

# 2023

HALF YEARLY  
REPORT  
DECEMBER



**GHANDHARA**  
INDUSTRIES LIMITED





# C ontents

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## Company Profile

### Board of Directors

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

### Audit Committee

Mr. Sohail Hameed	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	Member
Mr. Shahrukh 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 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)

## DIRECTORS' REVIEW

The Directors of your Company take pleasure to present the unaudited condensed interim financial statements for the half year ended December 31, 2023.

### Market Share and Company's Performance

Despite facing an unprecedented political situation and subsequent economic challenges, the Company has demonstrated resilience by maintaining its 1st position in the overall market during the half-year ended December 31, 2023. Despite a general decline of 50% in the truck and bus market, the Company's sales units have only decreased by 48%, and according to information from the Pakistan Automotive Manufacturers Association (PAMA), the Company, still holds market share of approximately 45%. This showcases the Company's ability to navigate difficult circumstances and retain a strong presence in the market.

The financial results for the period ended are as follows:

	Half Year Ended 31 December	
	2023	2022
	-----Rupees in 000-----	
Sales	5,007,835	7,949,851
Gross profit	813,937	1,068,159
Profit from operations	304,889	548,816
Profit before taxation	5,055	195,268
(Loss) / Profit after taxation	(102,862)	105,609
(Loss) / Earnings per share - basic and diluted (Rupees)	(2.41)	2.48

### Operating results

Due to prevailing political and economic uncertainties, overall industry is facing operational and financial issues. Despite tough market conditions, the Company has managed to post net revenues of Rs. 5.007 billion during the half year ended December 31, 2023 as compared to net revenues of Rs. 7.9 billion during comparative period of last year with gross profit of Rs. 813.9 million during half year ended December 31, 2023. Inflationary pressure in operational and finance costs resulted in Rs. 5 million as profit before tax however, after taxation of Rs. 107.9 million, the loss after tax is being reported as Rs. 102.8 million.

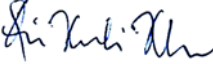
### Future outlook

The business sector in Pakistan is anticipated to experience a gradual return to stability following the general elections. Confidence-building initiatives by the new government, coupled with the sustained implementation of growth-oriented policies, are poised to enhance trust within the business community. Consequently, the Company anticipates navigating challenges smoothly under a favorable business policy environment.

### 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.

By order of the Board

  
Ali Kuli Khan Khattak  
Chairman  
Karachi

  
Ahmad Kuli Khan Khattak  
Chief Executive Officer

February 29, 2024



**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, 2023 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 this 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 financial statements based on our review.

The figures of the condensed interim statement of profit or loss and other comprehensive income for the quarters ended December 31, 2023 and 2022 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2023.


**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 statements 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.**  
CHARTERED ACCOUNTANTS  
KARACHI; 29 FEB 2024

UDIN: RR202310105gdy3TVZER

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Karachi Chambers,  
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HM House,  
7-Bank Square, Lahore.  
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**GHANDHARA INDUSTRIES LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2023**

AS AT DECEMBER 31, 2023		(Un-audited) December 31, 2023	(Audited) June 30, 2023
	Note	----- (Rupees in '000) -----	
ASSETS			
Non current assets			
Property, plant and equipment	5	6,053,583	6,033,868
Intangible assets		1,404	1,800
Long term loans		532	951
Long term deposits		34,418	29,942
		6,089,937	6,066,561
Current assets			
Stores		33,908	23,235
Stock-in-trade		5,515,483	5,391,447
Trade debts	6	1,847,538	1,289,898
Loans and advances	7	766,201	167,588
Trade deposits and prepayments		1,256,052	1,777,550
Other receivables		6,733	22,473
Accrued mark-up		13,978	48,275
Sales tax refundable / adjustable		187,061	123,209
Taxation - net		1,213,591	1,189,330
Cash and bank balances		95,342	395,629
		10,935,887	10,428,634
Total assets		17,025,824	16,495,195



Chief Executive



Director



Chief Financial Officer

**GHANDHARA INDUSTRIES LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2023**

	(Un-audited) December 31, 2023	(Audited) June 30, 2023
Note	----- (Rupees in '000) -----	
<b>EQUITY AND LIABILITIES</b>		
<b>Share capital and reserves</b>		
Authorised capital		
100,000,000 (June 30, 2023: 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, 2023: 42,608,844) ordinary shares of Rs.10 each	426,088	426,088
Capital reserve		
Reserve for capital expenditure	8 1,500,000	-
Surplus on revaluation of fixed assets	5,349,646	5,352,566
	<u>6,849,646</u>	<u>5,352,566</u>
Revenue reserve		
Unappropriated profit	843,539	2,443,481
	<u>8,119,273</u>	<u>8,222,135</u>
<b>Liabilities</b>		
<b>Non current liabilities</b>		
Lease liabilities	81,788	67,981
Compensated absences	23,931	22,166
Deferred liabilities	19,910	46,597
Deferred taxation	68,158	44,411
	<u>193,787</u>	<u>181,155</u>
<b>Current liabilities</b>		
Trade and other payables	9 5,449,849	4,502,759
Unpaid dividends	78,959	78,959
Unclaimed dividends	21,336	21,339
Accrued mark-up / interest	181,921	204,050
Short term borrowings	10 2,947,889	3,253,378
Current maturity of lease liabilities	32,810	31,420
	<u>8,712,764</u>	<u>8,091,905</u>
<b>Total liabilities</b>	<u>8,906,551</u>	<u>8,273,060</u>
<b>Contingencies and commitments</b>	11	
<b>Total equity and liabilities</b>	<u>17,025,824</u>	<u>16,495,195</u>

The annexed notes 1 to 18 form an integral part of the condensed interim financial statements.

  
**Chief Executive**

  
**Director**

  
**Chief Financial Officer**



**GHANDHARA INDUSTRIES LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND**  
**OTHER COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2023**

Note	Quarter ended		Half year ended	
	December 31,	December 31,	December 31,	December 31,
	2023	2022	2023	2022
	----- (Rupees in '000) -----			
Sales - net	2,488,577	3,776,327	5,007,835	7,949,851
Cost of sales	12 (2,117,005)	(3,237,050)	(4,193,898)	(6,881,692)
<b>Gross profit</b>	<b>371,572</b>	<b>539,277</b>	<b>813,937</b>	<b>1,068,159</b>
Distribution cost	(209,264)	(195,365)	(366,523)	(384,078)
Administrative expenses	(90,349)	(89,660)	(186,593)	(175,208)
Other expenses	(61,635)	(97,262)	(69,838)	(106,761)
Other income	39,911	96,881	113,906	146,704
<b>Profit from operations</b>	<b>50,235</b>	<b>253,871</b>	<b>304,889</b>	<b>548,816</b>
Finance cost	(167,721)	(185,206)	(299,834)	(353,548)
<b>(Loss) / profit before taxation</b>	<b>(117,486)</b>	<b>68,665</b>	<b>5,055</b>	<b>195,268</b>
Taxation	(46,974)	(43,000)	(107,917)	(89,659)
<b>(Loss) / profit for the period</b>	<b>(164,460)</b>	<b>25,665</b>	<b>(102,862)</b>	<b>105,609</b>
Other comprehensive income	-	-	-	-
<b>Total comprehensive (loss) / income</b>	<b>(164,460)</b>	<b>25,665</b>	<b>(102,862)</b>	<b>105,609</b>
	----- (Rupees) -----			
<b>(Loss) / earnings per share</b>				
- basic and diluted	(3.86)	0.60	(2.41)	2.48

The annexed notes 1 to 18 form an integral part of the condensed interim financial statements.

  
Chief Executive

  
Director

  
Chief Financial Officer

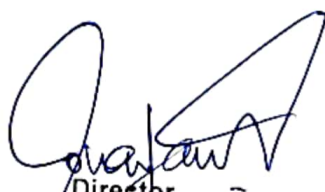


**GHANDHARA INDUSTRIES LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2023**

	Share capital	Revenue Reserve Unappropriated profit	Capital Reserve Reserve for capital expenditure	Surplus on revaluation of fixed assets	Total
----- (Rupees in '000) -----					
Balance as at July 1, 2022 (Audited)	426,088	2,234,694	-	3,728,108	6,388,890
<b>Total comprehensive income for the half year ended December 31, 2022</b>					
Profit for the period	-	105,609	-	-	105,609
Other comprehensive income	-	-	-	-	-
	-	105,609	-	-	105,609
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, 2022 (Un-audited)</b>	<b>426,088</b>	<b>2,346,142</b>	<b>-</b>	<b>3,722,269</b>	<b>6,494,499</b>
Balance as at July 1, 2023 (Audited)	426,088	2,443,481	-	5,352,566	8,222,135
Re-classification of reserve (note - 8)		(1,500,000)	1,500,000		
<b>Total comprehensive income for the half year ended December 31, 2023</b>					
Loss for the period	-	(102,862)	-	-	(102,862)
Other comprehensive income	-	-	-	-	-
	-	(102,862)	-	-	(102,862)
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred taxation	-	2,920	-	(2,920)	-
<b>Balance as at December 31, 2023 (Un-audited)</b>	<b>426,088</b>	<b>843,539</b>	<b>1,500,000</b>	<b>5,349,646</b>	<b>8,119,273</b>

The annexed notes 1 to 18 form an integral part of the condensed interim financial statements.

  
**Chief Executive**

  
**Director**

  
**Chief Financial Officer**

**GHANDHARA INDUSTRIES LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2023**

		Half year ended	
		December 31, 2023	December 31, 2022
Note		----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from / (used in) operations	13	444,267	(103,308)
Gratuity paid		(44,911)	-
Compensated absences paid		(273)	-
Finance cost paid		(312,838)	(305,254)
Income tax paid - net		(108,431)	(104,690)
Long term loans - net		419	(236)
Long term deposits - net		(4,476)	(950)
<b>Net cash used in operating activities</b>		<b>(26,243)</b>	<b>(514,438)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditure		(52,316)	(76,357)
Sale proceeds from disposal of operating fixed assets		11,008	4,302
Interest received		96,525	51,946
<b>Net cash generated from / (used in) investing activities</b>		<b>55,217</b>	<b>(20,109)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long term borrowings - repaid		-	(50,466)
Lease rentals paid		(23,769)	(18,121)
Dividend paid		(3)	-
<b>Net cash used in financing activities</b>		<b>(23,772)</b>	<b>(68,587)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>5,202</b>	<b>(603,134)</b>
Cash and cash equivalents - at beginning of the period		(2,857,749)	(3,717,298)
<b>Cash and cash equivalents - at end of the period</b>	14	<b>(2,852,547)</b>	<b>(4,320,432)</b>

The annexed notes 1 to 18 form an integral part of the condensed interim financial statements.



Chief Executive



Director



Chief Financial Officer



**GHANDHARA INDUSTRIES LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2023**

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

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.

Bibojee Services (Private) Limited, the ultimate Holding Company, held 16,686,794 (June 30, 2023: 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, 2023.

**3. CHANGES IN ACCOUNTING POLICIES**

The 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, 2023.

Actuarial valuations are carried out on annual basis. The last actuarial valuation was carried out on June 30, 2023. 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 this condensed interim financial statements, the 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, 2023.

**5. PROPERTY, PLANT AND EQUIPMENT**

		(Un-audited) December 31, 2023	(Audited) June 30, 2023
	Note	----- (Rupees in '000) -----	
Operating fixed assets	5.1	5,746,262	5,787,162
Right to use assets		85,911	71,431
Capital work-in-progress		221,410	175,275
		<u>6,053,583</u>	<u>6,033,868</u>

**5.1 Operating fixed assets**

		(Un-audited) December 31, 2023	(Audited) June 30, 2023
	Note	----(Rupees in '000)----	
Net book value at beginning of the period / year		5,787,162	4,077,413
Additions during the period / year	5.2	6,842	116,398
Revaluation on fixed assets		-	1,714,639
Disposals costing Rs.5,765 thousand (June 30, 2023: Rs.49,850 thousand) at net book value		-	(25,665)
Depreciation charge for the period / year		(47,742)	(95,623)
Net book value at end of the period / year		<u>5,746,262</u>	<u>5,787,162</u>

**5.2 Additions to operating fixed assets,  
including transfer from capital work-in-progress,  
during the period / year**

- Plant and machinery	1,552	46,203
- Permanent tools	698	836
- Furniture and fixture	1,965	40
- Motor vehicles / trucks	1,427	66,558
- Office machines & equipment	-	533
- Computers	1,200	958
- Jigs and special tools	-	1,270
	<u>6,842</u>	<u>116,398</u>

**6. TRADE DEBTS - Unsecured****Considered good**

Ghandhara Automobiles Limited - a related party	1,516	1,765
Government and semi - government agencies	1,410,683	951,725
Others	435,339	336,408
	<u>1,847,538</u>	<u>1,289,898</u>

**Considered doubtful**

	<u>131,471</u>	<u>86,783</u>
	<u>1,979,009</u>	<u>1,376,681</u>
Less: provision for expected credit losses	<u>131,471</u>	<u>86,783</u>
	<u>1,847,538</u>	<u>1,289,898</u>

**7. LOANS AND ADVANCES - Unsecured****Considered good**

Current portion of long term loans to employee	1,598	1,686
Advances due from:		
- employees	3,088	3,205
- suppliers, contractors and others	761,515	162,697
	<u>764,603</u>	<u>165,902</u>

**Considered doubtful**

Advances to suppliers	7,694	7,497
Less: provision for doubtful advances	(7,694)	(7,497)
	-	-
	<u>766,201</u>	<u>167,588</u>



8. The Board of Directors of the Company in their meeting held on July 21, 2023, discussed that keeping in view capital expenditure strategy of the Company, the Board, out of revenue reserves, decided to transfer and classify a sum of Rs.1,500,000 thousand to separate capital reserve for capital expenditure (un-available by way of dividend) to more accurately reflect the nature of these reserves. This reserve represents funds set aside for the purchase of fixed assets in future.
9. Includes advances from customers aggregating Rs.4,232,789 thousand (June 30, 2023: Rs.3,213,130 thousand) against sale of vehicles and carry no mark-up.

10. <b>SHORT TERM BORROWINGS - Secured</b>	(Un-audited) December 31, 2023 ------(Rupees in '000)-----	(Audited) June 30, 2023
Finance against imported merchandise	290,905	364,808
Istisna	823,820	1,009,670
Murabaha	448,940	379,843
Running finance / musharakah	1,084,224	1,499,057
Short term loan	300,000	-
	<b>2,947,889</b>	<b>3,253,378</b>

## 11. CONTINGENCIES AND COMMITMENTS

### 11.1 Contingencies

There has been no significant change in status of contingencies as disclosed in note 27.1 of the audited annual financial statements of the Company for the year ended June 30, 2023.

### 11.2 Commitments

	(Un-audited) December 31, 2023 ------(Rupees in '000)-----	(Audited) June 30, 2023
Bank guarantees	3,493,660	4,780,157
Letters of credit	2,501,014	1,828,958
Commitments other than letters of credit	279,000	325,000

## 12. COST OF SALES

	Note	(Un-audited)			
		Quarter ended		Half year ended	
		December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
		----- (Rupees in '000) -----			
Stocks at beginning of the period		1,873,095	2,568,946	2,019,904	2,500,363
Cost of goods manufactured	12.1	2,432,204	3,797,997	4,358,845	7,481,597
Trading goods - purchases		35,554	37,774	38,997	67,399
		<b>2,467,758</b>	<b>3,835,771</b>	<b>4,397,842</b>	<b>7,548,996</b>
		<b>4,340,853</b>	<b>6,404,717</b>	<b>6,417,746</b>	<b>10,049,359</b>
Stocks at end of the period		(2,223,848)	(3,167,667)	(2,223,848)	(3,167,667)
		<b>2,117,005</b>	<b>3,237,050</b>	<b>4,193,898</b>	<b>6,881,692</b>

**12.1 Cost of goods manufactured**

	(Un-audited)			
	Quarter ended		Half year ended	
	December 31, December 31,		December 31, December 31,	
	2023	2022	2023	2022
	----- (Rupees in '000) -----			
Work in process at beginning of the period	162,296	29,159	402,775	92,472
Raw materials and components consumed	2,261,971	3,573,557	3,759,519	6,855,555
Direct labour and factory overheads	167,320	333,942	355,934	672,231
	2,429,291	3,907,499	4,115,453	7,527,786
	2,591,587	3,936,658	4,518,228	7,620,258
Work in process at end of the period	(159,383)	(138,661)	(159,383)	(138,661)
	2,432,204	3,797,997	4,358,845	7,481,597

**13. CASH GENERATED FROM / (USED IN) OPERATIONS**

	Note	(Un-audited)	
		Half year ended	
		December 31, December 31,	
		2023	2022
		----- (Rupees in '000) -----	
Profit before taxation		5,055	195,268
<b>Adjustment for non cash charges and other items</b>			
Depreciation / amortization on:			
- property, plant and equipment		47,742	46,185
- right to use assets		14,700	18,225
- intangible assets		396	396
Gain on disposal of operating fixed assets		(11,008)	(4,302)
Provision for compensated absences		2,038	415
Provision for doubtful debts		37,462	777
Amortization of gain on sale and lease back of fixed asset		(121)	(218)
Provision for gratuity		18,345	12,201
Interest income		(62,228)	(49,545)
Finance cost		299,834	353,548
		352,215	572,950
Working capital changes - net	13.1	92,052	(676,258)
		444,267	(103,308)



**13.1 Working capital changes - net**

	(Un-audited) Half year ended	
	December 31, 2023	December 31, 2022
	----- (Rupees in '000) -----	
(Increase) / decrease in current assets:		
Stores	(10,673)	(17,561)
Stock-in-trade	(124,036)	(15,994)
Trade debts	(595,102)	(518,981)
Loans and advances	(598,613)	1,857
Trade deposits and prepayments	521,498	(68,020)
Other receivables	15,740	6,672
Sales tax refundable / adjustable	(63,852)	156,190
	(855,038)	(455,837)
Increase / (decrease) in trade and other payables	947,090	(220,421)
	92,052	(676,258)

**14. CASH AND CASH EQUIVALENTS**

Cash and bank balances	95,342	365,744
Short term borrowings	(2,947,889)	(4,686,176)
	(2,852,547)	(4,320,432)

**15. FINANCIAL RISK MANAGEMENT**

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk, interest rate risk and 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 Company as at June 30, 2023.

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

**16. TRANSACTIONS WITH RELATED PARTIES****16.1** 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, 2023	December 31, 2022
		---- (Rupees in '000) ----	
(a) Associated Companies			
Ghandhara Tyre and Rubber Company Ltd. (Common Directorship)	Purchase of tyres	101,531	180,777

Name of related party and nature of relationship	Nature of transactions	(Un-audited) Half year ended	
		December 31, 2023	December 31, 2022
		---- (Rupees in '000) ----	
Ghandhara Automobiles Litimited (Common Directorship)	Assembly charges	184,509	435,429
	Sale of parts	446	79
	Rental income	2,338	2,126
	Purchases of vehicles	14,710	11,208
	Purchases of parts	50	-
Rehman Cotton Mills Ltd. (Common Directorship)	Rent expense	1,200	900
Gammon Pakistan Ltd. (Common Directorship)	Rent expense	2,263	1,996
Janana De Maluchho Textile Mills Limited (Common Directorship)	Reimbursement of expenses	1,917	1,289
Ghandhara DF (Pvt.) Ltd. (Common Directorship)	Rental income	2,338	2,126
Universal Insurance Company Ltd. (Common Directorship)	Reimbursement of expenses	791	815
Business Vision (Private) Limited (Common Directorship)	Advance - made for property	46,000	-
(b) Other			
Gratuity fund	Contribution paid	44,911	-
Key management personnel	Remuneration and other benefits	95,573	83,993

**16.2 Period / year end balances are as follows:****Receivables from related parties**

Property, plant and equipment	171,000	125,000
Trade debts	1,516	1,765
Other receivables	6,733	22,474

**Payable to related parties**

Compensated absences	8,654	7,436
Trade and other payables	107,304	134,232

(Un-audited) (Audited)  
December 31, June 30,  
2023 2023  
---- (Rupees in '000) ----

**17. 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, 2023, 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, 2022. Corresponding figures have been rearranged and reclassified for better presentation wherever considered necessary, the effect of which is not material.

**18. DATE OF AUTHORIZATION**

This condensed interim financial statement was authorized for issue on February 29, 2024 by the Board of Directors of the Company.



Chief Executive



Director



Chief Financial Officer



















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