

Half Yearly Report
December 31st, 2017
(Un-audited)



GHANDHARA NISSAN LIMITED



JAC

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Company Profile

Board of Directors

Mr. Raza Kuli Khan Khattak	Chairman
Mr. 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	
Mr. 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
Mr. Lt. Gen. (Retd.) Ali Kuli Khan Khattak	Member
Mr. Jamil A. Shah	Member
Mr. Polad Merwan Polad	Member

Human Resource & Remuneration Committee

Mr. 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

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

Share Registrar

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



Directors' Report

Your Directors are pleased to present the half yearly report alongwith the un-audited condensed interim financial information of Ghandhara Nissan Limited for the half year ended December 31, 2017.

In terms of value, the Company's net turnover was Rs.1,014.5 million which is lower than the turnover earned in the corresponding period of last year mainly due to discontinuation of UD Trucks. However, JAC Trucks, introduced during the current financial year, have received a tremendous market response which is reflected in the financial results of current period. In addition to this, the regular Dongfeng CBU business together with contract assembly has also contributed in company's performance.

The operational profit of your Company for the half year was Rs.259.5 million as compared to Rs.394.9 million in the corresponding period of last year. Profit after tax for the half year was Rs.197.1 million which includes an amount of Rs.77.4 million received as dividend income. This profit translates into earnings per share of Rs.4.38, as against Rs.6.26 during corresponding period of last year.

Related Party Transactions

All transactions with related parties have been executed at arm's length and have been disclosed in the un-audited condensed interim financial information

The directors are also grateful to the Principals, customers, vendors, bankers 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

Karachi
Dated: February 24, 2018



Muhammad Zia
Director



ڈائریکٹرز رپورٹ

آپ کے ڈائریکٹرز کی جانب سے بصد خوشی گندھارا انسان لمیٹڈ (جی این لیل) کی 31 دسمبر 2017 کو ختم ہونے والی نصف سالہ رپورٹ کیلئے عبوری مالیاتی معلومات پیش خدمت ہے۔

قیمت کے لحاظ سے کمپنی خالص ٹرن اور مبلغ 1,014.5 ملین روپے تھا جو کہ پچھلے سال کی اسی مدت کے درج شدہ ٹرن اور سے کم ہوا ہے۔ جس کی وجہ UD Trucks کی معطلی ہے، تاہم JAC Trucks کو اسی مالیاتی سال میں متعارف کیا ہے، جسے مارکیٹ میں زبردست پذیرائی ملی۔ جس کی موجودہ مدت کی مالیاتی نتائج درج ہیں۔ اس کے علاوہ معمول کے Dongfeng CBU (سی بی یو) کاروبار بشمول معاہدہ اسمبلی سے کمپنی کی کارکردگی میں بہتری آئی ہے۔ گزشتہ نصف سال کے مقابلے میں آپریشنل منافع مبلغ 394.9 ملین روپے سے کم ہو کر مبلغ 259.5 ملین روپے ہو گیا ہے۔

نصف سال بعد از ٹیکس منافع 197.1 ملین روپے بشمول مبلغ 77.4 ملین روپے بطور ڈیویڈنڈ انکم وصول ہوا۔ اس منافع کے تحت گزشتہ سال فی حصص آمدنی مبلغ 6.25 روپے کے مقابلے میں موجودہ سال فی حصص آمدنی 4.38 رہی۔

متعلقہ پارٹی ٹرانزیکشنز:

تمام متعلقہ پارٹیوں کے ساتھ کاروباری لین دین کے امور شفافیت کے ساتھ کئے گئے۔ اور ان کا اظہار نصف سالہ عبوری مالیاتی معلومات میں کر دیا گیا ہے۔ ڈائریکٹرز پر نپسل، گاہکوں، فروشوں، بینکوں اور دیگر کاروباری ساتھیوں کے ان مسلسل محافظات اور حمایت کے لئے شکر گزار ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے

احمد قاسبی خان خٹک

چیف ایگزیکٹو آفیسر

محمد ضیاء

ڈائریکٹر



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, 2017 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, 2017 and 2016 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2017.

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, 2017 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.

SHINEWING HAMEED CHAUDHRI & CO.
CHARTERED ACCOUNTANTS
Engagement Partner: Raheel Ahmed
Karachi; Dated: February 24, 2018

Junaidy Shoaib Asad

JUNAIDY SHOAIB ASAD
CHARTERED ACCOUNTANTS
Engagement Partner: Farrukh V. Junaidy
Karachi; Dated: February 24, 2018



Condensed Interim Balance Sheet

As at December 31, 2017

		(Un-Audited) December 31, 2017	(Audited) June 30, 2017
----- Rupees '000 -----			
ASSETS	Note		
Non current assets			
Property, plant and equipment	5	2,027,712	1,983,445
Intangible assets		336	50
Long term investments	6	242,630	242,630
Long term loans		8,807	9,546
Long term deposits		19,829	19,266
Due from Subsidiary Company	7	466,573	313,140
		2,765,887	2,568,077
Current assets			
Stores, spares and loose tools		84,088	86,474
Stock-in-trade		290,708	277,690
Trade debts		377,235	181,088
Loans and advances		60,757	49,773
Deposits and prepayments		15,190	16,625
Other receivables		11,476	18,082
Accrued interest / mark-up		9,090	7,669
Bank balances	8	330,683	514,390
		1,179,227	1,151,791
Non current asset classified as held for sale		-	137,909
Total assets		3,945,114	3,857,777
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
Unappropriated profit		1,299,400	1,313,543
Total equity		1,789,425	1,803,568
Surplus on revaluation of fixed assets		974,755	988,570
Liabilities			
Non current liabilities			
Liabilities against assets subject to finance lease		50,903	53,699
Long term deposits		9,611	9,611
Deferred gain on sale and lease back of transaction		3	6
Deferred taxation		285,238	282,527
		345,755	345,843
Current liabilities			
Trade and other payables		698,339	628,809
Accrued mark-up on running finances		1,204	347
Running finances under mark-up arrangements		74,168	-
Current portion of liabilities against assets			
subject to finance lease		16,938	18,474
Taxation - net		44,530	72,166
		835,179	719,796
Total liabilities		1,180,934	1,065,639
Contingencies and commitments	9	-	-
Total equity and liabilities		3,945,114	3,857,777

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

Ahmed Kuli Khan Khattak
Chief Executive OfficerMuhammad Zia
DirectorMuhammad Umair
Chief Financial Officer

Condensed Interim Profit and Loss Account (Un-audited)

For the Half Year ended December 31, 2017

	Note	Quarter ended		Half Year ended	
		December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
		----- Rupees '000 -----			
Revenue		487,027	1,316,595	1,014,548	2,649,675
Cost of sales	10	(403,021)	(1,081,430)	(777,782)	(2,169,378)
Gross profit		84,006	235,165	236,766	480,297
Distribution cost		(10,663)	(9,868)	(21,968)	(20,862)
Administrative expenses		(41,804)	(68,063)	(91,498)	(117,821)
Other income		95,232	64,631	152,959	82,257
Other expenses		(6,629)	(15,176)	(16,759)	(28,990)
Profit from operations		120,142	206,689	259,500	394,881
Finance cost		(2,974)	(1,755)	(5,649)	(3,728)
Profit before taxation		117,168	204,934	253,851	391,153
Taxation		(15,791)	(51,803)	(56,796)	(109,531)
Profit after taxation		101,377	153,131	197,055	281,622
Other comprehensive income		-	-	-	-
Total comprehensive income		101,377	153,131	197,055	281,622
		----- Rupees -----			
Earnings per share - basic and diluted		2.25	3.40	4.38	6.26

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



Ahmed Kuli Khan Khattak
Chief Executive Officer



Muhammad Zia
Director



Muhammad Umair
Chief Financial Officer

Condensed Interim Cash Flow Statement (Un-audited)

For the Half Year ended December 31, 2017

Half year ended

**December 31,
2017**
**December 31,
2016**

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

CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation	253,851	391,153
Adjustments for non cash charges and other items:		
Depreciation and amortisation	51,554	45,063
Provision for gratuity	3,841	5,381
Interest income	(27,914)	(20,830)
Dividend income	(77,493)	(51,662)
Gain on disposal of property, plant and equipment	(36,509)	(6)
Amortization of gain on sale and lease back of fixed assets	(3)	(3)
Finance cost	5,649	3,728
Net exchange loss / (gain)	310	(1,235)
Operating profit before working capital changes	173,286	371,589
Decrease / (increase) in current assets:		
Stores, spares and loose tools	2,386	(398)
Stock-in-trade	(13,018)	(230,219)
Trade debts	(196,147)	(50,174)
Loans and advances	(10,984)	(39,986)
Deposits and prepayments	1,435	(26,098)
Other receivables	6,606	3,401
	(209,722)	(343,474)
Increase / (decrease) in trade and other payables	67,421	(118,369)
Cash generated from / (used in) operations	30,985	(90,254)
Gratuity paid	(13,427)	(10,396)
Long term deposits	(563)	(1,693)
Long term loans - net	739	(1,367)
Finance cost paid	(4,792)	(3,589)
Taxes paid	(81,721)	(71,234)
Net cash used in operating activities	(68,779)	(178,533)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(91,537)	(23,644)
Proceeds from disposal of property, plant and equipment / non current asset classified as held for sale	177,913	14
Interest received	26,493	19,978
Interest bearing advance to subsidiary - net	(153,433)	68,639
Dividend income	77,493	51,662
Net cash generated from investing activities	36,929	116,649
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease finances - net	(12,397)	(6,744)
Running finances - net	74,168	4,033
Dividend paid	(213,628)	(221,226)
Net cash used in financing activities	(151,857)	(223,937)
Net decrease in cash and cash equivalents	(183,707)	(285,821)
Cash and cash equivalents - at beginning of the period	514,390	375,408
Cash and cash equivalents - at end of the period	330,683	89,587

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


Ahmed Kuli Khan Khattak
Chief Executive Officer


Muhammad Zia
Director


Muhammad Umair
Chief Financial Officer

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

For the Half Year ended December 31, 2017

	Issued, subscribed and paid-up capital	Share premium	Unappro- priated profit	Total
----- Rupees '000 -----				
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	-	-	-	-
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred taxation	-	-	281,622	281,622
Balance as at December 31, 2016 (Un-audited)	450,025	40,000	1,182,347	1,672,372
Balance as at July 1, 2017 (Audited)	450,025	40,000	1,313,543	1,803,568
Transaction with owners recognised directly in equity				
Final dividend for the year ended June 30, 2017 at the rate of Rs.5.00 per share	-	-	(225,013)	(225,013)
Total comprehensive income for the half year ended December 31, 2017				
Profit for the period	-	-	197,055	197,055
Other comprehensive income	-	-	-	-
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred taxation	-	-	197,055	197,055
Balance as at December 31, 2017 (Un-audited)	450,025	40,000	1,299,400	1,789,425

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



Ahmed Kuli Khan Khattak
Chief Executive Officer



Muhammad Zia
Director



Muhammad Umair
Chief Financial Officer

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

For the Half Year ended December 31, 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 registered office of the Company is situated at F-3, Hub Chowki 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.

The Company is a subsidiary of Bibojee Services (Private) Limited which holds 62.32% (June 30, 2017: 62.32%) of issued, subscribed and paid-up capital of the Company.

2. BASIS OF PREPARATION

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).

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 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, 2017 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, 2017.

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, 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 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, 2017.

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

For the Half Year ended December 31, 2017

		(Un-Audited) December 31, 2017	(Audited) June 30, 2017
	Note	----- Rupees '000 -----	
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	1,950,705	1,920,332
Capital Work in Progress		77,007	63,113
		<u>2,027,712</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	5.2	85,403	309,256
Disposals, costing Rs.6,379 thousand (June 30, 2017: Rs.9,669 thousand) - at net book value		(3,495)	(2,294)
Assets classified as held for sale		-	(137,909)
Depreciation charge for the period / year		(51,535)	(95,175)
Net book value at end of the period / year		<u>1,950,705</u>	<u>1,920,332</u>
5.2 Additions to operating fixed assets, including transfer from capital work-in-progress, during the period / year were as follows:			
Leasehold land		-	207,980
Building on free hold land		44,751	-
Plant and machinery		13,107	39,442
Furniture and fixtures		253	14,710
Vehicles			
- owned		4,800	4,300
- leased		8,065	32,523
Other equipment		9,830	6,188
Office equipment		4,265	3,042
Computers		332	1,071
		<u>85,403</u>	<u>309,256</u>

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

For the Half Year ended December 31, 2017

**(Un-Audited)
December 31,
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

Equity held: 99.99% (June 30, 2017: 99.99%)

Break-up value per share on the basis of latest financial statements is Rs.30.25 (June 30, 2017: Rs.24.05)

149,995

149,995

Associated Company - at cost

Ghandhara Industries Limited

5,166,168 (June 30, 2017: 5,166,168) ordinary shares of Rs.10 each

Equity held: 24.25% (June 30, 2017: 24.25%)

Fair value: Rs.2,852.138 million (June 30, 2017: Rs.3,358.577 million)

92,635

92,635

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)

242,630
242,630

7. DUE FROM SUBSIDIARY COMPANY - Unsecured and interest bearing

The Company has an aggregate cash limit of Rs. 800 million that can be provided as loan 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 on:

- current accounts

- deposits accounts

- term deposits receipts

**(Un-Audited)
December 31,
2017**
**(Audited)
June 30,
2017**

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

106,078

202,785

10,517

10,517

218,000
305,000

334,595

518,302

Provision for doubtful bank balances

(3,912)

(3,912)

330,683
514,390

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

For the Half Year ended December 31, 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.
- 9.2 Commitment in respect of irrevocable letters of credit as at December 31, 2017 aggregate to Rs.184.449 million (June 30, 2017: Rs.34.80 million).
- 9.3 Guarantees aggregating Rs.4.951 million (June 30, 2017: Rs.15.787 million) are issued by banks of the Company to various government and other institutions. Further, the Company has issued corporate guarantees aggregating Rs.510.267 million (June 30, 2017: Rs.259.443 million) to the commercial banks against letters of credit facilities utilised by the Subsidiary Company.

		-----Un-audited-----			
		Quarter ended		Half Year ended	
		December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
10. COST OF SALES		----- Rupees '000 -----			
Finished goods at beginning of the period	Note	113,214	77,061	213,001	113,586
Cost of goods manufactured	10.1	125,804	1,011,534	259,680	2,043,307
Purchases - trading goods		303,279	141,094	444,377	160,744
		429,083	1,152,628	704,057	2,204,051
		542,297	1,229,689	917,058	2,317,637
Finished goods at end of the period		(139,276)	(148,259)	(139,276)	(148,259)
		403,021	1,081,430	777,782	2,169,378
10.1 Cost of goods manufactured					
Raw materials and components consumed		-	818,633	-	1,717,153
Factory overheads		125,804	192,901	259,680	326,154
		125,804	1,011,534	259,680	2,043,307

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

For the Half Year ended December 31, 2017

11. TRANSACTIONS WITH RELATED PARTIES

11.1 Significant transactions with related parties are as follows:

Name	Nature of transaction	Un-audited ----Half year ended----	
		December 31, 2017	December 31, 2016
----- Rupees '000 -----			
(i) Holding Company			
Bibojee Services (Private) Limited	Corporate office rent	3,000	5,850
	Dividend	140,232	140,232
(ii) Subsidiary Company			
Ghandhara DF (Private) Ltd.	Contract assembly charges	73,476	20,188
	Purchase of parts	54	1,500
	Sale of parts	5,400	780
	Long term advances given - net	153,433	-
	Long term advances recovered - net	-	68,639
	Interest income	18,515	19,189
	Interest received	17,331	17,998
	Guarantee commission	3,115	1,902
	Reimbursement of expenses	-	246
(iii) Associated Companies			
The General Tyre and Rubber Company of Pakistan Limited	Purchase of tyres	22	31,193
Ghandhara Industries Limited	Contract assembly charges	384,228	175,711
	Head office rent	1,320	660
	Body fabrication	-	676
	Sale of parts	6	1,053
	Purchase of parts	8	1
	Dividend income	77,493	51,662
	Reimbursement of expenses	21	-
Gammon Pakistan Limited	Office rent	1,500	1,500
Janana De Malucho Textile Mills Limited	Reimbursement of expenses	867	30
(iv) Others			
UD Trucks Corporation, Japan	Royalty	-	8,358
	Dividend	18,235	18,235
	Purchases of complete knock down kits	-	1,456,599
Staff provident fund	Contribution made	3,938	3,539
Staff gratuity fund	Contribution made	13,427	10,000
Key management personnel	Remuneration and other benefits	34,792	32,471

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

The Half Year ended December 31, 2017

	(Un-Audited) December 31, 2017	(Audited) June 30, 2017
----- Rupees '000 -----		
11.2 Period / year end balances are as follows:		
Receivables from related parties		
Long term loans	800	1,100
Trade debts	136,655	45,210
Loans and advances	805	821
Deposits and prepayments	5,090	708
Other receivables	3,115	864
Accrued interest / mark-up	8,712	7,528
Payable to related parties		
Trade and other payables	31,307	39,445

12. 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, 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. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on February 24, 2018 by the Board of Directors of the Company.

14. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', corresponding figures in the condensed interim balance sheet comprise of balances as per the audited annual financial statements of the Company for year ended June 30, 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 half year ended December 31, 2016.



Ahmed Kuli Khan Khattak
Chief Executive Officer



Muhammad Zia
Director



Muhammad Umair
Chief Financial Officer

Directors' Report

The directors are pleased to present their report together with consolidated un-audited condensed interim financial information of Ghandhara Nissan Limited (GNL) and its subsidiary company Ghandhara DF (Pvt.) Limited (GDFPL) for the half year ended December 31, 2017.

The Company has annexed consolidated un-audited condensed interim financial information alongwith its standalone un-audited condensed interim financial information.

The consolidated un-audited condensed interim financial information shows turnover of Rs.2,343.7 million, gross profit of Rs.411.5 million and profit after tax of Rs.364.1 million for the half year ended December 31, 2017.

The above performance has been achieved as a result of significant contribution from GDFPL which has shown a substantial improvement during the half year ended December 31, 2017. The revenue of GDFPL has increased by 103% to Rs.1,408.2 million during the period. This is a result of overwhelming efforts by GDFPL in promoting the Chinese brand nationwide and providing the customers with quality and timely after sales service.

Moreover, JAC Trucks, introduced during the current financial year, have received an incredible market response which is also reflected in the financial results of current period.

For and on behalf of the Board of Directors



Ahmed Kuli Khan Khattak
Chief Executive Officer



Muhammad Zia
Director

Karachi
Dated: February 24, 2018



ڈائریکٹرز رپورٹ

ڈائریکٹرز کی جانب سے بصد خوشی گندھارا نسان لمیٹڈ (جی این لبل) اور اس کی ذیلی کمپنی گندھارا ڈی ایف (پرائیویٹ) لمیٹڈ (جی ڈی ایف پی لبل) کے 31 دسمبر 2017 کو ختم ہونے والی نصف سالہ کیلئے مجموعی عبوری مالیاتی معلومات پیش خدمت ہے۔

کمپنی نے مجموعی عبوری مالیاتی معلومات بمعہ انفرادی عبوری مالیاتی معلومات کا ضمیمہ اس کے ساتھ منسلک کر دیا ہے۔

مجموعی عبوری مالیاتی معلومات کے مطابق 31 دسمبر 2017 کو ختم ہونے والے نصف سال کیلئے خالص ٹرن اوور 2,343.7 ملین روپے گراس منافع 411.5 ملین روپے اور بعد از ٹیکس منافع 364.1 ملین روپے رہا۔

جی ڈی ایف لبل کی بہتر سیلز کے نتیجے میں مندرجہ بالا کارکردگی حاصل کی گئی ہے۔ جس میں 31 دسمبر 2017 کو ختم ہونے والے نصف سال کے دوران نمایاں بہتری دیکھنے میں آئی۔ اس مدت میں آمدنی میں 103 فیصد اضافہ ہوا۔ یہ جی ڈی ایف لبل کی جانب سے چائینیز برانڈ کو قومی سطح پر متعارف کرانے اور کسٹمرز کو بہتر کوالٹی اور بعد از سیلز سروس کی فراہمی کیلئے 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 December 31, 2017

		(Un-Audited) December 31, 2017	(Audited) June 30, 2017
		----- Rupees '000 -----	
ASSETS	Note		
Non current assets			
Property, plant and equipment	6	2,035,438	1,992,030
Intangible assets		519	258
Long term investments	7	931,027	857,012
Long term loans		8,807	9,546
Long term deposits		19,829	19,266
		2,995,620	2,878,112
Current assets			
Stores, spares and loose tools		84,088	86,474
Stock-in-trade		1,105,470	699,540
Trade debts		1,159,119	516,167
Loans and advances		70,844	51,235
Deposits and prepayments		17,147	31,372
Other receivables		65,817	89,761
Taxation - net		58,052	-
Cash and bank balances	8	382,551	573,693
		2,943,088	2,048,242
Non current asset classified as held for sale		-	137,909
Total assets		5,938,708	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		69,381	68,426
Unappropriated profit		1,970,902	1,818,045
Equity attributable to shareholders of the Holding Company		2,530,308	2,376,496
Non-controlling interest		35	26
Total equity		2,530,343	2,376,522
Surplus on revaluation of fixed assets		1,375,134	1,389,904
Liabilities			
Non current liabilities			
Liabilities against assets subject to finance lease		79,398	92,194
Long term deposits		9,611	9,611
Deferred gain on sale and lease back transaction		3	6
Deferred taxation		285,554	282,843
		374,566	384,654
Current liabilities			
Trade and other payables		1,541,809	870,479
Accrued mark-up on running finances		1,204	347
Running finances under mark-up arrangements		80,756	-
Current portion of liabilities against assets subject to finance lease		34,896	38,313
Taxation - net		-	4,044
		1,658,665	913,183
Total liabilities		2,033,231	1,297,837
Contingencies and commitments	9		
Total equity and liabilities		5,938,708	5,064,263

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

Ahmed Kuli Khan Khattak
Chief Executive Officer

Muhammad Zia
Director

Muhammad Umair
Chief Financial Officer

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

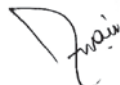
For the Half Year ended December 31, 2017

	Note	Quarter ended		Half Year ended	
		December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
----- Rupees '000 -----					
Revenue		1,359,511	1,696,251	2,343,775	3,325,794
Cost of sales	10	(1,185,450)	(1,401,255)	(1,932,269)	(2,743,522)
Gross profit		174,061	294,996	411,506	582,272
Distribution cost		(13,465)	(16,546)	(26,502)	(28,078)
Administrative expenses		(47,520)	(70,612)	(102,954)	(121,445)
Other income		7,184	4,174	54,126	10,719
Other expenses		(6,629)	(15,176)	(16,759)	(28,990)
Profit from operations		113,631	196,835	319,417	414,478
Finance cost		(3,089)	(1,953)	(5,801)	(4,209)
Share of profit of an Associate		110,542	194,882	313,616	410,269
Share of profit of an Associate		111,023	43,559	151,508	102,209
Profit before taxation		221,565	238,441	465,124	512,478
Taxation		(40,138)	(66,096)	(101,060)	(132,771)
Profit after taxation		181,427	172,345	364,064	379,707
Other comprehensive income		-	-	-	-
Total comprehensive income		181,427	172,345	364,064	379,707
Attributable to:					
- Shareholders of the Holding Company		181,423	172,343	364,055	379,704
- Non-controlling interest		4	2	9	3
		181,427	172,345	364,064	379,707
Earnings per share - basic and diluted		----- Rupees -----			
		4.03	3.83	8.09	8.44

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


Ahmed Kuli Khan Khattak
 Chief Executive Officer


Muhammad Zia
 Director


Muhammad Umair
 Chief Financial Officer

Condensed Interim Consolidated Cash Flow Statement (Un-audited)

For the Half Year ended December 31, 2017

	Half year ended	
	December 31, 2017	December 31, 2016
	----- Rupees '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	465,124	512,478
Adjustments for non-cash charges and other items:		
Depreciation and amortisation	52,133	46,172
Interest income	(17,617)	(20,830)
Finance cost	5,801	4,209
Gain on disposal of property, plant and equipment	(36,509)	(6)
Exchange gain / (loss)	310	(1,235)
Amortization of gain on sale and lease back transaction	(3)	(3)
Share of profit of an Associated Company	(151,508)	(102,209)
Provision for gratuity	3,841	5,381
Operating profit before working capital changes	321,572	443,957
Increase / (decrease) in current assets:		
Stores, spares and loose tools	2,386	(398)
Stock-in-trade	(405,930)	(41,933)
Trade debts	(642,952)	(34,348)
Loans and advances	(19,609)	(39,109)
Deposit and prepayments	14,225	(27,621)
Other receivables	23,944	26,744
	(1,027,936)	(116,665)
Decrease / (increase) in trade and other payables	669,531	(299,064)
Cash (used in) / generated from operations	(36,833)	28,228
Gratuity paid	(13,427)	(10,396)
Long term loans-net	739	(1,367)
Long term deposits	(563)	(1,693)
Finance cost paid	(4,944)	(4,070)
Taxes paid	(160,450)	(108,242)
Net cash used in operating activities	(215,478)	(97,540)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(91,537)	(23,645)
Proceeds from disposal of property, plant and equipment / non current asset classified as held for sale	177,913	14
Interest income received	17,617	20,830
Dividend income	77,493	51,662
Net cash generated from investing activities	181,486	48,861
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease finances - net	(24,278)	(6,744)
Running finances-net	80,756	4,033
Dividend paid	(213,628)	(221,226)
Net cash used in financing activities	(157,150)	(223,937)
Net decrease in cash and cash equivalents	(191,142)	(272,616)
Cash and cash equivalents - at beginning of the period	573,693	394,789
Cash and cash equivalents - at end of the period	382,551	122,173

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


Ahmed Kuli Khan Khattak
Chief Executive Officer


Muhammad Zia
Director


Muhammad Umair
Chief Financial Officer



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

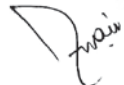
For the Half Year ended December 31, 2017

	Issued, subscribed and paid- up capital	Share premium	Item credited directly in equity by an Associate	Unappro- priated profit	Total	Non- controlling interest
----- Rupees '000 -----						
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	-	-	-	379,704	379,704	3
Other comprehensive income	-	-	-	-	-	-
	-	-	-	379,704	379,704	3
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred taxation	-	-	-	14,547	14,547	-
Effect of item directly credited in equity by an Associated Company	-	-	1,097	-	1,097	-
Balance as at December 31, 2016 (un-audited)	<u>450,025</u>	<u>40,000</u>	<u>67,613</u>	<u>1,475,792</u>	<u>2,033,430</u>	<u>14</u>
Balance as at July 1, 2017 (Audited)	450,025	40,000	68,426	1,818,045	2,376,496	26
Transaction with owners recognised directly in equity						
Final dividend for the year ended June 30, 2017 at the rate of Rs.5.00 per share	-	-	-	(225,013)	(225,013)	-
Total comprehensive income for the half ended December 31, 2017						
Profit for the period	-	-	-	364,055	364,055	9
Other comprehensive income	-	-	-	-	-	-
	-	-	-	364,055	364,055	9
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred taxation	-	-	-	13,815	13,815	-
Effect of item directly credited in equity by an Associated Company	-	-	955	-	955	-
Balance as at December 31, 2017 (un-audited)	<u>450,025</u>	<u>40,000</u>	<u>69,381</u>	<u>1,970,902</u>	<u>2,530,308</u>	<u>35</u>

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


Ahmed Kuli Khan Khattak
Chief Executive Officer


Muhammad Zia
Director


Muhammad Umair
Chief Financial Officer

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

For the Half Year ended December 31, 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, and sale, import and marketing of Nissan vehicles, import and sale of DongFeng and JAC 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 December 31, 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 Consolidated Condensed Interim Financial Information (Un-audited)

For the Half Year ended December 31, 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 consolidated 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) December 31, 2017	(Audited) June 30, 2017
	Note	----- Rupees '000 -----	
Operating fixed assets	6.1	1,958,431	1,928,917
Capital work-in-progress		77,007	63,113
		<u>2,035,438</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	85,403	309,256
Disposals costing Rs.6,379 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		(52,394)	(97,321)
Book value at end of the period / year		<u>1,958,431</u>	<u>1,928,917</u>
6.2 Additions to operating fixed assets, including transfer from capital work-in-progress, during the period / year were as follows:			
Leasehold land		-	207,980
Building on free hold land		44,751	-
Plant and machinery		13,107	39,442
Furniture and fixtures		253	14,710
Vehicles			
- owned		4,800	4,300
- leased		8,065	32,523
Other equipment		9,830	6,188
Office equipment		4,265	3,042
Computers		332	1,071
		<u>85,403</u>	<u>309,256</u>

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

For the Half Year ended December 31, 2017

		(Un-Audited) December 31, 2017	(Audited) June 30, 2017
7. LONG TERM INVESTMENTS			
	Note	----- Rupees '000 -----	
Associate - equity accounted investment	7.1	931,027	857,012
Others - available for sale	7.2	-	-
		931,027	857,012
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		151,508	210,784
Share of revaluation during the period / year		-	50,811
Dividend received during the period / year		(77,493)	(51,662)
Balance at end of the period / year		931,027	857,012

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 December 31, 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 value of investment in GIL is based on un-audited condensed interim financial information of the investee company as at September 30, 2017. The latest financial statements of GIL as at December 31, 2017 are not presently available.

7.1.3 The market value of investment as at December 31, 2017 was Rs.2,852.138 million (June 30, 2017: Rs.3,358.577 million).

7.2 Others - available for sale

		(Un-Audited) December 31, 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)
		-	-

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

The Half Year ended December 31, 2017

8. CASH AND BANK BALANCES

	(Un-Audited) December 31, 2017	(Audited) June 30, 2017
Note	----- Rupees '000 -----	
Cash in hand	1	1
Cash at banks on:		
- current accounts	157,945	262,087
- deposit accounts	10,517	10,517
- term deposit receipts	218,000	305,000
	<u>386,462</u>	<u>577,604</u>
Provision for doubtful bank balances	(3,912)	(3,912)
	<u>382,551</u>	<u>573,693</u>

9. CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

9.1.1 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) December 31, 2017	(Audited) June 30, 2017
Note	----- Rupees '000 -----	
9.1.2 Guarantees		
Guarantees issued by banks on behalf of the Holding Company	4,951	15,787
Corporate guarantee's issued by Holding Company to the commercial banks against letters of credit facilities utilised by the Subsidiary Company	510,267	259,443
	<u>510,267</u>	<u>259,443</u>
9.2 Commitment		
Commitments in respect of capital expenditure, raw materials and components through confirmed letters of credit	220,144	294,243
	<u>220,144</u>	<u>294,243</u>

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

For the Half Year ended December 31, 2017

		-----Un-audited-----			
		Quarter ended		Half Year ended	
		December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
		----- Rupees '000 -----			
10. COST OF SALES	Note				
Finished goods at beginning of the period		195,049	146,926	302,797	165,813
Cost of goods manufactured	10.1	1,045,708	1,459,482	1,543,681	2,763,435
Purchases - trading goods		303,279	141,622	444,377	161,049
		1,348,987	1,601,104	1,988,058	2,924,484
		1,544,036	1,748,030	2,290,855	3,090,297
Finished goods at end of the period		(358,586)	(346,775)	(358,586)	(346,775)
		1,185,450	1,401,255	1,932,269	2,743,522
10.1 Cost of goods manufactured					
Raw materials and components consumed		832,684	1,258,845	1,197,836	2,428,733
Factory overheads		213,024	200,637	345,845	334,702
		1,045,708	1,459,482	1,543,681	2,763,435

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

		-----Half year ended-----	
Name	Nature of transaction	December 31, 2017	December 31, 2016
		----- Rupees '000 -----	
(i) Ultimate Holding Company			
Bibojee Services (Private) Limited	Corporate office rent	6,000	7,380
	Dividend	140,232	140,232
(ii) Associated Companies			
The General Tyre and Rubber Company of Pakistan Limited	Purchase of tyres	17,275	41,207
Ghandhara Industries Limited	Contract assembly charges	384,228	175,711
	Body fabrication	-	676
	Sale of parts	6	1,053
	Purchase of parts	8	1
	Head office rent	1,320	660
	Dividend income	77,493	51,662
	Reimbursement of expenses	21	-
Janana De Malucho Textile Mills Limited	Reimbursement of expenses	867	30
Gammon Pakistan Limited	Office rent	1,500	1,500
(iii) Others			
UD Trucks Corporation, Japan	Royalty	-	8,358
	Dividend	18,235	18,235
	Purchases of complete knock down kits	-	1,456,599
Staff provident fund	Contribution made	3,938	3,539
Staff gratuity fund	Contribution made	13,427	10,000
Key management personnel	Remuneration and other short term benefits	36,592	33,971

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

For the Half Year ended December 31, 2017

11.2 Period / year end balances are as follows:

		(Un-Audited) December 31, 2017	(Audited) June 30, 2017
Receivables from related parties	Note	----- Rupees '000 -----	
Long term loans		800	1,100
Trade debts		81,223	28,578
Loan and advances		843	821
Deposits and prepayments		13,855	708
Payable to related parties			
Trade and other payables		31,307	40,785

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

12. 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 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 consolidation financial statement for the year ended June 30, 2017.

There has been no change in Group'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 Group. 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 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 half year ended December 31, 2016.

14. DATE OF AUTHORIZATION

This consolidated condensed interim financial information was authorized for issue on February 24, 2018 by the Board of Directors of the Holding Company.



Ahmed Kuli Khan Khattak
Chief Executive Officer



Muhammad Zia
Director



Muhammad Umair
Chief Financial Officer

Karachi Dated: February 24, 2018

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Ghandhara Nissan Limited

F-3, Hub Chowki Road, S.I.T.E., Karachi-75730
Tel: 021-32556901 - 10 UAN: 111-190-190 Fax: 021-32556911 - 12
Email: info@gandhara.com.pk Web: www.gandhara.com.pk