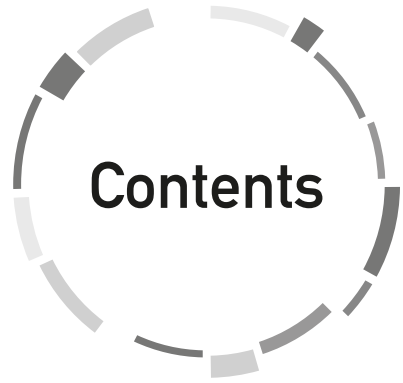


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Half Yearly  
Report  
December



The Empowering Drive



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# Company Profile

## Board of Directors

Mr. Ali Kuli Khan Khattak	Chairman
Mr. Ahmad Kuli Khan Khattak	CEO/Director
Mr. Raza Kuli Khan Khattak	Director
Mrs. Shahnaz Sajjad Ahmad	Director
Maj. (R) Muhammad Zia	Director
Mr. Sohail Hameed Khan	Ind. Director
Mr. Shahid Kamal Khan	Ind. Director

## Audit Committee

Mr. Sohail Hameed Khan	Chairman
Maj. (R) Muhammad Zia	Member
Mr. Shahid Kamal Khan	Member
Mr. Shahnawaz Damji, ACA	Secretary

## Human Resource & Remuneration Committee

Mr. Shahid Kamal Khan	Chairman
Mr. Ahmad Kuli Khan Khattak	Member
Maj. (R) Muhammad Zia	Member
Mr. Sohail Hameed Khan	Member
Mr. Shahruxh Asghar	Secretary

## Chief Financial Officer

Mr. Muhammad Aamir, FCA

## Company Secretary

Mr. Talha Ahmed Zaidi, ACA

## Auditors

M/s. ShineWing Hameed Chaudhri & Co.  
Chartered Accountants  
5th Floor, Karachi Chambers  
Hasrat Mohani Road, Karachi

## Legal Advisors

S. Abid Sherazi & Co.  
Ahmed and Qazi  
Hassan & Hassan (Advocates)

## Share Registrar

CDC Share Registrar Services Limited  
CDC House, 99-B, Block 'B',  
S.M.C.H.S. Main Sharah-e-Faisal Karachi-74400

## Bankers

National Bank of Pakistan  
Al-Baraka Bank (Pakistan) Ltd.  
JS Bank Ltd.  
Faysal Bank Ltd.  
The Bank of Punjab  
MCB Islamic Bank Ltd.  
Bank Alfalah Ltd.  
Bank Islami Pakistan Ltd.  
Bank Al Habib Ltd.  
Samba Bank Limited  
Habib Metropolitan Bank Limited

## Registered Office

F-3, Hub Chowki Road, S.I.T.E.  
Post Box No. 2706, Karachi - 75730

Website: [www.gil.com.pk](http://www.gil.com.pk)

Email: [info@gil.com.pk](mailto:info@gil.com.pk)

The Directors of your Company take pleasure to present the unaudited condensed interim financial statements for the half year ended December 31, 2021.

### Market Share and Company's Performance

Overall truck and bus market has posted an increase of 57% during half year ended December 31, 2021 as compared to corresponding period of last year. In line with the aforesaid growth in overall truck and bus market, the Company's sale units have also increased during the period under consideration by 59% as compared to same period of last year. Based on the information available with the Pakistan Automotive Manufacturers Association, the Company retained its 1st position in overall market during the half year ended December 31, 2021 and its market share stood at approximately 45%.



The results for the half year ended are as follows:

	Un-Audited			
	STANDALONE		CONSOLIDATED	
	Half Year ended 31 December			
	2021	2020	2021	2020
	Rupees in 000			
Sales	11,583,417	5,442,757	11,583,417	5,442,757
Gross profit	1,921,061	573,042	1,921,061	573,042
Profit from operations	1,331,983	267,026	1,331,860	266,904
Profit / (Loss) before taxation	1,172,319	(1,511)	1,172,391	(1,443)
Profit after taxation	958,139	4,867	958,190	4,907
Earnings per share - basic and diluted (Rupees)	22.49	0.11	22.49	0.12

### Operating results

Favorable market conditions coupled with Company's effective strategy and customer confidence, has enabled the Company to post net revenues of Rs. 11.6 billion during the half year ended December 31, 2021 as compared to net revenues of Rs. 5.4 billion during comparative period of last year. Consequently, the gross profit of the Company has quadrupled from Rs. 573 million to Rs. 1.9 billion during half year ended December 31, 2021.

### Future outlook

Customer focused business strategies, state-of-the-art quality products and team work has turned around the Company and provided a platform for sustainable future growth. Company anticipates to execute its growth strategies despite the prevailing economic challenges.

### Acknowledgement

The board acknowledges the trust and confidence in the Company and its products by the shareholders, valued suppliers, customers, dealers and bankers and appreciate their co-operation and support during these unusual circumstances. The Board is pleased to record its appreciation for the continued diligence and devotion of the employees. The Board takes this opportunity to thank the Company's principals Isuzu Motors Limited, Isuzu Motors Company (Thailand) Limited and Isuzu Motors International Operations (Thailand) Company Limited and the trading house Marubeni Corporation for their continued support and assistance.

Ali Kuli Khan Khattak  
Chairman

Ahmad Kuli Khan Khattak  
Chief Executive Officer

Karachi  
February 23, 2022

## ڈائریکٹرز کا جائزہ:

آپ کی کمپنی کے ڈائریکٹرز 31 دسمبر 2021 کو ختم ہونے والی ششماہی کے غیر آڈٹ شدہ انفرادی اور مجموعی مالیاتی معلومات پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

### مارکیٹ حصہ داری اور کمپنی کی کارکردگی

مجموعی طور پر ٹرک اور بس مارکیٹ میں 31 دسمبر 2021 کو ختم ہونے والے ششماہی کے دوران گزشتہ سال کی اسی مدت کے مقابلے میں 57% اضافہ ہوا ہے۔ مجموعی طور پر ٹرک اور بس مارکیٹ میں مذکورہ نمونہ کے مطابق، کمپنی کے سیل یونٹس میں بھی زیر غور مدت کے دوران گزشتہ سال کی اسی مدت کے مقابلے میں 59% اضافہ ہوا ہے۔ پاکستان آلٹوموٹیو میونسٹیپلٹی کے پاس دستیاب معلومات کی بنیاد پر کمپنی نے 31 دسمبر 2021 کو ختم ہونے والے ششماہی کے دوران مجموعی مارکیٹ میں اپنی پہلی پوزیشن برقرار رکھی اور اس کا مارکیٹ شیئر تقریباً 45% رہا۔

اس مدت کے انفرادی اور مالیاتی نتائج درج ذیل ہیں:

	Un-Audited			
	STANDALONE		CONSOLIDATED	
	Half Year ended 31 December			
	2021	2020	2021	2020
	Rupees in 000			
Sales	11,583,417	5,442,757	11,583,417	5,442,757
Gross profit	1,921,061	573,042	1,921,061	573,042
Profit from operations	1,331,983	267,026	1,331,860	266,904
Profit / (Loss) before taxation	1,172,319	(1,511)	1,172,391	(1,443)
Profit after taxation	958,139	4,867	958,190	4,907
Earnings per share - basic and diluted (Rupees)	22.49	0.11	22.49	0.12

### آپریٹنگ نتائج

کمپنی کی مؤثر حکمت عملی اور صارفین کے اعتماد کے ساتھ سازگار مارکیٹ کے حالات سے کمپنی کو 31 دسمبر 2021 کو ختم ہونے والے ششماہی کے دوران 11.6 بلین روپے کی خالص آمدنی ہوئی جو گزشتہ سال کی تقابلی مدت کے دوران 5.4 بلین روپے تھی۔ نتیجتاً، کمپنی کا مجموعی منافع دسمبر 2021 کو ختم ہونے والے ششماہی کے دوران چار گنا یعنی 573 بلین روپے سے بڑھ کر 1.9 بلین روپے ہو گیا۔

### مستقبل کا منظر نامہ

کسٹمر پرمکوز کاروباری حکمت عملی، جدید ترین معیاری مصنوعات اور ٹیم ورک نے کمپنی کا رخ موڑ دیا ہے اور مستقبل میں پائیدار ترقی کے لیے ایک پلیٹ فارم مہیا کیا ہے۔ کمپنی موجودہ اقتصادی چیلنجز کے باوجود اپنی ترقی کی حکمت عملیوں کو عملی جامہ پہنانے کی توقع رکھتی ہے۔

### اعتراف

بورڈ حصص یافتگان، قابل قدر سپلائرز، صارفین، ڈیلرز اور بینکرز کی جانب سے کمپنی اور اس کی مصنوعات پر اعتماد اور اعتبار کو تسلیم کرتا ہے اور ان غیر معمولی حالات میں ان کے تعاون اور سپورٹ کو سراہتا ہے۔ بورڈ ملازمین کی مستعدی اور لگن کے تسلسل کے حوالے سے اپنے اعتراف کو یکا رو کرنے پر مسرت کا اظہار کرتا ہے۔ بورڈ اس موقع پر کمپنی کیلئے اہمیت کی حامل اسوز و موٹرز لمیٹڈ، اسوز و موٹرز انٹرنیشنل آپریٹرز (تھائی لینڈ) لمیٹڈ اور اسوز و موٹرز انٹرنیشنل آپریٹرز (تھائی لینڈ) کمپنی لمیٹڈ اور ٹریڈنگ ہاؤس ماروبینی کارپوریشن کے مسلسل تعاون اور مدد کے لیے شکر یہ ادا کرتا ہے۔

بجلم بورڈ



احمد علی خان خٹک

چیف ایگزیکٹو آفیسر



علی خان خٹک

چئیرمین

کراچی، 23 فروری 2022

**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF  
GHANDHARA INDUSTRIES LIMITED**

**Report on Review of Interim Financial Statements**

**Introduction**

We have reviewed the accompanying condensed interim statements of financial position of **Ghandhara Industries Limited** as at December 31, 2021 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the half year then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these

The figures of the condensed interim statement of profit or loss and other comprehensive income for the quarters ended December 31, 2021 and 2020 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2021.

**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 interim financial statements is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is Raheel Ahmed.

*Shinewing Hameed Chaudhri & Co.*  
**SHINEWING HAMEED CHAUDHRI & CO.**  
CHARTERED ACCOUNTANTS  
KARACHI; 23 FEB 2022

UDIN : AR2021101058PYNtQAy3

***Condensed Interim Financial Statements***  
For The Half Year Ended December 31, 2021

# Condensed Interim Statement of Financial Position

AS AT DECEMBER 31, 2021

	Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
(Rupees in '000)			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	4,281,451	4,321,244
Intangible assets		2,990	3,082
Investment property	6	-	87,926
Long term investment		1,400	1,400
Long term loans		995	1,317
Long term deposits		28,383	25,215
Deferred taxation - net		69,974	96,249
		<u>4,385,193</u>	<u>4,536,433</u>
<b>Current assets</b>			
Stores		19,205	20,887
Stock-in-trade	7	8,154,924	6,431,131
Trade debts		477,359	580,945
Loans and advances		266,491	247,205
Trade deposits and prepayments	8	2,446,326	829,339
Other receivables		6,545	4,244
Accrued mark-up		11,059	241
Sales tax refundable / adjustable		520,391	268,831
Taxation - net		1,268,276	1,253,821
Cash and bank balances		495,047	731,461
		<u>13,665,623</u>	<u>10,368,105</u>
<b>Total assets</b>		<u><b>18,050,816</b></u>	<u><b>14,904,538</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized capital			
100,000,000 (June 30, 2021: 100,000,000) ordinary shares of Rs.10 each		<u>1,000,000</u>	<u>1,000,000</u>
Issued, subscribed and paid up capital			
42,608,844 (June 30, 2021: 42,608,844) ordinary shares of Rs.10 each		<u>426,088</u>	<u>426,088</u>
<b>Revenue reserve</b>			
Unappropriated profit		<u>2,473,054</u>	<u>1,509,076</u>
<b>Capital reserve</b>			
Surplus on revaluation of fixed assets		<u>3,733,948</u>	<u>3,739,787</u>
		<u><b>6,633,090</b></u>	<u><b>5,674,951</b></u>
<b>Liabilities</b>			
<b>Non current liabilities</b>			
Lease liabilities		80,515	71,460
Long term borrowings		9,296	51,900
Deferred income - government grant		-	1,256
Compensated absences		17,386	18,954
Deferred liabilities		14,021	27,326
		<u>121,218</u>	<u>170,896</u>
<b>Current liabilities</b>			
Trade and other payables		6,379,518	5,873,696
Unpaid dividends		78,959	78,959
Unclaimed dividends		21,380	21,609
Accrued mark-up / interest		88,618	101,703
Short term borrowings	9	4,601,525	2,853,028
Current maturity of lease liabilities		34,872	31,455
Current portion of long term borrowings		87,553	90,977
Current portion of deferred income - government grant		4,083	7,264
		<u>11,296,508</u>	<u>9,058,691</u>
<b>Total liabilities</b>		<u><b>11,417,726</b></u>	<u><b>9,229,587</b></u>
<b>Contingencies and commitments</b>	10		
<b>Total equity and liabilities</b>		<u><b>18,050,816</b></u>	<u><b>14,904,538</b></u>

The annexed notes 1 to 17 form an integral part of the condensed interim financial statements.



**Ahmad Kuli Khan Khattak**  
Chief Executive



**Maj. (R) Muhammad Zia**  
Director



**Muhammad Aamir**  
Chief Financial Officer

## Condensed Interim Statement of Profit or Loss and Other Comprehensive Income (Un-audited)

FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	Note	Quarter ended		Half year ended	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
..... (Rupees in '000) .....					
Sales - net		5,451,506	3,040,984	11,583,417	5,442,757
Cost of sales	11	(4,394,259)	(2,634,868)	(9,662,356)	(4,869,715)
<b>Gross profit</b>		<b>1,057,247</b>	406,116	<b>1,921,061</b>	573,042
Distribution cost		(249,896)	(158,900)	(401,152)	(271,200)
Administrative expenses		(73,041)	(77,731)	(138,045)	(147,454)
Other expenses		(173,099)	(7,424)	(213,179)	(12,327)
Other income		140,780	82,376	163,298	124,965
<b>Profit from operations</b>		<b>701,991</b>	244,437	<b>1,331,983</b>	267,026
Finance cost		(56,722)	(96,731)	(159,664)	(268,537)
<b>Profit / (loss) before taxation</b>		<b>645,269</b>	147,706	<b>1,172,319</b>	(1,511)
Taxation		(141,113)	842	(214,180)	6,378
<b>Profit for the period</b>		<b>504,156</b>	148,548	<b>958,139</b>	4,867
Other comprehensive income		-	-	-	-
<b>Total comprehensive income</b>		<b>504,156</b>	148,548	<b>958,139</b>	4,867
..... (Rupees) .....					
<b>Earnings per share - basic and diluted</b>		<b>11.83</b>	3.49	<b>22.49</b>	0.11

The annexed notes 1 to 17 form an integral part of the condensed interim financial statements.



**Ahmad Kuli Khan Khattak**  
Chief Executive



**Maj. (R) Muhammad Zia**  
Director



**Muhammad Aamir**  
Chief Financial Officer

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

FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	Share Capital	Revenue reserve	Capital Reserve	Total
		Unappropriated profit	Surplus on revaluation of fixed assets	
----- (Rupees in '000) -----				
Balance as at July 1, 2020 (Audited)	426,088	897,105	3,751,466	5,074,659
<b>Total comprehensive income for the half year ended December 31, 2020</b>				
Profit for the period	-	4,867	-	4,867
Other comprehensive income	-	-	-	-
	-	4,867	-	4,867
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred taxation	-	5,841	(5,841)	-
<b>Balance as at December 31, 2020 (Un-audited)</b>	<b>426,088</b>	<b>907,813</b>	<b>3,745,625</b>	<b>5,079,526</b>
<b>Balance as at July 1, 2021 (Audited)</b>	426,088	1,509,076	3,739,787	5,674,951
<b>Total comprehensive income for the half year ended December 31, 2021</b>				
Profit for the period	-	958,139	-	958,139
Other comprehensive income	-	-	-	-
	-	958,139	-	958,139
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred taxation	-	5,839	(5,839)	-
<b>Balance as at December 31, 2021 (Un-audited)</b>	<b>426,088</b>	<b>2,473,054</b>	<b>3,733,948</b>	<b>6,633,090</b>

The annexed notes 1 to 17 form an integral part of the condensed interim financial statements.



**Ahmad Kuli Khan Khattak**  
Chief Executive



**Maj. (R) Muhammad Zia**  
Director



**Muhammad Aamir**  
Chief Financial Officer

## Condensed Interim Statement of Cash Flows (Un-audited)

FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	Note	Half year ended	
		December 31, 2021	December 31, 2020
..... (Rupees in '000) .....			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash (used in) / generated from operations	12	(1,542,821)	3,733,384
Gratuity paid		(26,033)	(20,192)
Compensated absences paid		(3,093)	(280)
Finance cost paid		(167,202)	(289,616)
Income tax paid - net		(202,360)	(40,686)
Long term loans - net		322	348
Long term deposits - net		(3,168)	(7,001)
<b>Net cash (used in) / generated from operating activities</b>		<b>(1,944,355)</b>	<b>3,375,957</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditure		(51,485)	(42,211)
Purchase of intangible asset		(300)	(3,661)
Sale proceeds from disposal of operating fixed assets		13,712	19,035
Interest received		41,287	45,492
<b>Net cash generated from investing activities</b>		<b>3,214</b>	<b>18,655</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long term borrowings - obtained		-	201,863
Long term borrowings - repaid		(50,466)	-
Lease liabilities - net		6,925	5,019
Dividend paid		(229)	(93)
<b>Net cash (used in) / generated from financing activities</b>		<b>(43,770)</b>	<b>206,789</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(1,984,911)</b>	<b>3,601,401</b>
Cash and cash equivalents - at beginning of the period		(2,121,567)	(6,177,490)
<b>Cash and cash equivalents - at end of the period</b>	13	<b>(4,106,478)</b>	<b>(2,576,089)</b>

The annexed notes 1 to 17 form an integral part of the condensed interim financial statements.



**Ahmad Kuli Khan Khattak**  
Chief Executive



**Maj. (R) Muhammad Zia**  
Director



**Muhammad Aamir**  
Chief Financial Officer

# **Notes to The Condensed Interim Financial Statements (Un-audited)**

FOR THE HALF YEAR ENDED DECEMBER 31, 2021

## **1. LEGAL STATUS AND NATURE OF BUSINESS**

Gandhara Industries Limited (the Company) was incorporated on February 23, 1963. The Company's shares are quoted on Pakistan Stock Exchange Limited. The principal activity is the assembly, progressive manufacturing and sale of Isuzu trucks, buses and pick ups. The registered office of the Company is situated at F-3, Hub Chowki Road, S.I.T.E., Karachi. The manufacturing facilities of the Company are located at S.I.T.E., Karachi with regional offices at Lahore, Multan, Rawalpindi and Peshawar.

Biboojee Services (Private) Limited, the ultimate Holding Company, held 16,686,794 (June 30, 2021: 16,686,794) ordinary shares of Rs.10 each of the Company.

## **2. BASIS OF PREPARATION**

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provision of and directives issued under the Companies Act, 2017.

Where the provision of and directives issues under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These condensed interim financial statements have been subjected to limited scope review by the auditors, as required under section 237 of Companies Act, 2017 and should be read in conjunction with audited annual financial statements of the Company for the year ended June 30, 2021.

## **3. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of audited annual financial statements for the year ended June 30, 2021.

There are certain International Financial Reporting Standards, amendments to published standards and interpretations that are mandatory for the financial year beginning on July 1, 2021. These are considered either not to be relevant or not to have any significant effect on the Company's financial reporting and operations and are, therefore, not disclosed in these condensed interim financial statements.

Actuarial valuations are carried out on annual basis. The last actuarial valuation was carried out on June 30, 2021. The impact of re-measurement of post-employment benefit plans has not been incorporated in the condensed interim financial statements.

## **4. ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of condensed interim financial statements 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 these condensed interim financial statements, 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, 2021.

	Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
..... (Rupees in '000) .....			
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	5.1	<b>4,124,577</b>	4,164,612
Right of use assets	5.3	<b>89,171</b>	92,550
Capital work-in-progress		<b>67,703</b>	64,082
		<b>4,281,451</b>	4,321,244
<b>5.1 Operating fixed assets</b>			
Net book value at beginning of the period / year		<b>4,164,612</b>	4,319,229
Transfer from right of use assets costing Rs.Nil thousand (June 30, 2021: Rs.35,359 thousand) - at net book value		-	62
Transfer to right of use assets costing Rs.Nil thousand (June 30, 2021: Rs.5,880 thousand) - at net book value		-	(5,735)
Additions during the period / year	5.2	<b>35,119</b>	46,974
Disposals and written off, costing Rs.19,549 thousand (June 30, 2021: Rs.33,101 thousand) - at net book value		<b>(8,714)</b>	(16,122)
Depreciation charge for the period / year		<b>(66,440)</b>	(179,796)
Net book value at end of the period / year		<b>4,124,577</b>	4,164,612
<b>5.2 Additions to operating fixed assets, including transfer from capital work-in-progress, during the period / year</b>			
- Building on leasehold land		-	5,357
- Plant and machinery		<b>1,105</b>	18,879
- Permanent tools		<b>2,879</b>	8,264
- Furniture and fixture		<b>190</b>	424
- Motor vehicles / trucks		<b>25,123</b>	6,026
- Office machines & equipment		<b>3,063</b>	723
- Computers		<b>2,759</b>	6,273
- Jigs and special tools		-	1,028
		<b>35,119</b>	46,974
<b>5.3 Right of use assets</b>			
Net book value at beginning of the period / year		<b>92,550</b>	78,540
Addition / transfer from owned - net		<b>12,745</b>	43,969
Depreciation charge for the period / year		<b>(16,124)</b>	(29,959)
Net book value at end of the period / year		<b>89,171</b>	92,550
<b>6.</b>			
As disclosed in note 7.2 of the audited annual financial statements of the Company, this investment property has been occupied by Squatters. The management is in process of finding ample solution for the property. During the period, the management on prudent basis recorded provision for impairment on this investment property.			
..... (Rupees in '000) .....			
<b>7. STOCK-IN-TRADE</b>			
Raw materials and components		<b>5,438,872</b>	3,565,034
Work-in-process		<b>106,846</b>	117,672
Finished goods including components		<b>1,853,441</b>	1,942,860
Trading stocks		<b>755,765</b>	805,565
		<b>8,154,924</b>	6,431,131

8. Includes margin against letter of credit aggregating Rs.1,582,544 thousand (June 30, 2021: Rs.209 thousand).

	(Un-audited) December 31, 2021	(Audited) June 30, 2021
<b>9. SHORT TERM BORROWINGS - Secured</b>	(Rupees in '000)	
Finance against imported merchandise	1,732,676	244,523
Istisna	881,400	570,000
Murabaha	553,700	602,155
Running finance / musharakah	1,433,749	1,236,350
Short term loan	-	200,000
	<b>4,601,525</b>	<b>2,853,028</b>

## 10. CONTINGENCIES AND COMMITMENTS

### 10.1 Contingencies

There has been no significant change in status of contingencies as disclosed in note 29.1 of the audited annual financial statements of the Company for the year ended June 30, 2021.

	(Un-audited) December 31, 2021	(Audited) June 30, 2021
	(Rupees in '000)	
<b>10.2 Commitments</b>		
Bank guarantees	6,797,982	7,921,344
Letters of credit	4,027,690	4,113,813

## 11. COST OF SALES

		(Un-audited)			
		Quarter ended		Half year ended	
Note		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
(Rupees in '000)					
	Stocks at beginning of the period	2,884,996	3,010,353	2,748,425	2,863,519
	Cost of goods manufactured	4,024,120	2,059,668	9,333,411	4,425,979
	Trading goods - purchases	94,349	19,631	189,726	35,001
		<b>4,118,469</b>	2,079,299	<b>9,523,137</b>	4,460,980
		<b>7,003,465</b>	5,089,652	<b>12,271,562</b>	7,324,499
	Stocks at end of the period	(2,609,206)	(2,454,784)	(2,609,206)	(2,454,784)
		<b>4,394,259</b>	2,634,868	<b>9,662,356</b>	4,869,715

### 11.1 Cost of goods manufactured

		(Un-audited)			
		Quarter ended		Half year ended	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
(Rupees in '000)					
	Work in process at beginning of the period	129,230	227,961	117,672	116,438
	Raw materials and components consumed	3,762,174	1,966,175	8,657,362	4,177,783
	Direct labour and factory overheads	239,562	200,949	665,223	467,175
		<b>4,001,736</b>	2,167,124	<b>9,322,585</b>	4,644,958
		<b>4,130,966</b>	2,395,085	<b>9,440,257</b>	4,761,396
	Work in process at end of the period	(106,846)	(335,417)	(106,846)	(335,417)
		<b>4,024,120</b>	2,059,668	<b>9,333,411</b>	4,425,979

		(Un-audited)	
		Half year ended	
		December 31, 2021	December 31, 2020
		(Rupees in '000)	
<b>12. CASH (USED IN) / GENERATED FROM OPERATIONS</b>	<b>Note</b>		
Profit / (loss) before taxation		1,172,319	(1,511)
<b>Adjustment for non cash charges and other items</b>			
Depreciation / amortization / impairment on:			
- property, plant and equipment		66,440	90,734
- right of use asset		16,124	14,764
- intangible assets		393	286
- investment property		87,926	121
Gain on disposal of operating fixed assets		(4,998)	(3,469)
Provision for compensated absences		1,525	728
Provision for doubtful debts		38,816	1,786
Amortization of gain on sale and lease back of fixed asset		(301)	(296)
Exchange loss - net		1,353	723
Provision for gratuity		13,029	10,417
Interest income		(52,105)	(45,492)
Finance cost		159,664	268,537
		<u>1,500,185</u>	<u>337,328</u>
Working capital changes - net	12.1	<u>(3,043,006)</u>	<u>3,396,056</u>
		<u>(1,542,821)</u>	<u>3,733,384</u>
<b>12.1 Working capital changes</b>			
Decrease / (increase) in current assets:			
Stores		1,682	7,085
Stock-in-trade		(1,723,793)	1,676,043
Trade debts		64,770	(362,735)
Loans and advances		(19,286)	(74,535)
Trade deposits and prepayments		(1,616,987)	3,202,886
Other receivables		(3,654)	3,690
Sales tax refundable / adjustable		(251,560)	(660,297)
		<u>(3,548,828)</u>	<u>3,792,137</u>
Increase / (decrease) in trade and other payables		<u>505,822</u>	<u>(396,081)</u>
		<u>(3,043,006)</u>	<u>3,396,056</u>
<b>13. CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances		495,047	2,187,011
Short term borrowings		(4,601,525)	(4,763,100)
		<u>(4,106,478)</u>	<u>(2,576,089)</u>
<b>14. FINANCIAL RISK MANAGEMENT</b>			

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 price risk).

The condensed interim financial statements do 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 statements of the Company as at June 30, 2021.

There have been no changes in the risk management policies since the year end.

## 15. TRANSACTIONS WITH RELATED PARTIES

15.1 Significant transactions with related parties are as follows:

Name of related party and nature of relationship	Nature of transactions	(Un-audited) Half year ended	
		December 31, 2021 (Rupees in '000)	December 31, 2020
<b>(a) Subsidiary Company</b>			
Marghazar Industries (Pvt.) Ltd.	Financial charges	195	190
	Reimbursement of expenses	154	150
<b>(b) Associated Companies</b>			
Ghandhara Tyre and Rubber Company Ltd. (Common Directorship)	Purchase of tyres	155,307	83,067
Ghandhara Nissan Ltd. (Common Directorship)	Assembly charges	379,223	266,152
	Sale of parts	83	16
	Rental income	1,932	1,757
	Reimbursement of expenses	35	490
	Fabrication of vehicles	750	-
Rehman Cotton Mills Ltd. (Common Directorship)	Sales	5,800	-
	Rent expense	900	900
	Rent paid	-	4,500
Gammon Pakistan Ltd. (Common Directorship)	Rent expense	1,650	1,500
	Reimbursement of expenses	-	23
Janana De Maluchho Textile Mills Limited (Common Directorship)	Reimbursement of expenses	1,344	1,067
Ghandhara DF (Pvt.) Ltd. (Common Directorship)	Rental income	1,932	1,757
	Purchase of parts	-	4
<b>(c) Other</b>			
Gratuity fund	Gratuity paid	26,033	20,191
Key management personnel	Remuneration and other benefits	84,608	69,617
		<b>(Un-audited) December 31, 2021</b>	<b>(Audited) June 30, 2021</b>

15.2 Period / year end balances are as follows:

<b>Receivables from related parties</b>			
Long term investment		1,400	1,400
Trade debts		1,012	-
Trade deposits and prepayments		4,000	-
Other receivables		1,913	-
<b>Payable to related parties</b>			
Compensated absences		6,325	6,840
Trade and other payables		109,883	41,177

## 16. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim statement of financial position has been compared with the balances of audited annual financial statements of the Company for the year ended June 30, 2021, whereas, the condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows have been compared with the balances of comparable period of condensed interim financial statements of the Company for the period ended December 31, 2020. Corresponding figures have been rearranged and reclassified for better presentation wherever considered necessary, the effect of which is not material.

## 17. DATE OF AUTHORIZATION

These condensed interim financial statements were authorized for issue on February 23, 2022 by the Board of Directors of the Company.



**Ahmad Kuli Khan Khattak**  
Chief Executive



**Maj. (R) Muhammad Zia**  
Director



**Muhammad Aamir**  
Chief Financial Officer

***Consolidated Condensed Interim  
Financial Statements***

For The Half Year Ended December 31, 2021

# Consolidated Condensed Interim Statement of Financial Position

AS AT DECEMBER 31, 2021

	Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
(Rupees in '000)			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	4,281,451	4,321,244
Intangible assets		2,990	3,082
Investment property	6	-	87,926
Long term loans		995	1,317
Long term deposits		28,383	25,215
Deferred taxation - net		69,974	96,249
		<u>4,383,793</u>	<u>4,535,033</u>
<b>Current assets</b>			
Stores		19,205	20,887
Stock-in-trade	7	8,154,924	6,431,131
Trade debts		477,359	580,945
Loans and advances		266,491	247,205
Trade deposits and prepayments	8	2,446,326	829,339
Other receivables		6,545	4,244
Accrued mark-up		11,059	241
Sales tax refundable / adjustable		520,391	268,831
Taxation - net		1,268,255	1,253,790
Cash and bank balances		495,047	731,461
		<u>13,665,602</u>	<u>10,368,074</u>
		<u>18,049,395</u>	<u>14,903,107</u>
<b>Total assets</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorised capital			
100,000,000 (June 30, 2021: 100,000,000) ordinary shares of Rs.10 each		1,000,000	1,000,000
Issued, subscribed and paid up capital			
2,608,844 (June 30, 2021: 42,608,844) ordinary shares of Rs.10 each		426,088	426,088
<b>Revenue reserve</b>			
Unappropriated profit		2,474,196	1,510,167
<b>Capital reserve</b>			
Surplus on revaluation of fixed assets		3,733,948	3,739,787
		<u>6,634,232</u>	<u>5,676,042</u>
Non-controlling interest		5	5
		<u>6,634,237</u>	<u>5,676,047</u>
<b>Liabilities</b>			
<b>Non current liabilities</b>			
Lease liabilities		80,515	71,460
Long term borrowings		9,296	51,900
Deferred income - government grant		-	1,256
Compensated absences		17,386	18,954
Deferred liabilities		14,021	27,326
		<u>121,218</u>	<u>170,896</u>
<b>Current liabilities</b>			
Trade and other payables		6,376,950	5,871,169
Unpaid dividends		78,959	78,959
Unclaimed dividends		21,380	21,609
Accrued mark-up / interest		88,618	101,703
Short term borrowings	9	4,601,525	2,853,028
Current maturity of lease liabilities		34,872	31,455
Current portion of long term borrowings		87,553	90,977
Current portion of deferred income - government grant		4,083	7,264
		<u>11,293,940</u>	<u>9,056,164</u>
		<u>11,415,158</u>	<u>9,227,060</u>
<b>Total liabilities</b>			
<b>Contingencies and commitments</b>			
	10		
<b>Total equity and liabilities</b>			
		<u>18,049,395</u>	<u>14,903,107</u>

The annexed notes 1 to 17 form an integral part of the consolidated condensed interim financial statements.



**Ahmad Kuli Khan Khattak**  
Chief Executive



**Maj. (R) Muhammad Zia**  
Director



**Muhammad Aamir**  
Chief Financial Officer

## Consolidated Condensed Interim Statement of Profit or Loss and Other Comprehensive Income (Un-audited)

FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	Note	Quarter ended		Half year ended	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
..... (Rupees in '000) .....					
Sales - net		5,451,506	3,040,984	11,583,417	5,442,757
Cost of sales	11	(4,394,259)	(2,634,868)	(9,662,356)	(4,869,715)
<b>Gross profit</b>		<b>1,057,247</b>	406,116	<b>1,921,061</b>	573,042
Distribution cost		(249,896)	(158,900)	(401,152)	(271,200)
Administrative expenses		(73,104)	(77,791)	(138,168)	(147,576)
Other expenses		(173,099)	(7,424)	(213,179)	(12,327)
Other income		140,780	82,376	163,298	124,965
<b>Profit from operations</b>		<b>701,928</b>	244,377	<b>1,331,860</b>	266,904
Finance cost		(56,624)	(96,635)	(159,469)	(268,347)
<b>Profit / (loss) before taxation</b>		<b>645,304</b>	147,742	<b>1,172,391</b>	(1,443)
Taxation		(141,155)	824	(214,201)	6,350
<b>Profit for the period</b>		<b>504,149</b>	148,566	<b>958,190</b>	4,907
Other comprehensive income		-	-	-	-
<b>Total comprehensive income</b>		<b>504,149</b>	148,566	<b>958,190</b>	4,907
..... (Rupees) .....					
<b>Earnings per share - basic and diluted</b>		<b>11.83</b>	3.49	<b>22.49</b>	0.12

The annexed notes 1 to 17 form an integral part of the consolidated condensed interim financial statements.



**Ahmad Kuli Khan Khattak**  
Chief Executive



**Maj. (R) Muhammad Zia**  
Director



**Muhammad Aamir**  
Chief Financial Officer

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

FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	Share Capital	Revenue reserve	Capital Reserve	Total	Non - controlling interest
		Unappropriated profit	Surplus on revaluation of fixed assets		
----- (Rupees in '000) -----					
Balance as at July 1, 2020 (Audited)	426,088	898,107	3,751,466	5,075,661	5
<b>Total comprehensive income for the half year ended December 31, 2020</b>					
Profit for the period	-	4,907	-	4,907	-
Other comprehensive income	-	-	-	-	-
	-	4,907	-	4,907	-
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred taxation	-	5,841	(5,841)	-	-
<b>Balance as at December 31, 2020 (Un-audited)</b>	<b>426,088</b>	<b>908,855</b>	<b>3,745,625</b>	<b>5,080,568</b>	<b>5</b>
<b>Balance as at July 1, 2021 (Audited)</b>	<b>426,088</b>	<b>1,510,167</b>	<b>3,739,787</b>	<b>5,676,042</b>	<b>5</b>
<b>Total comprehensive income for the half year ended December 31, 2021</b>					
Profit for the period	-	958,190	-	958,190	-
Other comprehensive income	-	-	-	-	-
	-	958,190	-	958,190	-
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred taxation	-	5,839	(5,839)	-	-
<b>Balance as at December 31, 2021 (Un-audited)</b>	<b>426,088</b>	<b>2,474,196</b>	<b>3,733,948</b>	<b>6,634,232</b>	<b>5</b>

The annexed notes 1 to 17 form an integral part of the consolidated condensed interim financial statements.



**Ahmad Kuli Khan Khattak**  
Chief Executive



**Maj. (R) Muhammad Zia**  
Director



**Muhammad Aamir**  
Chief Financial Officer

## Consolidated Condensed Interim Statement of Cash Flows (Un-audited)

FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	Note	December 31, 2021	December 31, 2020
..... (Rupees in '000) .....			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash (used in) / generated from operations	12	(1,542,985)	3,733,222
Gratuity paid		(26,033)	(20,192)
Compensated absences paid		(3,093)	(280)
Finance cost paid		(167,007)	(289,428)
Income tax paid - net		(202,391)	(40,712)
Long term loans - net		322	348
Long term deposits - net		(3,168)	(7,001)
<b>Net cash (used in) / generated from operating activities</b>		<b>(1,944,355)</b>	<b>3,375,957</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditure		(51,485)	(42,211)
Purchase of intangible asset		(300)	(3,661)
Sale proceeds from disposal of operating fixed assets		13,712	19,035
Interest received		41,287	45,492
<b>Net cash generated from investing activities</b>		<b>3,214</b>	<b>18,655</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long term borrowings - obtained		-	201,863
Long term borrowings - repaid		(50,466)	-
Lease rentals paid		6,925	5,019
Dividend paid		(229)	(93)
<b>Net cash (used in) / generated from financing activities</b>		<b>(43,770)</b>	<b>206,789</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(1,984,911)</b>	<b>3,601,401</b>
Cash and cash equivalents - at beginning of the period		(2,121,567)	(6,177,490)
<b>Cash and cash equivalents - at end of the period</b>	13	<b>(4,106,478)</b>	<b>(2,576,089)</b>

The annexed notes 1 to 17 form an integral part of the consolidated condensed interim financial statements.



**Ahmad Kuli Khan Khattak**  
Chief Executive



**Maj. (R) Muhammad Zia**  
Director



**Muhammad Aamir**  
Chief Financial Officer

# Notes to The Consolidated Condensed Interim Financial Statements (Un-audited)

FOR THE HALF YEAR ENDED DECEMBER 31, 2021

## 1. THE GROUP AND ITS OPERATIONS

The Group consists of Ghandhara Industries Limited (the Holding Company) and Marghazar Industries (Private) Limited (the Subsidiary Company).

### 1.1 Ghandhara Industries Limited

Ghandhara Industries Limited (the Company) was incorporated on February 23, 1963. The Company's shares are quoted on Pakistan Stock Exchange Limited. The principal activity is the assembly, progressive manufacturing and sale of Isuzu trucks, buses and pick ups. The registered office of the Company is situated at F-3, Hub Chowki Road, S.I.T.E., Karachi. The manufacturing facilities of the Company are located at S.I.T.E., Karachi with regional offices at Lahore, Multan, Rawalpindi and Peshawar.

### 1.2 Marghazar Industries (Private) Limited

Marghazar Industries (Private) Limited (the Subsidiary Company) was incorporated as a private limited company on March 7, 1969. The registered office of the Company is located at Gardee Trust Building, Napier Road, Lahore. The Company is subsidiary of Ghandhara Industries Limited; which holds 140,000 ordinary shares representing 99.79% of the total capital of the Company.

## 2. BASIS OF PREPARATION

These consolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provision of and directives issued under the Companies Act, 2017.

Where the provision of and directives issues under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

## 3. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and the methods of computation adopted in the preparation of these consolidated condensed interim financial statements are consistent with those applied in the preparation of audited annual financial statements for the year ended June 30, 2021.

There are certain International Financial Reporting Standards, amendments to published standards and interpretations that are mandatory for the financial year beginning on July 1, 2021. These are considered either not to be relevant or not to have any significant effect on the Group's financial reporting and operations and are, therefore, not disclosed in these consolidated condensed interim financial statements.

Actuarial valuations are carried out on annual basis. The last actuarial valuation was carried out on June 30, 2021. The impact of re-measurement of post-employment benefit plans has not been incorporated in the consolidated condensed interim financial statements.

## 4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of consolidated condensed interim financial statements 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 these consolidated condensed interim financial statements, 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 financial statements for the year ended June 30, 2021.

5. PROPERTY, PLANT AND EQUIPMENT	Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
		(Rupees in '000)	
Operating fixed assets	5.1	4,124,577	4,164,612
Right to use assets	5.3	89,171	92,550
Capital work-in-progress		67,703	64,082
		<u>4,281,451</u>	<u>4,321,244</u>
<b>5.1 Operating fixed assets</b>			
Net book value at beginning of the period / year		4,164,612	4,319,229
Transfer from right to use assets costing Rs.Nil thousand (June 30, 2021: Rs.35,359 thousand) - at net book value		-	62
Transfer to right to use assets costing Rs.Nil thousand (June 30, 2021: Rs.5,880 thousand) - at net book value		-	(5,735)
Additions during the period / year	5.2	35,119	46,974
Disposals and written off, costing Rs.19,549 thousand (June 30, 2021: Rs.33,101 thousand) - at net book value		(8,714)	(16,122)
Depreciation charge for the period / year		(66,440)	(179,796)
Net book value at end of the period / year		<u>4,124,577</u>	<u>4,164,612</u>
<b>5.2 Additions to operating fixed assets, including transfer from capital work-in-progress, during the period / year</b>			
- Building on leasehold land		-	5,357
- Plant and machinery		1,105	18,879
- Permanent tools		2,879	8,264
- Furniture and fixture		190	424
- Motor vehicles / trucks		25,123	6,026
- Office machines & equipment		3,063	723
- Computers		2,759	6,273
- Jigs and special tools		-	1,028
		<u>35,119</u>	<u>46,974</u>
<b>5.3 Right of use assets</b>			
Net book value at beginning of the period / year		92,550	78,540
Addition / transfer from owned - net		12,745	43,969
Depreciation charge for the period / year		(16,124)	(29,959)
Net book value at end of the period / year		<u>89,171</u>	<u>92,550</u>
<b>6.</b>			
As disclosed in note 7.2 of the audited annual financial statements of the Group, this investment property has been occupied by Squatters. The management of holding Company is in process of finding ample solution for the property. During the period, the management on prudent basis recorded provision for impairment on this investment property.			
<b>7. STOCK-IN-TRADE</b>		(Un-audited) December 31, 2021	(Audited) June 30, 2021
		(Rupees in '000)	
Raw materials and components		5,438,872	3,565,034
Work-in-process		106,846	117,672
Finished goods including components		1,853,441	1,942,860
Trading stocks		755,765	805,565
		<u>8,154,924</u>	<u>6,431,131</u>

8. Includes margin against letter of credit aggregating Rs.1,582,544 thousand (June 30, 2021: Rs.209 thousand).

**9. SHORT TERM BORROWINGS - Secured**

	(Un-audited) December 31, 2021	(Audited) June 30, 2021
	..... (Rupees in '000) .....	
Finance against imported merchandise	1,732,676	244,523
Istisna	881,400	570,000
Murabaha	553,700	602,155
Running finance / musharakah	1,433,749	1,236,350
Short term loan	-	200,000
	<u>4,601,525</u>	<u>2,853,028</u>

**10. CONTINGENCIES AND COMMITMENTS**

**10.1 Contingencies**

There has been no significant change in status of contingencies as disclosed in note 28.1 of the audited annual financial statements of the Group for the year ended June 30, 2021.

**10.2 Commitments**

	(Un-audited) December 31, 2021	(Audited) June 30, 2021
	..... (Rupees in '000) .....	
Bank guarantees	6,797,982	7,921,344
Letters of credit	<u>4,027,690</u>	<u>4,113,813</u>

**11. COST OF SALES**

		(Un-audited)			
		Quarter ended		Half year ended	
Note		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
..... (Rupees in '000) .....					
	Stocks at beginning of the period	2,884,996	3,010,353	2,748,425	2,863,519
	Cost of goods manufactured	4,024,120	2,059,668	9,333,411	4,425,979
	Trading goods - purchases	94,349	19,631	189,726	35,001
		<u>4,118,469</u>	2,079,299	<u>9,523,137</u>	4,460,980
		7,003,465	5,089,652	12,271,562	7,324,499
	Stocks at end of the period	(2,609,206)	(2,454,784)	(2,609,206)	(2,454,784)
		<u>4,394,259</u>	2,634,868	<u>9,662,356</u>	4,869,715

**11.1 Cost of goods manufactured**

		(Un-audited)			
		Quarter ended		Half year ended	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
..... (Rupees in '000) .....					
	Work in process at beginning of the period	129,230	227,961	117,672	116,438
	Raw materials and components consumed	3,762,174	1,966,175	8,657,362	4,177,783
	Direct labour and factory overheads	239,562	200,949	665,223	467,175
		<u>4,001,736</u>	2,167,124	<u>9,322,585</u>	4,644,958
		4,130,966	2,395,085	9,440,257	4,761,396
	Work in process at end of the period	(106,846)	(335,417)	(106,846)	(335,417)
		<u>4,024,120</u>	2,059,668	<u>9,333,411</u>	4,425,979

## 12. CASH (USED IN) / GENERATED FROM OPERATIONS

		(Un-audited)	
		Half year ended	
	Note	December 31, 2021	December 31, 2020
		(Rupees in '000)	
Profit / (loss) before taxation		1,172,391	(1,443)
<b>Adjustment for non cash charges and other items</b>			
Depreciation / amortization / impairment on:			
- property, plant and equipment		66,440	90,734
- right to use asset		16,124	14,764
- intangible assets		393	286
- investment property		87,926	121
Gain on disposal of operating fixed assets		(4,998)	(3,469)
Provision for compensated absences		1,525	728
Provision for doubtful debts		38,816	1,786
Amortization of gain on sale and lease back of fixed asset		(301)	(296)
Exchange loss - net		1,353	723
Provision for gratuity		13,029	10,417
Interest income		(52,105)	(45,492)
Finance cost		159,469	268,347
		<u>1,500,062</u>	<u>337,206</u>
Working capital changes - net	12.1	<u>(3,043,047)</u>	<u>3,396,016</u>
		<u>(1,542,985)</u>	<u>3,733,222</u>
<b>12.1 Working capital changes</b>			
Decrease / (increase) in current assets:			
Stores		1,682	7,085
Stock-in-trade		(1,723,793)	1,676,043
Trade debts		64,770	(362,735)
Loans and advances		(19,286)	(74,535)
Trade deposits and prepayments		(1,616,987)	3,202,886
Other receivables		(3,654)	3,690
Sales tax refundable / adjustable		(251,560)	(660,297)
		<u>(3,548,828)</u>	<u>3,792,137</u>
Increase / (decrease) in trade and other payables		505,781	(396,121)
		<u>(3,043,047)</u>	<u>3,396,016</u>
<b>13. CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances		495,047	2,187,011
Short term borrowings		(4,601,525)	(4,763,100)
		<u>(4,106,478)</u>	<u>(2,576,089)</u>

## 14. FINANCIAL RISK MANAGEMENT

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

The condensed interim financial statements do 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 of the Group as at June 30, 2021.

There have been no changes in the risk management policies since the year end.

## 15. TRANSACTIONS WITH RELATED PARTIES

15.1 Significant transactions with related parties are as follows:

Name of related party and nature of relationship	Nature of transactions	(Un-audited) Half year ended	
		December 31, 2021	December 31, 2020
		(Rupees in '000)	
<b>(a) Associated Companies</b>			
Ghandhara Tyre and Rubber Company Ltd. (Common Directorship)	Purchase of tyres	155,307	83,067
Ghandhara Nissan Ltd. (Common Directorship)	Assembly charges	379,223	266,152
	Sale of parts	83	16
	Rental income	1,932	1,757
	Reimbursement of expenses	35	490
	Fabrication of vehicles	750	-
Rehman Cotton Mills Ltd. (Common Directorship)	Sales	5,800	-
	Rent expense	900	900
	Rent paid	-	4,500
Gammon Pakistan Ltd. (Common Directorship)	Rent expense	1,650	1,500
	Reimbursement of expenses	-	23
Janana De Maluchho Textile Mills Limited (Common Directorship)	Reimbursement of expenses	1,344	1,067
Ghandhara DF (Pvt.) Ltd. (Common Directorship)	Rental income	1,932	1,757
	Purchase of parts	-	4
<b>(b) Other</b>			
Gratuity fund	Gratuity paid	26,033	20,191
Key management personnel	Remuneration and other benefits	84,608	69,617
		<b>(Un-audited)</b> <b>December 31,</b> <b>2021</b>	<b>(Audited)</b> <b>June 30,</b> <b>2021</b>

15.2 Period / year end balances are as follows:

### Receivables from related parties

Trade debts	1,012	-
Trade deposits and prepayments	4,000	-
Other receivables	1,913	-

### Payable to related parties

Compensated absences	6,325	6,840
Trade and other payables	107,246	38,581

## 16. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim statement of financial position has been compared with the balances of audited annual financial statements of the Group for the year ended June 30, 2021, whereas, the condensed interim statement of profit or loss account and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows have been compared with the balances of comparable period of condensed interim financial statements of the Group for the period ended December 31, 2020. Corresponding figures have been rearranged and reclassified for better presentation wherever considered necessary, the effect of which is not material.

## 17. DATE OF AUTHORIZATION

These condensed interim financial statements were authorized for issue on February 23, 2022 by the Board of Directors of the Holding Company.



**Ahmad Kuli Khan Khattak**  
Chief Executive



**Maj. (R) Muhammad Zia**  
Director










**Muhammad Aamir**  
Chief Financial Officer



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