

20
22

Nine Months
Report
March



— The Empowering Drive —



GHANDHARA
INDUSTRIES LIMITED



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Board of Directors

Mr. Ali Kuli Khan Khattak	Chairman
Mr. Ahmad Kuli Khan Khattak	CEO/Director
Mr. Raza Kuli Khan Khattak (deceased)	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

Email: info@gil.com.pk

The Directors of your Company take pleasure to present the unaudited condensed interim financial statements for the period ended March 31, 2022.

Market Share and Company's Performance

Overall truck and bus market has posted an increase of 54% during the period ended March 31, 2022 as compared to corresponding period of last year. Following the trajectory of the Company and overall industry growth, the Company's sale units during period have increased by 62% 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 period ended March 31, 2022 and its market share stood at approximately 47%.

The financial results for the period ended are as follows:

	STANDALONE		CONSOLIDATED	
	----- Nine Months ended 31 March -----			
	2022	2021	2022	2021
	-----Rupees in 000-----			
Sales	17,755,871	10,602,848	17,755,871	10,602,848
Gross profit	2,761,784	1,397,100	2,761,784	1,397,100
Profit from operations	1,812,747	863,181	1,812,564	862,966
Profit before taxation	1,539,915	483,132	1,540,026	483,201
Profit after taxation	1,189,537	413,607	1,189,616	413,647
Earnings per share - basic and diluted (Rupees)	27.92	9.71	27.92	9.71

Operating results

Favorable market conditions coupled with Company's effective strategies and customer confidence, has enabled the Company to post net revenues of Rs. 17.7 billion during the period ended March 31, 2022 as compared to net revenues of Rs. 10.6 billion during comparative period of last year. Consequently, the gross profit of the Company has increased by 98% from Rs. 1.3 billion to Rs. 2.7 billion with EPS of Rs. 27.92 for the period ended 31 March 2022 as compared to EPS Rs. 9.71 for 31 March 2021.

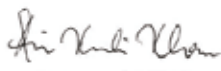
Future outlook

The Company is striving to explore new opportunities to continue to grow its sales volumes and profitability. Current financial results and market share prove the effectiveness of Company's overall business strategy despite prevailing political, economic and supply chain issues. The Company is aware of relevant challenges and has been successfully implementing counter-strategies to insulate its business from negative effects.

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



Ahmad Kuli Khan Khattak
Chief Executive Officer

Karachi
April 27, 2022

ڈائریکٹرز کا جائزہ:

آپ کی کمپنی کے ڈائریکٹرز 31 مارچ 2022 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 مارچ 2022 کو ختم ہونے والی ششماہی کے دوران گزشتہ سال کی اسی مدت کے مقابلے میں 54% فیصد اضافہ ہوا ہے۔ کمپنی کی رفتار اور مجموعی صنعت کی ترقی کے بعد، اس مدت کے دوران کمپنی کے سیل پوٹس میں گزشتہ سال کی اسی مدت کے مقابلے میں 62% فیصد اضافہ ہوا ہے۔ پاکستان آٹوموٹیو مینوفیکچررز ایسوسی ایشن کے پاس دستیاب معلومات کی بنیاد پر، کمپنی نے 31 مارچ 2022 کو ختم ہونے والی مدت کے دوران مجموعی مارکیٹ میں اپنی پہلی پوزیشن برقرار رکھی اور اس کا مارکیٹ شیئر تقریباً 47% رہا۔

اس مدت کے انفرادی اور مالیاتی نتائج درج ذیل ہیں:

	STANDALONE		CONSOLIDATED	
	----- Nine Months ended 31 March -----			
	2022	2021	2022	2021
	-----Rupees in 000-----			
Sales	17,755,871	10,602,848	17,755,871	10,602,848
Gross profit	2,761,784	1,397,100	2,761,784	1,397,100
Profit from operations	1,812,747	863,181	1,812,564	862,966
Profit before taxation	1,539,915	483,132	1,540,026	483,201
Profit after taxation	1,189,537	413,607	1,189,616	413,647
Earnings per share - basic and diluted (Rupees)	27.92	9.71	27.92	9.71

آپریٹنگ نتائج

کمپنی کی موثر حکمت عملیوں اور صارفین کے اعتماد کے ساتھ سازگار مارکیٹ کے حالات نے کمپنی کو روپے کی خالص آمدنی پوسٹ کرنے کے قابل بنایا ہے۔ 31 مارچ 2022 کو ختم ہونے والی مدت کے دوران 17.7 بلین روپے کی خالص آمدنی ہوئی جو گزشتہ سال کی تقابلی مدت کے دوران 10.6 بلین روپے تھی۔ نتیجتاً، کمپنی کا مجموعی منافع 98% بڑھ گیا، یعنی 27.92 روپے کے EPS کے ساتھ 31 مارچ 2022 کو 2.7 بلین روپے ہو گیا۔ مقابلتاً جو گزشتہ سال 31 مارچ 2021 کو 9.71 روپے کے EPS کے ساتھ 1.3 بلین روپے تھا۔

مستقبل کا منظر نامہ

کمپنی اپنی فروخت کے حجم اور منافع میں اضافہ جاری رکھنے کے لیے نئے مواقع تلاش کرنے کیلئے مصروف عمل ہے۔ موجودہ مالیاتی نتائج اور مارکیٹ شیئر موجودہ سیاسی، اقتصادی اور سپلائی چین کے مسائل کے باوجود کمپنی کی مجموعی کاروباری حکمت عملی کو موثر ہونے کو ثابت کرتے ہیں۔ کمپنی متعلقہ چیلنجز سے آگاہ ہے اور اپنے کاروبار کو منفی اثرات سے محفوظ رکھنے کے لیے کامیابی کے ساتھ انسدادی حکمت عملیوں پر عمل پیرا 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 یکساں کرنے پر مسرت کا اظہار کرتا ہے۔ بورڈ اس موقع پر کمپنی کیلئے اہمیت کی حامل اسوز و موٹرز لمیٹڈ، اسوز و موٹرز کمپنی (تھائی لینڈ) لمیٹڈ اور اسوز و موٹرز انٹرنیشنل آپریشنز (تھائی لینڈ) کمپنی لمیٹڈ اور ٹریڈنگ ہاؤس ماروبینی کارپوریشن کے مسلسل تعاون اور مدد کے لیے شکریہ ادا کرتا ہے۔

بجلم بورڈ
محمد علی خان خٹک

احمد علی خان خٹک

چیف ایگزیکٹو آفیسر

محمد علی خان خٹک

علی علی خان خٹک

چیرمین

کراچی، 27 اپریل 2022

Condensed Interim Financial Statements

For the Quarter and Nine Months Ended March 31, 2022 - Un-audited

Condensed Interim Statement of Financial Position

AS AT MARCH 31, 2022

	Note	Unaudited March 31, 2022	Audited June 30, 2021
(Rupees in '000)			
ASSETS			
Non-Current Assets			
Property, plant and equipment	5	4,254,836	4,321,244
Intangible assets		2,792	3,082
Investment property		-	87,926
Long term investment		1,400	1,400
Long term loans		392	1,317
Long term deposits		28,313	25,215
Deferred taxation		30,018	96,249
		4,317,751	4,536,433
CURRENT ASSETS			
Stores		13,136	20,887
Stock-in-trade	6	8,297,098	6,431,131
Trade debts		745,824	580,945
Loans and advances		186,461	247,205
Trade deposits and prepayments		725,718	829,339
Other receivables		23,543	4,244
Accrued mark-up		5,295	241
Sales tax refundable / adjustable		557,089	268,831
Taxation - payments less provision		1,295,708	1,253,821
Cash and bank balances		193,315	731,461
		12,043,187	10,368,105
TOTAL ASSETS		16,360,938	14,904,538
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized 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			
42,608,844 (June 30, 2021: 42,608,844) ordinary shares of Rs.10 each		426,088	426,088
Capital Reserves			
Surplus on revaluation of fixed assets		3,731,028	3,739,787
Revenue Reserves			
Unappropriated profit		2,707,372	1,509,076
Total Equity		6,864,488	5,674,951
NON-CURRENT LIABILITIES			
Lease liabilities		74,029	71,460
Long term borrowings		-	51,900
Compensated absences		22,079	18,954
Deferred income - government grant		-	1,256
Deferred liabilities		24,357	27,326
		120,465	170,896
CURRENT LIABILITIES			
Trade and other payables		4,335,848	5,873,696
Unpaid dividends		78,959	78,959
Unclaimed dividends		21,380	21,609
Current maturity of lease liabilities		35,886	31,455
Current maturity of long term borrowings		73,217	90,977
Current portion of deferred income - government grant		2,482	7,264
Accrued mark-up/ interest		104,941	101,703
Short term borrowings	8	4,723,272	2,853,028
		9,375,985	9,058,691
CONTINGENCIES AND COMMITMENTS			
	9	-	-
TOTAL EQUITY AND LIABILITIES		16,360,938	14,904,538

The annexed notes from 1 to 16 form an integral part of these 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 PERIOD ENDED MARCH 31, 2022

Note	Quarter ended		Nine months ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
(Rupees in '000)				
Sales - net	6,172,454	5,160,091	17,755,871	10,602,848
Cost of sales	(5,331,731)	(4,336,033)	(14,994,087)	(9,205,748)
Gross profit	840,723	824,058	2,761,784	1,397,100
Distribution expenses	(268,632)	(152,217)	(669,784)	(423,417)
Administrative expenses	(116,756)	(83,423)	(254,801)	(230,877)
Other expenses	(16,783)	(1,193)	(229,962)	(13,520)
Other income	42,212	8,930	205,510	133,895
Profit from operations	480,764	596,155	1,812,747	863,181
Finance cost	(113,168)	(111,512)	(272,832)	(380,049)
Profit before taxation	367,596	484,643	1,539,915	483,132
Taxation	(136,198)	(75,903)	(350,378)	(69,525)
Profit after taxation	231,398	408,740	1,189,537	413,607
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Re-measurement of staff retirement benefit obligation	-	-	-	-
Impact of deferred tax	-	-	-	-
Other comprehensive income for the period - net of tax	-	-	-	-
Total comprehensive income	231,398	408,740	1,189,537	413,607
Earnings per share - basic and diluted (Rupees)	5.43	9.59	27.92	9.71

The annexed notes from 1 to 16 form an integral part of these 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 PERIOD ENDED MARCH 31, 2022

	Note	March 31, 2022	March 31, 2021
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	11	(1,749,062)	4,140,714
Gratuity paid		(26,033)	(20,192)
Compensated absences paid		(4,663)	(315)
Finance cost paid		(260,869)	(476,953)
Income tax paid		(326,034)	(88,017)
Long term loans - net		925	752
Long term deposits - net		(3,098)	949
Net cash generated from / (used in) operating activities		(2,368,834)	3,556,938
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(55,390)	(77,339)
Sale proceeds from disposal of operating fixed assets		19,389	21,089
Interest received		74,097	57,766
Net cash generated from investing activities		38,096	1,516
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(229)	(260)
Government Grant		(6,038)	14,360
Long term borrowings - repaid		(69,660)	162,271
Lease liabilities - net		(1,725)	(9,760)
Net cash used in financing activities		(77,652)	166,611
Net increase / (decrease) in cash and cash equivalents		(2,408,390)	3,725,065
Cash and cash equivalents - at beginning of the period		(2,121,567)	(6,177,490)
Cash and cash equivalents - at end of the period	12	(4,529,957)	(2,452,425)

The annexed notes from 1 to 16 form an integral part of these 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 PERIOD ENDED MARCH 31, 2022

	Share Capital	Revenue reserve	Capital Reserve	Total
	Issued subscribed and paid-up capital	Unappropriated profit	Revaluation Surplus on property, plant and equipment	
----- (Rupees in '000) -----				
Balance as at July 1, 2020 (Audited)	426,088	897,105	3,751,466	5,074,659
Transaction with owners recognised directly in equity				
Total comprehensive income for the period ended March 31, 2021				
Profit for the period	-	413,607	-	413,607
Other comprehensive Income	-	-	-	-
	-	413,607	-	413,607
Surplus on revaluation of fixed assets realised during the period (net of deferred taxation) on account of incremental depreciation	-	8,759	(8,759)	-
Balance as at March 31, 2021 (Un-audited)	426,088	1,319,471	3,742,707	5,488,266
Balance as at July 1, 2021 (Audited)	426,088	1,509,076	3,739,787	5,674,951
Transaction with owners recognised directly in equity				
Total comprehensive income for the period ended March 31, 2022				
Profit for the period	-	1,189,537	-	1,189,537
Other comprehensive Income	-	-	-	-
	-	1,189,537	-	1,189,537
Surplus on revaluation of fixed assets realised during the period (net of deferred taxation) on account of incremental depreciation	-	8,759	(8,759)	-
Balance as at March 31, 2022 (Un-audited)	426,088	2,707,372	3,731,028	6,864,488

The annexed notes from 1 to 16 form an integral part of these 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 PERIOD ENDED MARCH 31, 2022

1. CORPORATE INFORMATION

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.

Bibojee 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 provisions of and directives issued 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. 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, 2021.

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

5. PROPERTY, PLANT AND EQUIPMENT

	Note	(Un-audited) March 31, 2022	(Audited) June 30, 2021
..... (Rupees in '000)			
Operating fixed assets - at net book value	5.1	4,100,430	4,164,612
Right of use assets	5.3	88,883	92,550
Capital work-in-progress - at cost		65,523	64,082
		<u>4,254,836</u>	<u>4,321,244</u>

5.1 Additions of operating fixed assets during the period / year are as follows:	(Un-audited) March 31, 2022	(Audited) June 30, 2021
Owned (Rupees in '000)	
- Building on leasehold land	-	5,357
- Plant and machinery	1,105	18,879
- Permanent tools	2,879	8,264
- Furniture and fixture	317	424
- Motor vehicles / trucks	22,166	6,025
- Office machines & equipment	3,112	723
- Jigs and special tools	-	1,028
- Computers	2,758	6,273
	<u>32,337</u>	<u>46,973</u>
5.2 Disposal of operating fixed assets during the period / year are as follows:		
Owned - Computers book value	-	129
Owned - Motor vehicles / truck Net book value	8,714	15,993
5.3 Right of use assets		
Opening	92,550	78,540
Additions during the period	21,309	43,969
Depreciation charge for the period	(24,976)	(29,959)
Net book value at end of the period	<u>88,883</u>	<u>92,550</u>
6. STOCK-IN-TRADE		
Raw materials and components	5,036,595	3,565,034
Work-in-process	423,051	117,672
Finished goods including components	2,083,880	1,942,860
Trading stocks	753,572	805,565
	<u>8,297,098</u>	<u>6,431,131</u>
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	(Un-audited) March 31, 2022	(Audited) June 30, 2021
 (Rupees in '000)	
Running finances	1,718,011	1,236,350
Short term loan	-	200,000
Finance against imported merchandise	892,542	244,523
Istisna	723,135	570,000
Murabaha	1,389,584	602,155
	<u>4,723,272</u>	<u>2,853,028</u>
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 29.1 of the audited annual financial statements of the Company for the year ended June 30, 2021.

9.2 Commitments

	(Un-audited) March 31, 2022	(Audited) June 30, 2021
 (Rupees in '000)	
Bank guarantees	5,783,671	7,921,344
Letters of credit	3,352,205	4,113,813

10. COST OF SALES

(Un-audited)

Note	Quarter ended		Nine months ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
 (Rupees in '000) (Rupees in '000)	
Stocks at beginning of the period	2,609,206	2,454,784	2,748,425	2,863,519
Cost of goods manufactured	5,535,642	3,810,992	14,869,053	8,236,971
Trading goods - purchases	24,335	56,219	214,061	91,220
	5,559,977	3,867,211	15,083,114	8,328,191
	8,169,183	6,321,995	17,831,539	11,191,710
Stocks at end of the period	(2,837,452)	(1,985,962)	(2,837,452)	(1,985,962)
	5,331,731	4,336,033	14,994,087	9,205,748

10.1 Cost of goods manufactured

Work in process at beginning of the period	106,846	335,417	117,672	116,438
Raw materials and components consumed	5,456,133	3,405,799	14,113,495	7,583,582
Direct labour and factory overheads	395,714	186,986	1,060,937	654,161
	5,851,847	3,592,785	15,174,432	8,237,743
	5,958,693	3,928,202	15,292,104	8,354,181
Work in process at end of the period	(423,051)	(117,210)	(423,051)	(117,210)
	5,535,642	3,810,992	14,869,053	8,236,971

11. CASH GENERATED / USED IN OPERATIONS

	Note	(Un-audited) March 31, 2022	(Un-audited) March 31, 2021
..... (Rupees in '000)			
Profit before taxation		1,539,915	483,132
Adjustment for non cash charges and other items:			
Depreciation / amortization on:			
- property, plant and equipment		87,805	135,284
- right to use asset		24,976	22,969
- intangible assets		591	500
- investment property		87,928	183
Provision for compensated absences		7,788	730
Exchange loss		1,353	723
Provision for gratuity		23,365	15,626
Provision for doubtful advances		22,708	1,786
Gain on disposal of operating fixed assets		(10,675)	(5,523)
Amortization of gain on sale and lease back of fixed assets		(301)	768
Interest income		(79,151)	(57,766)
Finance cost		272,832	380,049
		<u>1,979,134</u>	<u>978,461</u>
Working capital changes - net	11.1	<u>(3,728,196)</u>	<u>3,162,253</u>
		<u>(1,749,062)</u>	<u>4,140,714</u>
11.1 Working capital changes			
(Increase) / decrease in current assets:			
Stores		7,751	(10,262)
Stock-in-trade		(1,865,967)	1,604,397
Trade debts		(187,587)	(433,746)
Loans and advances		60,744	(192,623)
Trade deposits and prepayments		103,621	3,166,772
Other receivables		(20,652)	3,535
Sales tax refundable / adjustable		(288,258)	(549,866)
		<u>(2,190,348)</u>	<u>3,588,207</u>
(Decrease) in trade and other payables		<u>(1,537,848)</u>	<u>(425,954)</u>
		<u>(3,728,196)</u>	<u>3,162,253</u>
12. CASH AND CASH EQUIVALENTS			
Cash and bank balances		193,315	631,350
Short term borrowings		<u>(4,723,272)</u>	<u>(3,083,775)</u>
		<u>(4,529,957)</u>	<u>(2,452,425)</u>

13. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including foreign currency risk, interest rate risk and other 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 for the year ended June 30, 2021.

There has been no change in Company's sensitivity to these risks since June 30, 2021 except for general exposure to fluctuations in foreign currency and interest rates. There have been no change in the risk management policies during the period.

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) March 31,	
		2022	2021
..... (Rupees in '000)			
(i) Subsidiary Company			
Marghzar Industries (Pvt.) Ltd.	Financial charges	294	284
	Reimbursement of expenses	214	242
(ii) Associated Companies			
Ghandhara Tyre and Rubber Co. of Pakistan Ltd. (Common Directorship)	Purchase of tyres	227,178	109,962
Ghandhara Nissan Ltd. (Common Directorship)	Assembly charges	635,679	415,072
	Rent income	2,899	2,636
	Fabrication of vehicle	750	-
	Sales of parts	173	26
	Reimbursement of expenses	65	631
Ghandhara DF (Private) Limited (Common Directorship)	Rent income	2,899	2,636
	Purchase of parts	-	4
Rehman Cotton Mills Ltd. (Common Directorship)	Sales of vehicle	5,800	-
	Rent expense	1,350	1,350
Gammon Pakistan Ltd. (Common Directorship)	Rent expense	2,475	2,250
	Reimbursement of expenses	3	27
Janana De Malucho Textile Mills Limited (Common Directorship)	Reimbursement of expenses	1,986	1,067
(iii) Other			
Gratuity fund	Contribution paid	26,033	20,192
Key management personnel	Remuneration and other benefits	108,647	117,033

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, 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 Company for the period ended March 31, 2021. Corresponding figures have been rearranged and reclassified for better presentation wherever considered necessary, the effect of which is not material.

16. DATE OF AUTHORIZATION

These condensed interim financial statements were authorized for issue on April 27, 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 Quarter and Nine Months Ended March 31, 2022- Un-audited

Consolidated Condensed Interim Statement Of Financial Position

AS AT MARCH 31, 2022

	Note	(Un-audited) March 31, 2022	(Audited) June 30, 2021
ASSETS			
Non-Current Assets			
Property, plant and equipment	5	4,254,836	4,321,244
Intangible assets		2,792	3,082
Investment property		-	87,926
Long term loans		392	1,317
Long term deposits		28,313	25,215
Deferred taxation		30,018	96,249
		4,316,351	4,535,033
CURRENT ASSETS			
Stores		13,136	20,887
Stock-in-trade	6	8,297,098	6,431,131
Trade debts		745,824	580,945
Loans and advances		186,461	247,205
Trade deposits and prepayments		725,718	829,339
Other receivables		23,543	4,244
Accrued mark-up		5,295	241
Sales tax refundable / adjustable		557,089	268,831
Taxation - payments less provision		1,295,676	1,253,790
Cash and bank balances		193,315	731,461
		12,043,155	10,368,074
TOTAL ASSETS		16,359,506	14,903,107
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized 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			
42,608,844 (June 30, 2021: 42,608,844)			
ordinary shares of Rs.10 each		426,088	426,088
Capital Reserves			
Surplus on revaluation of fixed assets		3,731,028	3,739,787
Revenue Reserves			
Unappropriated profit		2,708,541	1,510,167
Equity attributable to shareholders of the holding company		6,865,657	5,676,042
Non- controlling interest		6	5
Total equity		6,865,663	5,676,047
NON-CURRENT LIABILITIES			
Lease liabilities		74,029	71,460
Long term borrowings		-	51,900
Compensated absences		22,079	18,954
Deferred income - government grant		-	1,256
Deferred liabilities		24,357	27,326
		120,465	170,896
CURRENT LIABILITIES			
Trade and other payables		4,333,241	5,871,169
Unpaid dividends		78,959	78,959
Unclaimed dividends		21,380	21,609
Current maturity of lease liabilities		35,886	31,455
Current maturity of long term borrowings		73,217	90,977
Current portion of deferred income - government grant		2,482	7,264
Accrued mark-up/ interest		104,941	101,703
Short term borrowings	8	4,723,272	2,853,028
		9,373,378	9,056,164
CONTINGENCIES AND COMMITMENTS			
	9	-	-
TOTAL EQUITY AND LIABILITIES		16,359,506	14,903,107

The annexed notes from 1 to 16 form an integral part of these 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 PERIOD ENDED MARCH 31, 2022

Note	Quarter ended		Nine months ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	(Rupees in '000)			
Sales - net	6,172,454	5,160,091	17,755,871	10,602,848
Cost of sales	(5,331,731)	(4,336,033)	(14,994,087)	(9,205,748)
Gross profit	840,723	824,058	2,761,784	1,397,100
Distribution expenses	(268,632)	(152,217)	(669,784)	(423,417)
Administrative expenses	(116,816)	(83,638)	(254,984)	(231,092)
Other expenses	(16,783)	(1,193)	(229,962)	(13,520)
Other income	42,212	8,930	205,510	133,895
Profit from operations	480,704	595,940	1,812,564	862,966
Finance cost	(113,069)	(111,228)	(272,538)	(379,765)
Profit before taxation	367,635	484,712	1,540,026	483,201
Taxation	(136,209)	(75,932)	(350,410)	(69,554)
Profit after taxation	231,426	408,780	1,189,616	413,647
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Re-measurement of staff retirement benefit obligation	-	-	-	-
Impact of deferred tax	-	-	-	-
Other comprehensive income for the period - net of tax	-	-	-	-
Total comprehensive income	231,426	408,780	1,189,616	413,647
Earnings per share - basic and diluted (Rupees)	5.43	9.59	27.92	9.71

The annexed notes from 1 to 16 form an integral part of these 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 PERIOD ENDED MARCH 31, 2022

	Note	March 31, 2022	March 31, 2021
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	11	(1,749,031)	4,140,457
Gratuity paid		(26,033)	(20,192)
Compensated absences paid		(4,663)	(315)
Finance cost paid		(260,869)	(476,669)
Income tax paid		(326,065)	(88,044)
Long term loans - net		925	752
Long term deposits - net		(3,098)	949
Net cash generated from / (used in) operating activities		(2,368,834)	3,556,938
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(55,390)	(77,339)
Sale proceeds from disposal of operating fixed assets		19,389	21,089
Interest received		74,097	57,766
Net cash generated from investing activities		38,096	1,516
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(229)	(260)
Government Grant		(6,038)	14,360
Long term borrowings - repaid		(69,660)	162,271
Lease liabilities - net		(1,725)	(9,760)
Net cash used in financing activities		(77,652)	166,611
Net increase / (decrease) in cash and cash equivalents		(2,408,390)	3,725,065
Cash and cash equivalents - at beginning of the period		(2,121,567)	(6,177,490)
Cash and cash equivalents - at end of the period	12	(4,529,957)	(2,452,425)

The annexed notes from 1 to 16 form an integral part of these 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 PERIOD ENDED MARCH 31, 2022

	Share Capital	Revenue reserve	Capital Reserve	Total Equity	Non - controlling interest
	Issued subscribed and paid-up capital	Unappropriated profit	Revaluation Surplus on property, plant and equipment	Total	
----- (Rupees in '000) -----					
Balance as at July 1, 2020 (Audited)	426,088	898,109	3,751,466	5,075,663	5
Transaction with owners recognised directly in equity					
Total comprehensive income for the period ended March 31, 2021					
Profit for the period	-	413,647	-	413,647	-
Other comprehensive Income	-	-	-	-	-
	-	413,647	-	413,647	-
Surplus on revaluation of fixed assets realised during the period (net of deferred taxation) on account of incremental depreciation	-	8,759	(8,759)	-	-
Balance as at March 31, 2021 (Un-audited)	426,088	1,320,515	3,742,707	5,489,310	5
Balance as at July 1, 2021 (Audited)	426,088	1,510,167	3,739,787	5,676,042	5
Transaction with owners recognised directly in equity					
Total comprehensive income for the period ended March 31, 2022					
Profit for the period	-	1,189,615	-	1,189,615	1
Other comprehensive Income	-	-	-	-	-
	-	1,189,615	-	1,189,615	1
Surplus on revaluation of fixed assets realised during the period (net of deferred taxation) on account of incremental depreciation	-	8,759	(8,759)	-	-
Balance as at March 31, 2022 (Un-audited)	426,088	2,708,541	3,731,028	6,865,657	6

The annexed notes from 1 to 16 form an integral part of these 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 (Unaudited)

FOR THE PERIOD ENDED MARCH 31, 2022

1. THE GROUP AND ITS OPERATIONS

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

Ghandhara Industries Limited

Ghandhara Industries Limited (the Holding 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. The manufacturing facilities of the Company are located at S.I.T.E., Karachi with branches at Lahore, Multan, Rawalpindi and Peshawar.

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 provisions of and directives issued 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. ACCOUNTING POLICIES

The 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 consolidated audited annual financial statements for the year ended June 30, 2021.

There are certain new International Financial Reporting Standards (standards), amendments to published standards and interpretations that are mandatory for the financial year beginning on July 1, 2021. These considered not to be relevant or 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.

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 consolidated audited annual financial statements for the year ended June 30, 2021.

5. PROPERTY, PLANT AND EQUIPMENT

(Un-audited)
March 31,
2022

(Audited)
June 30,
2021

(Rupees in '000)

Operating fixed assets - at net book value	5.1
Right of use assets	5.3
Capital work-in-progress - at cost	

4,100,430	4,164,612
88,883	92,550
65,523	64,082
4,254,836	4,321,244

5.1 Additions of operating fixed assets during the period / year are as follows:

Owned

- Building on leasehold land
- Plant and machinery
- Permanent tools
- Furniture and fixture
- Motor vehicles / trucks
- Office machines & equipment
- Jigs and special tools
- Computers

-	5,357
1,105	18,879
2,879	8,264
317	424
22,166	6,025
3,112	723
-	1,028
2,758	6,273
32,337	46,973

5.2 Disposal of operating fixed assets during the period / year are as follows:

Owned - Computers book value
Owned - Motor vehicles / truck Net book value

-	129
8,714	15,993

5.3 Right of use assets

Opening
Additions during the period
Depreciation charge for the period
Net book value at end of the period

92,550	78,540
21,309	43,969
(24,976)	(29,959)
88,883	92,550

6. STOCK-IN-TRADE

Raw materials and components
Work-in-process
Finished goods including components
Trading stocks

5,036,595	3,565,034
423,051	117,672
2,083,880	1,942,860
753,572	805,565
8,297,098	6,431,131

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

(Un-audited)
March 31,
2022

(Audited)
June 30,
2021

(Rupees in '000)

Running finances
Short term loan
Finance against imported merchandise
Istisna
Murabaha

1,718,011	1,236,350
-	200,000
892,542	244,523
723,135	570,000
1,389,584	602,155
4,723,272	2,853,028

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 consolidated financial statements of the Group for the year ended June 30, 2021.

9.2 Commitments

	(Un-audited) March 31, 2022	(Audited) June 30, 2021
 (Rupees in '000)	
Bank guarantees	<u>5,783,671</u>	<u>7,921,344</u>
Letters of credit	<u>3,352,205</u>	<u>4,113,813</u>

10. COST OF SALES

(Un-audited)

Note	Quarter ended		Nine months ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
 (Rupees in '000) (Rupees in '000)	
Stocks at beginning of the period	2,609,206	2,454,784	2,748,425	2,863,519
Cost of goods manufactured	5,535,642	3,810,992	14,869,053	8,236,971
Trading goods - purchases	24,335	56,219	214,061	91,220
	<u>5,559,977</u>	<u>3,867,211</u>	<u>15,083,114</u>	<u>8,328,191</u>
	<u>8,169,183</u>	<u>6,321,995</u>	<u>17,831,539</u>	<u>11,191,710</u>
Stocks at end of the period	(2,837,452)	(1,985,962)	(2,837,452)	(1,985,962)
	<u>5,331,731</u>	<u>4,336,033</u>	<u>14,994,087</u>	<u>9,205,748</u>
10.1 Cost of goods manufactured				
Work in process at beginning of the period	106,846	335,417	117,672	116,438
Raw materials and components consumed	5,456,133	3,405,799	14,113,495	7,583,582
Direct labour and factory overheads	395,714	186,986	1,060,937	654,161
	<u>5,851,847</u>	<u>3,592,785</u>	<u>15,174,432</u>	<u>8,237,743</u>
	<u>5,958,693</u>	<u>3,928,202</u>	<u>15,292,104</u>	<u>8,354,181</u>
Work in process at end of the period	(423,051)	(117,210)	(423,051)	(117,210)
	<u>5,535,642</u>	<u>3,810,992</u>	<u>14,869,053</u>	<u>8,236,971</u>

11. CASH GENERATED / USED IN OPERATIONS

	Note	(Un-audited) March 31, 2022	(Un-audited) March 31, 2021
		(Rupees in '000)	
Profit before taxation		1,540,026	483,201
Adjustment for non cash charges and other items:			
Depreciation / amortization on:			
- property, plant and equipment		87,805	135,284
- right to use asset		24,976	22,969
- intangible assets		591	500
- investment property		87,928	183
Provision for compensated absences		7,788	730
Exchange loss		1,353	723
Provision for gratuity		23,365	15,626
Provision for doubtful advances		22,708	1,786
Gain on disposal of operating fixed assets		(10,675)	(5,523)
Amortization of gain on sale and lease back of fixed assets		(301)	768
Interest income		(79,151)	(57,766)
Finance cost		272,832	379,765
		1,979,245	978,246
Working capital changes - net	11.1	(3,728,276)	3,162,211
		(1,749,031)	4,140,457
11.1 Working capital changes			
(Increase) / decrease in current assets:			
Stores		7,751	(10,262)
Stock-in-trade		(1,865,967)	1,604,397
Trade debts		(187,587)	(433,746)
Loans and advances		60,744	(192,623)
Trade deposits and prepayments		103,621	3,166,772
Other receivables		(20,652)	3,535
Sales tax refundable / adjustable		(288,258)	(549,866)
		(2,190,348)	3,588,207
(Decrease) in trade and other payables		(1,537,928)	(425,996)
		(3,728,276)	3,162,211
12. CASH AND CASH EQUIVALENTS			
Cash and bank balances		193,315	631,350
Short term borrowings		(4,723,272)	(3,083,775)
		(4,529,957)	(2,452,425)
13. FINANCIAL RISK MANAGEMENT			

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

The consolidated condensed interim financial statements do not include all financial risk management information and disclosures required in the audited annual consolidated financial statements and should be read in conjunction with the audited annual consolidated financial statement for the year ended June 30, 2021.

There has been no change in Group's sensitivity to these risks since June 30, 2021 except for general exposure to fluctuations in foreign currency and interest rates. There have been no change in the risk management policies during the period.

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) March 31,	
		2022	2021
(Rupees in '000)			
(i) Associated Companies			
Ghandhara Tyre and Rubber Co. of Pakistan Ltd. (Common Directorship)	Purchase of tyres	227,178	109,962
Ghandhara Nissan Ltd. (Common Directorship)	Assembly charges	635,679	415,072
	Rent income	2,899	2,636
	Fabrication of vehicle	750	-
	Sales of parts	173	26
	Reimbursement of expenses	65	631
Ghandhara DF (Private) Limited (Common Directorship)	Rent income	2,899	2,636
	Purchase of parts	-	4
Rehman Cotton Mills Ltd. (Common Directorship)	Sales of vehicle	5,800	-
Gammon Pakistan Ltd.. (Common Directorship)	Rent expense	1,350	1,350
	Rent expense	2,475	2,250
	Reimbursement of expenses	3	27
Janana De Malucho Textile Mills Limited (Common Directorship)	Reimbursement of expenses	1,986	1,067
(ii) Other			
Gratuity fund	Contribution paid	26,033	20,192
Key management personnel	Remuneration and other benefits	108,647	117,033

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 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 March 31, 2021. Corresponding figures have been rearranged and reclassified for better presentation wherever considered necessary, the effect of which is not material.

16. DATE OF AUTHORIZATION

These condensed interim financial statements were authorized for issue on April 27, 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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