

**GHANDHARA NISSAN LIMITED  
BALANCE SHEET (UNAUDITED)  
AS AT 30TH SEPTEMBER, 2005**

	September 2005	June 2005
(Rupees in '000)		
<b>ASSETS</b>		
<b>NON CURRENT ASSETS</b>		
Operating Fixed Assets	1,013,319	1,024,982
Capital work in progress	2,500	-
Long Term Deposits & prepayments	22,428	2,380
<b>CURRENT ASSETS</b>		
Stores, spares and loose tools	30,679	32,535
Stock-in-trade	1,192,874	1,323,055
Trade debtors	71,924	46,393
Advances, deposits, prepayments and other receivables	173,597	188,255
Bank balances	45,093	41,243
	1,514,167	1,631,481
	2,552,414	2,658,843
<b>EQUITY AND LIABILITIES</b>		
<b>CAPITAL AND RESERVES</b>		
Share Capital	450,025	450,025
Reserves	40,000	40,000
Accumulated loss	(8,007)	(68,667)
	31,993	(28,667)
	482,018	421,358
<b>SURPLUS ON REVALUATION OF FIXED ASSETS</b>	329,678	335,266
	811,696	756,624
<b>NON CURRENT LIABILITIES</b>		
Loan from Holding Company	70,730	70,730
Long Term Loans	450,000	450,000
Obligation under finance lease	8,139	1,265
Long Term Deposits	13,611	15,611
Deferred Liabilities	58,260	53,615
<b>CURRENT LIABILITIES</b>		
Finance under Markup arrangement	245,216	151,715
Current maturity of long term liabilities	121,908	134,822
Creditors, accrued expenses, provisions and other liabilities	753,470	1,008,742
Unclaimed dividend	299	299
Provision for taxation	19,085	15,420
	1,139,978	1,310,998
	2,552,414	2,658,843

The annexed notes form an integral part of these financial statements.

**CHIEF EXECUTIVE**

**DIRECTOR**

**GHANDHARA NISSAN LIMITED**  
**PROFIT AND LOSS ACCOUNT (UNAUDITED)**  
**FOR THE THREE MONTHS ENDED 30TH SEPTEMBER 2005**

	<b>September 2005</b>	<b>September 2004</b>
	<b>(Rupee in '000)</b>	
<b>NET SALES AND SERVICES</b>	<b>1,127,732</b>	532,033
<b>COST OF SALES</b>	<b>(1,004,625)</b>	(478,628)
<b>GROSS PROFIT</b>	<b>123,107</b>	53,405
<b>OPERATING EXPENSES</b>		
Administrative expenses	(19,525)	(17,471)
Distribution Cost	(4,745)	(211)
	<b>(24,270)</b>	(17,682)
<b>OPERATING PROFIT</b>	<b>98,837</b>	35,723
<b>MISCELLANEOUS INCOME</b>	<b>2,612</b>	2,537
	<b>101,449</b>	38,260
<b>OTHERS</b>		
FINANCIAL EXPENSES	(13,734)	(5,627)
	<b>87,715</b>	32,633
WORKERS' PROFIT PARTICIPATION FUND	(4,386)	(1,632)
WORKERS' WELFARE FUND	(1,667)	-
<b>PROFIT FOR THE PERIOD BEFORE TAXATION</b>	<b>81,662</b>	31,001
<b>TAXATION - NET</b>	<b>(24,634)</b>	3,268
<b>PROFIT FOR THE PERIOD AFTER TAXATION</b>	<b>57,028</b>	34,269
<b>BASIC EARNING PER SHARE</b>	<b>1.27</b>	0.76

The annexed notes form an integral part of these financial statements.

**CHIEF EXECUTIVE**

**DIRECTOR**

**GHANDHARA NISSAN LIMITED**  
**CASH FLOW STATEMENT (UNAUDITED)**  
**FOR THE THREE MONTHS ENDED 30TH SEPTEMBER 2005**

	<b>September 2005</b>	<b>September 2004</b>
	<b>(Rupees in '000)</b>	
<b>Net cash / (used-in) from Operating Activities</b>	<b>(15,830)</b>	63,464
<b>INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(11,934)	(3,907)
Prepayments	(15,000)	-
	<b>(26,934)</b>	(3,907)
<b>Net cash / (used-in) before Financing Activities</b>	<b>(42,764)</b>	59,557
<b>FINANCING ACTIVITIES</b>		
Repayment of lease finances	(1,022)	(337)
Repayment of import bills	(33,431)	-
Repayment of Long Term Loan	(16,000)	(56,000)
Increase in finance under mark-up arrangement	97,615	25,867
Long term deposit paid	(2,000)	-
Long term deposit received	1,452	-
<b>Net Cash / (used-in) from Financing Activities</b>	<b>46,614</b>	(30,470)
<b>Increase in cash and cash equivalents</b>	<b>3,850</b>	29,087
<b>ANALYSIS OF CHANGES IN CASH &amp; CASH EQUIVALENTS</b>		
Balance at beginning of year	41,243	69,084
Increase in cash and cash equivalents	3,850	29,087
Balance at end of period	<b>45,093</b>	<b>98,171</b>

The annexed notes form an integral part of these financial statements.

**CHIEF EXECUTIVE**

**DIRECTOR**

**GHANDHARA NISSAN LIMITED**  
**STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
**FOR THE THREE MONTH 30TH SEPTEMBER 2005**

	Share Capital	Share Premium	Accumulated Loss	Total
	Rupees in thousand			
Balance as at 30th June 2004	450,025	40,000	(376,975)	113,050
Profit for three months	-	-	34,268	34,268
Incremental depreciation on revalued fixed assets			6,069	6,069
<b>Balance as at 30th September 2004</b>	<b>450,025</b>	<b>40,000</b>	<b>(336,638)</b>	<b>153,387</b>
Profit for Nine Months			235,786	235,786
Transfer from surplus on revaluation of fixed assets for nine months on account of incremental depreciation charged during the period			32,185	32,185
Balance as at 30th June 2005	450,025	40,000	(68,667)	421,358
Profit for three months	-	-	57,028	57,028
Incremental depreciation on revalued fixed assets			3,632	3,632
<b>Balance as at 30th September 2005</b>	<b>450,025</b>	<b>40,000</b>	<b>(8,007)</b>	<b>482,018</b>

The annexed notes form an integral part of these financial statements.

**CHIEF EXECUTIVE**

**DIRECTOR**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED 30TH SEPTEMBER 2005**

1. These accounts are un-audited and are being submitted to shareholders, in accordance with SRO 764(1)/2001 dated November 5, 2001 issued by the Securities & Exchange Commission of Pakistan.
2. The Accounting Policies adopted for the preparation of these quarterly accounts for the 1st quarter ended September 30, 2005, are the same as those applied in the preparation of the preceding published annual accounts of the Company.

**3. INVESTMENTS**

Number of Shares	Name of the Company	(Rs. In '000)	
		Value at Equity Method	Market Value
1,291,271	Ghandhara Industries Ltd. (Formerly : National Motors Ltd.)	-	58,107

Original cost of the above investment is Rs. 53.897 million.

**4. OPERATING FIXED ASSETS**  
OWN ASSETS

	Sept. 2005	Sept. 2004
	(Rupees in '000)	
<b>Additions</b>		
Vehicles	-	1,690
Other equipment	587	1,700
EDP equipment	248	517
	835	3,907
Leased Assets - Vehicles	11,100	-
	<b>11,935</b>	<b>3,907</b>

**5. CAPITAL WORK IN PROGRESS**

Advance to suppliers	2,500	-
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**6. RELATED PARTY TRANSACTIONS:**

Sales & Services	27,140	950
Purchases	11,785	7,470
Royalty	3,711	2,347
Contract Assembly charges	4,880	4,320
Insurance premium	3,947	2,046

**7. DIVIDEND**

The Board of Directors has proposed a final dividend for the year ended 30 June, 2005 of Rs. 1.25 per share, amounting to Rs. 56,253 million at their meeting held on 12 September, 2005 which has been approved by the members at the Annual General Meeting held on 10th October, 2005. These financial statements do not reflect the dividend payable.

8. In order to comply with the requirements of International Accounting Standard 34 Interim Financial Reporting, Balance Sheet has been compared with the balances of annual financial statements, whereas Profit and Loss Account and Cash Flow Statement have been compared with the balance of preceding 1st quarter's financial statements.
9. The figures have been rounded off to the nearest thousand rupees.

**CHIEF EXECUTIVE**

**DIRECTOR**