



GHANDHARA
INDUSTRIES LIMITED



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
HALF YEARLY REPORT 2018










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Company Information

Legal Advisors

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

Bankers

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

Share Registrar

Hameed Majeed Associates (Pvt.) Ltd.
4th Floor, Karachi Chamber,
Hasrat Mohani Road, Karachi.

Registered Office

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

Website: www.gil.com.pk
Email: info@gil.com.pk

Board of Directors

Lt. Gen. (R) Ali Kuli Khan Khattak	Chairman
Mr. Ahmad Kuli Khan Khattak	Chief Executive
Mrs. Shahnaz Sajjad Ahmad	Director
Maj. (R) Muhammad Zia	Director
Mr. Muhammad Kuli Khan Khattak	Director
Mr. Shahid Kamal Khan	Ind. Director
Mr. Sohail Hameed Khan	Ind. Director

Audit Committee

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

Chief Financial Officer & Company Secretary

Mr. Iftikhar Ahmed Khan

Auditors

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

Directors' Review

On behalf of the Board of Directors of Ghandhara Industries Limited we are pleased to present the unaudited financial information for the half year ended December 31, 2018.

Financial results

The Company sold 1,705 units as compared to 1,710 units in the same period of last year. There was 1% decrease in sales value however the gross profits decreased by 39%. This is due to significant surge in material prices on account of continued depreciation in Pak rupee parity against USD and Japanese Yen.

The financial results for the period are summarized below:

	Half year ended December, 31	
	2018	2017
	----- (Rupees in '000)-----	
Sales	7,567,541	7,613,462
Gross profit	1,054,332	1,740,231
Profit from operations	639,210	1,322,397
Profit before taxation	384,117	1,272,931
Profit after taxation	383,116	908,200
		(Re-stated)
Earnings per share – (in Rupees)	8.99	21.31

Finance Cost

During the half year ended December 31, 2018, the finance cost of the Company has increased significantly mainly due to increase in short term borrowings by 136%.

Credit Rating

The Directors are also pleased to inform you that PACRA has maintained the long term credit rating of A+ (A plus) and short term credit rating of A1 (A one) of the Company.

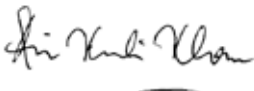
Future outlook

The Company is well aware of the recent economic developments which includes increase in monetary policy rates and currency devaluation. However, the Company is making all necessary efforts to improve its position on the back of enhanced product line and improved competitiveness.

Acknowledgement

The board acknowledges the trust and confidence on the Company and its products by the shareholders, valued suppliers, customers, dealers and bankers and thank them for their co-operation and support. The Board is pleased to record its appreciation for the continued diligence and devotion of the employees. The Board takes the 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



Lt. Gen (R) Ali Kuli Khan Khattak
Chairman



Ahmad Kuli Khan Khattak
Chief Executive Officer

Karachi
February 16, 2019

ڈائریکٹرز کا جائزہ:

ہم گندھارا انڈسٹریز لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے کمپنی کے 31 دسمبر 2018ء کی اختتامی ششماہی کی غیر آڈٹ شدہ عبوری مالیاتی معلومات پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

مالیاتی نتائج:

کمپنی کے پہلے دو سہ ماہیوں میں 1,705 یونٹس کی فروخت ہوئی جو گزشتہ سال اسی مدت میں 1,710 یونٹس تھی۔ جو کہ قیمت فروخت کے لحاظ سے 1% کم ہوئی۔ جبکہ کل منافع میں 39% کی کمی واقع ہوئی جس کی وجہ خام مال کی قیمتوں میں نمایاں اضافہ جس کے اسباب میں روپے کے مقابلے میں امریکن ڈالر (USD) اور جاپانی یان (JPY) کی قدر میں نمایاں اضافہ ہے۔

اس مدت کے اہم نتائج درج ذیل ہیں:

	Half year ended December 31, 2018	2017
	----- (Rupees in '000) -----	
Sales	7,567,541	7,613,462
Gross profit	1,054,332	1,740,231
Profit from operations	639,210	1,322,397
Profit before taxation	384,117	1,272,931
Profit after taxation	383,116	908,200
		(Re-stated)
Earnings per share – (in Rupees)	8.99	21.31

مالیاتی لاگت:

31 دسمبر 2018ء کو اختتام پذیر ششماہی کے دوران مالیاتی لاگت میں نمایاں اضافے کی بڑی وجہ مختصر مدتی قرضے میں 136% کا اضافہ ہے۔

کریڈٹ ریٹنگ:

ڈائریکٹرز اس بات کی بھی اطلاع دیتے ہوئے مسرت محسوس کرتے ہیں کہ PACRA نے آپ کی کمپنی کے لیے طویل مدتی کریڈٹ ریٹنگ A+ (اے پلس) اور مختصر مدتی کریڈٹ ریٹنگ A1 (اے ون) کو برقرار رکھا ہے۔

مستقبل پر نظر:

کمپنی موجودہ معاشی پیش رفت، مالیاتی پالیسی کی شرح اور کرنسی میں ہونے والی تبدیلی سے بہ خوبی واقف ہے۔ باوجود اس کے کمپنی بہتر مصنوعات کے تقابل میں اپنی پوزیشن برقرار رکھنے کے لیے کوشاں ہے۔

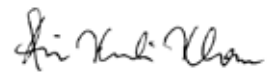
توثیقی بیان:

بورڈ اس موقع پر حصص یافتگان، قابل قدر سپلائرز، خریدار، ڈیلرز اور دیگر ذمہ داران اور امداد کا شکریہ ادا کرتا ہے کہ انہوں نے کمپنی اور مصنوعات پر اعتماد اور بھروسہ کیا۔ ملازمین کی ہمیشہ سے جانفشانی اور خلوص کے لیے بھی بورڈ کا شکریہ ادا کرتا ہے۔ بورڈ کمپنی کے پرنسپل (Isuzu Motors Ltd.)، (Isuzu Motors Company (Thailand) Ltd.، Isuzu Motors Int. Operations (Thailand) Co.Ltd. اور مرینی ہاؤس Marubieni Corporation کے مسلسل تعاون اور مدد کا بھی شکریہ ادا کرتا ہے۔

بحکم بورڈ



احمد علی خان خٹک
چیف ایگزیکٹو آفیسر



لیفٹیننٹ جنرل (ر) علی قلی خان خٹک
چیرمین

کراچی: فروری 16، 2019



SHINEWING HAMEED CHAUDHRI & CO.
CHARTERED ACCOUNTANTS

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7-Bank Square, Lahore.
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Fax: +92 42 37235083
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Karachi & Multan

**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, 2018 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cashflows, and notes to the financial statements forming part thereof 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 financial statements based on our review.

The figures of the condensed interim statements of profit or loss and other comprehensive income for the quarters ended December 31, 2018 and 2017 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2018.

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 Osman Hameed Chaudhri.

ShineWing Hameed Chaudhri & Co.
SHINEWING HAMEED CHAUDHRI & CO.
CHARTERED ACCOUNTANTS
KARACHI; 16 FEB 2019

ShineWing

Condensed Interim Statement of Financial Position

AS AT DECEMBER 31, 2018

		(Un-audited) December 31, 2018	(Audited) June 30, 2018
	Note	----- (Rupees in '000) -----	
ASSETS			
Non current assets			
Property, plant and equipment	5	2,533,166	2,463,605
Intangible assets		321	384
Investment property		88,534	88,657
Long term investment		1,400	1,400
Long term loans		3,773	4,305
Long term deposits		19,152	11,537
Deferred taxation		74,183	845
		2,720,529	2,570,733
Current assets			
Stores		14,559	10,281
Stock-in-trade	6	11,601,724	6,888,220
Trade debts		123,570	95,230
Loans and advances		136,547	168,661
Trade deposits and prepayments		527,056	721,213
Other receivables		16,932	741
Sales tax refundable / adjustable		904,083	606,559
Taxation - payments less provision		789,860	475,310
Cash and bank balances		243,936	497,261
		14,358,267	9,463,476
Total assets		17,078,796	12,034,209



Ahmad Kuli Khan Khattak
Chief Executive



Maj. (R) Muhammad Zia
Director



Iftikhar Ahmed Khan
Chief Financial Officer

Condensed Interim Statement of Financial Position

AS AT DECEMBER 31, 2018

		(Un-audited) December 31, 2018	(Audited) June 30, 2018
	Note	----- (Rupees in '000) -----	
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital			
50,000,000 (June 30, 2018: 50,000,000) ordinary shares of Rs.10 each		500,000	500,000
Issued, subscribed and paid up capital			
42,608,844 (June 30, 2018: 21,304,422) ordinary shares of Rs.10 each	7	426,088	213,044
Revenue reserve			
Unappropriated profit		2,491,023	2,651,071
Capital reserve			
Surplus on revaluation of fixed assets		1,857,785	1,860,014
		4,774,896	4,724,129
Liabilities			
Non current liabilities			
Liabilities against assets subject to finance lease		28,446	34,526
Compensated absences		11,622	10,844
Deferred liabilities		92,093	80,181
		132,161	125,551
Current liabilities			
Trade and other payables		3,391,760	3,427,060
Unpaid dividends		65,905	44,271
Unclaimed dividends		36,881	24,814
Accrued mark-up / interest		110,397	48,309
Short term borrowings	8	8,557,515	3,631,851
Current maturity of liabilities against assets subject to finance lease		9,281	8,224
		12,171,739	7,184,529
Total liabilities		12,303,900	7,310,080
Contingencies and commitments	9		
Total equity and liabilities		17,078,796	12,034,209

The annexed notes 1 to 16 form an integral part of the condensed interim financial statements.

Ahmad Kuli Khan Khattak
Chief Executive

Maj. (R) Muhammad Zia
Director

Iftikhar Ahmed Khan
Chief Financial Officer

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

FOR THE HALF YEAR ENDED DECEMBER 31, 2018

	Note	Quarter ended		Half year ended	
		December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
		----- (Rupees in '000) -----			
Sales - net		3,183,699	3,612,360	7,567,541	7,613,462
Cost of sales	10	(2,752,169)	(2,743,529)	(6,513,209)	(5,873,231)
Gross profit		431,530	868,831	1,054,332	1,740,231
Distribution cost		(139,259)	(134,590)	(275,689)	(226,818)
Administrative expenses		(78,945)	(62,195)	(142,156)	(97,935)
Other expenses		(2,756)	(45,797)	(22,265)	(96,864)
Other income		21,856	1,357	24,988	3,783
Profit from operations		232,426	627,606	639,210	1,322,397
Finance cost		(162,122)	(37,805)	(255,093)	(49,466)
Profit before taxation		70,304	589,801	384,117	1,272,931
Taxation		9,109	(139,428)	(1,001)	(364,731)
Profit after taxation		79,413	450,373	383,116	908,200
Other comprehensive income		-	-	-	-
Total comprehensive income		79,413	450,373	383,116	908,200
----- (Rupees) -----					
Basic and diluted earnings per share		1.86	Restated 10.57	8.99	Restated 21.31

The annexed notes 1 to 16 form an integral part of the condensed interim financial statements.



Ahmad Kuli Khan Khattak
Chief Executive



Maj. (R) Muhammad Zia
Director



Iftikhar Ahmed Khan
Chief Financial Officer

Condensed Interim Statement of Cash Flows (Un-Audited)

FOR THE HALF YEAR ENDED DECEMBER 31, 2018

		Half year ended	
		December 31, 2018	December 31, 2017
	Note	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	11	(4,165,125)	(1,953,648)
Gratuity paid		(338)	(435)
Finance cost paid		(193,005)	(42,699)
Income tax paid		(388,889)	(433,493)
Long term loans - net		532	(514)
Long term deposits - net		(7,615)	(50)
Net cash used in operating activities		(4,754,440)	(2,430,839)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(124,886)	(146,148)
Proceeds from sale of operating fixed assets		2,717	124
Interest received		1,291	2,122
Net cash used in investing activities		(120,878)	(143,902)
CASH FLOWS FROM FINANCING ACTIVITIES			
Liabilities against assets subject to finance lease - net		(5,023)	(5,963)
Dividend paid		(298,648)	(288,293)
Net cash used in financing activities		(303,671)	(294,256)
Net decrease in cash and cash equivalents		(5,178,989)	(2,868,997)
Cash and cash equivalents - at beginning of the period		(3,134,590)	12,749
Cash and cash equivalents - at end of the period	12	(8,313,579)	(2,856,248)

The annexed notes 1 to 16 form an integral part of the condensed interim financial statements.



Ahmad Kuli Khan Khattak

Chief Executive



Maj. (R) Muhammad Zia

Director



Iftikhar Ahmed Khan

Chief Financial Officer

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

FOR THE HALF YEAR ENDED DECEMBER 31, 2018

	Revenue Reserve		Capital Reserve	
	Share Capital	Unappropriated profit	Surplus on Revaluation of fixed assets	Total
	----- (Rupees in '000) -----			
Balance as at July 1, 2017 (Audited)	213,044	1,612,010	1,865,114	3,690,168
Transaction with owners recognised directly in equity				
Final dividend for the year ended June 30, 2017 at the rate of Rs.15 per share	-	(319,566)	-	(319,566)
Total comprehensive income for the half year ended December 31, 2017				
Profit for the period	-	908,200	-	908,200
Other comprehensive income	-	-	-	-
	-	908,200	-	908,200
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred taxation	-	3,940	(3,940)	-
Balance as at December 31, 2017 (Un-audited)	213,044	2,204,584	1,861,174	4,278,802
Balance as at July 1, 2018 (Audited)	213,044	2,651,071	1,860,014	4,724,129
Transaction with owners recognised directly in equity				
Final dividend for the year ended June 30, 2018 at the rate of Rs.15.6 per share	-	(332,349)	-	(332,349)
Bonus shares issued	213,044	(213,044)	-	-
Total comprehensive income for the half year ended December 31, 2018				
Profit for the period	-	383,116	-	383,116
Other comprehensive income	-	-	-	-
	-	383,116	-	383,116
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred taxation	-	2,229	(2,229)	-
Balance as at December 31, 2018 (Un-audited)	426,088	2,491,023	1,857,785	4,774,896

The annexed notes 1 to 16 form an integral part of the condensed interim financial statements.



Ahmad Kuli Khan Khattak
Chief Executive



Maj. (R) Muhammad Zia
Director



Iftikhar Ahmed Khan
Chief Financial Officer

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

FOR THE HALF YEAR ENDED DECEMBER 31, 2018

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 at F-3, Hub Chowki Road, S.I.T.E, Karachi.

Bibojee Services (Private) Limited, the ultimate Holding Company, held 16,686,794 (June 30, 2018: 8,343,397) 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, 2018.

3. ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial statements are consistent with those applied in the preparation of audited annual financial statements of the Company for the year ended June 30, 2018, except for the adoption of new and amended accounting standards effective as of July 1, 2018.

New and amended standards adopted by the Company

The Company has adopted IFRS 9, 'Financial Instruments' and IFRS 15, 'Revenue from Contract with Customer'. Neither the IFRS 9 and IFRS 15 resulted in the restatement of comparatives. The impact of the adoption is described below:

(a) IFRS 9 Financial Instruments

The IFRS 9 introduces new requirements for the recognition, classification and measurement of financial assets and liabilities & impairment of financial assets. IASB has published the complete version of IFRS 9, 'Financial Instruments', which replaces the guidance in IAS 39 'Financial Instruments: Recognition and Measurement'.

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

FOR THE HALF YEAR ENDED DECEMBER 31, 2018

Classification and measurement of financial assets

Under IFRS 9, financial assets can be classified into three categories i.e. financial assets through profit & loss, financial assets measured at amortized cost & financial assets through other comprehensive income.

On July 1, 2018 the Company has assessed which measurement apply to the financial assets held by the Company. This does not have any material impact on the Company's financial statements.

(b) IFRS 15 Revenue from Contract with Customers

Under IFRS 15, 'Revenue from Contracts with Customers' the Company recognize revenue when the Company satisfies the performance obligation by transferring promised good to a customer. The control of promised goods are transferred, being when the products are delivered to the customers. The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 'Revenue Recognition' which covers contracts for goods and services and IAS 11 'Construction Contracts' which covers recognition and measurement criteria of construction contracts. The adoption of standard does not have material impact on the timing of revenue recognition.

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 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, 2018.

5. PROPERTY, PLANT AND EQUIPMENT

		(Un-audited) December 31, 2018	(Un-audited) December 31, 2017
	Note	----(Rupees in '000)---	
Operating fixed assets	5.1	2,350,241	2,045,429
Capital work-in-progress		182,925	418,176
		2,533,166	2,463,605

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

FOR THE HALF YEAR ENDED DECEMBER 31, 2018

5.1	Operating fixed assets		(Un-audited) December 31, 2018 ----- (Rupees in '000)---	(Un-audited) December 31, 2017
		Note		
	Net book value at beginning of the period / year		2,045,429	1,943,225
	Additions during the period / year	5.2	360,137	170,466
	Disposals and written off, costing Rs.53,346 thousand (June 30, 2018: Rs.24,409 thousand) - at net book value		(3)	(19,293)
	Depreciation charge for the period / year		(55,322)	(48,969)
	Net book value at end of the period / year		2,350,241	2,045,429
5.2	Additions of operating fixed assets, including transfer from capital work-in-progress, during the period / year		(Un-audited) December 31, 2018 ----- (Rupees in '000)---	(Un-audited) December 31, 2017
	Owned			
	- Building on leasehold land		-	17,366
	- Plant and machinery		45,144	54,928
	- Permanent tools		15,245	4,710
	- Furniture and fixture		678	2,005
	- Motor vehicles		15,484	44,375
	- Office machines & equipment		8,295	3,094
	- Computers		1,839	9,092
	- Jigs and special tools		273,452	17,796
	Leased - Cars		-	17,100
			360,137	170,466
6	STOCK-IN-TRADE			
	Raw materials and components		7,239,150	4,815,750
	Work-in-process		236,675	109,209
	Finished goods including components		3,675,529	1,594,755
	Trading stocks		450,370	368,506
			11,601,724	6,888,220
7.	Cash dividend and issuance of bonus shares to M/s. Essar Asset Management (Pvt.) Limited has been withheld in view of the restraining order dated November 16, 2018 passed by the Hon'ble High Court of Sindh in Suit No. 2149 of 2018.			
8.	SHORT TERM BORROWINGS - Secured			
	Running finances		1,229,003	480,589
	Finance against imported merchandise		4,651,391	2,548,949
	Istisna		1,054,100	77,654
	Murabaha		1,623,021	524,659
			8,557,515	3,631,851

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

FOR THE HALF YEAR ENDED DECEMBER 31, 2018

9. CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

There has been no significant change in status of contingencies other than describe below and as disclosed in note 28.1 of the audited annual financial statements of the Company for the year ended June 30, 2018.

9.2 Commitments

Bank guarantees
Letters of credit

(Un-audited) (Audited)
December 31, June 30,
2018 2018
----- (Rupees in '000) -----

	3,581,047	3,498,474
	2,110,540	2,555,539

10. COST OF SALES

Stocks at beginning
of the period
Cost of goods
manufactured
Trading goods - purchases

(Un-audited)
Quarter ended Half year ended
December 31, December 31, December 31, December 31,
Note 2018 2017 2018 2017
----- (Rupees in '000) -----

	2,233,730	2,074,883	1,963,261	1,583,785
10.1	4,462,159	2,880,409	8,349,429	6,496,134
	182,179	12,751	326,418	17,826
	4,644,338	2,893,160	8,675,847	6,513,960
	6,878,068	4,968,043	10,639,108	8,097,745
Stocks at end of the period	(4,125,899)	(2,224,514)	(4,125,899)	(2,224,514)
	2,752,169	2,743,529	6,513,209	5,873,231

10.1 Cost of goods manufactured

Work in process at beginning
of the period
Raw materials and
components consumed
Direct labour and factory
overheads

Work in process at end
of the period

	154,803	96,716	109,209	136,688
	4,233,709	2,327,756	7,842,122	5,814,130
	310,322	455,937	634,773	545,316
	4,544,031	2,783,693	8,476,895	6,359,446
	4,698,834	2,880,409	8,586,104	6,496,134
	(236,675)	-	(236,675)	-
	4,462,159	2,880,409	8,349,429	6,496,134

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

FOR THE HALF YEAR ENDED DECEMBER 31, 2018

	Note	(Un-audited) Half year ended	
		December 31, 2018	December 31, 2017
		----- (Rupees in '000) -----	
11. CASH USED IN OPERATIONS			
Profit before taxation		384,117	1,272,931
Adjustment for non cash charges and other items			
Depreciation / amortization on:			
- property, plant and equipment		55,322	21,562
- intangible assets		63	16
- investment property		123	122
Gain on disposal of operating fixed assets		(2,714)	(20)
Amortization of gain on sale and lease back of fixed asset		(181)	(304)
Exchange loss		119	-
Provision for gratuity		12,431	6,918
Interest income		(1,291)	(2,122)
Finance cost		255,093	49,466
		703,082	1,348,569
Working capital changes - net	11.1	(4,868,207)	(3,302,217)
		(4,165,125)	(1,953,648)
11.1 Working capital changes			
(Increase) / decrease in current assets:			
Stores		(4,278)	(4,565)
Stock-in-trade		(4,713,504)	(1,258,912)
Trade debts		(28,340)	(278,949)
Loans and advances		32,114	3,379
Trade deposits and prepayments		194,157	217,899
Other receivables		(16,310)	(1,033)
Sales tax refundable / adjustable		(297,524)	95,068
		(4,833,685)	(1,227,113)
Decrease in trade and other payables		(34,522)	(2,075,104)
		(4,868,207)	(3,302,217)
12. CASH AND CASH EQUIVALENTS			
Cash and bank balances		243,936	64,343
Short term borrowings		(8,557,515)	(2,920,591)
		(8,313,579)	(2,856,248)

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

FOR THE HALF YEAR ENDED DECEMBER 31, 2018

13. 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 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 of the Company as at June 30, 2018.

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

14. TRANSACTIONS WITH RELATED PARTIES

14.1 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, 2018	December 31, 2017
		---- (Rupees in ‘000) ----	
Holding Company			
Bibojee Services (Pvt.) Ltd.	Dividend paid	130,157	125,151
	Bonus shares issued	83,434	-
Subsidiary Company			
Marghzar Industries (Pvt.) Ltd.	Financial charges	177	185
	Reimbursement of expenses	145	250
Associated Companies			
The General Tyre and Rubber Co. of Pakistan Ltd. (Common Directorship)	Purchase of tyres	117,957	203,944
	Dividend paid	1,571	1,511
	Bonus shares issued	1,007	-
	Services rendered	70	-
	Sale of truck and parts	-	2,013
Ghandhara Nissan Ltd. (Common Directorship)	Assembly charges	396,659	384,228
	Purchase of parts	-	8
	Sale of parts	32	6
	Dividend paid	63,432	77,493
	Rental income	1,430	1,320
	Reimbursement of expenses	24	21
	Bonus shares issued	40,662	-

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

FOR THE HALF YEAR ENDED DECEMBER 31, 2018

Name of related party and nature of relationship	Nature of transactions	(Un-audited) Half year ended December 31, December 31, 2018 2017	
		---- (Rupees in '000) ----	
The Universal Insurance Company Limited (Common Directorship)	Dividend paid Bonus shares issued	18,473 11,841	17,762 -
Bibojee Investments (Pvt.) Ltd. (Common Directorship)	Dividend paid Bonus shares issued	334 214	321 -
Rehman Cotton Mills Ltd. (Common Directorship)	Rent expense	900	900
Gammon Pakistan Ltd. (Common Directorship)	Rent expense	1,500	1,500
	Reimbursement of expenses	1,533	53
Janana De Maluchho Textile Mills Limited (Common Directorship)	Reimbursement of expenses	834	867
Ghandhara DF (Pvt.) Ltd. (Common Directorship)	Sales	8	-
	Purchase of parts	22	-
(d) Other			
Key management personnel	Remuneration and other benefits	64,566	26,109
		(Un-audited) December 31, 2018	(Audited) June 30, 2018
		----- (Rupees in '000) -----	

14.2 Period / year end balances are as follows:

Receivables from related parties

Long term investment	1,400	1,400
Trade debts	-	5
Other receivables	16,931	741

Payable to related parties

Compensated absences	3,608	3,523
Trade and other payables	156,078	107,616

Notes to the Condensed Interim Financial Information (Un-Audited) FOR THE HALF YEAR ENDED DECEMBER 31, 2018

15. 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, 2018, 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 Company for the period ended December 31, 2017. Corresponding figures have been rearranged and reclassified for better presentation wherever considered necessary, the effect of which is not material.

16. DATE OF AUTHORIZATION

This condensed interim financial statement was authorized for issue on February 16, 2019 by the Board of Directors of the Company.



Ahmad Kuli Khan Khattak
Chief Executive



Maj. (R) Muhammad Zia
Director



Iftikhar Ahmed Khan
Chief Financial Officer



Ghandhara Industries Limited

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