736,981</u>
Balance as at 1 July, 2017 - Audited	450,025	40,000	1,313,543	1,803,568
Final dividend for the year ended June 30, 2017				
Profit for the period	-	-	95,678	95,678
Other comprehensive loss	-	-	-	-
	-	-	95,678	95,678
Surplus on revaluation of fixed assets realised during the period (net of deferred taxation) on account of incremental depreciation	-	-	7,274	7,274
Balance as at Sept 30, 2017	<u>450,025</u>	<u>40,000</u>	<u>1,416,495</u>	<u>1,906,520</u>

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



Ahmed Kuli Khan Khattak
Chief Executive Officer



Muhammad Zia
Director

Notes to the Condensed Interim Financial Information (Un-audited)

For the Quarter ended September 30, 2017

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 Company is a subsidiary of Bibojee Services (Private) Limited (which holds 62.32% (June 30, 2016: 62.32%) issued, subscribed and paid-up capital of the Company). 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 Company is assembly / progressive manufacturing of Nissan passenger Cars, UD Trucks and Buses, JAC trucks import and sale, import and marketing of Nissan vehicles, import and sale of Dongfeng Complete Built-up Trucks and assembly of other vehicles under contract agreement.

2. BASIS OF PREPARATION

2.1 The Companies Act, 2017 has been promulgated with effect from May 31, 2017, however the Securities and Exchange Commission of Pakistan (SECP) through its Circular # 23 of 2017 dated October 4, 2017 (the Circular), has directed the companies whose financial year ends on or before December 31, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984 (the Ordinance). Further, The Institute of Chartered Accountants of Pakistan through its Circular # 17 of 2017 dated October 6, 2017, has issued clarification on the Circular and stated that preparation of financial statements in accordance with the Ordinance includes:

- Annual financial statements of companies whose financial year closes on or before December 31, 2017; and
- Interim financial statements of companies for the periods ending on or before December 31, 2017.

2.2 This condensed interim financial information of the Company for the quarter ended September 30, 2017 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, 2017.

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, 2017.

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, 2017. 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, 2017.

Notes to the Condensed Interim Financial Information (Un-audited)

For the Quarter ended September 30, 2017

		(Un-Audited) September 30, 2017	(Audited) June 30, 2017
		----- Rupees '000 -----	
5. PROPERTY, PLANT AND EQUIPMENT	Note		
Operating fixed assets	5.1	1,893,151	1,920,332
CWIP		92,197	63,113
		<u>1,985,348</u>	<u>1,983,445</u>
5.1 Operating fixed assets			
Net book value at beginning of the period / year		1,920,332	1,846,454
Additions during the period / year	5.1.1	933	309,256
Disposals, costing Rs.6,378 thousand (June 30, 2017: Rs.172,393 thousand) - at net book value		(3,495)	(140,203)
Depreciation charge for the period / year		(24,619)	(95,175)
Net book value at end of the period / year		<u>1,893,151</u>	<u>1,920,332</u>
5.1.1 Additions to property, plant and equipment during the period / year:			
Leasehold land		-	207,980
Plant and machinery		317	39,442
Furniture and fixtures		85	14,710
Assembly Jigs			
Vehicles-Owned		-	4,300
Vehicles-Leased		-	32,523
Other equipment		305	6,188
Office equipment		-	3,042
Computers		226	1,071
		<u>933</u>	<u>309,256</u>

Notes to the Condensed Interim Financial Information (Un-audited)

For the Quarter ended September 30, 2017

	(Un-Audited) September 30, 2017	(Audited) June 30, 2017
----- Rupees '000 -----		
6. LONG TERM INVESTMENTS		
Subsidiary Company - at cost		
Ghandhara DF (Private) Limited		
14,999,500 (June 30, 2017: 14,999,500) ordinary shares of Rs.10 each	149,995	149,995
Equity held: 99.99% (June 30, 2017: 99.99%)		
Break-up value per share on the basis of latest financial statements is Rs.18.32(June 30, 2016: Rs.24.05)		
Associated Company - at cost		
Ghandhara 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, 2017: 24.25%)		
Fair value: Rs.2,576.161 million (June 30, 2017: 3,358.577 million)		
Others - available for sale		
Automotive Testing & Training Center (Private) Limited		
187,500 (June 30, 2017: 187,500) ordinary shares of Rs.10 each - cost	1,875	1,875
Provision for impairment	(1,875)	(1,875)
	-	-
	<u>242,630</u>	<u>242,630</u>
7. DUE FROM SUBSIDIARY COMPANY - Interest bearing, unsecured		
The Company, during the period, approved cash advance limit of Rs.800 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		
Cash at banks in:		
- current accounts	81,237	202,785
- deposits accounts	10,517	10,517
- term deposits receipts	<u>301,000</u>	<u>305,000</u>
	392,754	518,302
Provision for doubtful bank balances	(3,912)	(3,912)
	<u>388,842</u>	<u>514,390</u>

Notes to the Condensed Interim Financial Information (Un-audited)

For the Quarter ended September 30, 2017

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, 2017.

		(Un-Audited) September 30, 2017	(Audited) June 30, 2017
	Note	----- Rupees '000 -----	
9.2 Commitment in respect of irrevocable letters of credit		89	35
9.3 Outstanding bank guarantees		16	16
9.4 Corporate guarantee against letter of credit to banks utilised by subsidiary company		457	259

10. COST OF SALES

		(Un-Audited) September 30, 2017	(Un-Audited) September 30, 2016
		----- Rupees '000 -----	
Finished goods at beginning of the period		213,001	113,586
Cost of goods manufactured	10.1	133,876	1,031,773
Purchases - trading goods		141,098	19,650
		274,974	1,051,423
		487,975	1,165,009
Finished goods at end of the period		(113,214)	(77,061)
		374,761	1,087,948

10.1 Cost of goods manufactured

Raw materials and components consumed		-	898,520
Factory overheads		133,876	133,253
		133,876	1,031,773



Notes to the Condensed Interim Financial Information (Un-audited)

For the Quarter ended September 30, 2017

11. TRANSACTIONS WITH RELATED PARTIES

11.1 Significant transactions with related parties are as follows:

Name	Nature of transaction	Un-audited --Quarter ended--	
		September 30, 2017	September 30, 2016
----- Rupees '000 -----			
(i) Holding Company			
Bibojee Services (Private Limited)	Rent of Corporate Office	1,500	1,350
	Rent of showroom	-	3,000
(ii) Subsidiary Company			
Ghandhara DF (Private) Ltd	Contract assembly charges	18,855	7,634
	Sale of parts	2,392	169
	Purchase of parts	44	265
	Interest bearing advance	558,200	223,742
	Repayment against long-term advance	368,100	331,800
	Mark-up accrued on advance	9,803	11,064
	Guarantee commission	1,130	739
(iii) Associated Companies			
The General Tyre and Rubber Company of Pakistan Limited	Purchase of tyres	-	13,582
Ghandhara Industries Limited	Contract assembly charges	219,375	53,633
	Purchase of parts	3	-
	Sale of parts	6	3
	Body fabrication	-	676
	Rent of Head Office	660	-
Gammon Pakistan Limited	Office rent	750	750
(iv) Others			
UD Trucks Corporation,	Royalty	-	4,307
	Purchases of complete knock down kits	-	697,531
Staff provident fund	Contribution made	1,969	1,757
Key management personnel	Remuneration and other benefits	17,310	19,215

Notes to the Condensed Interim Financial Information (Un-audited)

For the Quarter ended September 30, 2017

	(Un-Audited) September 30, 2017	(Audited) June 30, 2017
----- Rupees '000 -----		
11.2 Period / year end balances are as follows:		
Receivables from related parties		
Trade debts	114,683	45,210
Loans and advances	242	221
Other receivables	1,130	864
Accrued markup	9,803	7,528
Payable to related parties		
Trade and other payables	26,621	17,088

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, 2017.

There has been no change in Company's sensitivity to these risks since June 30, 2017 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, 2017.

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, 2017 and the corresponding figures in the condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity comprise of balances of comparable period as per the condensed interim financial information of the Company for the quarter ended September 30, 2016.

14. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on October 23, 2017 by the Board of Directors of the Company.



Ahmed Kuli Khan Khattak
Chief Executive Officer



Muhammad Zia
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 (GDFPL) for the quarter ended 30th September 2017.

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

The consolidated financial statements show turnover of Rs.984.3 million, gross profit of Rs.237.4 million and profit after tax of Rs.182.6 million for the period ended 30th September 2017.

The above performance has been achieved as a result of significant contribution from the Dongfeng trucks, commencement of sales of model X-200 of JAC and substantial increase in the contract assembly business.

Ghandhara DF (Pvt.) Limited

GDFPL has shown a substantial improvement during the quarter. The revenue has increased by 57% to Rs.478.0 million during the quarter. This is a result of overwhelming efforts by GDFPL in promoting the Chinese brand nationwide and providing the customers with quality and after sales service.

For and on behalf of the Board of Directors



Ahmed Kuli Khan Khattak
Chief Executive Officer



Muhammad Zia
Director

Karachi
Dated: October 23, 2017



ڈائریکٹرز رپورٹ

ڈائریکٹرز کی جانب سے بصد خوشی گندھارا انسان لمیٹڈ (جی این ایل) اور اس کی ذیلی کمپنی گندھارا ڈی ایف (پرائیویٹ) لمیٹڈ (جی ڈی ایف پی ایل) کی 30 ستمبر 2017 کو ختم ہونے والی سہ ماہی کے لیے مجموعی فنانشل اسٹیٹمنٹ پیش خدمت ہے۔

بین الاقوامی فنانشل رپورٹنگ اسٹینڈرڈ-10 (مجموعی مالیاتی حسابات) کی شرائط کے مطابق کمپنی نے مجموعی فنانشل اسٹیٹمنٹس بمعہ انفرادی فنانشل اسٹیٹمنٹس کا ضمیمہ اس کے ساتھ منسلک کر دیا ہے۔

مجموعی فنانشل اسٹیٹمنٹ کے مطابق 30 ستمبر 2017 کو ختم ہونے والی سہ ماہی کے لیے ٹرن اوور 984.3 ملین روپے ہے، گراس منافع 237.4 ملین روپے اور بعد از ٹیکس منافع 182.6 ملین روپے ہے۔

مندرجہ بالا کارکردگی ڈونگ فینگ ٹرک، جے اے سی کے ماڈل X-200 کی سبلاز شروع ہونے اور کنٹریکٹ اسمبلی بزنس میں اضافے کی بدولت ہے۔

گندھارا ڈی ایف (پرائیویٹ) لمیٹڈ

اس سہ ماہی کے دوران جی ڈی ایف پی ایل میں نمایاں بہتری ظاہر ہوئی ہے۔ اس سہ ماہی میں ریونیو 57 فی صد کے اضافے سے 478.0 ملین روپے ہو گیا ہے۔ یہ جی ڈی ایف پی ایل کی جانب سے چائنیز برانڈ کو قومی سطح پر متعارف کرانے اور کسٹمرز کو بہتر کوالٹی اور بعد از سبلاز سروس کی فراہمی کے لیے کی جانے والی انتھک کوششوں کا نتیجہ ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے

احمد قاسم خان خٹک
چیف ایگزیکٹو آفیسر

محمد ضیاء
ڈائریکٹر



Condensed Interim Consolidated Balance Sheet

As at September 30, 2017

		(Un-Audited) September 30, 2017	(Audited) June 30, 2017
		----- Rupees '000 -----	
ASSETS	Note		
Non current assets			
Property, plant and equipment	6	1,993,439	1,992,030
Intangible assets		237	258
Long term investments	7	897,497	857,012
Long term loans		9,468	9,546
Long term deposits		19,266	19,266
		2,919,907	2,878,112
Current assets			
Stores, spares and loose tools		80,386	86,474
Stock-in-trade		804,018	699,540
Trade debts		666,202	516,167
Loans and advances		72,154	51,235
Deposits and prepayments		49,732	31,372
Other receivables		94,575	89,761
Taxation - net		13,241	-
Cash and bank balances		437,528	573,693
		2,217,836	2,048,242
Non current asset classified as held for sale		-	137,909
Total assets		5,137,743	5,064,263
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital			
80,000,000 (June 30, 2017: 80,000,000)			
ordinary shares of Rs.10 each		800,000	800,000
Issued, subscribed and paid-up capital			
45,002,500 (June 30, 2017: 45,002,500)			
ordinary shares of Rs.10 each		450,025	450,025
Share premium		40,000	40,000
Items credit directly in equity by an Associate		68,903	68,426
Unappropriated profit		2,007,951	1,818,045
Equity attributable to shareholders of the Holding Company		2,566,879	2,376,496
Non-controlling interest		31	26
Total equity		2,566,910	2,376,522
Surplus on revaluation of fixed assets		1,382,153	1,389,904
Liabilities			
Non current liabilities			
Liabilities against assets subject to finance lease		82,675	92,194
Long term deposits		9,611	9,611
Deferred liabilities		5	6
Deferred taxation		277,612	282,843
		369,903	384,654
Current liabilities			
Trade and other payables		781,626	870,479
Accrued mark-up		715	347
Current portion of liabilities against assets subject to finance lease		36,436	38,313
Taxation - net		-	4,044
		818,777	913,183
Total liabilities		1,188,680	1,297,837
Contingencies and commitments	8	-	-
Total equity and liabilities		5,137,743	5,064,263

The annexed notes 1 to 13 form an integral part of this consolidated condensed interim financial information.

Ahmed Kuli Khan Khattak
Chief Executive Officer

Muhammad Zia
Director

Condensed Interim Consolidated Profit and Loss Account (Un-audited)

For the Quarter ended September 30, 2017

	Note	Quarter ended	
		September 30, 2017	September 30, 2016
		----- Rupees '000 -----	
Revenue		984,264	1,629,543
Cost of sales	9	(746,819)	(1,342,267)
Gross profit		237,445	287,276
Distribution cost		(13,037)	(11,532)
Administrative expenses		(55,434)	(50,833)
Other income		46,942	6,545
Other expenses		(10,130)	(13,814)
Profit from operations		205,786	217,643
Finance cost		(2,712)	(2,256)
		203,074	215,387
Share of profit of an Associate		40,485	58,650
Profit before taxation		243,559	274,037
Taxation		(60,922)	(66,675)
Profit after taxation		182,637	207,361
Other comprehensive income		-	-
Items that will not be reclassified to profit or loss		-	-
Total comprehensive income for the year		182,637	207,361
Attributable to:			
- Shareholders of the Holding Company		182,632	207,361
- Non-controlling interest		5	-
		182,637	207,361
		----- Rupees -----	
Earnings per share - basic and diluted		4.06	4.61

The annexed notes 1 to 13 form an integral part of this consolidated condensed interim financial information.



Ahmed Kuli Khan Khattak
Chief Executive Officer



Muhammad Zia
Director

Condensed Interim Consolidated Cash Flow Statement (Un-audited)

For the Quarter ended September 30, 2017

	Quarter ended	
	September 30, 2017	September 30, 2016
	----- Rupees '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	243,559	274,037
Adjustments for non-cash charges and other items:		
Depreciation and amortisation	25,134	22,668
Interest income	(10,433)	(12,701)
Finance cost	2,712	13,372
Amortization of gain on sale and lease back	(1)	-
Gain on disposal of property, plant and equipment	(36,509)	(6)
Exchange loss	-	188
Share of profit of an Associated Company	(40,485)	(58,650)
Provision for gratuity	1,921	2,968
Operating profit before working capital changes	185,898	241,877
(Increase) / decrease in current assets:		
Stores, spares and loose tools	6,088	(3,896)
Stock-in-trade	(104,478)	267,958
Trade debts	(150,035)	(145,044)
Loans and advances	(20,919)	(59,345)
Deposit and prepayments	(18,360)	(152,987)
Other receivables	(4,814)	31,178
	(292,518)	(62,135)
Increase/(decrease) in trade and other payables	(88,853)	(468,642)
Cash (used)/generated from operations	(195,473)	(288,900)
Gratuity and compensated absences paid	(1,922)	(3,283)
Long term loans	78	(445)
Finance cost paid	(2,344)	(13,677)
Taxes paid	(83,438)	(52,724)
Net cash (used)/generated from operating activities	(283,099)	(359,030)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(30,017)	(7,823)
Proceeds from disposal of property, plant and equipment	177,913	15
Interest income received	10,445	12,699
Interest bearing advance to subsidiary	-	108,058
Net cash used in investing activities	158,341	112,949
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease finances - net	(11,396)	(2,910)
Dividend paid	(11)	-
Net cash generated from/(used in) financing activities	(11,407)	(2,910)
Net decrease in cash and cash equivalents	(136,165)	(248,991)
Cash and cash equivalents - at beginning of the period	573,693	394,789
Cash and cash equivalents - at end of the period	437,528	145,798

The annexed notes 1 to 13 form an integral part of this consolidated condensed interim financial information.



 Ahmed Kuli Khan Khattak
 Chief Executive Officer



 Muhammad Zia
 Director

Condensed Interim Consolidated Statement of Changes in Equity (Un-audited)

For the Quarter ended September 30, 2017

	Share capital	Share premium	Item credited directly in equity by an Associate	Unappropriated profit	Total	Non-controlling interest
	----- Rupees '000 -----					
Balance as at 1 July, 2016	450,025	40,000	66,516	1,306,554	1,863,095	11
Total comprehensive income for the quarter ended September 30, 2016						
Profit for the period	-	-	-	207,361	207,361	-
Other comprehensive income	-	-	-	-	-	-
	-	-	-	207,361	207,361	-
Surplus on revaluation of fixed assets realised during the period (net of deferred taxation) on account of incremental depreciation	-	-	-	7,273	7,273	-
Effect of item directly credited in equity by an Associated Company	-	-	477	-	477	-
Balance as at 30 September, 2016	<u>450,025</u>	<u>40,000</u>	<u>66,993</u>	<u>1,521,188</u>	<u>2,078,206</u>	<u>11</u>
Balance as at 1 July, 2017	450,025	40,000	68,426	1,818,045	2,376,496	26
Total comprehensive income for the quarter ended September 30, 2017						
Profit for the period	-	-	-	182,632	182,632	5
Other comprehensive income	-	-	-	-	-	-
	-	-	-	182,632	182,632	5
Surplus on revaluation of fixed assets realised during the period (net of deferred taxation) on account of incremental depreciation	-	-	-	7,274	7,274	-
Effect of item directly credited in equity by an Associated Company	-	-	477	-	477	-
Balance as at 30 September, 2017	<u>450,025</u>	<u>40,000</u>	<u>68,903</u>	<u>2,007,951</u>	<u>2,566,879</u>	<u>31</u>

The annexed notes 1 to 13 form an integral part of this consolidated condensed interim financial information.



Ahmed Kuli Khan Khattak
Chief Executive Officer



Muhammad Zia
Director



Notes to the Condensed Consolidated Interim Financial Information

For the Quarter ended September 30, 2017

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 into a public limited company on May 24, 1992. The registered office of the Holding Company is situated at F-3, Hub Chowki Road, S.I.T.E., Karachi. Its manufacturing facilities are located at Port Qasim, Karachi. The Holding Company's shares are listed on Pakistan Stock Exchange Limited. Bibojee Services (Private) Limited is the ultimate holding company of the Group.

The principal business of the Holding Company is assembly / progressive manufacturing of Nissan passenger Cars, UD Trucks and Buses, JAC trucks import and sale, import and marketing of Nissan vehicles, import and sale of Dongfeng Complete Built-up Trucks and assembly of other vehicles under contract agreement.

1.3 Ghandhara DF (Private) Limited

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

2. BASIS OF PREPARATION

2.1 The Companies Act, 2017 has been promulgated with effect from May 30, 2017. However, as per the requirements of Circular # 23 of 2017 dated October 4, 2017 issued by the Securities and Exchange Commission of Pakistan (SECP) and related clarification issued by the Institute of Chartered Accountants of Pakistan through its Circular # 17 of 2017 dated October 6, 2017, companies whose financial year, including quarterly and other interim period, closes on or before December 31, 2017, shall prepare their financial statements, including interim financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984 (the Ordinance).

2.2 This consolidated 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 Ordinance. In the case where requirements differ, the provisions of or directives issued under the Ordinance have been followed. This consolidated 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 consolidated financial statements of the Group for the year ended June 30, 2017.

3. PRINCIPLES OF CONSOLIDATION

These consolidated financial statements include the financial statements of Holding Company and its Subsidiary Company. The Holding Company's direct interest in the Subsidiary Company is 99.99% as at September 30, 2017 (June 30, 2017: 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.

Notes to the Condensed Consolidated Interim Financial Information

For the Quarter ended September 30, 2017

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, 2017.

There are certain International Financial Reporting Standards, amendments to published standards and interpretations that are mandatory for the financial year beginning on July 1, 2017. These are considered not to be relevant or to have any significant effect on Group's financial reporting and operations and are, therefore, not disclosed in the consolidated condensed interim financial information.

5. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of this consolidated 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 Group'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 consolidated condensed interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the audited annual consolidated financial statements of the Group for the year ended June 30, 2017.

6. PROPERTY, PLANT AND EQUIPMENT

		(Un-Audited) September 30, 2017	(Audited) June 30, 2017
	Note	----- Rupees '000 -----	
Operating fixed assets	6.1	1,901,242	1,928,917
Capital work-in-progress includes:			
Building		79,721	50,637
Plant and machinery		5,797	5,797
Vehicles		6,679	6,679
		92,197	63,113
		<u>1,993,439</u>	<u>1,992,030</u>

6.1 Operating fixed assets

Book value at beginning of the period / year		1,928,917	1,857,185
Additions during the period / year	6.2	933	309,256
Disposals costing Rs.6,378 thousand (June 30, 2017: Rs.9,669 thousand) - at book value		(3,495)	(2,294)
Assets classified as held for sale costing Rs.Nil (June 30, 2017: Rs. 162,724 thousand) - at book value		-	(137,909)
Depreciation charge for the period / year		(25,113)	(97,321)
Book value at end of the period / year		<u>1,901,242</u>	<u>1,928,917</u>

Notes to the Condensed Consolidated Interim Financial Information

For the Quarter ended September 30, 2017

6.2 Additions to operating fixed assets, including transfer from capital work-in-progress, during the period / year were as follows:

	Note	(Un-Audited) September 30, 2017	(Audited) June 30, 2017
----- Rupees '000 -----			
Leasehold land		-	207,980
Plant and machinery		317	39,442
Furniture and fixtures		85	14,710
Vehicles			
- owned		-	4,300
- leased		-	32,523
Other equipment		305	6,188
Office equipment		-	3,042
Computers		226	1,071
		<u>933</u>	<u>309,256</u>

7. LONG TERM INVESTMENTS

Associate - equity accounted investment	7.1	897,497	857,012
Others - available for sale	7.2	-	-
		<u>897,497</u>	<u>857,012</u>

7.1 Associated Company - equity accounted investment
Ghandhara Industries Limited

Balance at beginning of the period / year	857,012	647,079
Share of profit / OCI for the period / year	40,485	210,784
Share of revaluation during the period / year	-	50,811
Dividend received during the period / year	-	(51,662)
Balance at end of the period / year	<u>897,497</u>	<u>857,012</u>

7.1.1 Investment in Ghandhara Industries Limited (GIL) represents 5,166,168 (June 30, 2017: 5,166,168) fully paid ordinary shares of Rs.10 each representing 24.25% (June 30, 2017: 24.25%) of its issued, subscribed and paid-up capital as at June 30, 2017. 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 audited financial statements of GIL as at June 30, 2017. The latest financial statements of GIL as at September 30, 2017 are not presently available.

Notes to the Condensed Consolidated Interim Financial Information

For the Quarter ended September 30, 2017

7.1.3 The market value of investment as at September 30, 2017 was Rs.2,576.161 million (June 30, 2017: Rs.3,358.577 million).

7.2 Others - available for sale

	(Un-Audited) September 30, 2017	(Audited) June 30, 2017
Note	----- Rupees '000 -----	
Automotive Testing & Training Centre (Private) Limited		
187,500 (June 30, 2017: 187,500) ordinary shares of Rs.10 each - cost	1,875	1,875
Provision for impairment	(1,875)	(1,875)
	<u>-</u>	<u>-</u>

8. CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

8.1.1 There is no change in status of the contingencies as disclosed in note 26.1 of the audited annual financial statements of the Group for the year ended June 30, 2017.

	(Un-Audited) September 30, 2017	(Audited) June 30, 2017
Note	----- Rupees '000 -----	
8.1.2 Guarantees issued by banks on behalf of the Holding Company	15,787	15,787
8.2 Commitment		
Commitments in respect of capital expenditure, raw materials and components through confirmed letters of credit	342,612	294,243

9. COST OF SALES

	(Un-Audited) September 30, 2017	(Un-Audited) September 30, 2016
Note	----- Rupees '000 -----	
Opening stock of finished goods	302,797	165,813
Cost of goods manufactured	497,973	1,303,953
Purchases	141,098	19,427
	<u>639,071</u>	<u>1,323,380</u>
	941,868	1,489,193
Closing stock of finished goods	(195,049)	(146,926)
	<u>746,819</u>	<u>1,342,267</u>

Notes to the Condensed Consolidated Interim Financial Information

For the Quarter ended September 30, 2017

	(Un-Audited) September 30, 2017	(Un-Audited) September 30, 2016
9.1 Cost of goods manufactured	----- Rupees '000 -----	
Raw materials and components consumed	365,152	1,169,888
Factory overheads	132,821	134,065
	497,973	1,303,953

10. This include gain on disposal of lease hold land during the period amounting Rs.36,509 thousand.

11. TRANSACTIONS WITH RELATED PARTIES

11.1 Significant transactions with related parties are as follows:

Name	Nature of transaction	Un-audited --Quarter ended--	
		September 30, 2017	September 30, 2016
----- Rupees '000 -----			
(i) Ultimate Holding Company			
Bibojee Services (Private) Limited	Rent of corporate office	3,000	1,380
	Rent of showroom	-	3,000
(ii) Associated Companies			
The General Tyre and Rubber Company of Pakistan Limited	Purchase of tyres, tubes and flaps	8,871	13,582
Ghandhara Industries Limited	Contract assembly	219,375	53,633
	Body fabrication	-	676
	Sales of parts	5,831	3
	Purchase of parts	2,879	-
	Office rent	660	-
Gammon Pakistan Limited	Rent of Rawalpindi office	750	750
(iii) Others			
UD Trucks Corporation, Japan	Royalty	-	4,307
	Purchases of complete knock down kits	-	697,531
Staff provident fund	Contribution made	1,969	1,757
Key management personnel	Remuneration and other short term benefits	18,210	19,815

Notes to the Condensed Consolidated Interim Financial Information

For the Quarter ended September 30, 2017

11.2 Period / year end balances are as follows:

	(Un-Audited) September 30, 2017	(Audited) June 30, 2017
Note	----- Rupees '000 -----	
Receivables from related parties		
Trade debts	87,969	28,578
Loan and advances	1,005	221
Deposits and prepayments	-	708
Payable to related parties		
Trade and other payables	43,469	52,733

These are in the normal course of business and are settled in ordinary course of business.

12. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', corresponding figures in the consolidated condensed interim balance sheet comprise of balances as per the audited annual financial statements of the Group for year ended June 30, 2017 and the corresponding figures in the consolidated condensed interim profit and loss account, consolidated condensed interim cash flow statement and consolidated condensed interim statement of changes in equity comprise of balances of comparable period as per the consolidated condensed interim financial information of the Group for the quarter ended September, 30, 2016.

13. DATE OF AUTHORIZATION

This consolidated condensed interim financial information was authorized for issue on October 23, 2017 by the Board of Directors of the Holding Company.



Ahmed Kuli Khan Khattak
Chief Executive Officer



Muhammad Zia
Director

Karachi Dated: October 23, 2017















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