



GHANDHARA
INDUSTRIES LIMITED



**PAVING A
SOLID PATH
FOR GROWTH**

ANNUAL REPORT 2018



DREAM LEARN SUCCEED

For many, imagination is a dream. For Ghandhara Industries Limited, imagination is a reality. Our reality leads us to achieve. This year, we explore our continued progress which lead to our achievements. Our engine works on our endeavors, our road to success is lead with experience, diversified range of our products and our expertise. The future progress for Ghandhara Industries Limited is invested in its stakeholders. We are a company that keeps it in front the need of its people. We believe that our future is secured with your trust.

We implement our learnings to the development of our dreams. Our dreams are that of leaders not followers. Our success is in our dreams.

Contents

03	Vision & Mission
05	Company Information
08	Company Review
09	Our Products
11	Founder Chairman
12	Board of Directors
17	Human Resource
18	Organization Structure
19	Management Team
21	Introducing ISUZU D-MAX
22	Dealers Conference 2018
23	Revisiting Year 2017 - 2018
25	Corporate Social Responsibility
26	Health and Safety
27	Notice of Meeting
37	Chairman Message
39	Directors' Report
53	Key Operating & Financial Data
61	Pattern of Shareholding
63	Statement of Compliance with the Code of Corporate Governance
65	Review Report to the Members
66	Auditors' Report to the Members
69	Statement of Financial Position
71	Statement of Profit or Loss Account and other Comprehensive Income
72	Statement of Changes in Equity
73	Statement of Cash Flows
74	Notes to the Financial Statements Electronic Dividend Mandate Form Proxy Form

Vision

To acquire market leadership and contribute to the society by providing high quality and environment friendly ISUZU Vehicles in Pakistan's Market.

Mission

To assist the society in the fight against pollution hazards by introducing environment friendly vehicles.

To maximize share of ISUZU in Pakistan.

To be a market & customer oriented organization.

To provide effective and efficient after sales services to the customers.

To enhance performance in all operating areas, ensuring growth of the company and optimum return to the stakeholders.

To create conducive operational environment for optimum productivity, job satisfaction, career development and well being of Employees.



INVESTING IN SUSTAINABILITY

At Ghandhara Industries Limited, we believe in an ecosystem that is everlasting and sustainable. Our endeavors in the society are a proof of our commitment and our vision to succeed as a whole for the society we operate in. We believe that our dream of sustainable future has unlimited possibilities.



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

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. Jamil Ahmed Shah	Director
Mr. Shahid Kamal Khan	Ind. Director
Mr. Sohail Hameed	Ind. Director

Audit Committee

Mr. Sohail Hameed	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	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.

M/s. Junaid Shoaib Asad
Chartered Accountant
1/6, Block - 6, P.E.C.H.S,
Mohtarma Laeeq Begum Road,
off Shahrah - e - Faisal,
Near Nursery Fly Over, Karachi.



PROGRESS AHEAD AND BEYOND

At Gandhara Industries Limited, our driving force is our ambition. Our dreams are our reality. We believe that the progress of Gandhara Industries Limited is built on trust, vision and leadership. Our investments in technology and products has kept us ahead and beyond. Our dream is to remain successful and beyond.





MOVING AND SURPASSING CHALLENGES



Company Review

Ghandhara Industries Limited (GIL), is the exclusive distributor of ISUZU products in Pakistan, and is part of the Bibojee Group of Companies. At GIL, we are very proud of our performance in one of the world's most competitive truck markets in terms of over loading & fuel efficiency using leading edge engineering and manufacturing technologies. GIL has developed a reputation for reliability, conformability and cost efficient trucks.

With 55 years of history in Pakistan, GIL has been one of the top leading automobile companies. Our products range from pickups to heavy duty trucks and buses.

Our ISUZU truck consistently leads the way with superior specification & reliability. Our customers have come to depend upon the outstanding reliability and superb fuel economy of our trucks, which are often required to operate under very demanding conditions. GIL & ISUZU are concerned for the environment and their superior engineering capability which ensures compliance with the most stringent emissions regulations. Together with our dealership network, we are committed to provide the highest level of customer service possible, with a dependable parts supply and service availability.

Our Products



D-MAX Single Cabin



D-MAX Crew Cabin



NHR Truck



NKR Truck



NPR Truck



FTR (4x2) Prime Mover



FTR (4x2) Rigid Truck



FVR (4x2) Rigid Truck



FVR (4x2) Prime Mover



FVZ Truck



FVZ Prime Mover



FTS (4x4) Truck



FVZ Dumper



FVZ 360 Prime Mover



FVR 90



NKR Bus



NPR Bus



MT 133/134 Bus

Founder Chairman



Late Lt. General (R) Habibullah Khan Khattak

Lt. General (R) M. Habibullah Khan Khattak was the Founder Chairman of the Bibojee Group of Companies. Today, the Group is an industrial empire with an extensive portfolio of businesses comprising three cotton spinning mills, a woolen mill, two automobile assembling plants with extensive marketing setups, a general insurance company, Pakistan's largest tyre manufacturing company, a construction company and two Trusts for supporting education and wildlife protection.



Lt. Gen. (R) Ali Kuli Khan Khattak Chairman

Mr. Ali Kuli Khan Khattak was educated at Aitchison College Lahore and graduated from the Royal Military Academy Sandhurst in 1964 and holds a Masters Degree from the Quaid-e-Azam University, Islamabad.

He belongs to a prominent military family of Pakistan. He retired from the Pakistan Army as its Chief of General Staff in 1998, prior to this, apart from holding various offices, he also directed the Directorate General of Military Intelligence (DGMI).

During his career he was awarded "Hilal-e Imtiaz". After retirement he joined the Family Business which includes, Tyre Manufacturing, Automobiles, Insurance, Cotton Spinning Mills, Woollen Textiles, Finance, Construction and Trading Services Companies.



Ahmad Kuli Khan Khattak

Chief Executive Officer

Mr. Ahmad Kuli Khan Khattak was educated at Aitchison College Lahore and graduated from the Pakistan Air Force (PAF) Academy Risalpur in 1969. He served PAF for nearly 21 years winning different medals and honors including the coveted, 'Sword of Honour' and Sitara-e-Basalat. After a distinguished career as a Fighter Pilot, (which included a major role in the induction of F-16 Fighter Planes in the PAF) he sought retirement from the PAF in 1987 as Wing commander and joined the Family Business, 'Bibojee' / General Habibullah's Group of Companies; his appointments in the various companies include:

Chief Executive Gandhara Nissan Ltd
(www.gandharanissan.com.pk)

Chief Executive Rahman Cotton Mills Ltd.
(www.rcm.com.pk)

He also serves on the following board of directors:

- Gammon Pakistan Ltd.
- Bannu Woollen Mills Ltd.
- Babri Cotton Mills Ltd.
- Janana De Malucho Textile Mills Ltd.
- The General Tyre & Rubber Company of Pakistan Ltd.

He has also served as chairman of All Pakistan Textile Manufacturers Association (APTMA) and Pakistan Automobile Association (PAMA) which are leading associations in Pakistan.

Mrs. Shahnaz Sajjad Ahmad



Ms. Shahnaz Sajjad Ahmad is Chairman at Babri Cotton Mills Ltd.

She is on the Board of Directors at Bannu Woollen Mills Ltd., Janana De Malucho Textile Mills Ltd. and Universal Insurance Co. Ltd. (Pakistan).

Mr. Jamil Ahmed Shah



Mr. Jamil Ahmed Shah is a law graduate. He served as a Managing Director of Sind Engineering Limited (SEL). He also served as a CEO in Naya Daur Motors and Bela Engineering. Mr. Shah has over 53 years of experience in working with different automobile companies in Pakistan. At present he is advisor to the Chairman - Bibojee Group of Companies and also serving on the Board of Gandhara Nissan Limited.

Director's Profiles

Maj. (R) Muhammad Zia

Mr. Muhammad Zia is retired Major of Pakistan Army. He has a vast experience of Automobile Industry and currently also serving on the Board of Gandhara Nissan Limited.

**Shahid Kamal Khan
Independent Director**

Air Commodore (R) Shahid Kamal Khan was born in Abbotabad, Pakistan in 1948. He was commissioned as a fighter pilot in the PAF in 1966 and retired after having served for 32 years in various important operational, training and staff assignments. For his meritorious services, Air Cdre. Shahid was awarded both the Tamgha-e-Basalat and the Sitara-e-Basalat by the Government of Pakistan. He is a graduate of the Royal Air Force Academy, Cranwell and has also completed Systems Safety course conducted at the University of Southern California. He is the CEO of EXCLAIM FZC, a UAE based Limited Liability Company (LLC) and MTEC Enterprise, a Pakistan registered proprietorship.

**Sohail Hameed
Independent Director**

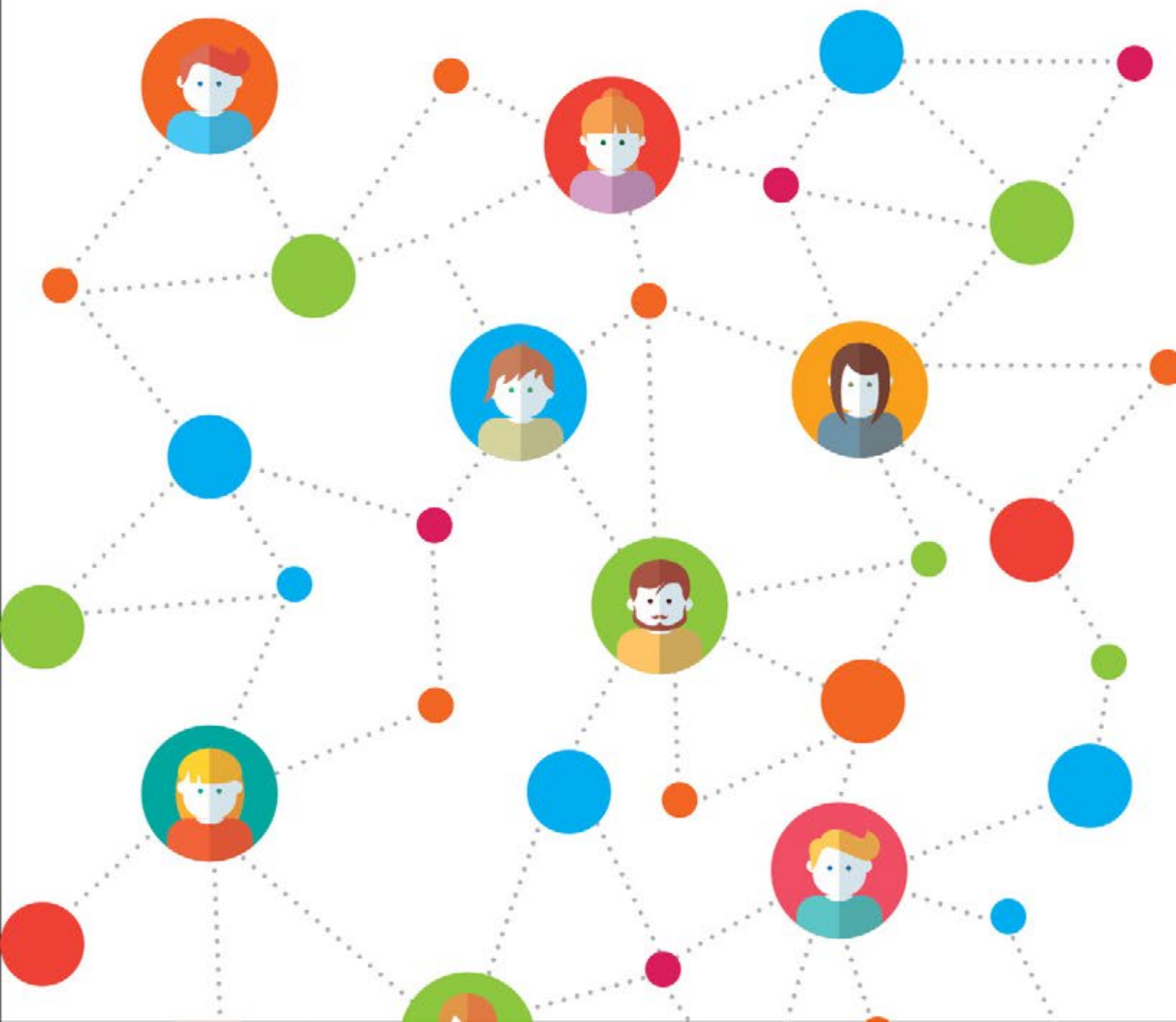
Mr. Sohail Hameed is a Fellow Chartered Accountant of Institute of Chartered Accountants of Pakistan Accountant, with diversified experience of over 40 years (26 years in the Middle East) in various industries including oil & gas, technology, automobile, textile, FMCG and construction. Held senior positions including Chief Executive, Executive Vice President, with focus on Finance and Business Development in Pakistan and in the Middle East including responsibility for financial, legal and commercial aspects of mega projects in oil & gas (upstream), development of airports, rail (metro and high speed) etc.

Established businesses, set up joint ventures, obtained franchises / representations of leading products of companies listed in the Fortune 500.

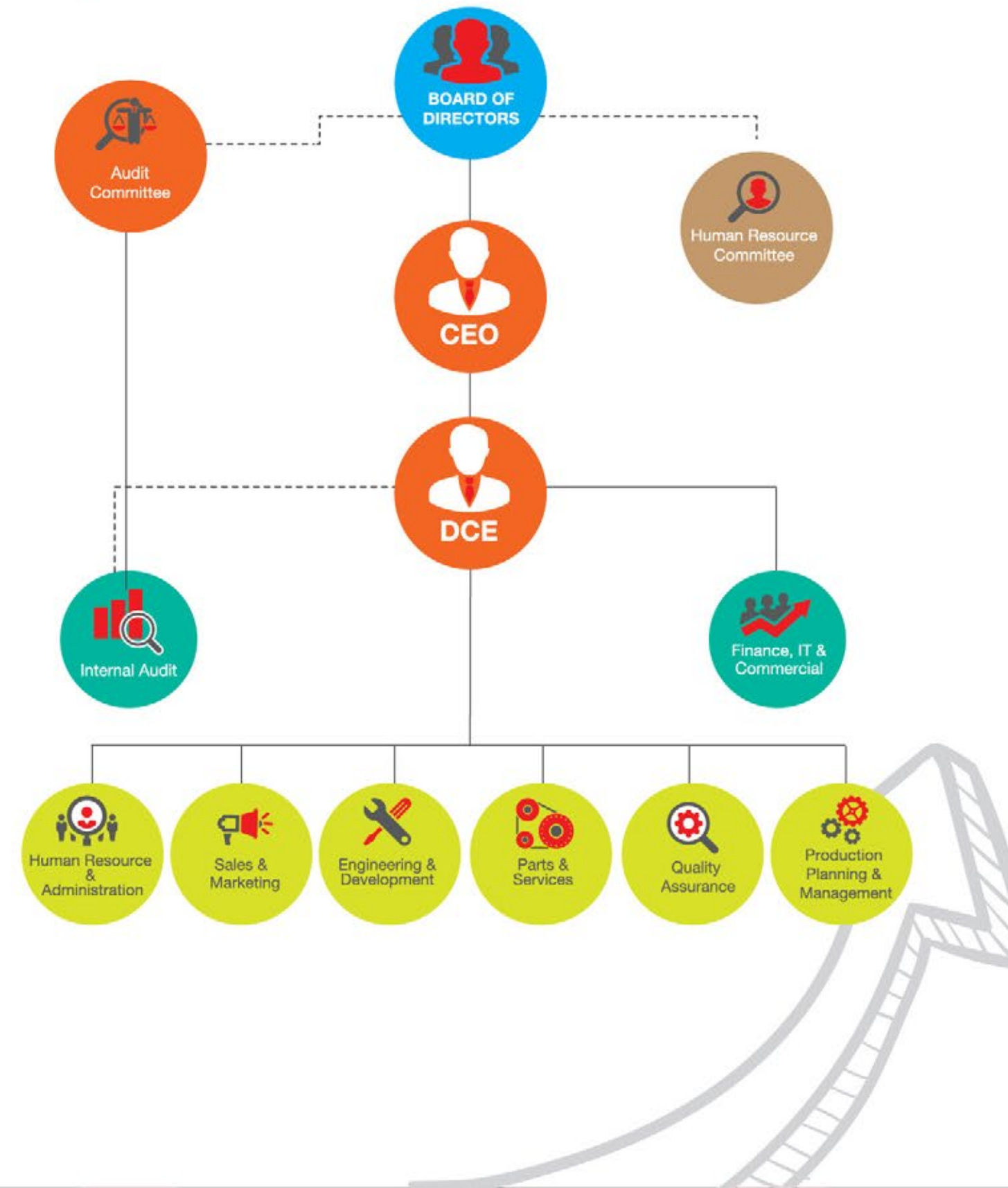
Human Resource

At Gandhara Industries Limited, we ensure the efficient and effective utilization of our Human Capital as we believe that nothing we do is more important than developing people, investing on enhancement & promotion of their knowledge, skill, experiences, and innovativeness.

GIL embraces the new challenges by managing its Business Changes and flourishing collaborative corporate culture in order to produce and develop the generation of leaders. The top Management aims to retain High – performing employees by facilitating them with competitive compensation benefits. Continuing the legacy of developing our personnel, GIL invests in numerous training programs that concentrated on management & leadership development, professional skills, technical training, and soft skills were conducted throughout the year, reflecting company's zeal toward its people.



Organization Structure





Management Team

The Management team of Ghandhara believes in synergy of all the resources of the company, including the Human Resources and Invests in them. In the end Management becomes simply steering the resources towards the achievement of Organization's goal.

GIL's leadership comprises some of the most enterprising leaders of the corporate world in Pakistan. These individuals are responsible for conceptualizing and articulating goals that bring our people together in pursuit of set objectives. They lead the company with a firm commitment to the values and spirit of Ghandhara Group. In our journey to become a profitable, growth-oriented and sustainable company, our management structure has evolved to create a more transparent and accessible organization. Our commitment to highest standards of integrity and transparency has shaped GIL's governance framework and processes, which are aligned to the industry's best practices. Every employee at GIL is a part of the governance system and is required to adhere to clearly laid out policies and procedures.

At GIL, we support our leadership culture through unique systems and policies which ensure open communication, foster an environment of employee and partner privacy, and guarantee the well-being and safety of our employees. Our core values form the basis of everything we do at GIL; from formal decision making to how we conduct our business to spot awards and recognition. At GIL, we never forget what we stand for.

We strongly believe in the dignity and value of our people. We must consistently treat each other with respect and strive to create an organizational environment in which individuals are fairly treated, encouraged and empowered to contribute, grow and develop themselves and help to develop each other. We do not tolerate any form of harassment or discrimination.

Success requires us to continually strive to produce breakthrough ideas that result in improved solutions and services. We encourage challenges to the status quo and seek organizational environments in which ideas are generated, nurtured and developed. Ghandhara Industries Limited appreciates employees for well thought out risks taken in all realms of business, and for the results achieved due to them, acknowledging the fact that not all risks will result in success.



INTRODUCING

ISUZU D-MAX



1. 3.0 LITER VGS TURBO
2. PUSH ENGINE START
3. POWERFUL ENGINE WITH WIDE FLAT TORQUE CURVE
4. COMFORT SUSPENSION
5. ELECTRONIC STABILITY CONTROL (ESC)
6. ABS WITH ELECTRONIC BRAKE-FORCE DISTRIBUTION
7. BRAKE ASSIST
8. SURROUNDED SOUND SYSTEM WITH 8 SPEAKERS



DEALERS CONFERENCE 2018

To celebrate our achievement and setting New Fiscal Year's target, Ghandhara Industries Ltd had conducted an Annual 3S Dealer's Conference 2018 held in Bangkok, Thailand. Being the market leader in truck segment, GIL and its team celebrated the same with their dealers.

GIL '3S' Dealerships, ISUZU Japan, Isuzu Motors International Operations Thailand, and Marubeni Corporation management were also invited to the event to review the past year's performance, competitor's challenge and device a sale strategy to accomplish business targets for the fiscal year 2018-2019. Participant also visited the Isuzu Motors Gateway Plant in Thailand during the Conference.



GIL has signed MoC (Memorandum of Collaboration) with M/s. Aman Institute of Vocational Training (Aman Tech Foundation).

The purpose of this MoC is to strengthen and promote productive working relationship between the training provider and the Partnering Organization in order to enhance quality of training delivery, enterprise competitiveness and access to decent employment.

ISUZU GRAND PRIX 2017:

GIL technical team participated in Grand Prix 12th ISUZU World Technical Competition where technicians from worldwide Isuzu subsidiaries converge so they could show their skills and capabilities and it allows the participants to directly measure their performance on a level playing field against their best peers around the world.

Service Campaign Scheduled in Karachi from 10th October to 7th November 2017

GIL conducted the service clinic all over Pakistan, this was done to improve the product's brand image and customer confidence on GIL, its dealerships and products. These activities strengthen the bond between Gil and its customers, end user's and fleet operators. Our technical staff educated the customers about proper maintenance of vehicles and provided spot solutions to general customer queries.

On spot trouble shooting and technical training to North Region Army successfully completed:

Gil conducted training for North Region Army in which training related to on spot troubleshooting was provided. GIL aim was to educate the technical and non-technical army personnel on how to deal and resolve issues with minimum time and efforts. Training related to maintenance of GIL products was also provided to ensure a hassle-free experience with our products.

Key Presentation Ceremony of Isuzu buses to B.Z.U Multan

Bahauddin Zakariya University (BZU) Multan during a ceremony of ISUZU key presentation to Vice Chancellor BZU. The Chancellor appreciated GIL's effort of delivering the quality of buses in time.

GIL- Isuzu Service team providing truck training to Pak Army at Multan.

Inauguration Ceremony of PUMA energy:

Ghandhara Industry Ltd achieved another milestone by manufacturing first OGRA compliant, Isuzu FVZ HD Euro3 Prime movers (340 and 360 hp) delivered by DTOD logistics.

Dunya Kisan Dost Mela 2018:

Ghandhara Industries Ltd actively participated in AGRICULTURAL EXPO & Conference, Dunya Kisan Mela 2018. The event took place in Multan at BZU university on 30th March 2018. Agriculture is the backbone of Pakistan's economy. It is the main source of income of 67.5% of the Pakistani's. GIL believes in further strengthening of this sector and to promote our farmers.



Revisiting Year-2017 2018



Inauguration Ceremony of ISUZU new 3S Dealership at Gujranwala:

A new state of the art 3S dealership of ISUZU was inaugurated in Gujranwala. GIL aims to provide its customers easy accessibility for purchasing, services and after sales support of its products.

The dealership was inaugurated by honourable DECO of GIL Mr. Muhammad Khuli Khan Khattak in May 2018.

GIL - ISUZU Customers Visit to Tokyo, Japan - April 2018

To boost relationship with its customers, GIL took them on a trip to Tokyo, Japan. The customers were provided a guided tour of ISUZU headquarters, where they learnt about the core values of ISUZU.

JS Bank collaborates with Ghandhara Group:

JS bank has collaborated with Ghandhara Group to provide financing solutions for Light Commercial vehicles under the Prime Minister Youth Business Loan Scheme (PMYBL) for establishing or extending business enterprises. JS Bank will provide financing solutions to organizations and individuals, who intend to purchase Light Commercial Vehicles (LCV's). Applicants will be able to avail the market's lowest mark-up rate of just 6% per annum for allowing them to increase their median household income and increase their financial independence.

Showroom opening RAVI Motors:

The DCEO, Mr. Muhammad Khuli Khan Khattak inaugurated Ravi Motors dealership in Lahore in May 2018.

First fully assembled bus exported to Mauritius by Pakistan:

Ghandhara Industries Limited proudly became the first Pakistani automotive manufacturer to export a fully assembled bus to Mauritius. The achievement was also applauded by the High Commission of Islamic Republic of Pakistan.

Fire Safety Training:

At Ghandhara Industries health and safety of our staff is our first priority. To ensure safety of our employees, Fire and safety training was held at our premises. Employees were educated and trained on how to tackle emergency situations and minimize loss.

Microsoft Office Training:

A 2-days training session was conducted at GIL Head office regarding excellence of Microsoft office. The aim of the training was to educate its staff members with key skills to perform their work efficiently using Ms Office.

Corporate Social Responsibility

As a socially responsible company, we at GIL are committed to conduct business in a manner that benefit society and also ensures our long-term sustainability. Corporate social Responsibility is therefore an integral part of the GIL ways of working. The company is working towards realization of its dreams to be a company that society wants to exist.



GHANDHARA SPONSORED CRICKET TOURNAMENT (AGA KHAN)

During the year, GIL sponsored Aga Khan Ramazan Cricket Tournament and played an important role in promoting development of new talent. GIL provided local talent a chance to play with super stars to our national cricket team.



GIL sponsored a cultural event in collaboration with Cultoor. The event was a showcase of Pakistan and Afghanistan culture. The event covered variety of activities including poetry, folk music concert and much more.

Health & Safety

At GIL, our Safety Policy conveys the following simple message:
"SAFETY WILL ALWAYS TAKE PRECEDENCE OVER PRODUCTION, SALES AND PROFIT"

The company continues to comply with all safety, health and environmental laws and regulation and at the same time, we recognize the benefit of appropriate safety and environmental management as one of our highest priorities.



Notice of Meeting

Notice is hereby given that the 55th Annual General Meeting of the shareholders of GHANDHARA INDUSTRIES LIMITED will be held at 11:30A.M on Tuesday, 23rd October, 2018 at F-3, Hub Chauki Road, S.I.T.E., Karachi to transact the following business:

Ordinary Business

- 1) To confirm the minutes of the Extra Ordinary General Meeting of the Company held on April 10th, 2018.
- 2) To receive, consider and adopt the Annual Audited Accounts of the Company for the year ended June 30, 2018, together with Directors' and Auditors' report thereon.
- 3) To consider and approve the payment of final Cash Dividend and Bonus Shares. The Board of Directors has recommended payment of final Cash Dividend of Rs. 15.6 per share i.e. 156% and issuance of bonus shares in proportion of one share held for each one share held i.e. 100% for the year ended 30th June, 2018.
- 4) To appoint Auditors for the financial year ending June 30, 2019 and to fix their remuneration.
- 5) Any other business with the permission of the Chair.

Special Business

- 6) To consider, subject to declaration of the final dividend as above, to capitalize a sum of Rs.213,044,220 by way of issue of 21,304,422 fully paid bonus shares of Rs.10 each and if thought fit to pass an ordinary resolution in the matter.
- 7) To consider to pass the following ordinary resolutions:
 - a) "RESOLVED that the transactions carried out in normal course of business with associated companies during the year ended June 30, 2018 be and are hereby ratified and approved."
 - b) "RESOLVED that the Chief Executive of the Company be and is hereby authorized to approve all the transactions carried out and to be carried out in normal course of business with associated companies during the ensuing year ending June 30, 2019 and in this connection the Chief Executive be and is hereby also authorized to take any and all necessary actions and sign/execute any and all such documents/indentures as may be required in this regard on behalf of the Company."

Statement under Section 134 of the Companies Act, 2017 in the above matters mentioned in item Nos. 6 and 7 is annexed.

By order of the Board



Iftikhar Ahmed Khan
Company Secretary

Karachi
October 02, 2018

Notes:

- (a) The Share Transfer books of the Company shall remain closed from October 16, 2018 to October 23, 2018 (both days inclusive) for the purpose of Annual General Meeting and to determine entitlement of cash dividend and bonus shares. No transfer will be accepted for registration during this period.
- (b) A member eligible to attend and vote at this meeting may appoint another member as his/her proxy to attend, speak and vote instead of himself/herself. Proxies in order to be effective must be valid and received by the Company not less than 48 hours before the time for holding of the Meeting and must be duly stamped, signed and witnessed. A member shall not be entitled to appoint more than one proxy.
- (c) CDC shareholders are requested to bring their original Computerized National Identity Cards, Account, Sub Account Number and Participant's Number in the Central Depository System for identification purposes for attending the Meeting. In case of a corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.
- (d) Securities and Exchange Commission of Pakistan (SECP) vide notifications dated August 18, 2011 and July 05, 2012 made it mandatory that dividend warrants should bear CNIC number of the registered members, therefore, members who have not yet submitted photocopy of their valid Computerized National Identity Cards to the Company / share registrar are requested to send the same directly to Company's share registrar M/s Hameed Majeed Associates(Pvt.) Limited. Failure to provide the same would constrain the Company under Section 243(3) of the Companies Act, 2017 to withhold payment of dividend.
- (e) If the Company receives consent from the members holding at least 10% shareholding residing in a city, to participate in the meeting through video-link at least seven (07) days prior to date of the meeting, the Company will arrange facility of video-link in that city subject to availability of such facility in that city.

To avail this facility please provide the following information to our Share Registrar M/s Hameed Majeed Associates (Pvt.) Limited.

"I/We, _____ of _____, being a member of Ghandhara Industries Limited, holder of _____ ordinary share(s) as per Registered Folio No. _____ hereby opt for video conference facility at _____."

Signature of member

- (f) Shareholders are informed that Income Tax Ordinance 2001, as amended by Finance Act, 2018, has described 20% withholding tax on dividend payment to non-filers while filers of income tax returns will be liable to withholding tax @15%.

To enable the Company to make tax deduction on the amount of cash dividend @ 15% instead of 20%, all the shareholders whose names are not entered into the Active Tax-payers List (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to make sure that their names are entered into ATL, otherwise tax on their cash dividend will be deducted @ 20% instead of 15%.

In case of Joint account, each holder is to be treated individually as either a filer or non-filer and tax will be deducted on the basis of shareholding of each joint holder as may be notified by the shareholder, in writing as, to our Share Registrar, or if no notification, each joint holder shall be assumed to have an equal number of shares.

Shareholders are advised to provide their NTN to Share Registrar of the Company for availing the benefit of withholding tax rate applicable to filers. Information in respect of joint shareholding be provided on the format given below to compute withholding tax of each shareholder accordingly:

Name of Principal / Joint Holder	Folio / Prt. ID & Acct No.	Shareholding %	CNIC	Signature
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- (g) Shareholders claiming tax exemption under clause 47(B) of Part IV of the Second Schedule of Income Tax Ordinance, 2001 or under any other provision of the law are requested to provide valid exemption certificate or copy of stay order, if any, before the date of book closure, to the Share Registrar of the Company as required vide FBR clarification letter No. 1(43) DG (WHT)/2008 - Vol. II- 66417-R dated 12 May 2015. In case of non-submission of the requisite documents, deduction of tax under relevant sections shall be made as per requirements of law.
- (h) Members are requested to immediately notify any change in their mailing address to our Share Registrar's Office – M/s Hameed Majeed Associates (Pvt.) Ltd., 4th Floor, Karachi Chambers, Hasrat Mohani Road, Karachi.
- (i) This is to inform that SECP in accordance with SRO 470(I)/2016 dated 31 May 2016, through which SECP has allowed companies to circulate the annual audited accounts to its members through CD/DVD/ USB instead of transmitting the hard copies at their registered addresses, subject to consent of shareholders and compliance with certain other conditions, the Company has obtained shareholders' approval in its Annual General Meeting held on October 31, 2016. Accordingly, Annual Report of the Company for the year ended June 30, 2018 is dispatched to the shareholders through CD. However, if a shareholder requests for a hard copy of Annual Accounts, the same shall be provided free of cost within seven days of receipt of such request.

Further, SECP through its Notification No. SRO. 787(1)/2014, dated September 08, 2014 has allowed companies to circulate Annual Audited Financial Statements along with Notice of Annual General Meeting through email instead of sending the same through post, to those members who desire to avail this facility. The members who desire to opt to receive aforesaid statements and notice of Annual General Meeting through e-mail are requested to provide their written consent on the Standard Request Form available on the Company's website: www.gil.com.pk.

- (j) Pursuant to Section 244 of the Companies Act, 2017, any shares issued or dividend declared by the Company, which remain unclaimed or unpaid for a period of three years from the date it become due payable shall vest with the Federal Government after compliance of procedures prescribed under the Company Act, 2017. Section 244(I)(a) of the Act requires the Company to give a 90 days' notice to the members to file their claims with the Company. Shareholders are hereby informed that a list of all unclaimed dividend has been added on the Company's website: <http://gil.com.pk/page-Unclaimed-dividend-and-shares> Any member affected by this notice is advised to write to or call at the office of the Company's share registrar M/s Hameed Majeed Associates (Pvt.) Ltd., 4th Floor, Karachi Chambers, Hasrat Mohani Road, Karachi during normal working hours.
- (k) Payment of cash dividend electronically (Mandatory).

In accordance with the provisions of section 242 of the Companies Act, 2017 and Companies (Distribution of Dividend) Regulations, 2017, it is mandatory for a listed company to pay cash dividend to its shareholder only through electronic mode directly into the bank account designated by the entitled shareholder. Shareholders are requested to fill in "Electronic Credit Mandate Form" as reproduced below and also available on Company's website and send it duly signed along with a copy of valid CNIC/NTN to their respective CDC participant / CDC Investor account services (in case of shareholding in Book Entry Form) or to the Company's Share Registrar M/s. Hameed Majeed Associates (Pvt.) Ltd (in case of shareholding in Physical Form):

a) Shareholder's Details	
Name of the Shareholder (s)	
Folio # /CDSAccount No.(s)	
CNIC NO. (Copy attached)	
Mobile/Landline no.	

b) Shareholder's Bank Details	
Title of Bank Account	
International Bank Account Number (IBAN)	
Bank's Name	
Branch's name and address	

It is stated that the above mentioned information is correct and in case of any change herein I/we will immediately intimate the Share Registrar accordingly.

Statement Under Section 134 (3) of The Companies Act, 2017

This statement sets out the material facts concerning the Special Business, given in agenda item No.6 of the Notice that will be considered by the members.

1) Agenda Item No. 6 of the Notice - issue of Bonus Shares to be passed as an Ordinary Resolution

The Board of Directors has recommended to the members of the Company to the issue of fully paid bonus shares @ 100% for the year ended June 30, 2018. Subject to approval of the Board of Directors' recommendation as above, the resolution as under will be considered to be passed by the members as an ordinary resolution:

"RESOLVED that a sum of Rs. 213,044,220 out of the profit for the year ended June 30, 2018 be capitalized and applied in making payment in full of 21,304,422 ordinary shares of Rs.10 each and that the said shares be allotted as fully paid up bonus shares to those members of the Company whose names appear in the register of members on October 15, 2018 @ 100% i.e. in the proportion of one share for every one existing shares held by the members and that such new shares shall rank pari passu in all respects with the existing ordinary shares of the Company except that they shall not qualify for final cash dividend declared for the year June 30, 2018.

For the purpose of giving effect to the above, the Directors be and are hereby authorized to take all necessary steps in the matter and to settle any question or difficulties that may arise in regard to the distribution of the said new shares as they think fit."

The Directors are interested in this business only to the extent of their entitlement of dividends and bonus shares as ordinary shareholders.

- 2) Agenda Item No. 7(a) of the Notice - Transactions carried out with associated companies during the year ended June 30, 2018 to be passed as an Ordinary Resolution

The transactions carried out in normal course of business with associated companies (Related parties) were being approved by the Board as recommended by the Audit Committee on quarterly basis pursuant to clause 15 of the Listed Companies Corporate Governance Regulations, 2017.

During the Board meeting it was pointed out by the Directors that as the majority of Company Directors were interested in this/these transaction(s) due to their common directorship and holding of shares in the associated companies, the quorum of directors could not be formed for approval of this/these transaction(s) which has/have to be approved by the shareholders in the General Meeting.

In view of the above, the transactions conducted during the financial year ended June 30, 2018 with associated company as shown in relevant notes of the Audited Financial Statements are being placed before the shareholders for their consideration and approval/ratification.

The Directors are interested in the resolution to the extent of their common directorships and their shareholding in the associated companies.

Agenda Item No. 7(b) of the Notice - Authorization to the Chief Executive for the transactions carried out and to be carried out with associated companies during the ensuing year ending June 30, 2019 to be passed as an Ordinary Resolution

The Company would be conducting transactions with associated companies in the normal course of business. The majority of Directors are interested in these transactions due to their common directorship and shareholding in the associated companies. Therefore, such transactions with associated companies have to be approved by the shareholders.

In order to comply with the provisions of clause 15 of Listed Companies (Code of Corporate Governance) Regulations, 2017, the shareholders may authorize the Chief Executive to approve transactions carried out and to be carried out in normal course of business with associated companies during the ensuing year ending June 30, 2019.

The Directors are interested in the resolutions to the extent of their common directorships and shareholding in the associated companies and the privileges attached thereto only.

اس کو عملی جامہ پہنانے کے لئے ڈائریکٹران کو اختیار دیا جاتا ہے کہ وہ اس معاملے میں ضروری اقدامات کریں اور مذکورہ نئے حصص کی تقسیم کے سلسلے میں دشواریوں یا تنازعات کا تصفیہ کریں جیسا بھی وہ مناسب سمجھتے ہوں۔

ڈائریکٹران کا تعلق صرف عمومی حصص یافتگان کو منافع منقسم اور بونس شیئرز کے استحقاق تک محدود ہے۔

(2) نوٹس کا لیجنڈا نمبر (a)۔ مختتمہ سال 30 جون 2018 میں ملحقہ کمپنیوں کے ساتھ سودوں کے لئے ایک عمومی قرارداد متفقہ منظور کی جائے گی۔

ملحقہ کمپنیوں (ملحقہ پارٹیوں) کے ساتھ سودے عمومی کاروباری طریقہ کار کے تحت تفصیل پائے جن کی منظوری آڈٹ کمیٹی کی سفارش پر کمپنیز کارپوریٹ گورننس ریگولیشنز 2017 کی شق 15 کے تحت سہ ماہی بنیاد پر دی جاتی ہے۔

بورڈ کے اجلاس کے دوران اس بات کا انکشاف کیا گیا کہ کمپنی کے ڈائریکٹران کی ایک بڑی تعداد کا تعلق مشترکہ ڈائریکٹر شپ کی وجہ سے ان سودوں سے ہے اور ان کی ملحقہ کمپنیوں میں حصص داری ہے، لہذا ان سودوں کی منظوری کے لئے ڈائریکٹران کی مطلوبہ تعداد موجود نہیں ہے، اس لئے اس کی منظوری حصص یافتگان سے سالانہ اجلاس میں لی جائے گی۔

مذکورہ بالا کو مد نظر رکھتے ہوئے مالیاتی سال مختتمہ 30 جون 2018 کے دوران ملحقہ کمپنی کے ساتھ کئے گئے سودوں کی تفصیل جسے آڈٹ شدہ مالیاتی گوشواروں کے نوٹس میں منکشف کیا گیا ہے، حصص یافتگان کے غور اور ان کی منظوری/توثیق کے لئے ان کے روبرو پیش کی جائے گی۔

ڈائریکٹران کا تعلق مشترکہ ڈائریکٹر شپ اور ملحقہ کمپنیوں میں ان کی حصص داری تک محدود ہے۔
نوٹس کا لیجنڈا نمبر (b)۔ سہ ماہی 30 جون 2019 کے دوران ملحقہ پارٹیوں کے ساتھ طے شدہ اور بعد ازاں طے کئے جانے والے سودوں کے لئے چیف ایگزیکٹو کو مجاز بنانے کے لئے ایک عمومی متفقہ قرارداد منظور کی جائے گی۔

کمپنی ملحقہ کمپنیوں کے ساتھ عمومی کاروباری طریقہ کار کے تحت سودے کرے گی۔ مشترکہ ڈائریکٹر شپ اور ملحقہ کمپنیوں میں حصص داری کی وجہ سے ڈائریکٹران کی بڑی تعداد کا تعلق ان سودوں سے ہے۔ لہذا ملحقہ پارٹیوں کے ساتھ ان سودوں کی منظوری حصص یافتگان سے لی جائے گی۔

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2017 کی شقوں کی پاسداری کرتے ہوئے حصص یافتگان چیف ایگزیکٹو کو ملحقہ کمپنیوں کے ساتھ عمومی کاروباری طریقہ کار کے تحت مختتمہ سال 30 جون 2018 میں طے شدہ اور طے کئے جانے والے سودوں کی منظوری کے لئے چیف ایگزیکٹو کو مجاز بنایا جاسکتا ہے۔

ڈائریکٹران کا تعلق مشترکہ ڈائریکٹر شپ اور ملحقہ کمپنیوں میں ان کی حصص داری اور منسلک استحقاق تک محدود ہے۔

(k) برقی طریقے سے منافع منقسمہ کی ادائیگی (لازمی)

کمپنیز ایکٹ 2017 اور کمپنیز (ڈسٹری بیوشن آف ڈیویڈنڈ) ریگولیشنز 2017 کی دفعات کے تحت یہ لازمی ہے کہ لسٹڈ کمپنی اپنے حصص یافتگان کو منافع منقسمہ بلا واسطہ برقی طریقہ کار کے مطابق اہل حصص یافتہ کے متعلقہ اکاؤنٹ میں منتقل کرے۔ حصص یافتگان سے گزارش ہے کہ وہ اپنا "الیکٹرونک کریڈٹ مینڈیٹ فارم" جو کہ نیچے دیا گیا ہے اور جو کمپنی ویب سائٹ پر بھی دستیاب ہے، اسے بھر کر باضابطہ دستخط کر کے اپنے CNIC/NTN کے ہمراہ متعلقہ سی ڈی سی ٹریک/سی ڈی سی انویسٹر اکاؤنٹ سرورسز (حصص داری بک انٹری فارم کی شکل میں) یا کمپنی کے شیئر رجسٹرار میسرز حمید مجید (پرائیویٹ) لمیٹڈ (حصص داری فزیکل فارم کی شکل میں) بھیج دیں۔

حصص یافتہ کی تفصیلات:

حصص یافتہ کا نام:

فولیو نمبر سی ڈی سی اکاؤنٹ نمبر:

CNIC نمبر (نقل منسلک):

موبائل / لینڈ لائن نمبر:

حصص یافتہ کے بینک کی تفصیلات:

بینک اکاؤنٹ کا عنوان:

انٹرنیشنل بینک اکاؤنٹ نمبر (IBAN):

بینک کا نام:

برانچ کا نام اور پتہ:

یہ بھی بتایا جاتا ہے کہ مذکورہ بالا معلومات بالکل درست ہوں اور اگر ان میں کوئی تبدیلی ہو جائے تو میں/ہم اس سے فوری طور پر شیئر رجسٹرار کو مطلع کریں گے۔

کمپنیز ایکٹ 2017 کی دفعہ 134(3) کے تحت بیان

اس بیان کا تعلق اہم امور کے ٹھوس حقائق سے ہے جسے نوٹس کے لیجنڈا نمبر 6 میں دیا گیا ہے جس پر ممبران غور کریں گے۔

(1) نوٹس کا لیجنڈا نمبر 6۔ نوٹس شیئرز کا اجراء کے لئے متفقہ عمومی قرارداد منظور کی جائے گی۔

بورڈ آف ڈائریکٹرز نے مقررہ سال 30 جون 2018 میں کمپنی کے ممبران کے لئے مکمل ادا شدہ نوٹس شیئرز 100 فیصد کے حساب سے کی منظوری دی

ہے۔ بورڈ آف ڈائریکٹرز کی مندرجہ بالا سفارش، ممبران کی جانب سے متفقہ عمومی قرارداد کی متفقہ منظوری سے مشروط ہوگی:

متفقہ منظور کیا جاتا ہے کہ مقررہ سال 30 جون 2018 کے منافع میں سے 213,044,220 روپے کی رقم کا سرمایہ نکالا جائے گا اور اسے 21,304,422 عمومی شیئرز 10 روپے فی حصص کے حساب سے ادائیگی کے لئے استعمال کیا جائے گا اور یہ کہ مذکورہ حصص کو مکمل ادا شدہ نوٹس شیئرز کی صورت میں کمپنی کے ان ممبران کو جاری کیا جائے گا جن کے نام 15 اکتوبر 2018 کو ممبران کے رجسٹر میں موجود ہوں گے جس کا حساب 100 فیصد یعنی ہر ممبر کے موجودہ ایک حصص پر ایک حصص جاری کیا جائے اور یہ کہ ان حصص کی حیثیت کمپنی کے عمومی حصص کے برابر ہوگی سوائے اس کے کہ وہ اعلان کردہ منافع منقسمہ برائے سال 30 جون 2018 کے لئے نااہل ہوں گے۔

حصص یافتگان کو مطلع کیا جاتا ہے کہ وہ اپنے NTN نمبر کمپنی کے شیئر رجسٹرار کو فراہم کر دیں تاکہ وہ ہولڈنگ ٹیکس کی شرح فائلر کے حساب سے کاٹی جائے۔ مشترکہ حصص داری کے سلسلے میں ہر حصص یافتہ کے ہولڈنگ کا تخمینہ مندرجہ ذیل طریقے کار کے مطابق لگایا جائے گا:

(g) حصص یافتگان جنہیں انکم ٹیکس آرڈیننس 2001 کے سیکنڈ شیڈول کے حصہ IV کی شق 47(B) یا کسی اور قانون کے تحت ٹیکس سے استثناء حاصل ہے ان سے درخواست ہے کہ درست استثنائی سرٹیفکیٹ یا اسٹے آرڈر کی نقل، اگر کوئی ہو، تو کتابوں کے بند ہونے سے قبل ایف بی آر کی مطلوبات بذریعہ وضاحتی خط نمبر 1(43) DG (WHT)/2008 - Vol. II - 66417-R مورخہ 12 مئی 2015 کے تحت کمپنی کے شیئر رجسٹرار کے پاس جمع کروادیں۔ درکار دستاویزات کی عدم فراہمی کی صورت میں متعلقہ دفعات کے تحت قانون کے مطابق ٹیکس کٹوتی کر لی جائے گی۔

(h) ممبران سے درخواست ہے کہ وہ اپنے خط و کتابت کے پتے میں کسی تبدیلی سے فوری طور پر شیئر رجسٹرار کے دفتر - میسرز حمید مجید ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، 4th فلور، کراچی چیمبرز، حسرت موہانی روڈ، کراچی کو مطلع کریں۔

(i) مطلع کیا جاتا ہے کہ ایس ای سی پی کے SRO 470(I)/2016 مورخہ 31 مئی 2016 کے مطابق ایس ای سی پی نے کمپنیوں کو اپنے ممبران کو سالانہ مالیاتی گوشوارے کی کاغذی نقول کے بجائے بذریعہ CD/DVD/USB اسکے رجسٹرڈ پتے پر بھیجنے کی اجازت دی ہے، بشرطیکہ کہ حصص یافتگان کی رضامندی اور دیگر مخصوص شرائط کی پاسداری ہوتی ہو، اس سلسلے میں کمپنی نے اپنے سالانہ اجلاس عام منعقدہ 31 اکتوبر 2016 میں منظوری حاصل کر لی ہے۔ لہذا کمپنی کی سالانہ رپورٹ برائے مقررہ سال 30 جون 2018 بذریعہ CD حصص یافتگان کو بھیجی جائے گی۔ تاہم اگر کوئی حصص یافتہ، سالانہ مالیاتی گوشواروں کی کاغذی نقول کی درخواست کرتا ہے تو وہ پھر اس کی درخواست کے سات دن کے اندر اسے بغیر کسی لاگت کے فراہم کی جائے گی۔

مزید ایس ای سی پی نے اپنے نوٹیفیکیشن نمبر SRO 787(1)/2014 مورخہ 08 ستمبر 2014 کے تحت سالانہ آڈٹ شدہ مالیاتی گوشواروں کے ساتھ سالانہ اجلاس عام کا نوٹس ان ممبران کو بذریعہ پوسٹ بھیجنے کے بجائے بذریعہ ای میل بھیجنے کی اجازت دی ہے جو اس سہولت سے استفادہ کے خواہشمند ہوں۔ وہ ممبران جو کہ مذکورہ بالا گوشوارے اور سالانہ اجلاس عام کے نوٹس بذریعہ ای میل حاصل کرنا چاہتے ہوں تو ان سے درخواست ہے کہ وہ اپنی تحریری رضامندی طے شدہ درخواست فارم پر جو کہ کمپنی کی ویب سائٹ www.gil.com.pk پر موجود ہے، بھیج سکتے ہیں۔

(j) کمپنیز ایکٹ 2017 کی دفعہ 244 کے تحت کمپنی کی طرف سے جاری کردہ حصص یا منافع منقسمہ کا اعلان، جو کہ اس کے واجب الادا ہونے سے تین سال تک غیر دعویٰ شدہ یا غیر ادا شدہ رہے تو پھر اسے کمپنیز ایکٹ 2017 کے تحت تمام ضروری طریقہ کار کی تکمیل کے بعد وفاقی حکومت کو منتقل کر دیا جائے گا۔ ایکٹ کی دفعہ 244(a) کے تحت ممبران کو اپنے دعوے پیش کرنے کے لئے 90 دن کو نوٹس دیا جاتا ہے۔ حصص یافتگان کو مطلع کیا جاتا ہے کہ تمام غیر دعویٰ شدہ منافع منقسمہ کی فہرست کمپنی کی ویب سائٹ <http://gil.com.pk/page-Unclaimed-dividend-and-shares> پر موجود ہے۔ کوئی بھی ممبر جو اس نوٹس سے متاثر ہو، اسے مشورہ دیا جاتا ہے کہ تحریری طور پر یا کال کر کے کمپنی کے شیئر رجسٹرار میسرز حمید مجید ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، 4th فلور، کراچی چیمبرز، حسرت موہانی روڈ، کراچی عمومی کام کے اوقات کے دوران رابطہ کرے۔

نوٹس برائے اجلاس عام

مطلع کیا جاتا ہے کہ گندھارا انڈسٹریز لمیٹڈ کے حصص یافتگان کا 55 واں سالانہ اجلاس عام بروز منگل 23 اکتوبر 2018 دوپہر 11:30 بجے مندرجہ ذیل امور کی انجام دہی کے لئے F-3، حب چوکی روڈ، سائٹ، کراچی پر منعقد ہوگا:

عمومی امور

- (۱) کمپنی کے غیر معمولی اجلاس عام مورخہ 10 اپریل 2018 کی کارروائی کی توثیق
- (۲) مختتم سال 30 جون 2018 کے آڈٹ شدہ مالیاتی گوشواروں کے ساتھ ڈائریکٹران اور آڈیٹرز کی رپورٹ کی وصولی، ان پر غور اور ان کو اختیار کرنا
- (۳) نقد منافع منقسمہ اور بونس شیئرز کی ادائیگی پر غور اور منظوری۔ بورڈ آف ڈائریکٹرز نے مختتم سال 30 جون 2018 کے لئے 156 فیصد یعنی 15.6 روپے فی حصص کے حساب سے نقد حتی منافع منقسمہ اور ہر ایک حصص کی ملکیت پر ایک بونس شیئر کے اجراء یعنی 100 فیصد کی سفارش کی ہے۔
- (۴) مالیاتی سال 30 جون 2019 کے لئے آڈیٹرز کی تقرری اور ان کے معاوضہ کا تعین
- (۵) صدر مجلس کی اجازت سے مزید کوئی امور

خصوصی امور

- (۶) حتی منافع منقسمہ کے اعلان پر غور تاکہ 213,044,220 روپے کے سرمائے کی رقم کو 21,304,422 مکمل ادا شدہ بونس شیئر 10 روپے کے حساب سے جاری کیا جاسکے اور اگر مناسب ہو تو اس معاملہ میں ایک عمومی متفقہ قرارداد منظور کرنا
- (۷) مندرجہ ذیل عمومی متفقہ قرارداد کی منظوری پر غور
 - (a) "متفقہ طور پر مختتم سال 30 جون 2018 کے دوران ملحقہ کمپنیوں کے ساتھ عمومی کاروباری طریقہ کار کے مطابق کئے گئے سودوں کی توثیق اور منظوری دی جاتی ہے"
 - (b) متفقہ طور پر کمپنی کے چیف ایگزیکٹو کو 30 جون 2019 کو ختم ہونے والے سال کے دوران ملحقہ کمپنیوں کے ساتھ عمومی کاروباری طریقہ کار کے مطابق کئے گئے اور کئے جانے والے سودوں کی منظوری کے لئے مجاز بنایا جاتا ہے اور اس سلسلے میں چیف ایگزیکٹو کو اختیار دیا جاتا ہے کہ کوئی اور تمام ضروری کارروائی اور کسی ایک یا ایسی تمام دستاویزات/اقرارناموں پر دستخط/تفصیل دے جن کا کمپنی کی جانب سے دینا ضروری ہو"

مذکورہ بالا معاملات میں کمپنیز ایکٹ 2017 کی دفعہ 134 کے تحت بیان آئٹم نمبر ۶ اور ۷ پر منسلک ہے۔

بکرم بورڈ

کراچی

مورخہ 02 اکتوبر 2018

افتخار احمد خان

سیکرٹری

گزارشات:

(a) سالانہ اجلاس عام اور نقد منافع منقسمہ کی تقسیم کے لئے کمپنی کی حصص منتقلی کی کتابیں 16 اکتوبر 2018 تا 23 اکتوبر 2018 (دونوں دن شامل ہونگے) تک بند رہیں گی۔ اس مدت کے دوران کوئی بھی منتقلی کی درخواست قبول نہیں کی جائے گی۔

(b) وہ ممبران جو کہ اجلاس میں حاضر ہونے اور ووٹ دینے کے اہل ہیں وہ اپنی طرف سے حاضری، بولنے اور ووٹ دینے کے لئے کسی پراکسی کا تقرر کر سکتے ہیں۔ پراکسی کی جائز تقرری کے لئے ضروری ہوگا کہ وہ کمپنی کے اجلاس کے منعقد ہونے سے 48 گھنٹے قبل موصول ہوں اور ان پر باقاعدہ مہر، دستخط اور گواہان موجود ہوں۔ کوئی ممبر ایک سے زیادہ پراکسی مقرر نہیں کر سکتا۔

(c) CDC کے حصص یافتگان سے درخواست ہے کہ وہ اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ، اکاؤنٹ، فیلڈ اکاؤنٹ نمبر اور سینٹرل ڈپازٹری کمپنی کا شرکاء نمبر اجلاس میں حاضر ہونے سے قبل شناخت کے لئے ہمراہ لائیں۔ کارپوریٹ کمپنی کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/مختیار نامہ کے ساتھ نامزد فرد کے نمونہ دستخط اجلاس میں حاضری کے وقت پیش کئے جائیں (اگر یہ پہلے سے فراہم نہ کئے گئے ہوں)

(d) سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے نوٹیفیکیشن مورخہ 18 اگست 2011 اور 05 جولائی 2011 کے تحت منافع منقسمہ کے پروانوں (وارنٹس) پر رجسٹرڈ ممبران کے CNIC نمبر درج ہونے چاہئیں، لہذا وہ ممبران جنہوں نے اب تک اپنے درست کمپیوٹرائزڈ قومی شناختی کارڈ کی نقل کمپنی / شیئر رجسٹرار کے پاس جمع نہیں کروائی ہے تو ان سے گزارش ہے کہ وہ کمپنی کے شیئر رجسٹرار میسرز حمید مجید ایسوسی ایشن (پرائیویٹ) لمیٹڈ کے پاس جمع کروادیں۔ ناکامی کی صورت میں کمپنی زیر دفعہ 243(3) کمپنیز ایکٹ 2017 کے تحت منافع منقسمہ کی ادائیگی روکنے پر مجبور ہوگی۔

(e) اگر کمپنی کے کسی ممبر جس کی ملکیت میں کم از کم 10 فیصد حصص داری ہو اور وہ شہر سے باہر رہائش پذیر ہو اور اگر اجلاس میں شرکت کے لئے اس کی درخواست برائے وڈیولنک اجلاس سے 7 دن قبل کے موصول ہو جائے تو کمپنی وڈیولنک کی سہولت کا اہتمام کرے گی بشرطیکہ یہ سہولت اس کے شہر میں دستیاب ہو۔

اس سہولت کے حصول کے لئے شیئر رجسٹرار میسرز حمید مجید ایسوسی ایشن (پرائیویٹ) لمیٹڈ کو مندرجہ ذیل معلومات فراہم کریں:

"میں/ہم، _____، گندھارا انڈسٹریز لمیٹڈ کے ممبر ہونے کے ناطے، _____ عمومی حصص کے مالکان کی حیثیت سے رجسٹرڈ فلیو نمبر _____، وڈیولنک کی سہولت سے _____ میں استفادہ کرنا چاہتے ہیں"

ممبر کے دستخط

(f) حصص یافتگان کو مطلع کیا جاتا ہے کہ انکم ٹیکس آرڈیننس 2001 ترمیم شدہ فنانس ایکٹ 2018 کے تحت نان-فالرز کے لئے وڈیولنک ٹیکس کی شرح 20 فیصد اور انکم ٹیکس فالرز کے لئے وڈیولنک ٹیکس کی شرح 15 فیصد ہے۔

نقد منافع منقسمہ کی رقم میں سے 15 فیصد ٹیکس کٹوتی کی شرح کے لئے تمام حصص یافتگان جن کے نام ایف بی آر کی ویب سائٹ پر فعال ٹیکس دہندگان (ATL) کی فہرست میں موجود ہوں، ان سے گزارش ہے کہ وہ یہ یقین دہانی کر لیں کہ ان کا نام فعال ٹیکس دہندگان کی فہرست میں ہے بصورت دیگر منافع منقسمہ پر ٹیکس 15 فیصد کے بجائے 20 فیصد کے حساب سے کانا جائے گا۔

مشترکہ اکاؤنٹ کی صورت میں ہر حصص یافتہ کے ساتھ انفرادی سلوک کیا جائے گا، آیا کہ وہ فالزر ہے یا نان فالزر اور ٹیکس حصص داری کی بنیاد پر ہر حصص یافتہ کی رقم سے کانا جائے گا جیسا بھی حصص یافتہ تحریری طور پر ہمارے شیئر رجسٹرار کو بتائیں گے اور اگر مطلع نہ کیا گیا تو ہر مشترکہ حصص یافتہ کو برابر حصص کا مالک تصور کیا جائے گا۔

Chairman's Review

It's an honor to announce that the Company has yet again achieved highest ever profits for the Fourth consecutive year with an after tax profit of Rs.1,362 million (Rs.796 million last year). This increase in profit is achieved due to better planning and execution of management plans enabling the Company to achieve highest ever sales in history of Ghandhara Industries Limited.

Company's Performance

The Company sold 4,000 units of trucks and busses as compared to 2,903 units last year. Overall market conditions remained competitive and despite the challenges, our performance has been outstanding this year compared with industry participants. The Company will continue to provide same quality services and state-of-the-art product to all its valuable customers for the years to come.

Future Outlook

Despite unusual variations in economic scenario of the country, the Company is aware of growing market needs and is continuously adapting to the shift in the overall market conditions. Keeping this in view, the Company is proud to introduce new product in its pick-up truck range by the name of D-Max to further strengthen confidence of stakeholder thereby meeting their demands in this category.

Foregoing in view, we feel short to medium term outlook of your company will be quite positive and are confident that the good results of 2018 will be sustained in 2019 also.

Acknowledgement

As good results are first and foremost due to people, we would like to thank all the employees whose efforts played major role in achieving the good results during the current year. We would also like to express our thanks to Isuzu Motors Limited, Marubeni Corporation, Shareholders, Dealers, Customers and Vendors for their co-operation and the trust shown in our products. I would also like to record our gratitude to our bankers for their contribution and understanding shown to us and we look forward to mutual beneficial business relationships.

Lt. Gen (R) Ali Kuli Khan Khattak
Chairman

چیئر مین کا جائزہ

یہ بات انتہائی قابل فخر ہے کہ کمپنی کا منافع مسلسل چوتھے سال بھی بلند ترین سطح پر رہا جو کہ بعد از ٹیکس 1,362 ملین روپے رہا (گزشتہ سال 796 ملین روپے)۔ منافع میں اضافے کی بنیادی وجہ بہتر منصوبہ بندی اور انتظامی منصوبوں پر عملدرآمد تھا جس کی وجہ سے کمپنی کی فروخت گندھارا انڈسٹریز لمیٹڈ کی تاریخ میں سب سے بلند ترین رہی۔

کمپنی کی کارکردگی

کمپنی نے گزشتہ سال کے 2,903 کے مقابلے میں اس سال ٹرکوں اور بسوں کے 4000 یونٹس فروخت کئے۔ مارکیٹ کی مجموعی صورتحال مسابقت کا شکار رہی اور دشواریوں کے باوجود اس سال ہماری کارکردگی دیگر صنعتی شرکاء کی بہ نسبت نمایاں رہی۔ کمپنی تسلسل کے ساتھ آنے والے سالوں میں اسی معیار کی خدمات اور اعلیٰ تکنیکی مصنوعات اپنے قابل قدر خریداروں کو فراہم کرتی رہے گی۔

مستقبل کی پیش بینی

ملک کے اقتصادی منظر نامے پر غیر معمولی انداز چڑھاؤ کے باوجود کمپنی مارکیٹ کی بڑھتی ہوئی طلب سے آگاہ ہے اور تسلسل کے ساتھ مارکیٹ کی مجموعی صورتحال سے مطابقت پیدا کر رہی ہے۔ اسی بات کو مد نظر رکھتے ہوئے کمپنی مستقبل میں ان کے اعتماد کو مزید مضبوط کرنے کے ساتھ ساتھ ان کی طلب کو پورا کرتے ہوئے پک اپ ٹرک میں ڈی میکس کے نام سے مصنوعات کی نئی رینج متعارف کراتے ہوئے فخر محسوس کرتی ہے۔

اس کو مد نظر رکھتے ہوئے ہمیں امید ہے کہ کمپنی کا طویل مدتی اور وسط مدتی پیش منظر بہت مثبت رہے گا اور پر اعتماد ہیں کہ 2018 کی طرح 2019 میں بھی پائیدار اور دور رس نتائج حاصل ہوں گے۔

اعتراف

ہم اس موقع پر اپنے ملازمین کی انتھک کاوشوں کے مشکور ہیں جن کے اہم کردار کی وجہ سے موجودہ سال میں بہتر نتائج حاصل ہوئے۔ ہم اسوزو موٹرز لمیٹڈ، ماروبینی کارپوریشن، حصص یافتگان، ڈیلرز، وینڈرز کے تعاون اور اپنے معزز کسٹمرز کا ہماری مصنوعات پر اعتماد کرنے پر شکریہ ادا کرتے ہیں۔ بینکاروں کے تعاون اور فہم پر ہم ان کے مشکور ہیں اور باہمی مفادات کی بنیاد پر کاروباری تعلقات قائم کرنے اور جاری رکھنے کے خواہاں ہیں۔

لیفٹیننٹ جنرل (ریٹائرڈ) علی قلی خان خٹک
چیئر مین

Directors' Report to Shareholders

The directors of your company take pleasure in presenting the 55th annual report & the Company's audited financial statements for the year ended June 30, 2018.

Economy and Market

Pakistan's economy has continued to grow at an encouraging pace but macroeconomic position still demands a significant improvement to shorten the trade deficit gap which has reached everlasting high figures in FY 2017-2018. Continuous implementation of various projects including CPEC, rise in agricultural recovery and positive growth in consumption have played major role in recent macroeconomic performance. However, Pakistan's external position remained under stress which was mainly due to increased imports standing at a record level reflecting positive domestic demand, rising oil and gas prices and implementation of CPEC related projects. Also foreign remittances did not post significant growth; exports have slightly recovered as compared to previous years due to favorable government measures. Accordingly current account deficit elevated to a new high level at the end of Fiscal year 2017-2018.

Moving to the automobile industry highlights, the industry as a whole is continuously growing since past few years driven by the government's efforts and favorable market demand, in light of evolving success the board is pleased to inform that your company has outreached the trademark sales this year where annual demand for ISUZU trucks and buses grew by 38% selling thereby 4,000 units as compared to 2,903 units sold last year which is a commendable number showing Company's growth.

Accordingly, the Company is enjoying handsome market share resulting in improved results with an impressive all round performance setting new records on production, sales, earnings and job creation.

Principal Activities of the Company.

Gandhara Industries Limited (the Company) is incorporated in Pakistan as a Public Limited Company since 1963 and is listed on the Pakistan Stock Exchange (PSX). The Company's principal activity is the assembly, progressive manufacture and marketing of ISUZU buses, trucks and pick-up trucks.

Principal Risks and Uncertainties

Despite the fact that Company's financial performance has left a remarkable note in the market crossing all internal and external sales barriers while achieving new milestones, but still market competition and exchange rate will be key factors which may have an impact on financial position of the Company.

Financial Performance

The financial results are summarized below:

	2018	2017
	Rupees in '000	
Profit from operation	2,186,464	1,471,262
Finance cost	(222,394)	(224,637)
Profit before tax	1,964,070	1,246,265
Taxation	(601,650)	(450,612)
Profit after tax	1,362,420	796,013

Earnings per Share

The Basic and Diluted earnings per share after tax is Rs. 63.95 (2017: Rs. 37.36).

Gandhara Industries Limited is setting new challenge for the future by achieving highest ever profits for three consecutive years Rs. 1.36 Billion in current year, Rs. 796 million in the year 2016-2017 and Rs. 745.8 in the year 2015-2016.

Operating Results

Sales

In-line with the booming industry sales, your company achieved sales revenue of Rs. 16.77 Billion which is 56% higher than last year of Rs. 10.74 Billion. The Company provides state of the art after sales service, customer oriented customization and reliable products thereby increasing customers' confidence which resulted in higher sales. This trend will continue in future based on introduction of new models along with new product line ISUZU DMAX.

Gross profit

The Company posted increased gross profits by 41% which rose from Rs.2,203 million last year to Rs. 3,111 million in current year. Despite better cost management, sales mix and operational efficiencies, the GP ratio has decreased by 1.96% compared to previous year due to depreciating rupee value and increased steel prices.

Distribution and Administrative Expenses

Increased sales activity along with increased inflationary prices have put extreme pressure on the all outflows pertaining to distribution and administrative expenses. However, the Company is aware of the challenges being faced by economy and is ready to combat by better planning and negotiations.

Finance costs

Despite increase in State Bank's base rate, the company has been able to reduce finance cost to 1% of sales compared with 2% last year due to better negotiation with banks. The management was well aware that increased activity will put pressure on finance cost therefore took acute steps to deliver optimum benefit to the company through better financial management.

Appropriation of Profit

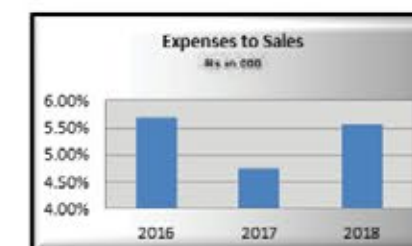
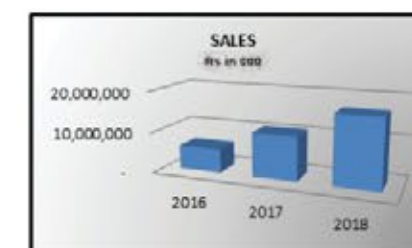
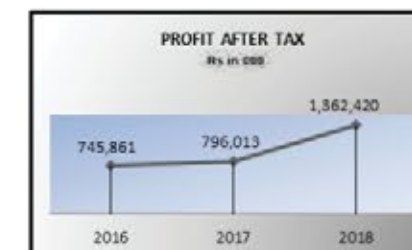
Profit available for appropriation

Appropriations:

Proposed Final Cash Dividend @ 156% i.e. Rs. 15.6 per share (2017: @ 150% i.e. Rs. 15 per share)

Proposed bonus shares @ 100% i.e. 1 share for every 1 share held (2017: @ 0% i.e. Nil)

Un-appropriate profit carried forward



2018
Rupees '000

2,651,071

332,349

213,044

2,105,678

Holding Company

Bibojee services (Pvt.) Limited, incorporated in Pakistan, is our holding company by way of direct ownership of 39.16% shares and certain other indirect shareholding.

Dividend and Bonus Shares

In the light of the financial position of the Company the Board of Directors has proposed a final cash dividend of Rs.15.6 per share i.e. 156% and Bonus shares up to 100% i.e. one share for each share held for the year ended June 30, 2018 in its meeting held on September 19th, 2018.

This shall be subject to the approval of the shareholders in their meeting scheduled on October 23rd, 2018.

Board of Directors and its Committees

The Board of Directors of the Company as at June 30, 2018 consists of:

Total Number of Directors:	
Male	06
Female	01

Composition	
Independent Directors	02
Non-Executive Directors	04
Executive Directors	01

The names of the directors as at June 30, 2018 are as follows

- Lt. Gen. (R) Ali Kuli Khan Khattak
- Mr. Ahmad Kuli Khan Khattak
- Mrs. Shahnaz Sajjad Ahmad
- Maj. (R) Muhammad Zia
- Mr. Jamil Ahmed Shah
- Mr. Shahid Kamal Khan
- Mr. Sohail Hameed Khan

Dr. Pervez Hassan and Mr. Raza Kuli Khan Khattak were retired upon completion of their term; accordingly Mrs. Shahnaz Sajjad Ahmad and Mr. Sohail Hameed Khan were elected during elections held in the month of April 2018.

Human Resource & Remuneration Committee (HR&R) committee

The committee consists of four members; Consisting of non-executive directors including an independent director.

The terms of reference of this Committee have been determined in accordance with guidelines provided in the listing regulations. The Committee meets to review and recommend all elements of the compensation, organization and employee development policies relating to the senior executives' remuneration and to approve all matters relating to the remunerations of the executive directors and members of the management committee.

The committee held three meetings during 2017-2018.

Audit Committee

The committee consists of three members including non-executive directors and head of internal audit as secretary to the committee, chairman of the committee is an independent director. The Board Audit Committee assists the Board in fulfilling its oversight responsibilities, primarily in reviewing and reporting financial and non-financial information to share-holders, systems of internal control and risk management and the audit process. It has the autonomy to call for information from management and to consult directly with the external auditors or advisors as considered appropriate.

The Chief Financial Officer regularly attends the Board Audit Committee meetings by invitation to present the accounts. After each meeting, the Chairman of the Committee reports to the Board. The terms of reference of this committee have been determined in accordance with guidelines provided in the listing regulations.

Board and its Committees' meetings

During the year under review Six meetings of Board of Directors (BoD), Four meetings of Board Audit Committee and three meetings of the HR&R Committee were held. All the meetings were held in Pakistan. Attendance at the Board meetings was as below:

Name of Director	Status	Attendance		
		BOD	BAC	HR&R
Mr. Raza Kuli Khan Khattak	Retired on term completion	3/3	-	
Lt. Gen. (R) Ali Kuli Khan Khattak	Re-Elected on April 10, 2018	6/6	3/4	
Mr. Ahmad Kuli Khan Khattak	Re-Elected on April 10, 2018	6/6	-	3/3
Dr. Pervez Hassan	Retired on term completion	0/3	-	
Maj. (R) Muhammad Zia	Re-Elected on April 10, 2018	6/6	4/4	3/3
Mr. Jamil Ahmed Shah	Re-Elected on April 10, 2018	5/6	4/4	2/2
Mr. Shahid Kamal Khan	Re-Elected on April 10, 2018	2/6	-	1/1
Mrs. Shahnaz Sajjad Ahmad	Elected on April 10, 2018	3/3	-	
Mr. Sohail Hameed Khan	Elected on April 10, 2018	2/3	1/1	1/1

Performance Evaluation of Board of Directors and Committees of the Board

The evaluation of Board's role of oversight and its effectiveness is appraised by the Board itself. The main areas of focus are:

- Achieving corporate goals and objectives as defined in the Company's vision and mission statements.
- Strategy formulation and dissemination of directions to the management for sustainable planning and operation; and
- Evaluation of Board's Committees performance in relation to discharging their responsibilities as per defined terms of reference.

Remuneration of Directors

The remuneration of the Board members is approved by the Board itself. However, in accordance with the Code of Corporate Governance, it is ensured that no Director takes part in deciding his own remuneration. The Company does not pay remuneration to non-executive directors except fee for attending the meetings. For information on remuneration of Directors and CEO in FY 2017-18, please refer note 40 to the Financial Statements.

Internal Audit Function

Ghandhara Industries Limited has an independent Internal Audit function who has suitably designed internal controls to safeguard financial and operational reporting of the Company. The Board Audit Committee quarterly reviews the appropriateness of resources and authority of this function. The Head of Internal Audit functionally reports to the Audit Committee. The Board Audit Committee approves the audit plan, based on an annual and quarterly assessment of the operating areas.

The Internal Audit function carries out reviews on the financial, operational and compliance controls, and reports its findings functionally to the Board Audit Committee and administratively to the Chief Executive.

The Board understands its responsibility towards smooth functioning of internal financial controls and continuously strives to achieve the best practices through its regular governance.

Auditors

Present co-auditors, Messrs.'ShineWing Hameed Chaudhri & Co, Chartered Accountants and Messrs.' Junaidy Shoaib Asad, Chartered Accountants have retired. Being eligible, Messrs. ShineWing Hammed Chaurdhri have offered themselves for re-appointment. The Board of Directors endorses recommendation of the Audit Committee for their re-appointment as auditors of the Company for the financial year ending June 30, 2019 to the shareholders for approval.

Pattern of shareholding

The pattern of shareholding as on 30th June 2018 & additional information thereabout required under Code of Corporate Governance are annexed.

Communication with Stakeholders

The Company focuses on the importance of the communication with the shareholders. The annual, half yearly and quarterly reports are distributed to them within the time specified in the Companies Act, 2017. The activities of the Company are updated on its web site at <http://gil.com.pk/>, on timely basis.

Related Party Transactions

The Company in the normal course of business carries out transactions with related various related parties. Amounts due from and to related parties, amounts due from executives and remuneration of directors and executives are disclosed in the relevant notes. Other material transactions with related parties are disclosed in note 41 to the Financial Statements.

Responsibility towards environment and society

Ghandhara Industries Limited is well aware of its responsibility towards the environment and the society and makes its utmost possible efforts towards the betterment of the society generally and its employees specifically. Various seminars were undertaken during the year for health and safety education of its employees to develop a mindset for safe work and less hazardous environment. Several contributions were also made towards the education, promotion of sports and health of underprivileged citizens of the society as mentioned under CSR activities.

Subsequent Events

No material changes or commitments affecting the financial position of the Company have taken place between the end of the financial year and the date of report.

Code of Corporate Governance

The Board is pleased to state that the management of the Company is compliant with the best practices of corporate governance. A statement of compliance is annexed on pages 63 and 64. The Board acknowledges its responsibility in respect of the corporate and financial reporting framework and thus states that:

- The financial statement prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of account of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial and Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statement.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as a going concern.

- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- The highlights of operating and financial data for the last six years are annexed.
- The value of investments of the Company's gratuity as on June 30, 2018 is Rs. Nil.

Future outlook

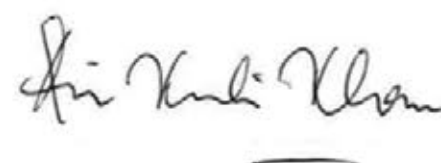
The current trade deficit along with reduction in foreign reserves has emerged as a big challenge for Pakistan which the new government in collaboration with regulatory authorities has to control in order to ease macroeconomic pressures. However, the authorities have started managing the pressure and recent currency depreciation against USD by almost 22% since December 2017 along with increasing the benchmark interest rate by 175 basis points to 7.5% have put pressure on import oriented businesses.

The Company is all set to demonstrate strong performance and competitiveness. The management with well-established plans and, is well positioned to grow its share in the Trucks and Buses market. Also the introduction of new product line (pick-up truck) by name of ISUZU DMAX will create sufficient potential demand in local market which will ultimately benefit the stakeholders of the Company and Economy as a whole.

Acknowledgement

The board acknowledges the trust and confidence in the Company and its products by the shareholders, valued suppliers, customers, dealers and bankers and thanks 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 principal 'Isuzu Motors Limited' and trading house 'Marubeni Corporation' for their support and assistance.

On behalf of the Board of Directors



Lt. Gen. (R) Ali Kuli Khan Khattak
Chairman

Karachi
Dated: September 19, 2018

On behalf of the Board of Directors



Ahmad Kuli Khan Khattak
Chief Executive



اعتراف

حصص یافتگان، قابل قدر سپلائرز، کسٹمرز، ڈیلرز اور مینکریز کے کمپنی اور اس کی مصنوعات پر اعتماد اور بھروسے کا بورڈ اعتراف کرتا ہے اور ان کے تعاون اور مدد پر ان کا انتہائی مشکور ہے۔ ملازمین کے مسلسل خلوص اور انتھک محنت پر بورڈ بخوشی اپنی سٹاکس ریکارڈ پر لا رہا ہے۔ بورڈ اس موقع پر کمپنی کے پرنسپل، اسوزو موٹرز لیمنڈ اور ٹریڈنگ ہاؤس، ماروینی کارپوریشن کی معاونت پر ان کا شکریہ ادا کرتا ہے۔



ڈائریکٹر ان کے بورڈ کی جانب سے
احمد قلی خان خٹک
چیف ایگزیکٹو



ڈائریکٹر ان کے بورڈ کی جانب سے
لیفٹیننٹ جنرل (ریٹائرڈ) علی قلی خان خٹک
چیئر مین

کراچی
مورخہ: 19 ستمبر 2018



مختلف سیمینارز منعقد کئے گئے تاکہ ملازمین کے مابین کام کے دوران پر حفاظت اور کم خطرے والے ماحول سے متعلق ذہنی آگاہی کو اجاگر کیا جاسکے۔ ہماری CSR کے تحت کچھ معاونت تعلیم، کھیلوں کو پروان چڑھانے اور معاشرے کے پسماندہ شہریوں کی صحت سے متعلق فراہم کی گئی ہے۔

بعد ازاں واقعات

کوئی بڑی تبدیلیاں یا وعدے جو کہ کمپنی کی مالیاتی پوزیشن کو متاثر کرتے ہوں مالیاتی سال کے اختتام اور رپورٹ کی تاریخ کے دوران رونما نہیں ہوئے۔

ادارتی نظم و ضبط کا ضابطہ

بورڈ بخوشی اس بات کا اقرار کرتا ہے کہ کمپنی کی انتظامیہ ادارتی نظم و ضبط کے بہترین طور طریقوں پر عمل پیرا ہے۔ پاسداری سے متعلق بیان صفحہ نمبر 63 تا 64 منسلک ہے۔ بورڈ ادارتی اور مالیاتی رپورٹنگ فریم ورک سے متعلق اپنی ذمہ داری کو تسلیم کرتا ہے اور اقرار کرتا ہے کہ:

- کمپنی کی انتظامیہ کے تیار کردہ مالیاتی گوشوارے کمپنی کے معاملات، اس کے کاروباری نتائج، نقدی کے بہاؤ اور لیکویٹی میں تبدیلیوں کو شفافیت کے ساتھ پیش کرتے ہیں۔
- کمپنی میں حسابات کی کتابیں مناسب انداز میں رکھی گئی ہیں۔
- درست حساباتی پالیسیوں کو تسلسل کے ساتھ مالیاتی گوشواروں کی تیاری کے دوران کو ملحوظ خاطر رکھا گیا ہے اور حساباتی تخمینوں کی بنیاد معقول اور مضبوط فیصلوں پر ہے۔
- مالیاتی گوشواروں کی تیاری کے دوران عالمی مالیاتی رپورٹنگ معیارات، جو پاکستان میں لاگو ہیں، کو ملحوظ خاطر رکھا گیا ہے۔
- اندرونی گرفت کے نظام کی شکل مضبوط ہے اور موثر انداز میں نافذ العمل ہے اور اس کی نگرانی کی جاتی ہے۔
- کمپنی کی چلتے ہوئے ادارے کی حیثیت میں کوئی قابل ذکر شک و شبہ نہیں ہے۔
- لسٹنگ ریگولیشنز (پاکستان اسٹاک ایکسچینج کی رول بک) میں دیئے گئے ادارتی نظم و ضبط کے بہترین طور طریقوں سے کوئی بھی بڑا انحراف نہیں کیا گیا ہے۔
- سال مختتم 30 جون 2018 کو پروڈنٹ فنڈ کی رقومات سے کی گئی سرمایہ کاری کی مالیت 188.6 ملین روپے تھی۔
- گزشتہ چھ سالوں کی مالیاتی اور کاروباری اعداد و شمار کی جھلکیاں منسلک کی گئی ہیں۔
- 30 جون 2018 کو کمپنی کی گریجویٹ کی سرمایہ کاری کی کوئی مالیت نہیں تھی۔

مستقبل کی پیش بینی

موجودہ تجارتی خسارے کے ساتھ زرمبادلہ کے ذخائر میں کمی پاکستان کے لئے ایک بہت بڑا چیلنج ہے جس پر نئی حکومت کو نگرانی اور اداروں کے تعاون سے قابو کرنا ہے تاکہ اقتصادی دہاؤ میں کمی لائی جاسکے۔ تاہم، اداروں نے اس دہاؤ کا مقابلہ شروع کر دیا ہے اور یو ایس ڈالر کے مقابلہ میں 22 فیصد کی حالیہ فرسودگی کے ساتھ بیچ مارک شرح سود میں 175 بنیادی پوائنٹس کرتے ہوئے 7.5 فیصد کر دیا ہے جس سے درآمدات سے متعلق کاروبار پر دہاؤ بڑھ گیا ہے۔

کمپنی مستحکم کارکردگی اور استعداد کا مظاہرہ کر رہی ہے۔ انتظامیہ کے پاس پائیدار منصوبے ہیں اور وہ بہترین پوزیشن میں ہے کہ ٹرک اور بسوں کی مارکیٹ میں اپنا حصہ بڑھا سکے۔ اس کے علاوہ اسوزو ڈی میکس (پک اپ ٹرک) کے علاوہ دیگر نئی مصنوعات کے متعارف ہونے سے مقامی مارکیٹ کی طلب میں بہت زیادہ اضافہ ہو جائے گا جس کے نتیجے میں کمپنی کے مستقبل اور مجموعی طور پر معیشت کو فائدہ پہنچے گا۔

ڈائریکٹران کا معاوضہ

بورڈ کے ممبران کا معاوضہ بورڈ خود طے کرتا ہے۔ تاہم ادارتی نظم و ضبط کے ضابطے کے تحت کوئی بھی ڈائریکٹر اپنا معاوضہ طے کرنے کے فیصلے میں شریک نہیں ہوتا۔ اجلاس میں حاضر ہونے کی فیس کے علاوہ کمپنی کے نان ایگزیکٹو ڈائریکٹران کو کوئی معاوضہ نہیں ادا کیا جاتا۔ 2017-2018 کے دوران ڈائریکٹران اور سی ای او کے معاوضے سے متعلق معلومات حاصل کرنے کے لئے مالیاتی گوشواروں کے نوٹ نمبر 40 کا مطالعہ کریں۔

اندرونی آڈٹ کا نظام

گندھارا انڈسٹریز میں خود مختار اندرونی آڈٹ کا نظام موجود ہے جو کہ اندرونی گرفت سے مطابقت رکھتے ہوئے کمپنی کی کاروباری اور مالیاتی رپورٹنگ کا تحفظ کرتا ہے۔ بورڈ کی آڈٹ کمیٹی ہر سہ ماہی میں اس کے وسائل کی موضوعیت اور اس نظام کے اختیارات کا جائزہ لیتا ہے۔ بورڈ کی آڈٹ کمیٹی آڈٹ کا منصوبہ منظور کرتی ہے جو کہ کاروباری شعبہ جات کی سالانہ اور سہ ماہی چیکنگ پر مشتمل ہے۔

اندرونی آڈٹ کا نظام مالیاتی، کاروباری اور تعمیلی گرفت کا جائزہ لیتا ہے اور اپنے نتائج اعلیٰ طور پر بورڈ کی آڈٹ کمیٹی کو اور انتظامی طور پر چیف ایگزیکٹو کو پیش کرتا ہے۔

بورڈ اندرونی مالیاتی گرفت کے افعال کی بلاکاوٹ انجام دہی سے متعلق اپنی ذمہ داریوں کو سمجھتا ہے اور تسلسل کے ساتھ اپنے باضابطہ نظم و ضبط کے ذریعے بہترین طور طریقوں کو رائج کرنے کے لئے پرعزم ہے۔

آڈیٹرز

موجودہ شریک آڈیٹرز میسرز شائن ونگ حمید چوہدری اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس اور میسرز جنیدی شعیب اسد، چارٹرڈ اکاؤنٹینٹس ریٹائر ہو چکے ہیں۔ اہل ہونے کے باعث میسرز شائن ونگ حمید چوہدری اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس نے اپنی دوبارہ تقرری کی پیشکش کی ہے۔ بورڈ آف ڈائریکٹرز نے مالیاتی سال 30 جون 2019 کے لئے ان کی کمپنی کے آڈیٹرز کی حیثیت سے دوبارہ تقرری کے لئے آڈٹ کمیٹی کی سفارش کی توثیق کی ہے۔

حصص داری کی ساخت

30 جون 2018 کو حصص داری کی ساخت اور دیگر متعلقہ معلومات جو کہ ادارتی نظم و ضبط کے ضابطے کے تحت ضروری ہیں وہ منسلک ہیں۔

مستفیدان کے ساتھ رابطہ

کمپنی کی توجہ اپنے حصص یافتگان سے رابطے پر مرکوز ہے۔ کمپنیز ایکٹ 2017 میں بتائے گئے مقررہ وقت پر سالانہ، ششماہی اور سہ ماہی رپورٹ تقسیم کی جاتی ہیں۔ کمپنی کی سرگرمیوں کو اس کی ویب سائٹ <http://gil.com.pk> پر بروقت اپ ڈیٹ کیا جاتا ہے۔

ملحقہ پارٹیوں کے سودے

کمپنی میں مختلف ملحقہ پارٹیوں کے ساتھ سودے عمومی کاروباری طریقے سے انجام پاتے ہیں۔ ملحقہ پارٹیوں سے لین دین، اعلیٰ انتظامی عہدیداران کی طرف واجب الادا رقومات اور ڈائریکٹران اور اعلیٰ انتظامی عہدیداران کے معاوضے کو متعلقہ نوٹس میں منکشف کیا گیا ہے۔ ملحقہ پارٹیوں کے دیگر بڑے سودوں کو مالیاتی گوشواروں کے نوٹ نمبر 41 میں منکشف کیا گیا ہے۔

ماحولیاتی اور معاشرتی ذمہ داری

گندھارا انڈسٹریز ماحولیات اور معاشرے سے متعلق اپنی ذمہ داریوں سے مکمل طور پر آگاہ ہے۔ معاشرے کے لئے عمومی طور پر اپنے ملازمین کی فلاح و بہبود کے لئے خصوصی طور پر اپنی بہترین ممکنہ کوششیں کرتی ہے۔ اپنے ملازمین کے صحت و تحفظ سے متعلق تعلیم کے لئے

سے زیادہ منفعت فراہم کی۔

بالادست کمپنی

بیوجی سروسز (پرائیویٹ) لمیٹڈ، جس کی تشکیل پاکستان میں ہوئی، ہماری بالادست کمپنی ہے جس کی ملکیت میں بلاواسطہ 39.16 فیصد حصص ہیں اور کچھ دیگر بلاواسطہ حصص داری ہے۔

منافع منقسمہ اور بونس شیئرز

اپنے اجلاس مورخہ 19 ستمبر 2018 میں بورڈ نے کمپنی کی موجودہ مالیاتی پوزیشن کو مد نظر رکھتے ہوئے بورڈ آف ڈائریکٹرز نے 156 فیصد یعنی 15.6 روپے فی حصص کے حساب سے حتیٰ منافع منقسمہ اور بونس شیئرز 100 فیصد تک یعنی ایک حصص کی ملکیت پر ایک حصص کے حساب سے مختتم سال 30 جون 2018 کی تجویز دی ہے۔

تاہم اس کی منظوری حصص یافتگان کے منعقد ہونے والے اجلاس مورخہ 23 اکتوبر 2018 میں لی جائے گی۔

بورڈ آف ڈائریکٹرز اور اس کی کمیٹیاں

30 جون 2018 کو کمپنی کا بورڈ آف ڈائریکٹرز مندرجہ ذیل پر مشتمل تھا:

ڈائریکٹران کی کل تعداد

06	مرد
01	خواتین
	مشمولات
02	خود مختار ڈائریکٹر
04	نان ایگزیکٹو ڈائریکٹر
01	ایگزیکٹو ڈائریکٹر

30 جون 2018 کو ڈائریکٹران کے نام درج ذیل ہیں:

- لفٹیننٹ جنرل (ریٹائرڈ) علی قلی خان خٹک
- جناب احمد قلی خان خٹک
- محترمہ شہناز سجاد احمد
- میجر (ریٹائرڈ) محمد ضیاء
- جناب جمیل احمد شاہ
- جناب شاہد کمال خان
- جناب سہیل حمید خان

ڈاکٹر پرویز حسن اور جناب رضا قلی خان خٹک اپنی مدت مکمل کرنے کے بعد ریٹائر ہو گئے ہیں، لہذا محترمہ شہناز سجاد احمد اور جناب سہیل حمید خان اپریل 2018 کے انتخابات میں منتخب ہوئے۔

انسانی وسائل اور معاوضہ کمیٹی (HR&R Committee)

یہ کمیٹی چار ممبران پر مشتمل ہے جس میں نان ایگزیکٹو ڈائریکٹران کے علاوہ ایک خود مختار ڈائریکٹر شامل ہے۔ کمیٹی کی ذمہ داریوں کا تعین لسٹنگ ریگولیشنز کے رہنما اصولوں کے مطابق کیا گیا ہے۔ اس کمیٹی کے اجلاس میں اعلیٰ انتظامی عہدیداروں کے معاوضہ، ادارے اور ملازمین کی ترقی کے حوالے سے پالیسیوں کا جائزہ لیا جاتا ہے، سفارشات مرتب کی جاتی ہیں، ایگزیکٹو ڈائریکٹران اور انتظامی کمیٹی ممبران کے معاوضوں سے متعلق تمام معاملات کی منظوری دی جاتی ہے۔ 2017-2018 کے دوران کمیٹی کے تین اجلاس ہوئے۔

آڈٹ کمیٹی

یہ کمیٹی تین ممبران پر مشتمل ہے جس میں نان ایگزیکٹو ڈائریکٹران اور انٹرنل آڈٹ کے سربراہ بطور سیکریٹری شامل ہوتے ہیں جبکہ کمیٹی کا چیئرمین خود مختار ڈائریکٹر ہوتا ہے۔ آڈٹ کمیٹی بورڈ کی نگرانی ذمہ داریوں، خاص طور پر حصص یافتگان کے لئے مالیاتی اور غیر مالیاتی رپورٹنگ اور ان کا جائزہ لینے، اندرونی گرفت کے نظام اور خطرات سے نمٹنے اور آڈٹ کے عمل میں معاونت کرتی ہے۔ اس کو اختیار حاصل ہوتا ہے کہ وہ انتظامیہ سے معلومات طلب کرے اور جہاں مناسب سمجھے براہ راست بیرونی آڈیٹرز یا مشیروں سے مشاورت کرے۔ طلب کرنے پر چیف فنانس آفیسر باقاعدگی سے بورڈ کی آڈٹ کمیٹی کے اجلاس میں مالیاتی گوشوارے پیش کرنے کے لئے حاضر ہوتا ہے۔ ہر اجلاس کے بعد کمیٹی کا چیئرمین بورڈ کو رپورٹ بھیجتا ہے۔ اس کمیٹی کی ذمہ داریوں کا تعین لسٹنگ ریگولیشنز میں دیئے گئے رہنما اصولوں کے مطابق کیا گیا ہے۔

بورڈ اور اس کی کمیٹیوں کے اجلاس

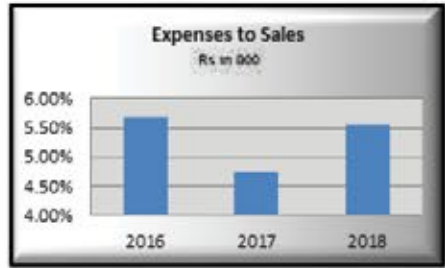
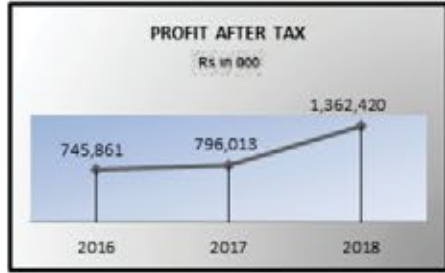
جائزہ سال کے دوران بورڈ آف ڈائریکٹرز کے چھ اجلاس، بورڈ آڈٹ کمیٹی کے چار اجلاس اور HR&R کمیٹی کے تین اجلاس منعقد ہوئے۔ تمام اجلاس پاکستان میں منعقد ہوئے۔ بورڈ کے اجلاسوں کی حاضری کی تفصیل درج ذیل ہے:

ڈائریکٹر کا نام	حیثیت	حاضری		
		HR&R	BAC	BOD
جناب رضا قلی خان خٹک	مدت مکمل ہونے کے بعد ریٹائر ہو گئے	-	-	3/3
لفٹیننٹ جنرل (ریٹائرڈ) علی قلی خان خٹک	10 اپریل 2018 کو دوبارہ منتخب ہوئے	-	3/4	6/6
جناب احمد قلی خان خٹک	10 اپریل 2018 کو دوبارہ منتخب ہوئے	3/3	-	6/6
ڈاکٹر پرویز حسن	مدت مکمل ہونے کے بعد ریٹائر ہو گئے	-	-	0/3
میجر (ریٹائرڈ) ضیاء	10 اپریل 2018 کو دوبارہ منتخب ہوئے	3/3	4/4	6/6
جناب جمیل احمد شاہ	10 اپریل 2018 کو دوبارہ منتخب ہوئے	2/2	4/4	5/6
جناب شاہد کمال خان	10 اپریل 2018 کو دوبارہ منتخب ہوئے	1/1	-	2/6
محترمہ شہناز سجاد احمد	10 اپریل 2018 کو منتخب ہوئے	-	-	3/3
جناب سہیل حمید خان	10 اپریل 2018 کو منتخب ہوئے	1/1	1/1	2/3

بورڈ آف ڈائریکٹرز اور بورڈ کی کمیٹیوں کی کارکردگی کی تفصیل

بورڈ کے بطور نگران اس کے کردار اور اس کی موثریت کی تفصیل بورڈ خود کرتا ہے۔ جن بنیادی چیزوں پر توجہ مرکوز جاتی ہے وہ درج ذیل ہیں:

- * ادارتی اہداف اور مقاصد کا حصول جن کی وضاحت کمپنی کے مقاصد اور نصب العین کے بیانات میں دی گئی ہے
- * حکمت عملی وضع کرنا اور پائیدار منصوبہ بندی اور کاروباری افعال کے لئے انتظامیہ کی سمت بندی کرنا
- * بورڈ کی کمیٹیوں کی اپنی ذمہ داریوں سے عہدہ برآں ہونے سے متعلق کارکردگی کی تفصیل



2018
Rupees '000

2,651,071

332,349
213,044

2,105,678

فی حصص آمدنی

بنیادی اور ریٹرن آمدنی فی حصص بعد از ٹیکس 63.95 روپے رہی (2017: 37.36) متسلل تین سالوں سے بلند ترین منافع یعنی موجودہ سال میں 1.36 بلین روپے، 2016-2017 میں 796 بلین روپے اور 2015-2016 میں 745.8 بلین روپے کے منافع کے ساتھ گندھارا انڈسٹریز لمیٹڈ نے مستقبل کے لئے ایک نیا چیلنج قائم کیا ہے۔

کاروباری نتائج

فروخت

مصنوعات کی بڑھتی ہوئی فروخت کی وجہ سے آپ کی کمپنی کی فروخت 16.77 بلین روپے ہو گئی جو کہ گزشتہ سال کے 10.74 بلین روپے سے 56 فیصد زیادہ ہے۔ کمپنی کی بعد از فروخت معیاری خدمات، کسٹمر کی ضروریات سے مطابقت اور قابل بھروسہ مصنوعات کی فراہمی کی وجہ سے کسٹمر کے اعتماد میں اضافہ ہوا جس کے نتیجے میں فروخت بلند سطح پر رہی۔ دیگر مصنوعات کے نئے ماڈل کے علاوہ اسوز ڈی میکس کی طرح نئی مصنوعات کے متعارف کرانے کا یہ رجحان مستقبل میں بھی جاری رہے گا۔

خام منافع

کمپنی کے خام منافع میں 41 فیصد اضافہ ہوا جو کہ گزشتہ سال کے 2,203 بلین روپے سے بڑھ کر موجودہ سال میں 3,111 بلین روپے ہو گیا۔ اخراجات کے بہتر انتظام، مصنوعات کی فروخت اور کاروباری استعداد کی وجہ سے گزشتہ سال کی یہ نسبت خام منافع کی شرح میں 1.96 فیصد کمی ہوئی جس کی بنیادی وجہ روپے کی قدر میں فرسودگی اور اسٹیل کی قیمتوں میں اضافہ تھا۔

تقسیمی اور انتظامی اخراجات

بڑھتی ہوئی فروخت کی سرگرمی کے ساتھ بڑھتے ہوئے افراط زر کی وجہ سے تقسیمی اور انتظامی اخراجات سے نقدی کے بیرونی بہاؤ پر دباؤ جاری رہا۔ تاہم معیشت کو لاحق چیلنجز سے کمپنی آگاہ ہے اور بہتر منصوبہ بندی اور گفت و شنید کے ذریعے ان کے مقابلہ کو تیار ہے۔

مالیاتی لاگتیں

اسٹیٹ بینک کے بنیادی نرخوں میں اضافہ کے باوجود بینکوں کے ساتھ بہتر گفت و شنید کے نتیجے میں کمپنی کی مالیاتی لاگت فروخت کا 1 فیصد رہی جبکہ گزشتہ سال 2 فیصد تھی۔ انتظامیہ اس بات سے آگاہ تھی کہ بڑھتی ہوئی سرگرمی کی وجہ سے مالیاتی لاگت پر دباؤ بڑھے گا لہذا انتظامیہ نے انتہائی ضروری اقدامات اٹھاتے ہوئے بہتر مالیاتی انتظام کے ذریعے کمپنی کو زیادہ

منافع کا اخت

اختصاص کے لئے دستیاب منافع

تجویز کردہ حتمی کیش ڈیویڈنڈ @ 156% جو کہ 15.6 روپے فی حصص

(2017: @ 150% اس کا مطلب 15 روپے فی حصص)

تجویز کردہ حتمی بونس حصص @ 100% ہر ایک کا اشتراک

(2017: @ 0% .i.e)

غیر اختصاص شدہ منافع

حصص یافتگان کے لئے ڈائریکٹران کی رپورٹ

آپ کی کمپنی کے ڈائریکٹران اپنی 55 ویں سالانہ رپورٹ اور کمپنی کے مالیاتی گوشورائے برائے ختم شدہ سال 30 جون 2018 پیش کرتے ہوئے اظہار مسرت کرتے ہیں۔

معیشت اور مارکیٹ

پاکستان کی معیشت ایک حوصلہ افزا رفتار سے آگے بڑھ رہی ہے لیکن بڑے اقتصادی معاملات جیسے تجارتی خسارہ کی خلیج کو کم کرنے کے لئے قابل ذکر بہتری کی اشد ضرورت ہے جو کہ مالیاتی سال 2017-2018 میں سب سے زیادہ بلند ترین رہا۔ مختلف بڑے پروجیکٹس بشمول سی پی ای سی پر عملدرآمد، زراعت کی بہتر بحالی اور اشیائے صرف میں مثبت ترقی نے حالیہ بڑی اقتصادی کارکردگی میں اہم کردار ادا کیا۔ تاہم، پاکستان کی بیرونی صورتحال دباؤ کا شکار رہی جس کی بنیادی وجہ مقامی طلب کے مثبت اضافے کے نتیجے میں درآمدات میں ریکارڈ اضافہ، بڑھتی ہوئی تیل اور گیس کی قیمتیں اور سی پی ای سی سے متعلقہ پروجیکٹس پر عملدرآمد شامل ہے۔ اس کے علاوہ بیرونی ترسیلات میں کوئی قابل ذکر نمو نہیں ہوئی جبکہ حکومت کے سازگار اقدامات کی وجہ سے گزشتہ سالوں کی یہ نسبت برآمدات میں معمولی اضافہ ہوا۔ لہذا رواں کھاتے کا خسارہ مالیاتی 2017-2018 میں بلند ترین سطح تک پہنچ گیا۔

آٹوموبائل کی صنعت کی جانب دیکھیں تو حکومتی کوششوں اور مارکیٹ میں موزوں طلب کی وجہ سے مجموعی طور پر اس صنعت میں گزشتہ چند سالوں سے نمو ہو رہی ہے، موجودہ کامیابی کو مد نظر رکھتے ہوئے بورڈ آپ کو مطلع کرتے ہوئے اظہار مسرت کرتا ہے کہ کمپنی کی اسوزو ٹریڈ مارک کی ٹرک اور بسوں کی فروخت کی سالانہ طلب میں 38 فیصد اضافہ ہوا ہے جس کی وجہ سے گزشتہ سال کے 2,903 یونٹس کے مقابلے میں اس سال 4,000 یونٹس فروخت ہوئے جو کہ ایک قابل تعریف ہندسہ ہے جس سے کمپنی کی نمو کی عکاسی ہوتی ہے۔

لہذا کمپنی کے مارکیٹ شیئر میں قابل ذکر اضافہ کی وجہ سے پیداوار، فروخت، آمدنی اور روزگار کے مواقعوں کے حوالے سے ایک متاثر کن کارکردگی دیکھی گئی۔

کمپنی کی بنیادی کاروباری سرگرمی

گندھارا انڈسٹریز لمیٹڈ (کمپنی) کی پبلک لمیٹڈ کمپنی کی حیثیت سے پاکستان میں تشکیل ہوئی اور یہ پاکستان اسٹاک ایکچینج میں مندرج ہے۔ کمپنی کی بنیادی کاروباری سرگرمی اسوزو بسوں، ٹرکوں اور پک اپ ٹرکوں کی اسمبلی، تیاری اور مارکیٹنگ ہے۔

بنیادی خطرات اور غیر یقینی صورتحال

اس حقیقت کے باوجود کہ کمپنی کی مالیاتی کارکردگی میں ایک بہتری کا رجحان دیکھا گیا جس میں تمام اندرونی اور بیرونی رکاوٹوں کو پار کر کے نئے سنگ میل حاصل ہوئے، لیکن اب بھی بازاری مسابقت اور مبادلہ کے نرخ ایسے اہم عناصر ہونگے جو کمپنی کی مالی پوزیشن کو متاثر کر سکتے ہیں۔

2017 2018
Rupees in '000

1,471,262	2,186,464	کاروباری منافع
(224,637)	(222,394)	مالیاتی لاگت
1,246,265	1,964,070	منافع قبل از ٹیکس
(450,612)	(601,650)	ٹیکس
796,013	1,362,420	منافع بعد از ٹیکس

6 Years at a Glance

		2018	2017	2016	2015	2014	2013
Financial Performance-Profitability							
Gross profit margin	%	18.55	20.51	26.55	20.95	12.19	17.23
EBITDA margin to sales	%	13.33	14.04	21.63	15.74	7.82	13.69
Pre tax margin	%	11.71	11.61	18.85	15.74	0.64	6.51
Net profit margin	%	8.10	7.40	12.80	6.79	0.92	4.54
Return on equity-before tax	%	41.58	33.78	35.33	14.54	0.78	9.18
Return on equity-after tax	%	28.84	21.57	23.99	9.95	1.12	6.40
Operating Performance / Liquidity							
Total assets turnover	Times	1.39	1.25	1.13	0.98	0.66	0.68
Fixed assets turnover	Times	6.81	5.31	3.00	1.97	1.47	1.65
Debtors turnover	Times	57.77	28.83	38.54	25.00	9.59	13.07
Debtors turnover	Days	6.32	12.66	9.47	15	38	28
Inventory turnover	Times	2.56	3.16	3.83	3.12	1.80	2.04
Inventory turnover	Days	142.51	115.49	95.38	117	203	179
Creditors turnover	Times	32.11	29.45	25.46	14.11	9.82	15.37
Creditors turnover	Days	11.37	12.39	14.34	26	37	24
Operating cycle	Days	137.46	115.76	90.52	106	204	183
Current ratio		1.32	1.33	1.62	1.56	1.16	1.12
Quick / acid test ratio		0.36	0.55	0.78	0.95	0.52	0.47
Capital Structure Analysis							
Breakup value / share	Rs	221.75	173.21	145.91	105.59	94.83	93.67
Earning per share (pre tax)	Rs	92.19	58.52	51.54	15.35	0.74	8.60
Earning per share (after tax)	Rs	63.95	37.36	35.01	10.50	1.13	6.00

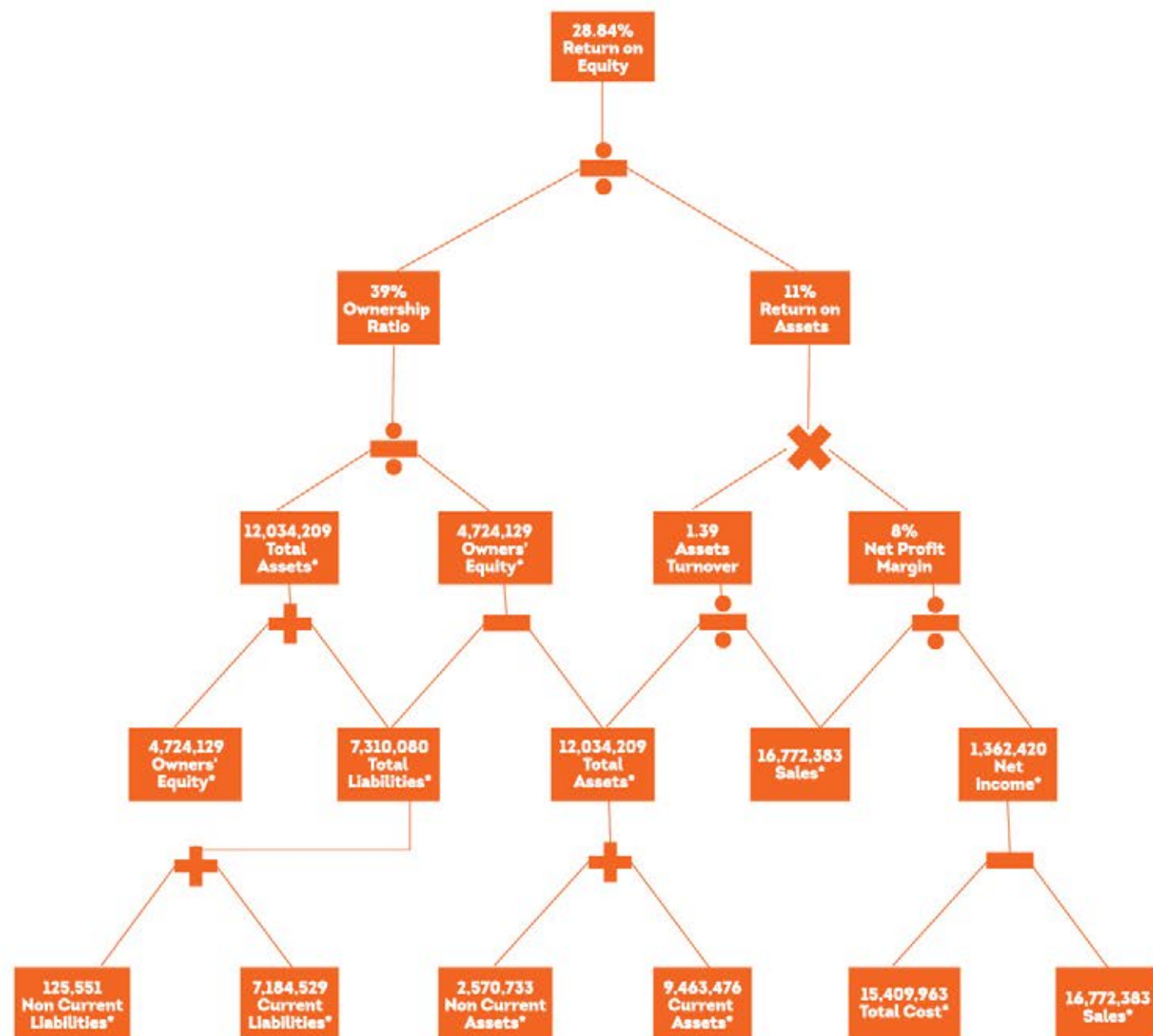
Summary of Financial Position

	2018	2017	2016	2015	2014	2013
Summary of Financial Position						
	Rupees '000					
Share capital	213,044	213,044	213,044	213,044	213,044	213,044
Reserves	2,651,071	1,612,010	1,022,517	365,002	133,989	103,933
Shareholder's fund / equity	4,724,129	3,690,168	3,108,553	2,249,388	2,020,212	1,995,571
Deferred liabilities	80,181	45,615	37,802	30,545	24,866	21,819
Property, plant & equipment	2,463,605	2,021,453	1,941,250	1,674,230	1,678,603	1,703,088
Long term assets	17,242	16,824	15,783	5,831	4,783	7,344
Net current assets / Working capital	2,278,947	1,612,645	1,194,481	568,524	261,336	258,384
Summary of Profit & Loss						
	Rupees '000					
Net sales	16,772,383	10,740,631	5,825,579	3,293,329	2,466,127	2,812,958
Gross profit	3,111,004	2,202,963	1,546,638	689,924	300,696	484,624
Operating profit	2,186,464	1,471,262	1,211,178	494,131	192,864	359,061
Profit before tax	1,964,070	1,246,625	1,098,105	327,016	15,812	183,166
Profit after tax	1,362,420	796,013	745,861	223,788	24,068	127,736
EBITDA	2,235,433	1,471,268	1,238,493	518,222	192,864	385,138
Summary of Cash Flows						
Net cash flow from operating activities	(2,372,485)	(68,215)	588,679	1,002,281	141,723	(401,667)
Net cash flow from investing activities	(471,631)	(111,916)	(73,468)	(12,428)	(2,472)	(11,426)
Net cash flow from financing activities	(303,223)	(198,826)	(58,075)	(9,835)	(10,452)	(8,396)
Changes in cash & cash equivalents	(3,147,339)	(378,957)	457,136	980,018	128,799	(421,489)
Cash & cash equivalents	(3,134,590)	12,749	391,706	(65,430)	(1,045,448)	(1,174,247)



Dupont Analysis

Rs. 000



Vertical Analysis

Financial Position

Assets

Non-Current Assets

	2018		2017		2016		2015		2014		2013	
	Rs. in 000	%	Rs. in 000	%	Rs. in 000	%	Rs. in 000	%	Rs. in 000	%	Rs. in 000	%
Property, plant & equipment	2,463,605	20.47	2,021,453	23.52	1,941,250	37.62	1,674,230	50.02	1,678,603	45.10	1,703,088	41.17
Intangible assets	384	0.00	482	0.01	-	-	45	0.00	348	0.01	647	0.02
Investment properties	88,657	0.74	88,901	1.03	89,145	1.73	89,395	2.67	89,645	2.41	89,895	2.17
Long term investment	1,400	0.01	1,400	0.02	1,400	0.03	1,400	0.04	1,400	0.04	1,400	0.03
Long term loans	4,305	0.04	2,736	0.03	2,298	0.04	1,109	0.03	636	0.02	1,311	0.03
Long term deposits	11,537	0.10	12,688	0.15	12,085	0.23	3,322	0.10	2,747	0.07	4,633	0.11
Deferred taxation	845	0.01	21,134	0.25	-	-	-	-	18,304	0.49	-	-
	2,570,733	21	2,148,774	25	2,046,178	40	1,769,501	52.86	1,791,681	48.14	1,800,974	43.54

Current Assets

Stores and spares parts	10,281	0.09	2,560	0.03	1,980	0.04	2,009	0.06	1,859	0.05	2,285	0.06
Stock-in-trade	8,888,220	57.24	3,779,300	43.97	1,823,753	31.47	812,823	18.30	1,055,872	28.37	1,355,715	32.78
Trade debts	95,230	0.79	485,472	5.65	259,680	5.03	42,653	1.27	220,786	5.93	293,428	7.09
Loans and advances	168,661	1.40	143,340	1.67	142,349	2.76	255,449	7.63	209,547	5.63	247,162	5.98
Trade deposits and prepayments	721,213	5.99	707,242	8.23	339,626	6.58	301,657	9.01	187,098	5.03	147,548	3.57
Other receivables	741	0.01	2,583	0.03	18,518	0.36	16,292	0.49	10,193	0.27	2,454	0.06
Sales tax refundable/adjustable and taxation - payment less provision	1,081,869	8.99	520,298	6.05	142,380	2.76	211,533	6.32	210,107	5.65	246,465	5.96
Cash and bank balances	497,261	4.13	805,135	9.37	585,735	11.35	135,710	4.05	34,597	0.93	40,289	0.97
	9,463,476	79	6,446,030	75	3,114,021	60	1,577,926	47.14	1,930,059	51.86	2,335,346	56.46
	12,034,209	100.00	8,594,804	100.00	5,160,199	100.00	3,347,427	100.00	3,721,740	100.00	4,136,320	100.00

Equity And Liabilities

Share Capital And Reserves

Share capital	213,044	1.77	213,044	2.48	213,044	4.13	213,044	6.36	213,044	5.72	213,044	5.15
Unappropriated profit / (accumulated loss)	2,651,071	22.03	1,612,010	18.76	1,022,517	19.82	365,002	10.90	133,989	3.60	103,933	2.51
Surplus on revaluation of fixed assets	1,860,014	15.46	1,885,114	21.70	1,872,992	36.30	1,671,341	49.93	1,673,179	44.96	1,678,594	40.58
	4,724,129	39	3,690,168	43	3,108,553	60	2,249,387	67.20	2,020,212	54.28	1,995,571	48.25

Non-Current Liabilities

Liabilities against assets subject to finance lease	34,526	0.29	19,563	0.23	36,000	0.70	10,584	0.32	7,939	98.24	15,102	0.37
Compensated absences	10,844	0.09	6,073	0.07	6,409	0.12	-	-	-	-	-	-
Deferred liabilities	80,181	0.67	45,615	0.53	37,802	0.73	30,545	0.91	24,866	0.67	21,819	0.53
Deferred taxation	-	-	-	-	51,895	1.01	47,509	1.42	-	-	26,865	0.65
	125,551	1	71,251	1	132,106	3	88,638	2.65	32,805	0.88	63,786	1.54

Current Liabilities

Trade and other payables	3,427,060	28.48	3,960,103	46.08	1,674,229	32.45	783,464	23.40	550,511	14.79	822,680	19.89
Unpaid dividends	44,271	0.37	24,604	0.29	11,493	0.22	-	-	-	-	-	-
Unclaimed dividends	24,814	0.21	14,092	0.16	5,379	0.10	-	-	-	-	-	-
Current maturity of liabilities against assets subject to finance lease	8,224	0.07	17,916	0.21	8,597	0.17	3,837	0.11	7,652	0.21	7,486	0.18
Accrued mark up	48,309	0.40	24,284	0.28	25,813	0.50	20,961	0.63	30,515	0.82	32,261	0.78
Short term borrowings	3,631,851	30.18	792,366	9.22	194,029	3.76	201,140	6.01	1,080,045	29.02	1,214,536	29.36
	7,184,529	60	4,833,385	56	1,919,540	37	1,009,402	30.15	1,668,723	44.84	2,076,963	50.21
	12,034,209	100.00	8,594,804	100.00	5,160,199	100.00	3,347,427	100.00	3,721,740	100.00	4,136,320	100.00

Profit & Loss

	2018		2017		2016		2015		2014		2013	
	Rs. in 000	%	Rs. in 000	%	Rs. in 000	%	Rs. in 000	%	Rs. in 000	%	Rs. in 000	%
Net sales	16,772,383	100.00	10,740,631	100.00	5,825,579	100.00	3,293,329	100.00	2,466,127	100.00	2,812,958	100.00
Cost of sales	(13,661,379)	(81.45)	(8,537,698)	(79.49)	(4,278,941)	(73.45)	2,603,405	79.05	2,165,431	87.81	2,328,334	82.77
Gross profit	3,111,004	18.55	2,202,933	21	1,546,638	27	689,924	20.95	300,696	12.19	484,624	17.23
Distribution expenses	(584,046)	(3.48)	(359,159)	(3.34)	(220,946)	(3.79)	166,310	5.05	105,267	4.27	64,518	3.00
Administrative expenses	(346,542)	(2.07)	(150,585)	(1.40)	(110,568)	(1.90)	89,707	2.72	88,118	3.58	73,048	2.60
Other operating expenses	(148,748)	(0.89)	(244,074)	(2.27)	(34,598)	(0.59)	13,546	0.41	3,227	0.13	14,641	0.52
Other operating income	154,796	0.92	22,127	0.21	30,652	0.53	53,770	1.63	66,778	2.71	46,642	1.66
Profit / (loss) from operations	2,186,464	13.04	1,471,262	14	1,211,178	21	494,131	15.00	192,864	7.82	359,061	12.76
Finance cost	(222,394)	(1.33)	(224,637)	(2.09)	(113,073)	(1.94)	167,115	5.07	177,052	7.18	175,895	6.25
Profit / (loss) before taxation	1,964,070	11.71	1,246,625	11.61	1,098,105	19	327,016	9.93	15,812	0.64	183,166	6.51
Taxation	(601,650)	(3.59)	(450,812)	(4.20)	(352,244)	(6.05)	(103,226)	(3.13)	(8,256)	0.33	(55,430)	(1.97)
Profit / (loss) after taxation	1,362,420	8.12	795,813	7.41	745,861	12.80	223,790	6.80	24,068	0.98	127,736	4.54

Horizontal Analysis

Financial Position

Assets

Non-Current Assets

Property, plant & equipment	2,463,605	21.87	2,021,453	4.13	1,941,250	15.95	1,674,230	(0.26)	1,678,603	(1.44)	1,703,088	
Intangible assets	384	(16.88)	462	100.00	-	(100.00)	45	(87.13)	346	(46.52)	647	
Investment properties	88,657	(0.27)	88,901	(0.27)	89,145	(0.28)	89,395	(0.28)	89,645	(0.28)	89,895	
Long term investment	1,400	-	1,400	-	1,400	-	1,400	-	1,400	-	1,400	
Long term loans	4,305	57.35	2,736	19.06	2,298	107.20	1,109	74.38	636	(51.49)	1,311	
Long term deposits	11,537	(9.07)	12,688	4.98	12,085	283.79	3,322	20.93	2,747	(40.71)	4,633	
Deferred taxation	845	(96.00)	21,134	100.00	-	-	-	(100.00)	18,304	-	-	
	2,570,733	19.84	2,148,774	5.01	2,046,178	15.64	1,769,501	(1.24)	1,791,681	(0.52)	1,800,974	

Current Assets

Stores and spares parts	10,281	301.80	2,560	29.29	1,980	(1.42)	2,009	8.04	1,859	(18.64)	2,285	
Stock-in-trade	8,888,220	82.26	3,779,300	132.75	1,823,753	165.05	812,823	(41.98)	1,055,872	(22.12)	1,355,715	
Trade debts	95,230	(80.38)	485,472	86.95	259,680	508.82	42,653	(80.68)	220,786	(24.76)	293,428	
Loans and advances	168,661	17.66	143,340	0.70	142,349	(44.28)	255,449	21.91	209,547	(15.22)	247,162	
Trade deposits and prepayments	721,213	1.98	707,242	108.24	339,626	12.59	301,657	61.23	187,098	26.80	147,548	
Other receivables	741	(72.38)	2,583	(85.51)	18,518	13.68	16,292	59.84	10,193	315.38	2,454	
Sales tax refundable/adjustable and taxation - payment less provision	1,081,869	107.93	520,298	265.43	142,380	(32.89)	211,533	0.88	210,107	(14.75)	246,465	
Cash and bank balances	497,261	(38.24)	805,135	37.46	585,735	331.61	135,710	292.26	34,597	(14.13)	40,289	
	9,463,476	48.81	6,446,030	107.00	3,114,021	97.35	1,577,926	(18.24)	1,930,059	(17.35)	2,335,346	
	12,034,209	40.02	8,594,804	66.56	5,160,199	54.15	3,347,427	(10.06)	3,721,740	(10.02)	4,136,320	

Equity And Liabilities

Share Capital And Reserves

Share capital	213,044	-	213,044	-	213,044	-	213,044	0.00	213,044	-	213,044	
Unappropriated profit / (accumulated loss)	2,651,071	64.46	1,612,010	57.85	1,022,517	180.14	365,002	172.41	133,989	28.92	103,933	
Surplus on revaluation of fixed assets	1,860,014	(0.27)	1,885,114	(0.42)	1,872,992	12.07	1,671,341	(0.11)	1,673,179	(0.32)	1,678,594	
	4,724,129	28.02	3,690,168	18.71	3,108,553	38.20	2,249,387	11.34	2,020,212	1.23	1,995,571	

Non-Current Liabilities

Liabilities against assets subject to finance lease	34,526	76.49	19,563	(45.66)	36,000	240.14	10,584	33.32	7,939	(47.43)	15,102	
Compensated absences	10,844	78.58	6,073	(5.24)	6,409	-	-	-	-	-	-	
Deferred liabilities	80,181	75.78	45,615	20.67	37,802	23.76	30,545	22.84	24,866	13.96	21,819	
Deferred taxation	-	-	-	(100.00)	51,895	9.23	47,509	100.00	-	(100.00)	26,865	
	125,551	76.21	71,251	(46.07)	132,106	49.04	88,638	170.20	32,805	(48.57)	63,786	

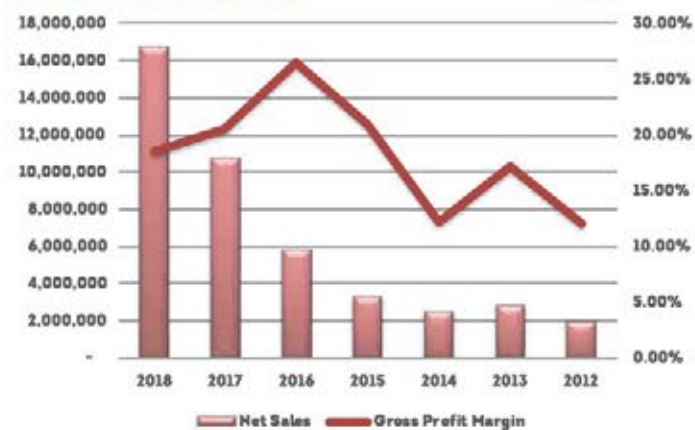
Current Liabilities

Trade and other payables	3,427,060	(13.46)	3,960,103	136.53	1,674,229	113.70	783,464	42.32	550,511	(39.08)	822,680
Unpaid dividends	44,271	79.83	24,604	114.08	11,493	-	-	-	-	-	-
Unclaimed dividends	24,814	76.09	14,092	161.98	5,379	-	-	-	-	-	-
Current maturity of liabilities against assets subject to finance lease	8,224	(54.10)	17,916	109.40	8,597	124.06	3,837	(49.86)	7,652	2.22	7,486
Accrued mark up	48,309	98.93	24,284	(5.92)	25,813	23.15	20,961	(31.31)	30,515	(5.41)	32,261
Short term borrowings	3,631,851	358.34	792,386	308.39	194,029	(3.54)	201,140	(81.38)	1,080,045	(11.07)	1,214,536
	7,184,529	48.64	4,833,385	151.80	1,919,540	90.17	1,009,402	(39.51)	1,668,723	(19.66)	2,076,963
	12,034,209	40.02	8,584,804	66.58	5,180,189	54.15	3,347,427	(10.06)	3,721,740	(10.02)	4,136,320

Graphical Presentation

The Company's distinguished performance in its operations is attributable to the effective management of controllable factors, measured against key financial indicators. This has resulted in the Company accumulate greater financial strength and continue to grow sustainably over the course of time.

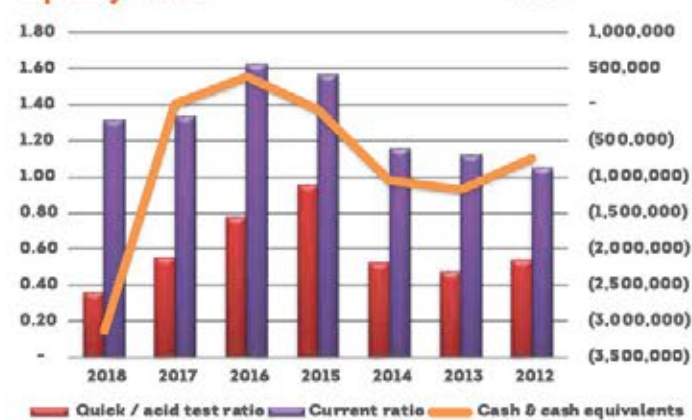
Sales and Gross Profit



The Company remained focused towards delivering upon its objective of sustainable growth through value creation. Accordingly, the momentum of increasing sales continued throughout the year on account of positive market performance. It resulted in achievement of Sales Revenue of Rs. 16.8 billion, a 56.1% increase from last year. This has been the highest ever sales revenue throughout the history of GIL.

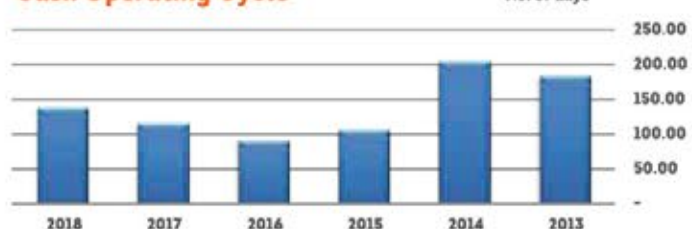
The improvement in sales translated in increase gross profits. Resultantly, gross margin increased from Rs. 2,203 million to Rs. 3,111 million, up by 41.2%. However, a decrease around 1.96% have been observed in GP margin ratio as compared with last year mainly due to Currency devaluation and non-transfer of the same to customer. Management is aware of the factual changes in Economy and has adopted cost efficient strategies to combat the decrease in margin in future periods.

Liquidity Ratios



During the year the Company has invested sizeable funds in fixed asset capital and inventory of D-Max. This have impacted our liquidity position with net outflow of Rs. 3.1 Billion, however the management is optimistic after launch of DMAX expected at the end of October 2018.

Cash Operating Cycle



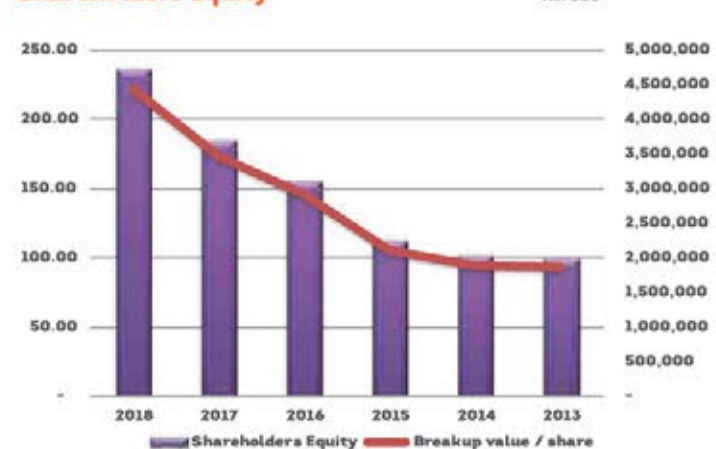
To drive strong cash flow generation, Gandhara Industries Limited is optimizing its balance sheet, specifically by reducing the level of working capital and steady cash flow management. Accordingly, the Company has always sought to efficiently use the various components of working capital cycle. Cash flow operating cycle has followed the same trend of previous years and the Company continue to work on favorable operating cycle. Resultantly, the Company has managed to slightly control the receivables and payable level.

Return on Investments & Profit After Tax



An impressive topline has allowed the Company to outperform its previous best efforts as the Company has achieved a profit after tax of Rs. 1,362 million, an increase of almost 71%. Also ROE of around 29%. Despite cost pressures both in forex and local market diligent measures were undertaken alongwith effective treasury management that led to improved profits.

Shareholders Equity

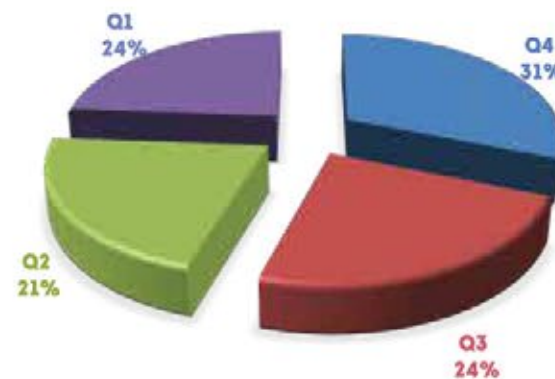


The Company has set the goal of improving financial soundness by consolidating its shareholders' equity. The goal was eclipsed by achieving the record shareholders' equity which stood at Rs. 4.7 billion. The stronger equity would play its positive role in the Company's future course of expansion.

The breakup value per share stood at Rs. 221.7 It provides a strong financial base in supporting the implementation of the Company's growth strategy.

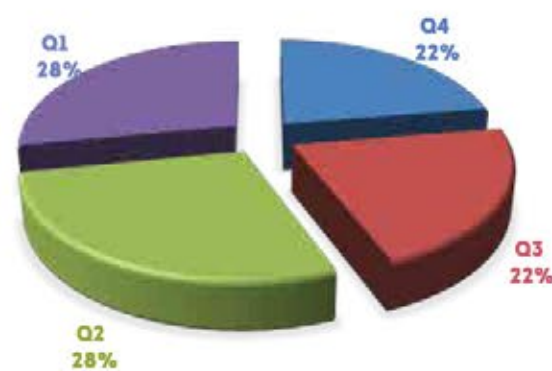
Quarterly Performance Analysis

Sales



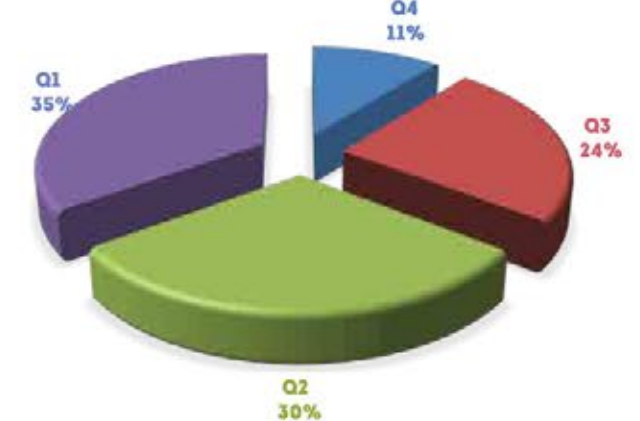
The Company witnessed an increasing sales trend through out the fiscal year. Higher sales volume remained attributable to the increase in market demand of the Company's products, in its classic series i.e. NKR and NPR, also in heavy duty series i.e. FVZ and FVR, sales for which increased by 348% and 163% respectively as compared with last year. Improving law and order situation across the country and positive economic sentiments pertaining to automobile industry contributed to the achievement of ever highest sales, with numbers reaching 4,000 units mark.

Gross Profit



Gross Profit (GP) of the first two quarters were able to contribute around 56% of total GP. However, despite increasing sales in last two quarters, gross profits decreased which were mainly due to sale of high value stock due to impact of currency depreciation.

Profit Before Taxation



Profit before tax (PBT) have increased since last year by 57% however last quarter PBT has decreased mainly due to sale of stock which had absorbed the recent sharp rise in JPY.

Profit After Taxation



Net profit after tax increased to Rs. 1362 million, an increase of 71% from last year. The improving profitability generated an EPS of Rs. 63.95 per share which is the highest ever in the Company's history.

Pattern of Shareholding

As at 30th June 2018

No. of Shareholders	Having Shares		Shares Held	Percentage
	From	To		
3,773	1	100	88,328	0.41
889	101	500	247,959	1.16
267	501	1,000	213,292	1.00
268	1,001	5,000	592,791	2.78
58	5,001	10,000	416,129	1.95
11	10,001	15,000	133,993	0.63
4	15,001	20,000	73,573	0.35
11	20,001	25,000	260,372	1.22
1	25,001	30,000	28,400	0.13
2	30,001	35,000	63,624	0.30
1	35,001	40,000	36,000	0.17
3	45,001	50,000	146,850	0.69
4	50,001	55,000	208,616	0.98
1	60,001	65,000	63,850	0.30
1	65,001	70,000	66,168	0.31
1	70,001	75,000	74,200	0.35
1	75,001	80,000	76,300	0.36
2	80,001	85,000	168,450	0.79
1	100,001	105,000	100,700	0.47
1	110,001	115,000	112,500	0.53
1	115,001	120,000	117,277	0.55
1	360,001	365,000	364,000	1.71
1	455,001	460,000	458,050	2.15
1	625,001	630,000	626,850	2.94
1	1,180,001	1,185,000	1,184,148	5.56
1	1,400,001	1,405,000	1,402,450	6.58
1	1,635,001	1,640,000	1,638,926	7.69
1	2,255,001	2,260,000	2,258,242	10.60
1	3,995,001	4,000,000	3,997,229	18.76
1	6,085,001	6,090,000	6,085,155	28.56
5,310			21,304,422	100.00

* Note: There is no shareholding in the slab not mentioned

Categories of Shareholders

Shareholder's Category	Number	Shares Held	Percentage
Director's, CEO, Their Spouse and Minor Children	7	37,105	0.17
Associated Companies, Undertakings and Related Parties	8	13,715,821	64.38
NIT & ICP	2	121,291	0.57
Banks, NBFCs, DFIs, Takaful, Pension and Stock Funds	38	2,577,400	12.10
Investment and Modaraba Companies	3	3,528	0.02
Insurance Companies	9	2,043,700	9.59
Joint Stock Companies	14	76,855	0.36
Other Companies, Corporate Bodies, Trust etc	31	210,854	0.99
General Public (Local)	5,198	2,517,868	11.82
	5,310	21,304,422	100.00

Categories of Shareholders

As at June 30, 2018

No.	Categories of Shareholders	Category wise No. of Folio/CDC A/Cs	Category wise shares held
1	Director's, CEO, Their Spouse and Minor Children		
	Mr. Ahmad Kuli Khan Khattak (Chief Executive)	12,000	0.056
	Lt. Gen. (R) Ali Kuli Khan Khattak (Director)	9	0.000
	Mr. Jamil Ahmed Shah (Director)	400	0.002
	Mr. Shahid Kamal Khan (Independent Director)	8	0.000
	Major (R) Muhammad Zia (Director)	100	0.000
	Mr. Sohail Hameed Khan (Independent Director)	1	0.000
	Mrs. Shahnaz Sajjad Ahmad (Director)	24,587	0.115
2	Associated Companies, Undertaking and Related Parties		
	Bibojee Services (Pvt) Limited	8,343,397	39.163
	Bibojee Investments (Pvt) Limited	21,408	0.100
	The General Tyre and Rubber Company of Pakistan Limited	100,700	0.473
	Ghandhara Nissan Limited	4,066,168	19.086
	The Universal Insurance Company Limited	1,184,148	5.558
3	NIT & ICP		
	Investment Corporation of Pakistan	4,014	0.019
	CDC- Trustee National Investment (Unit) Trust	117,277	0.550
4	Banks, NBFCs, DFIs, Takaful, Pension and Stock Funds	2,577,400	12.098
5	Investment and Modaraba Companies	3,528	0.017
6	Insurance Companies	2,043,700	9.593
7	Joint Stock Companies	76,855	0.361
8	Other Companies, Corporate Bodies, Trust etc	210,854	0.990
9	General Public (Local)	2,517,868	11.819
		21,304,422	100.00
10	Shareholders Holding 05.00% Or More		
	Bibojee Services (Pvt) Limited	8,343,397	39.163
	Universal Insurance Co. Limited	1,184,148	5.558
	Ghandhara Nissan Limited	4,066,168	19.086
	Essar Asset Management	1,638,926	7.693
	EFU Life Assurance Limited	1,402,450	6.583
11	Trading In The Shares Of Company During The Year By The Directors Chief Executive Officer, Chief Financial Officer, Company Secretary And Their Spouses And Minor Children.	NII	NII

Statement Of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2017

For the Year Ended June 30, 2018

The company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are seven as per the following:

Male: 6 Female: 1

2. The composition of board is as follows:

Independent Directors	Mr. Shahid Kamal Khan Mr. Sohail Hameed
Other Non-executive Director	Lt. Gen. (R) Ali Kuli Khan Khattak Mrs. Shahnaz Sajjad Ahmad Mr. Jamil Ahmed Shah Maj. (R) Muhammad Zia
Executive Director	Mr. Ahmad Kuli Khan Khattak

3. The directors have confirmed that none of them is serving as a director on more than five listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).
4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
5. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.
8. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. The Board has arranged a presentation for the directors in order to appraise them with the significant changes introduced through Regulations. This also covered changes introduced through Companies Act, 2017 with regards to powers of Board of Directors and disclosure requirements in financial statements. The incoming directors are also provided with appropriate briefing and orientation material to enable them firsthand knowledge on the working of the Company. Further, out of seven, one is Certified Director and three directors meet the criteria of exemption due to their experience as per regulation 20(2) of the Regulations. Remaining director will acquire the required directors training certification within the time specified in the Code.

10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment, however, the CFO and Company Secretary of the Company is the same person. The Company is in the process of appointing separate person as Company Secretary.

11. CFO and CEO duly endorsed the financial statements before approval of the board.

12. The board has formed committees comprising of members given below:

Audit Committee	Mr. Sohail Hameed – Chairman Maj. (R) Muhammad Zia – Member Mr. Shahid Kamal Khan – Member Mr. Shahnawaz Damji – Secretary
HR and Remuneration Committee	Mr. Shahid Kamal Khan – Chairman Mr. Ahmad Kuli Khan Khattak – Member Maj. (R) Muhammad Zia – Member Mr. Sohail Hameed – Member Mr. Hassan Mahmood – Secretary

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:

Audit Committee	Four meetings
HR and Remuneration Committee	Three meetings

15. The board has set up an effective internal audit function.
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all other requirements of the Regulations have been complied with.



Lt. Gen (R) Ali Kuli Khan Khattak
Chairman

September 19, 2018



Ahmad Kuli Khan Khattak
Chief Executive Officer

Review Report on the Statement of Compliance Contained in Listed Companies Code of Corporate Governance

We have reviewed the enclosed Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of Ghandhara Industries Limited (the Company) for the year ended June 30, 2018, in accordance with the requirements of regulation 40 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2018.

Further, we highlight below instance of non-compliance with the requirement of the regulations as reflected in the note reference where it is stated in the Statement of Compliance.

S.No.	Note Reference	Description
(i)	10	Chief Financial Officer & Company Secretary are the same Person

Shinewing Hameed Chaudhri & Co.
SHINEWING HAMEED CHAUDHRI & CO.
CHARTERED ACCOUNTANTS
KARACHI;

Dated: September 19, 2018

Junaidy Shoaib Asad
JUNAIDY SHOAIB ASAD
CHARTERED ACCOUNTANTS
KARACHI;

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Ghandhara Industries Limited (the Company), which comprise the statement of financial position as at June 30, 2018, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2018 and of the profit and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key Audit Matters:

S.No. Key Audit Matters

1. Compliance with Laws and Regulations and changes in 4th Schedule

The Companies Act, 2017 (the Act, 2017) promulgated on May 30, 2017. The Act, 2017 revised and replaced the Fourth Schedule of the Companies Ordinance, 1984 and brought changes in the presentation and disclosures of the financial statements by elimination of duplicative disclosures with IFRS disclosure requirements and incorporation of significant additional disclosures. These changes are applicable first time to the Company's financial statements for the year ended June 30, 2018.

The changes are considered as a key audit matter in view of the extensive impacts on the financial statements of the Company.

Refer note 2, 6, 7, 11, 14.3, 22.1, 30.4, 33.1 36.2, 46, 47 and 48 for changes in disclosures made through the Act, 2017.

How the matter was addressed in our audit Our audit procedures in respect of this area included:

Obtained an understanding of the related provisions and schedules of the Act, 2017 applicable to the Company and prepared document to assess the Company's compliance with the disclosure requirements of the Act, 2017;

We discussed the applicable changes with the Company's management and those charged with governance as to whether the Company is in compliance with such changes; We also maintained a high level of vigilance when carrying out our other audit procedures for indication of non-compliance; and

We ensured that the financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan and the Act, 2017.

S.No. Key Audit Matters**2. Stock-in-trade**

The Company's stock-in-trade has been increased significantly from Rs.3,779.30 million at June 30, 2017, to Rs.6,888.22 million at June 30, 2018. During the current financial year, the management increased the stock levels of the Company due to increase in business activity and launch of new product. We identified this area as key audit matter because stock-in-trade constitutes 57.24% of the total assets of the Company as at June 30, 2018. Refer note 2 and 13 of the financial statements.

How the matter was addressed in our audit**Our audit procedures in respect of this area included:**

Observation of physical inventory count procedures and compared on a sample basis, physical count with valuations sheets; Compared on a sample basis specific purchases and directly attributable cost with underlying supporting documents; Compared the NRV, on a sample basis, to the cost of finished goods to assess whether any adjustments are required to value stocks in accordance with applicable accounting and reporting standards; and We also considered the adequacy of the disclosures made in the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partners on the audit resulting in this independent auditor's report are Osman Hameed Chaudhri from ShineWing Hameed Chaudhri & Co and Farrukh V. Junaidy from Junaidy Shoaib Asad.

ShineWing Hameed Chaudhri & Co.

SHINEWING HAMEED CHAUDHRI & CO.
CHARTERED ACCOUNTANTS
KARACHI;

Dated: September 19, 2018

Junaidy Shoaib Asad
JUNAIDY SHOAIB ASAD
CHARTERED ACCOUNTANTS
KARACHI;

Statement of Financial Position

AS AT JUNE 30, 2018

	Note	2018 ----- (Rupees in '000) -----	Restated 2017	Restated 2016
ASSETS				
Non current assets				
Property, plant and equipment	7	2,463,605	2,021,453	1,941,250
Intangible assets	8	384	462	-
Investment property	9	88,657	88,901	89,145
Long term investment	10	1,400	1,400	1,400
Long term loans	11	4,305	2,736	2,298
Long term deposits	12	11,537	12,688	12,085
Deferred taxation	24	845	21,134	-
		2,570,733	2,148,774	2,046,178
Current assets				
Stores		10,281	2,560	1,980
Stock-in-trade	13	6,888,220	3,779,300	1,623,753
Trade debts	14	95,230	485,472	259,680
Loans and advances	15	168,661	143,340	142,349
Trade deposits and prepayments	16	721,213	707,242	339,626
Other receivables	17	741	2,683	18,518
Sales tax refundable / adjustable		606,559	481,756	30,484
Taxation - payments less provision		475,310	38,542	111,896
Cash and bank balances	18	497,261	805,135	585,735
		9,463,476	6,446,030	3,114,021
Total assets		12,034,209	8,594,804	5,160,199

Statement of Financial Position

AS AT JUNE 30, 2018

	Note	2018 ----- (Rupees in '000) -----	Restated 2017	Restated 2016
EQUITY AND LIABILITIES				
Share capital and reserves				
Share capital	19	213,044	213,044	213,044
Revenue reserve				
Unappropriated profit		2,651,071	1,612,010	1,022,517
Capital reserve				
Surplus on revaluation of fixed assets	20	1,860,014	1,865,114	1,872,992
Total equity		4,724,129	3,690,168	3,108,553
Non current liabilities				
Liabilities against assets subject to finance lease	21	34,526	19,563	35,999
Compensated absences	22	10,844	6,073	6,409
Deferred liabilities	23	80,181	45,615	37,802
Deferred taxation	24	-	-	51,895
		125,551	71,251	132,105
Current liabilities				
Trade and other payables	25	3,427,060	3,960,103	1,674,229
Unpaid dividends		44,271	24,604	11,493
Unclaimed dividends		24,814	14,092	5,379
Accrued mark-up / interest	26	48,309	24,284	25,813
Short term borrowings	27	3,631,851	792,386	194,029
Current maturity of liabilities against assets subject to finance lease	21	8,224	17,916	8,598
		7,184,529	4,833,385	1,919,541
Total liabilities		7,310,080	4,904,636	2,051,646
Contingencies and commitments				
	28			
Total equity and liabilities		12,034,209	8,594,804	5,160,199

The annexed notes from 1 to 50 form an integral part of these financial statements.



Ahmad Kuli Khan Khattak
Chief Executive



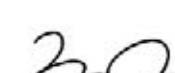
Maj. (R) Muhammad Zia
Director



Iftikhar Ahmed Khan
Chief Financial Officer



Ahmad Kuli Khan Khattak
Chief Executive



Maj. (R) Muhammad Zia
Director



Iftikhar Ahmed Khan
Chief Financial Officer

Statement of Profit or Loss Account & Other Comprehensive Income

For the year ended June 30, 2018

	Note	2018 ----- (Rupees in '000) -----	2017
Sales	29	16,772,383	10,740,631
Cost of sales	30	(13,661,379)	(8,537,668)
Gross profit		3,111,004	2,202,963
Distribution cost	31	(584,046)	(359,159)
Administrative expenses	32	(346,542)	(150,595)
Other expenses	33	(148,748)	(244,074)
Other income	34	154,796	22,127
Profit from operations		2,186,464	1,471,262
Finance cost	35	(222,394)	(224,637)
Profit before taxation		1,964,070	1,246,625
Taxation	36	(601,650)	(450,612)
Profit after taxation		1,362,420	796,013
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement of staff retirement benefit obligation		(16,676)	(1,934)
Impact of deferred tax		4,836	580
		(11,840)	(1,354)
Effect of change in tax rates on balance of revaluation of fixed assets		2,947	-
Other comprehensive loss for the year - net of tax		(8,893)	(1,354)
Total comprehensive income for the year		1,353,527	794,659
		----- (Rupees) -----	
Basic and diluted earnings per share	37	63.95	37.36

The annexed notes from 1 to 50 form an integral part of these financial statements.



Ahmad Kuli Khan Khattak
Chief Executive



Maj. (R) Muhammad Zia
Director



Iftikhar Ahmed Khan
Chief Financial Officer

Statement of Changes in Equity


For the year ended June 30, 2018

	Share capital	Revenue Reserve Unappropriated profit	Capital Reserve Surplus on revaluation of fixed assets	Total
	----- (Rupees in '000) -----			
Balance as at July 1, 2016 - as previously stated	213,044	1,022,517	-	1,235,561
Effect of restatement - note 6	-	-	1,872,992	1,872,992
Balance as at July 1, 2016 - as restated	213,044	1,022,517	1,872,992	3,108,553
Transaction with owners, recognised directly in equity				
Final dividend for the year ended June 30, 2016 at the rate of Rs.10 per share	-	(213,044)	-	(213,044)
Total comprehensive income for the year ended June 30, 2017				
Profit for the year	-	796,013	-	796,013
Other comprehensive loss	-	(1,354)	-	(1,354)
	-	794,659	-	794,659
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred taxation	-	7,878	(7,878)	-
Balance as at June 30, 2017	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 year ended June 30, 2018				
Profit for the year	-	1,362,420	-	1,362,420
Other comprehensive (loss) / income	-	(11,840)	2,947	(8,893)
	-	1,350,580	2,947	1,353,527
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred taxation	-	8,047	(8,047)	-
Balance as at June 30, 2018	213,044	2,651,071	1,860,014	4,724,129

The annexed notes from 1 to 50 form an integral part of these financial statements.



Ahmad Kuli Khan Khattak
Chief Executive



Maj. (R) Muhammad Zia
Director



Iftikhar Ahmed Khan
Chief Financial Officer

Statement of Cash Flows

For the year ended June 30, 2018

	Note	2018 ----- (Rupees in '000) -----	2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	38	(1,162,679)	613,046
Gratuity paid		(2,893)	(4,831)
Finance cost paid		(196,152)	(223,021)
Income tax paid		(1,010,343)	(449,707)
Long term loans - net		(1,569)	(438)
Long term deposits - net		1,151	(603)
Net cash used in operating activities		(2,372,485)	(65,554)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(493,314)	(114,442)
Purchase of intangible asset		-	(622)
Sale proceeds from disposal of operating fixed assets		19,011	1,123
Interest received		2,672	3,880
Net cash used in investing activities		(471,631)	(110,061)
CASH FLOWS FROM FINANCING ACTIVITIES			
Liabilities against assets subject to finance lease - net		(14,046)	(12,122)
Dividend paid		(289,177)	(191,220)
Net cash used in financing activities		(303,223)	(203,342)
Net decrease in cash and cash equivalents		(3,147,339)	(378,957)
Cash and cash equivalents at beginning of the year		12,749	391,706
Cash and cash equivalents at end of the year	39	(3,134,590)	12,749

The annexed notes from 1 to 50 form an integral part of these financial statements.



Ahmad Kuli Khan Khattak
Chief Executive



Maj. (R) Muhammad Zia
Director



Iftikhar Ahmed Khan
Chief Financial Officer

Notes to the Financial Statements

For the year ended June 30, 2018

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 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.

2. SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS

Stock-in-trade

During the year, the stock-in-trade has increased by 83% to Rs.6.9 billion as at June 30, 2018. This is due to the increase in business activities by 56%, when compared with the previous year. The increase in stock-in-trade is also due to the planned introduction of new pick-up trucks "ISUZU DMAX".

Sales mix

During the year, the Company has achieved sales revenue of Rs.16.8 billion. This is the highest sales level ever achieved by the Company. A shift in the sales mix was noted during the year, due to the increase in sales of medium duty trucks, as compared to the reliance on sales of small duty trucks, in the previous year.

Companies Act, 2017

Due to applicability of the Companies Act, 2017, the amounts reported for equity for the previous years have been restated. Refer note 6 for detailed information.

For detail performance review of the Company, refer Directors' Report.

3. BASIS OF PREPARATION

3.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS) 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 provision of and directives issued under the Companies Act, 2017 differ from the IFRS, the provision of and directives issued under the Companies Act, 2017 have been followed.

3.2 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is the functional currency of the Company and figures are rounded off to the nearest thousand of Rupees unless otherwise specified.

3.3 New and amended standards and interpretations

3.3.1 Standards and amendments to approved accounting standards effective in current year

New and amended standards mandatory for the first time for the financial year beginning July 1, 2017:

- (a) Amendments to IAS 7, 'Statement of cash flows' are applicable for annual periods beginning on or after January 1, 2017. The amendment requires disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes.

Notes to the Financial Statements

For the year ended June 30, 2018

- (b) Amendment to IAS 12, 'Income taxes' is applicable on annual periods beginning on or after January 1, 2017. The amendment clarifies deferred tax treatment for debt instrument and also addresses questions regarding determination of future taxable profit for the recognition test of deferred tax.
- (c) The Companies Act, 2017, promulgated last year, is applicable on the presentation of the financial statements for the current year. The Companies Act, 2017 has also revised the 4th Schedule to the Companies Ordinance, 1984 and brought changes in the presentation and disclosures of financial statement of the listed companies. These changes are applicable on the financial statements for the year ended June 30, 2018.

The other new standards, amendments to approved accounting standards that are mandatory for the financial year beginning on July 1, 2017 are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations.

3.3.2 Standards, amendments to approved accounting standards and interpretations that are not yet effective and have not been early adopted by the Company

The following new standards and amendments to approved accounting standards are not effective for the financial year beginning on July 1, 2017 and have not been early adopted by the Company:

- (a) IFRS 9, 'Financial instruments' is applicable in Pakistan on accounting periods beginning on or after July 1, 2018. IASB has published the complete version of IFRS 9, 'Financial instruments', which replaces the guidance in IAS 39. This final version includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the incurred loss impairment model currently being used. The standard not likely to have material impact on the Company's financial statements.
- (b) IFRS 15, 'Revenue from contracts with customers' is applicable on accounting periods beginning on or after July 1, 2018. The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards. The standard permits a modified retrospective approach for the adoption. Under this approach entities will recognise transitional adjustments in retained earnings on the date of initial application (e.g. July 1, 2018), i.e. without restating the comparative period. They will only need to apply the new rules to contracts that are not completed as of the date of initial application. The Company has yet to assess the full impact of this standard on its financial statements.
- (c) IFRS 16, 'Leases' is applicable on accounting periods beginning on or after January 1, 2019. IFRS 16 will affect primarily the accounting by lessees and will result in the recognition of almost all leases on statement of financial position. The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases. The accounting by lessors will not significantly change. Some differences may arise as a result of the new guidance on the definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The standard not likely to have material impact on the Company's financial statements.
- (d) Amendment to IAS 12 'Income taxes' as part of annual improvement 2015-2017 cycle is applicable on accounting periods beginning on or after January 1, 2019. The amendment clarifies that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognised consistently with the transactions that generated the distributable profits – i.e. in profit or loss, other comprehensive income or equity. The amendment is not likely to have material impact on the Company's financial statements.
- (e) Amendments to IAS 23 'Borrowing Costs' as part of annual improvement 2015-2017 cycle is applicable on accounting periods beginning on or after January 1, 2019. The amendments clarify that the general borrowings pool used to calculate eligible borrowing costs excludes only borrowings that specifically finance qualifying assets that are still under development or construction. Borrowings that were intended to specifically finance qualifying assets that are now ready for their intended use or sale – or any non qualifying assets – are included in that general pool. This amendment will be applied prospectively to borrowing costs incurred on or after the date an entity adopts the amendments. The amendments are not likely to have material impact on the Company's financial statements.

Notes to the Financial Statements

For the year ended June 30, 2018

- (f) Amendment to IAS 40 'Investment Property' - effective for annual periods beginning on or after January 1, 2018. The amendment clarifies that an entity shall transfer a property to, or from, investment property when and only when there is an actual change in use i.e. an asset meets, or ceases to meet the definition of investment property and there is evidence of change in use. A change in management intension alone does not support a transfer. The amendments does not expect to have a material impact on the Company's financial statements.
 - (g) IFRIC 22 'Foreign Currency Transactions and Advance Consideration' is applicable for annual periods beginning on or after January 1, 2018. The interpretation clarifies which date should be used for translation when a foreign currency transaction involves an advance payment or receipt. The related item is translated using the exchange rate on the date that the advance foreign currency was paid or received and the prepayment or deferred income recognised. The amendments does not expect to have a material impact on the Company's financial statements.
 - (h) IFRIC 23 'Uncertainty over Income Tax Treatment' is applicable for annual periods beginning on or after January 1, 2019. The amendment clarifies the accounting for income tax when there is uncertainty over income tax treatment under IAS12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax. The amendments does not expect to have a material impact on the Company's financial statements.
- There are number of other standards, amendments and interpretations to the published standards that are not yet effective and are also not relevant to the Company and, therefore, have not been presented here.

4. BASIS OF MEASUREMENT

- 4.1 These financial statements have been prepared under the historical cost convention, except for certain classes of property, plant and equipment which have been included at revalued amounts and staff retirement benefit which has been recognised at present value as determined by the Actuary.
- 4.2 The preparation of financial statements in conformity with approved accounting standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The areas where various assumptions and estimates are significant to the Company's financial statements or where judgement was exercised in application of accounting policies are as follows:

- (i) Estimate of residual values and useful lives of depreciable and intangible assets (note 5.1 and 5.2)
- (ii) Provision for taxation (note 5.9)
- (iii) Provision for staff retirement benefit - gratuity (note 5.12)
- (iv) Provisions (note 5.19)

5. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

5.1 Property, plant and equipment

Leasehold land is stated at revalued amount and buildings on leasehold land are stated at revalued amount less accumulated depreciation and impairment loss (if any). Other classes of operating fixed assets are stated at cost less accumulated depreciation and impairment loss (if any). Capital work-in-progress is stated at cost less impairment loss (if any). All expenditure connected to the specific assets incurred during the installation and construction period are carried under capital work-in-progress. These are transferred to specific assets as and when the assets are available for use.

Plant and machinery were revalued in the year 1995 by independent valuers, and were presented at their revalued amount. The Company subsequently adopted the cost model for plant and machinery, and the revalued amounts were treated as deemed costs. The surplus on revaluation of these assets, however, were recognised in accordance with section 235 of the Companies Ordinance, 1984 applicable at that time.

Notes to the Financial Statements

For the year ended June 30, 2018

Subsequent costs are included in the asset's carrying amounts or recognised as a separate asset, as appropriate, only when it is probable that future benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All repairs and maintenances are charged to the profit or loss as and when incurred.

Depreciation on all operating fixed assets is charged using the straight line method in accordance with the rates specified in note 7.1 to these financial statements and after taking into account their residual values. The depreciation method, residual values and useful lives of items of property, plant and equipment are reviewed periodically and altered if circumstances or expectations have changed significantly. Any change is accounted for as a change in accounting estimate by changing depreciation charge for the current and future periods.

Depreciation on additions is charged from the month in which the assets become available for use, while on disposals depreciation is charged upto the month of disposal.

Gains or losses on disposal or retirement of fixed assets are determined as the difference between the sale proceeds and the carrying amounts of the assets and are included in the profit or loss.

Revaluation is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from their fair value. Any surplus on revaluation of fixed assets is recognised in other comprehensive income and presented as a separate component of equity as "Surplus on revaluation of fixed assets", except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation of fixed assets is charged to profit or loss to the extent that it exceeds the balance, if any, held in the revaluation surplus on fixed assets relating to a previous revaluation of that asset. Each year, the incremental depreciation charged on the revalued assets (net of deferred taxation) is reclassified from surplus on revaluation of fixed assets to unappropriated profit. The revaluation reserve is not available for distribution to the Company's shareholders.

The Company assesses at each reporting date whether there is any indication that property, plant and equipment may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is taken to profit or loss except for impairment loss on revalued assets, which is adjusted against related revaluation surplus to the extent that the impairment loss does not exceed the surplus on revaluation of that asset.

5.2 Intangible assets - computer software

Computer software licenses acquired by the Company are stated at cost less accumulated amortization. Cost represents the cost incurred to acquire the software licenses and bringing them to use. The cost of computer software is amortized over the estimated useful life i.e. 5 years using straight-line method.

Costs associated with maintaining computer software are charged to profit or loss as and when incurred.

5.3 Investments

5.3.1 Investment property

Property held for capital appreciation and rental yield, which is not in use of the Company is classified as investment property. Investment property comprise of leasehold land and buildings.

Investment property are carried at cost or valuation (i.e. deemed cost) less accumulated amortization / depreciation and impairment, if any.

Investment property were revalued in 1996 by independent valuers and showed at revalued amounts. The Company subsequently adopted cost model for investments property and the revalued amounts were treated as deemed costs. The surplus on revaluation of these assets, however was recognised in accordance with section 235 of the Companies Ordinance, 1984 applicable at that time.

Leasehold land and buildings are amortized / depreciated on straight line method at the rates stated in note 9.

Notes to the Financial Statements

For the year ended June 30, 2018

Maintenance and normal repairs are charged to profit or loss as and when incurred. Major renewals and repairs are capitalised.

5.3.2 Long term investment

Investment in Subsidiary Company is carried at cost less impairment, if any.

5.4 Long term deposits

These are stated at cost which represents the fair value of the consideration given.

5.5 Stores

These are valued at cost determined on a first-in-first-out basis. Items in transit are stated at invoice value plus other charges thereon accumulated upto the reporting date.

Provision for obsolete and slow moving stores is determined based on management's estimate regarding their future usability.

5.6 Stock-in-trade

Stock-in-trade is valued at the lower of cost and net realizable value except for goods in transit which are stated at invoice values plus other charges thereon accumulated upto the reporting date. Cost in relation to raw materials, components and trading stock (except for parts and accessories included in trading stock which are valued on average basis) is arrived at principally on first in first out basis. Cost of work in process and finished stocks including components include direct wages and applicable manufacturing overheads.

Net realizable value represents the estimated selling price in the ordinary course of business less cost necessarily to be incurred in order to make the sale.

5.7 Trade debts and other receivables

Trade and other debts are carried at original invoice amount being the fair value. Provision is made against debts considered doubtful of recovery whereas debts considered irrecoverable are written off.

5.8 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of cash flow statement, cash and cash equivalents comprise of cash in hand, cash with banks and short term borrowings under mark-up arrangements.

5.9 Taxation

Current

Provision for current year's taxation is based on taxable income for the year at the current rates of taxation after taking into account tax credits and tax rebates available, if any, and taxes paid under the presumptive tax regime.

Deferred

The Company accounts for deferred taxation using the balance sheet liability method on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax liability is recognised for taxable temporary differences and deferred tax asset is recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised.

Notes to the Financial Statements

For the year ended June 30, 2018

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the profit or loss, except in the case of items credited or charged to other comprehensive income / equity in which case it is included in other comprehensive income / equity.

5.10 Finance lease / Assets subject to finance lease

Leases that transfer substantially all the risk and rewards incidental to ownership of an asset are classified as finance leases. Assets on finance lease are capitalised at the commencement of the lease term at the lower of the fair value of leased assets and the present value of minimum lease payments, each determined at the inception of the lease. Each lease payment is allocated between the liability and finance cost so as to achieve a constant rate on the finance balance outstanding. The finance cost is charged to statement of profit or loss and is included under finance cost.

5.11 Compensated absences

Employees' entitlements to annual leaves are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees upto the reporting date.

5.12 Staff retirement benefit - defined benefit plan

The Company operates an unfunded gratuity scheme. The scheme defines the amounts of benefits that an employee will receive on or after retirement subject to a minimum qualifying period of service under the scheme. The amount of retirement benefit is usually dependent on one or more factors such as age, years of service and salary.

The liability recognised in the statement of financial position in respect of defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period. Provision for gratuity is made annually to cover obligation under the scheme in accordance with the actuarial recommendations. Latest actuarial valuation was conducted on June 30, 2018 on the basis of the projected unit credit method by an independent actuary.

The amounts arising as a result of re-measurements are recognised in the statement of financial position immediately, with a charge or credit to other comprehensive income in the periods in which they occur. Past-service cost, if any, are recognised immediately in income.

5.13 Trade and other payables

Trade and other payables are measured at cost which is the fair value of consideration to be paid in future for goods and services received, whether or not billed to the Company.

5.14 Revenue recognition

Revenue is measured at the fair value of consideration received or receivable, and represents amount receivable for goods supplied, returns and sales tax. Revenue from sale of goods are recognised when goods are invoiced and delivered to customers.

Interest income is accrued on a time basis, by reference to the principal outstanding and the interest rate applicable.

5.15 Borrowings and their cost

Borrowings are recorded at the proceeds received. Borrowing costs are recognised as an expense in the period in which these are incurred except to the extent of borrowing cost that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalised as part of the cost of that asset.

5.16 Foreign currency translation

Transactions in foreign currencies are translated into Pak Rupee using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Pak Rupee at the exchange rates prevailing at the reporting date. Exchange gains and losses are taken to profit or loss.

Notes to the Financial Statements

For the year ended June 30, 2018

5.17 Financial assets and liabilities

Financial assets and financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument and derecognised when the Company loses control of contractual rights that comprise the financial assets and in the case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognition of financial assets and financial liabilities is included in the profit or loss for the year. All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value, amortised cost or cost as the case may be. The particular measurement methods adopted are disclosed in individual policy statement associated with each item.

5.18 Off-setting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counter party.

5.19 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

5.20 Dividend and appropriation to reserves

Dividend and other appropriations to reserves are recognised in the period in which they are approved.

5.21 Impairment loss

The carrying amounts of the Company's assets are reviewed at each reporting date to identify circumstances indicating occurrence of impairment loss or reversal of provisions for impairment losses. If any indications exist, the recoverable amounts of such assets are estimated and impairment losses or reversals of impairment losses are recognised in the profit or loss. Reversal of impairment loss is restricted to the original cost of the asset.

5.22 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss after taxation attributable to ordinary shareholders of the Company by weighted average numbers of ordinary shares outstanding during the year.

5.23 Segment reporting

Segment information is presented on the same basis as that used for internal reporting purposes by the Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments. On the basis of its internal reporting structure, the Company considers itself to be a single reportable segment.

6. CHANGE IN ACCOUNTING POLICY

During the year, the Company changed its accounting policy for the surplus on revaluation of fixed assets, after enactment of the Companies Act, 2017, which has not carried forward requirement of disclosing the surplus on revaluation of fixed assets as a separate item below equity. Accordingly, in accordance with the requirements of International Accounting Standard - IAS 16, 'Property, plant and equipment', surplus on revaluation of operating fixed assets would now be presented within equity. The new accounting policy is explained in note 5.1.

Notes to the Financial Statements

For the year ended June 30, 2018

The change in accounting policy has been accounted for retrospectively in accordance with the requirements of IAS 8 'Accounting policies, changes in accounting estimates and errors' and comparative figures have been restated.

The effect of the change is recognition and presentation of Rs.1,872.99 million for surplus on revaluation of fixed assets as a capital reserve i.e. separate component of equity and derecognition of surplus on revaluation of leasehold land of Rs.1,872.99 million, previously presented below equity in the statement of financial position. There is no impact of change in accounting policy on statement of profit or loss and other comprehensive income & statement of cash flows.

As at June 30, 2016			As at June 30, 2017		
As previously stated	Effect of restatement	As restated	As previously stated	Effect of restatement	As restated
Rupees in '000			Rupees in '000		

Impact on statement of financial position

Surplus on revaluation of fixed assets (below equity)	1,872,992	(1,872,992)	-	1,865,114	(1,865,114)	-
Surplus on revaluation of fixed assets (within equity)	-	1,872,992	1,872,992	-	1,865,114	1,865,114

Impact on statement of changes in equity

Surplus on revaluation of fixed assets	-	1,872,992	1,872,992	-	1,865,114	1,865,114
Unappropriated profit	-	-	-	-	-	-

7. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets
Capital work-in-progress

Note	2018 (Rupees in '000)	2017
7.1	2,045,429	1,943,225
7.8	418,176	78,228
	2,463,605	2,021,453

Notes to the Financial Statements

For the year ended June 30, 2018

7.1 Operating fixed assets

	OWNED										LEASED				Total
	Leasehold land	Buildings on leasehold land	Plant and machinery	Permanent tools	Furniture and fixture	Motor vehicles	Trucks / lift trucks	Office machines & equipment	Computers	Jigs and special tools	Cars	Trucks	Lifters	Plant and machinery	
Rupees in '000															
At July 1, 2016															
Revaluation / cost	1,609,050	230,319	101,195	5,447	6,160	47,859	27,372	16,526	9,902	39,026	52,340	-	-	-	2,145,196
Accumulated depreciation	-	5,514	54,845	4,780	2,542	45,753	23,032	13,014	7,180	39,026	11,153	-	-	-	207,239
Net book value	1,609,050	224,805	46,350	667	3,618	2,106	4,340	3,512	2,722	-	41,187	-	-	-	1,937,957
Year ended June 30, 2017															
Opening net book value	1,609,050	224,805	46,350	667	3,618	2,106	4,340	3,512	2,722	-	41,187	-	-	-	1,937,957
Additions	-	-	8,754	188	3,440	19,304	3,443	2,107	2,271	-	1,859	-	-	-	41,366
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- cost	-	-	-	-	-	2,410	-	145	60	-	-	-	-	-	2,615
- accumulated depreciation	-	-	-	-	-	(2,410)	-	(131)	(60)	-	-	-	-	-	(2,601)
Depreciation charge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14
Closing net book value	1,609,050	213,289	48,945	568	6,202	18,630	6,234	4,226	3,815	-	32,206	-	-	-	1,943,225
At June 30, 2017															
Revaluation / cost	1,609,050	230,319	109,949	5,635	9,600	64,753	30,815	18,458	12,113	39,026	54,199	-	-	-	2,183,947
Accumulated depreciation	-	17,030	61,004	5,067	3,393	46,123	24,551	14,202	8,298	39,026	21,993	-	-	-	240,722
Net book value	1,609,050	213,289	48,945	568	6,202	18,630	6,234	4,226	3,815	-	32,206	-	-	-	1,943,225
Year ended June 30, 2018															
Opening net book value	1,609,050	213,289	48,945	568	6,202	18,630	6,234	4,226	3,815	-	32,206	-	-	-	1,943,225
Additions	-	17,366	54,928	4,710	2,005	44,375	-	3,094	9,092	17,795	17,100	-	-	-	170,466
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- cost	-	-	-	-	-	24,179	-	185	45	-	-	-	-	-	24,409
- accumulated depreciation	-	-	-	-	-	(4,896)	-	(185)	(45)	-	-	-	-	-	(5,116)
Transfer from leased to owned	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- cost	-	-	-	-	-	11,032	-	-	-	-	(11,032)	-	-	-	-
- accumulated depreciation	-	-	-	-	-	(10,766)	-	-	-	-	10,766	-	-	-	-
Depreciation charge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing net book value	1,609,050	218,835	95,796	4,967	7,693	35,824	4,495	6,351	10,952	14,186	37,275	-	-	-	2,045,429
At June 30, 2018															
Revaluation / cost	1,609,050	247,685	164,877	10,345	11,505	95,681	30,815	21,397	21,160	56,822	60,267	-	-	-	2,330,004
Accumulated depreciation	-	28,850	69,081	5,378	3,907	60,157	26,320	15,046	10,208	42,636	22,992	-	-	-	284,575
Net book value	1,609,050	218,835	95,796	4,967	7,693	35,824	4,495	6,351	10,952	14,186	37,275	-	-	-	2,045,429
Annual rates of depreciation	-	5%	10%	12.50%	6.25%	20%	20%	12.50%	20%	33%	20%	20%	20%	10%	-

Notes to the Financial Statements

For the year ended June 30, 2018

7.2 Depreciation charge has been allocated as follows:

	Note	2018 —(Rupees in '000)—	2017
Cost of goods manufactured	30.1	24,617	18,700
Distribution cost	31	3,763	3,461
Administrative expenses	32	20,589	13,923
		<u>48,969</u>	<u>36,084</u>

7.3 Leasehold land and buildings on leasehold land of the Company had previously been revalued in June 2010 and June 2013. Those revaluation exercises resulted in net surplus of Rs.437.28 million and Rs.259.448 million respectively. Leasehold land and buildings on leasehold land of the Company were again revalued in June 2016 by Sadruddin Associates (Private) Limited (Approved valuers of Pakistan Banks' Association) on the basis of present market value and depreciated market value (level 2 of fair value hierarchy). The different levels of fair value have been defined in IFRS 13 and are mentioned in note 43.4.

The latest revaluation exercise resulted in a net surplus of Rs.218.20 million. At the time of latest revaluation, forced sale value of the this land was Rs.1,467.08 million. Out of the revaluation surplus resulting from all the revaluations carried-out to date, an amount of Rs.1,806.90 million (2017: Rs.1,818.15 million) remains un-depreciated as at June 30, 2018.

7.4 Leasehold land of the Company is located at S.I.T.E. Karachi with an area of 18.93 acres.

7.5 Had the operating fixed assets been recognised under the cost model, the carrying amount of building on leasehold land would have been Rs.20.99 million (2017: Rs.4.19 million).

7.6 Operating fixed assets includes certain plant and machinery, permanent tools and jigs & special tools with cost aggregating Rs.65.91 million (2017: Rs.42.09 million) and net book value of Rs.20.16 million (2017: Rs.0.067 million) which is held by Ghandhara Nissan Limited - a related party as these fixed assets are used for assembling of the Company's products.

7.7 The details of operating fixed assets disposed off during the year are as follows:

Particulars of assets	Cost	Accumulated depreciation	Net Book Value	Sale Proceeds	(Loss) / Gain	Mode of disposal	Particulars of buyers:
Rupees in '000							
Item having book value more than Rs. 500,000 each							
Motor Vehicle	18,000	-	18,000	17,100	(1,900)	Sale and lease back	Ortx Modaraba
Item having book value less than Rs. 500,000 each							
	5,409	5,116	293	1,911	1,618	Various	Various
June 30, 2018	<u>24,409</u>	<u>5,116</u>	<u>19,293</u>	<u>19,011</u>	<u>(282)</u>		
June 30, 2017	<u>2,615</u>	<u>2,601</u>	<u>14</u>	<u>1,123</u>	<u>1,109</u>		

Notes to the Financial Statements

For the year ended June 30, 2018

7.8 Capital work in progress

	2018 —(Rupees in '000)—	2017
Advances made for:		
- Buildings on leasehold land	134,770	34,691
- Plant and machinery	103,150	38,786
- Jigs and special tools	176,764	-
- Vehicles	770	2,029
- Computer software	2,722	2,722
	<u>418,176</u>	<u>78,228</u>

7.9 Capital work in progress include items with aggregating Rs.279.83 million which are located at the plant of Ghandhara Nissan Limited - a related party. Once capitalized, the assets will be used for assembling of the Company's products.

8. INTANGIBLE ASSETS

These represent computer software licenses.

Cost

At beginning of the year	2,130	1,508
Addition during the year	-	622
At end of the year	<u>2,130</u>	<u>2,130</u>

Accumulated amortization

At beginning of the year	1,668	1,508
Add: charge for the year	78	160
At end of the year	<u>1,746</u>	<u>1,668</u>

Net book value

	<u>384</u>	<u>462</u>
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Annual rate of amortization

	<u>20%</u>	<u>20%</u>
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8.1 Amortization charge has been allocated as follows:

Cost of goods manufactured	30.1	-	160
Administrative expenses	32	78	-
		<u>78</u>	<u>160</u>

Notes to the Financial Statements

For the year ended June 30, 2018

9. INVESTMENT PROPERTY

At July 1, 2016

Cost
Accumulated amortization / depreciation
Net book value

Year ended June 30, 2017

Opening net book value
Amortization / depreciation charge
Closing net book value

At June 30, 2017

Cost
Accumulated amortization / depreciation
Net book value

Year ended June 30, 2018

Opening net book value
Amortization / depreciation charge
Closing net book value

At June 30, 2018

Cost
Accumulated amortization / depreciation
Net book value
Amortization / depreciation rate - per annum

Leasehold Land	Buildings on Leasehold land	Total
Rupees in '000		
97,392	416	97,808
8,259	404	8,663
89,133	12	89,145
89,133	12	89,145
243	1	244
88,890	11	88,901
97,392	416	97,808
8,502	405	8,907
88,890	11	88,901
88,890	11	88,901
243	1	244
88,647	10	88,657
97,392	416	97,808
8,745	406	9,151
88,647	10	88,657
0.25%	2.5%	

9.1 Amortization / depreciation charge for the year has been grouped under administrative expenses (note 32).

9.2 In the opinion of the directors, the market value of investment property at the reporting date has not changed materially from last year.

10. LONG TERM INVESTMENT - at cost

Subsidiary Company - Unquoted
Marghzar Industries (Private) Limited
140,000 (2017: 140,000) fully paid
ordinary shares of Rs.10 each.
Equity held: 70% (2017: 70%)

2018	2017
—(Rupees in '000)—	
1,400	1,400

The Company has been granted an exemption under section 228(7) of the Companies Act, 2017; hence provisions of sub-section 1 to 6 of section 228 of the Companies Act, 2017 does not apply for the financial year ended June 30, 2018 in relation to its Subsidiary Company.

However, the annual audited financial statements of Marghzar Industries (Private) Limited are available for inspection at Registered Office of the Company and are also available to the members on request without any cost.

Notes to the Financial Statements

For the year ended June 30, 2018

10.1 The financial highlights of the subsidiary company as of June 30, 2018, based on audited financial statements having unqualified audit opinion are as follows:

Summarised statement of financial position

	2018	2017
Note	—Amount in Rupees—	
Non current assets	283	301
Current assets	2,361,752	2,497,880
Total Assets	2,362,035	2,498,181
Share capital and reserves	2,215,634	2,341,627
Current liabilities	146,401	156,554
Total Equity and Liabilities	2,362,035	2,498,181

Summarised statement of profit or loss

Revenue	357,835	363,273
Profit before tax	73,682	88,704
(Loss) / Profit after tax	(125,993)	61,200

11. **LONG TERM LOANS** - Secured, considered good

Loans due from:		
Related parties - Key Management Personnel	-	795
Other employees	7,635	4,178
	7,635	4,973
Less: amounts recoverable within one year and grouped under current assets		
Related parties - Key Management Personnel	-	315
Other employees	3,330	1,922
	3,330	2,237
	4,305	2,736

11.1 Interest free loans have been provided to employees under their terms of employment. These are repayable in monthly instalments over a period of one to five years. These are secured against their respective vested retirement benefit.

11.2 Maximum aggregate amount of loans due from key management personnel at the end of any month during the year was Rs.0.90 million (2017: Rs.1.29 million).

12. **LONG TERM DEPOSITS** - Considered good

	2018	2017
	— Rupees in '000 —	
Deposit held with / for:		
- Leasing companies	9,055	10,256
- Utilities	937	937
- Others	1,545	1,495
	11,537	12,688

Notes to the Financial Statements

For the year ended June 30, 2018

13. STOCK-IN-TRADE

	2018	2017
	— Rupees in '000 —	
Raw materials and components		
- In hand	4,429,131	1,384,384
- In transit	386,819	674,443
	4,815,750	2,058,827
Work-in-process	109,209	136,688
Finished goods including components	1,594,755	1,409,943
Trading stocks	388,508	173,842
	6,888,220	3,779,300

13.1 Stock-in-trade includes stock of Rs.5,673.58 million (2017: Rs.2,398.72 million) held with third parties out of which stock of Rs.5,225.86 million (2017: Rs.1,676.54 million) is held with Gandhara Nissan Limited (an Associated Company) for further processing into trucks.

14. TRADE DEBTS - Unsecured

	Note	2018	2017
		— Rupees in '000 —	
Considered good			
Government and semi-government agencies		8,974	66,654
Others	14.1	86,256	418,818
		95,230	485,472
Consider doubtful - others		2,267	-
		97,497	485,472
Less: provision for doubtful debts		2,267	-
		95,230	485,472

14.1 Includes amount Rs.0.005 million (2017: Rs.0.031 million) due from Gandhara DF (Private) Limited (an Associated Company).

14.2 The ageing of trade debts at reporting date is as follows:

	2018	2017	2018	2017
	Associated Company		Others	
	(Rupees in `000)			
Upto 30 days	-	-	56,112	287,987
31 - 180 days	5	-	31,495	136,540
Over 180 days	-	31	9,885	60,914
	5	31	97,492	485,441

14.3 The maximum aggregate amount of trade receivable from related parties at the end of any month during the year was Rs.0.31 million (2017: Rs.0.001 million).

Notes to the Financial Statements

For the year ended June 30, 2018

15. LOANS AND ADVANCES - Unsecured

Considered good

Current portion of long term loans to employees

Letters of credit

Advances due from:

- employees

- suppliers, contractors and dealers

Considered doubtful

Advance to suppliers

Less: provision for doubtful advances

15.1 Advances are given to employees to meet business expenses and are settled when expenses are incurred.

16. TRADE DEPOSITS AND PREPAYMENTS

Tender deposits

Margins against bank guarantees

Less: provision for doubtful margin deposit

Margin against letters of credit

Prepayments

17. OTHER RECEIVABLES - Unsecured

This amount is receivable from Isuzu Motors Limited, Japan (a related party) on account of commission / sales incentive.

18. CASH AND BANK BALANCES

Cash in hand

Cash with banks on:

- current accounts

- saving accounts

- term deposit receipt

- foreign currency accounts

Less: provision for a doubtful bank account

18.1 Saving accounts carry mark-up ranging from 2.46% to 2.61% (2017: 2.46% to 4.25%) per annum.

18.2 Term deposit receipt (TDR) had maturity of one week from date of acquisition. The TDR in 2017 carried mark-up ranging from 5.75% to 6.1% per annum.

Notes to the Financial Statements

For the year ended June 30, 2018

18.3 Foreign currency accounts include Japanese Yen (JPY) 31,559 equivalent to Rs.0.029 million and US Dollars 126 equivalent to Rs.0.013 million (2017: JPY 31,559 equivalent to Rs.0.029 million and US Dollars 126 equivalent to Rs.0.013 million).

18.4 This represents provision made against balances held with Indus Bank Limited under liquidation.

19. SHARE CAPITAL

19.1 Authorized capital

50,000,000 (2017: 50,000,000) ordinary shares of Rs.10 each

19.2 Issued, subscribed and paid-up capital

2018 **2017**
— No. of shares —

17,650,862	17,650,862	Ordinary shares of Rs.10 each fully paid in cash
358,206	358,206	Ordinary shares of Rs.10 each issued for consideration other than cash
3,295,354	3,295,354	Ordinary shares of Rs.10 each issued as fully paid bonus shares
21,304,422	21,304,422	

19.3 At June 30, 2018 and June 30, 2017 Bibojee Services (Private) Limited, the ultimate Holding Company, held 8,343,397 (2017: 8,343,397) ordinary shares of Rs.10 each.

19.4 Ordinary shares held by related parties other than the ultimate Holding Company as at June 30,

Gandhara Nissan Limited
Universal Insurance Company Limited
The General Tyre and Rubber Company of Pakistan Limited
Bibojee Investments (Private) Limited

20. SURPLUS ON REVALUATION OF FIXED ASSETS

Balance at the beginning of the year
Less: transferred to unappropriated profit on account of incremental depreciation for the year

Less: related deferred tax of:

- opening balance
- incremental depreciation for the year
- effect of change in tax rate
- closing balance

Balance at end of the year

2018	2017
— Rupees in '000 —	
500,000	500,000

2018	2017
— Rupees in '000 —	
176,509	176,509
3,582	3,582
32,953	32,953
213,044	213,044

2018	2017
— Number of shares —	
4,066,168	5,166,168
1,184,148	1,184,148
100,700	100,700
21,408	21,408
5,372,424	6,472,424

2018	2017
— Rupees in '000 —	
1,924,059	1,935,314
11,255	11,255
1,912,804	1,924,059
58,945	62,322
(3,208)	(3,377)
(2,947)	-
52,790	58,945
1,860,014	1,865,114

Notes to the Financial Statements

For the year ended June 30, 2018

21. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

The amount of future minimum lease payments together with the present value of the minimum lease payments and the periods during which they fall due are as follows:

	Minimum lease payments	2018 Finance cost allocated to future period	Present value of minimum lease payments	Minimum lease payments	2017 Finance cost allocated to future period	Present value of minimum lease payments
	— Rupees in '000 —					
Not later than one year	10,874	2,650	8,224	22,243	4,327	17,916
Later than one year but not later than five years	37,352	2,826	34,526	26,979	7,416	19,563
Total minimum lease payments	48,226	5,476	42,750	49,222	11,743	37,479

21.1 The Company has acquired motor vehicles under finance lease arrangements from leasing companies and a modaraba. The arrangements are secured by title of leased assets in the name of the lessor. Rentals are payable in monthly instalments. Repair and insurance cost are borne by the Company. The rates of financial charges applied, during the year, ranged from 8.79% to 17.27% (2017: 11.54% to 17.00%) per annum. At the end of the lease term, the ownership of the assets shall be transferred to the Company against the security deposits paid.

22. COMPENSATED ABSENCES

	Note	2018	2017
		— Rupees in '000 —	
Balance at beginning of the year		6,073	6,409
Provision for the year		5,294	558
		11,367	6,967
Encashed during the year		(523)	(894)
Balance at end of the year	22.1	10,844	6,073

22.1 Includes liability in respect of key management personnel aggregating to Rs.3.52 million (2017: Rs.1.59 million).

23. DEFERRED LIABILITIES

	Note	2018	2017
		— Rupees in '000 —	
Gain on sale and lease back of fixed assets	23.1	555	1,023
Staff retirement benefit - gratuity	23.2	79,628	44,592
		80,181	45,615

23.1 Gain on sale and lease back of fixed assets

Balance at beginning of the year	1,023	1,633
Less: amortization for the year	468	610
Balance at end of the year	555	1,023

The Company entered into sale and leaseback transaction during the preceeding years which resulted in finance leases. The excess of sale proceeds over the net book value of motor vehicle under sale and leaseback arrangement has been recognised as deferred income and amortized over the period of the lease term.

Notes to the Financial Statements

For the year ended June 30, 2018

23.2 Staff retirement benefit - gratuity

The Company's obligation as per the latest actuarial valuation in respect of defined benefit gratuity plan is as follows:

23.2.1 Movement in the account of liability

	2018 — Rupees in '000 —	2017
Liability at beginning of the year	44,592	36,169
Charge for the year	21,251	11,320
Re-measurement recognised in other comprehensive income	16,676	1,934
Payments during the year	(2,893)	(4,831)
Liability at end of the year	79,626	44,592

23.2.2 Movement in the present value of defined benefit obligation

Balance at beginning of the year	44,592	36,169
Current service cost	17,368	8,281
Interest cost	3,883	3,039
Re-measurement	16,676	1,934
Benefits paid	(2,893)	(4,831)
Balance at end of the year	79,626	44,592

23.2.3 Expense recognised in statement of profit or loss

Current service cost	17,368	8,281
Interest cost	3,883	3,039
	21,251	11,320

23.2.4 Re-measurement recognised in other comprehensive income

Experience adjustments	16,676	1,934
------------------------	--------	-------

23.2.5 Actuarial assumptions used

	2018 — % per annum —	2017
Discount rate	9.00	9.00
Expected rate of increase in future salaries	8.00	8.00
Mortality rates (for death in service)	SLIC 2001-2005	SLIC 2001-2005

23.2.6 Sensitivity analysis for actuarial assumptions

The sensitivity of the defined benefit obligation to changes in principal assumptions is :

	Impact on define benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
	— Rupees in '000 —		
Discount rate	1.00%	71,638	89,047
Increase in future salaries	1.00%	89,047	71,501

Notes to the Financial Statements

For the year ended June 30, 2018

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and change in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of defined benefit obligation calculated with the project unit credit method at the end of reporting period) has been applied as when calculating the gratuity liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

23.2.7 Based on actuary's advice, the expected charge for the year ending June 30, 2019 amounts to Rs.24.86 million.

23.2.8 The weighted average duration of the scheme is 10 years.

23.2.9 Historical information

	2018	2017	2016	2015	2014
	Rupees in '000				
Present value of defined benefit obligation	79,626	44,592	36,169	30,545	24,825
Experience adjustment	16,676	1,934	521	474	2,149

23.2.10 Expected maturity analysis of undiscounted retirement benefit plan:

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
	Rupees in '000				
At June 30, 2018	37,383	4,725	11,672	348,793	402,573

24. DEFERRED TAXATION - Net

This is composed of following:

- accelerated tax depreciation allowance
- surplus on revaluation of fixed assets
- liabilities against assets subject to finance lease
- gain on sale and lease back of fixed assets
- provision for gratuity
- provision for workers profit participation fund
- provision for doubtful balances
- others

	2018 — Rupees in '000 —	2017
	4,655	5,007
	52,790	58,945
	(1,588)	(1,582)
	(161)	(307)
	(22,693)	(13,378)
	(30,497)	(66,060)
	(1,664)	(2,014)
	(1,687)	(1,745)
	(845)	(21,134)

Notes to the Financial Statements

For the year ended June 30, 2018

25. TRADE AND OTHER PAYABLES

	Note	2018 — Rupees in '000 —	2017
Creditors		501,650	349,281
Accrued liabilities		182,683	129,654
Advances from customers	25.1	2,406,835	3,117,979
Advance against sale of investment in immovable property		5,000	5,000
Payable to trustees' provident fund		178	178
Royalty payable		23,190	16,217
Retention money		20	20
Withholding tax		53,995	20,080
Due to related parties	25.2	105,254	64,600
Due to the Subsidiary Company		2,362	2,498
Workers' Profit Participation Fund	25.3	105,162	220,199
Worker welfare fund	25.4	34,007	30,466
Others		6,724	3,931
		<u>3,427,060</u>	<u>3,960,103</u>

25.1 These represent advances from customers against sale of trucks and carry no mark-up.

25.2 Due to related parties

	Note	2018 — Rupees in '000 —	2017
Ghandhara Nissan Limited		90,798	28,579
The General Tyre & Rubber Company of Pakistan Limited		6,833	29,953
Rahman Cotton Mills Limited		1,800	-
Gammon Pakistan Limited		5	250
Waqf-e-Kuli Khan		5,818	5,818
		<u>105,254</u>	<u>64,600</u>

25.3 Workers' profit participation fund

Balance at beginning of the year		220,199	-
Add: allocation for the year		105,162	179,423
Add: interest on funds utilised in the Company's business		15,027	40,776
		<u>340,388</u>	<u>220,199</u>
Less: payments made during the year		235,226	-
Balance at end of the year		<u>105,162</u>	<u>220,199</u>

25.4 Workers' welfare fund

Balance at beginning of the year		30,466	29,407
Add: charge for the year	33	34,007	30,466
Less: paid during the year		30,466	29,407
Balance at end of the year		<u>34,007</u>	<u>30,466</u>

Notes to the Financial Statements

For the year ended June 30, 2018

26. ACCRUED MARK-UP / INTEREST

	Note	2018 —(Rupees in '000)—	2017
Mark-up / Interest accrued on:			
- short term borrowings - secured		43,795	19,770
- long term loans - unsecured		4,514	4,514
		<u>48,309</u>	<u>24,284</u>

27. SHORT TERM BORROWINGS - Secured

Finance against imported merchandise	27.1	2,548,949	168,511
Istisna	27.2	77,654	-
Murabaha	27.2	524,658	623,875
Running finance / Musharakah	27.4	480,589	-
		<u>3,631,851</u>	<u>792,386</u>

27.1 The Company has arranged facilities aggregating Rs.10,950 million (2017: Rs.6,500 million) for opening of letters of credit from banks. These facilities are secured against cash margin and consignment of import documents in bank's favour. Finance against import merchandise (FIM) aggregating Rs.7,750 million (2017: Rs.4,000 million) are also available as sub-limit of abovementioned facilities. FIM is secured against pledge of goods. Mark-up on FIM is payable on quarterly basis at rate ranging from 3 months KIBOR plus 0.6% per annum to 3 months KIBOR plus 1% (2017: at rate ranging from 3 months KIBOR plus 1% per annum to 3 months KIBOR plus 1.5%). Profit on import Murabaha is payable on 120 days basis at the rate ranging from matching KIBOR plus 0.5% to 1.0% per annum (2017: at the rate ranging from matching KIBOR plus 1% to 1.95 per annum). These facilities are maturing on various dates latest by May 31, 2019.

27.2 The Istisna facility of Rs.750 million (2017: Rs.1,000 million) with a tenor of 180 days (2017: 365 days) and Murabaha facility of Rs.3,700 million (2017: Rs.2,000 million) are available from Banks. Profit on both facilities ranges from KIBOR (matching) plus 0.5% to 1.0% (2017: KIBOR (matching) plus 0.9% to 1.95%) and is payable along with the repayment of principal. These facilities are secured against first pari passu hypothecation charge on current assets of Rs. 3,600 million (2017: Rs. 2,667 million). The facilities are available upto May 31, 2019.

27.3 The Company has foreign / inland bills discounting facility of Rs.150 million (2017: Rs.150 million). The facility is secured against lien over accepted bills under LCs. The facility has a maximum tenor of 180 days on roll over basis. The facility has one year validity on roll over basis and is due for renewal on November 30, 2018.

27.4 The Company has facilities for short-term running finance amounting Rs.1,000 million (2017: Rs.450 million) from banks. Mark-up is based on rates ranging from 3 month KIBOR plus 0.5% to 3 months KIBOR plus 1.5% per annum (2017: 3 months KIBOR plus 1.5% per annum) payable on quarterly basis. The facilities are primarily secured against first pari passu charge by way of hypothecation over stocks and book debts aggregating Rs.1,333.34 million (2017: Rs.600 million). These facility is collateralized against equitable mortgage over land and buildings for an amount of Rs.300 million (2017: Rs.300 million). The facility has one year validity on roll over basis and is due for renewal on November 30, 2018.

27.5 The facility for bank guarantees of Rs.6,100 million including sublimit of Rs.800 million of running finance (2017: Rs.4,154 million including sublimit of Rs.400 million of running finance) is also available from banks. These facilities are secured against cash margin and equitable mortgage over immovable assets of the Company to an extent of Rs.6,833 million (2017: Rs.1,100 million). The facilities shall be available latest by May 31, 2019.

Notes to the Financial Statements

For the year ended June 30, 2018

28. CONTINGENCIES AND COMMITMENTS

28.1 Contingencies

- (i) Suit against the Company by the supplier for the recovery of Rs.25.87 million as compensation for breach of agreement. The suit is being defended by the Company on a number of legal grounds. The suit is at present in evidence stage and the Company has plausible defence.
- (ii) Various demands have been raised by the Central Excise and Sales Tax Departments aggregating Rs.4.90 million. The Company filed Sales Tax Reference in High Court of Sindh against the order of Customs, Excise and Sales Tax Appellate Tribunal (the Tribunal). The Sales Tax Reference had been decided vide order dated January 21, 2009 wherein the High Court of Sindh has set aside the order of the Tribunal and remanded back the case to the Tribunal to pass order in accordance with law. The Tribunal through order dated October 9, 2015, disposed off the matter by remanding the case to Assessing officer. No provision has been made in these financial statements as the management believes that it will have a favourable decision.

28.2 Commitments

	2018	2017
	—(Rupees in '000)—	
Bank guarantees	3,498,474	3,480,719
Letters of credit	2,555,539	2,075,843

29. SALES - Net

Manufactured goods

	2018	2017
	—(Rupees in '000)—	
Gross sales		
- local	19,511,089	12,470,400
- export	10,622	-
	19,521,711	12,470,400
Less: sales tax	2,809,440	1,804,330
	16,712,271	10,666,070

Trading goods

	2018	2017
	—(Rupees in '000)—	
Gross sales - local	71,562	88,766
Less: sales tax	11,450	14,205
	60,112	74,561
	16,772,383	10,740,631

30. COST OF SALES

Manufactured goods

	2018	2017
Stocks at beginning of year	1,409,943	393,420
Cost of goods manufactured	13,808,514	9,455,904
	15,216,457	9,849,324
Stocks at end of year	(1,594,755)	(1,409,943)
	13,621,702	8,439,381

Trading goods

	2018	2017
Stocks at beginning of year	173,842	77,583
Purchases	234,341	194,546
	408,183	272,129
Stocks at end of year	(368,506)	(173,842)
	39,677	98,287
	13,661,379	8,537,668

Notes to the Financial Statements

For the year ended June 30, 2018

30.1 Cost of goods manufactured

	2018	2017
	—(Rupees in '000)—	
Raw materials and components consumed	12,617,511	8,799,206
Stores consumed	71,810	21,246
Salaries, wages and other benefits	252,137	248,019
Fuel and power	18,861	19,835
Rent, rates and taxes	4,023	2,615
Insurance	7,438	4,207
Research and development	10,843	911
Repair and maintenance	59,832	27,216
Travelling and entertainment	13,862	10,346
Vehicle running and maintenance	835	1,149
Printing, stationery and office supplies	279	683
Communication	225	127
Royalty expense	38,060	28,602
Outside assembly charges	653,610	380,340
Depreciation	24,617	18,700
Amortization of intangible assets	-	160
Freight and handling	5,029	1,640
Other expenses	63	150
	13,779,035	9,565,152
Work-in-process adjustment	27,479	(109,248)
	13,806,514	9,455,904

30.2 Raw materials and components consumed

Stocks at beginning of year	2,058,827	1,125,310
Add : purchases including duties, taxes and other charges	15,374,434	9,732,723
	17,433,261	10,858,033
Stocks at end of year	(4,815,750)	(2,058,827)
	12,617,511	8,799,206

30.3 Salaries, wages and other benefits include Rs.4.38 million (2017: Rs.4.36 million) in respect of staff retirement benefit - gratuity.

30.4 Royalty charged in these financial statement pertains to Isuzu Motors Limited, Japan having registered office at 6-26-1 Minami-Oi, Shinagawa-ku, Tokyo 140-8722 Japan.

Notes to the Financial Statements

For the year ended June 30, 2018

31. DISTRIBUTION COST

	Note	2018 —(Rupees in '000)—	2017
Salaries and benefits	31.1	109,288	77,082
Commission		299,347	186,154
Rent, rates and taxes		4,052	4,006
Insurance		4,979	4,407
Repair and maintenance		224	1,675
Utilities		248	261
Travelling and entertainment		18,122	13,244
Vehicle running and maintenance		1,372	1,403
Printing, stationery and office supplies		4,177	3,247
Communication		1,055	900
After sale services		19,019	4,822
Advertisement		32,367	11,103
Legal and professional charges		882	1,518
Late delivery charges		25,432	9,575
Depreciation	7.2	3,763	3,461
Freight forwarding and handling		50,573	34,515
Other expenses		9,146	1,786
		584,046	359,159

31.1 Salaries and benefits include Rs.5.19 million (2017: Rs.3.76 million) in respect of staff retirement benefit - gratuity.

32. ADMINISTRATIVE EXPENSES

	Note	2018 —(Rupees in '000)—	2017
Salaries and benefits	32.1	201,328	47,744
Staff training and ancillary cost		2,781	2,212
Rent, rates and taxes		5,115	5,201
Insurance		10,230	2,761
Repair and maintenance		48,679	42,368
Utilities		505	2,867
Travelling and entertainment		24,917	16,035
Vehicle running and maintenance		3,029	2,193
Printing, stationery and office supplies		7,058	4,894
Communication		1,855	888
Legal and professional charges		4,214	3,070
Fee and subscriptions		5,916	1,342
Depreciation	7.2	20,589	13,923
Amortization of intangible assets	8.1	78	-
Amortization / depreciation of investment property	9.1	244	244
Security expenses		7,135	4,578
Other expenses		2,869	275
		346,542	150,595

32.1 Salaries and benefits include Rs.11.68 million (2017: Rs.3.20 million) in respect of staff retirement benefit - gratuity.

Notes to the Financial Statements

For the year ended June 30, 2018

33. OTHER EXPENSES

	Note	2018 —(Rupees in '000)—	2017
Auditors' remuneration			
- audit fee		1,000	1,000
- certification charges		113	45
- out of pocket expenses		25	25
		1,138	1,070
Workers' profits participation fund	25.3	105,182	179,423
Workers' welfare fund	25.4	34,007	30,466
Donation and charities	33.1	3,919	1,391
Exchange loss - net		-	31,724
Balances written-off		1,973	-
Provision for doubtful debts	14	2,267	-
Loss on sale of property, plant and equipment		282	-
		148,748	244,074

33.1 Include donation amounting Rs.1.60 million and Rs.0.70 million made to Ayesha Chundrigar Foundation and Islamia College Peshawar, respectively. None of the directors or their spouses had any interest in the donees.

34. OTHER INCOME

	Note	2018 —(Rupees in '000)—	2017
Income from financial assets			
Profit on saving accounts and term deposit receipts		2,672	3,880
Exchange gain - net		8,299	-
Income from other than financial assets			
Gain on sale of operating fixed assets	7.7	-	1,109
Commission		139,768	13,648
Amortization of gain on sale and lease back of fixed assets	23.1	468	610
Rental income		2,640	2,880
Balances written back		949	-
		154,796	22,127

35. FINANCE COST

	Note	2018 —(Rupees in '000)—	2017
Mark-up / interest on:			
- lease finances		2,217	3,145
- finance against imported merchandise		161,545	123,638
- istisna / running finances / murabaha		15,474	34,539
- loan from Subsidiary Company		358	363
- workers' profit participation fund	25.3	15,027	40,776
Bank charges and others		27,773	22,176
		222,394	224,637

Notes to the Financial Statements

For the year ended June 30, 2018

36. TAXATION

	Note	2018 —(Rupees in '000)—	2017
Current			
- for the year	36.1	588,504	530,806
- for prior year		(12,926)	(7,745)
		573,578	523,061
Deferred			
- origination and reversal of temporary differences		25,230	(72,638)
- impact of change in tax rate		2,842	189
		28,072	(72,449)
		601,650	450,612

36.1 Relationship between tax expense and accounting profit for the current financial year is as follows:

	2018 —(Rupees in '000)—	2017
Profit before taxation	1,964,070	1,246,625
Tax at the applicable rate of 30% (2017: 31%)	589,221	386,454
Tax effect of items, which are not deductible for tax purposes and are taken to profit or loss	69,098	93,845
Tax effect of items, which are deductible for tax purposes but are not taken to profit or loss	(101,890)	(11,096)
Effect of tax credits	(7,743)	(894)
Tax effect of income subject of final tax regime	(18,692)	15,353
Super tax	58,310	47,144
Charge of prior years' tax provision	(12,926)	(7,745)
Deferred taxation	28,072	(72,449)
	601,650	450,612

36.2 The provision for current year tax represent tax on taxable income at the rate of 30%. It also include provision for supertax at 3% as required under section 4B of the Income Tax Ordinance, 2001. The management considers the tax provision made in the financial statements sufficient. A comparison of last three years of income tax provisions with tax assessed is presented below:

	2017	2018	2015
	—(Rupees in '000)—		
Income tax provision for the year - accounts	530,806	361,121	46,322
Income tax as per tax assessment	471,877	322,300	41,561
Excess	58,929	38,821	4,761

36.2.1 Excess is mainly due to super tax provision recorded in respective years which have not become due as the Company has filed petition in the High Court of Sindh against levy of super tax.

36.3 Section 5A of the Income Tax Ordinance, 2001 imposes tax at the rate of 7.5% on every public company other than a scheduled bank or modaraba, that derives profits for tax a year but does not distribute 40% of accounting profit either through cash dividend or issuance of bonus shares within six months of the end of said tax year.

The Board of Directors in their meeting held on September 19, 2018 has proposed to distribute sufficient cash dividend for the year ended June 30, 2018 (refer note 49) which complies with the above stated requirements. Accordingly, no provision for tax on undistributed profits has been recognised in these financial statements for the year ended June 30, 2018.

Notes to the Financial Statements

For the year ended June 30, 2018

37. BASIC AND DILUTED EARNINGS PER SHARE

	2018 —(Rupees in '000)—	2017
Net profit for the year	1,382,420	796,013
Weighted average ordinary shares outstanding during the year	21,304,422	21,304,422
Earnings per share	63.95	37.36

37.1 A diluted earnings per share has not been presented as the Company has not issued any instruments carrying options which would have an impact on earnings per share when exercised.

38. CASH GENERATED FROM OPERATIONS

	Note	2018 —(Rupees in '000)—	2017
Profit before taxation		1,964,070	1,246,625
Adjustment for non cash charges and other items:			
Depreciation / amortization on:			
- property, plant and equipment		48,968	36,084
- intangible assets		78	160
- investment property		244	244
Gain on sale of operating fixed assets		282	(1,109)
Amortization of gain on sale and lease back of fixed asset		(468)	(610)
Exchange loss / (gain) - net		(8,299)	31,724
Finance cost		222,394	224,637
Profit on saving accounts and term deposit receipts		(2,672)	(3,880)
Balances written-off		1,973	-
Provision for doubtful debts		2,287	-
Provision for gratuity		21,251	11,320
Working capital changes - net	38.1	2,250,089	1,545,195
		(3,412,768)	(932,149)
		(1,162,679)	613,046

38.1 Working capital changes

(Increase) / decrease in current assets:		
Stores	(7,721)	(580)
Stock-in-trade	(3,108,920)	(2,155,547)
Loans and advances	(27,294)	(991)
Trade deposits and prepayments	(13,971)	(367,706)
Other receivables	10,241	(15,889)
Sales tax refundable / adjustable	(124,803)	(451,182)
	(2,884,493)	(3,217,687)
(Decrease) / increase in trade and other payables		(528,275)
		(3,412,768)
		(932,149)

39. CASH AND CASH EQUIVALENTS

	18	2017
Cash and bank balances	497,261	805,135
Short term borrowings	(3,531,851)	(792,386)
	(3,134,590)	12,749

Notes to the Financial Statements

For the year ended June 30, 2018

40. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief executive		Directors		Executives	
	2018	2017	2018	2017	2018	2017
	Rupees in '000					
Managerial remuneration and allowances	60,000	-	-	-	95,264	55,949
Bonus	35,000	-	-	-	49,005	14,045
Retirement benefit	5,000	-	-	-	7,191	4,252
Others	-	-	-	-	2,755	2,428
	100,000	-	-	-	154,215	76,674
Number of persons	1	1	-	-	28	22

40.1 Certain employees are provided with free use of car maintained by the Company in accordance with their term of employment.

40.2 Aggregate amount charged in the financial statements for meeting fee to Directors was Rs.2.70 million (2017: Rs.1.27 million).

41. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise of the Ultimate Holding Company, the Subsidiary Company, Associated Companies / undertaking, technological suppliers, directors and executives. The Company in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties, amounts due from executives and remuneration of directors and executives are disclosed in the relevant notes. Other material transactions with related parties are given below:

Name of related party and nature of relationship	Nature of transactions	2018 — Rupees in '000 —	2017
(I) Ultimate Holding Company			
Bibojee Services (Private) Limited	Dividend paid	125,151	83,434
(II) Subsidiary Company			
Marghzar Industries (Private) Limited	Financial charges	358	363
	Reimbursement of expenses	493	267
(III) Associated Companies / Undertaking			
The General Tyre and Rubber Company of Pakistan Limited (Common Directorship)	Purchase of tyres	338,238	273,090
	Rental income	-	450
	Sale of parts	32	-
	Sale of truck	1,975	-
	Dividend paid	1,511	1,007
Ghandhara Nissan Limited (Common Directorship)	Assembly charges	784,724	444,998
	Sales - fabrication	-	676
	Sales of parts	3,079	17
	Purchase of fixed assets	-	1,050
	Purchase of parts	6	12
	Rental income	2,640	2,138
	Re-imbursement of expenses	6,481	27,480
	Dividend paid	77,493	51,662

Notes to the Financial Statements

For the year ended June 30, 2018

Universal Insurance Company Limited (Common Directorship)	Dividend paid	17,762	11,842
Rehman Cotton Mills Limited (Common Directorship)	Rent paid	1,800	1,800
Gammon Pakistan Limited (Common Directorship)	Rent paid	3,000	3,000
	Re-imbursement of expenses	84	21
Ghandhara DF (Private) Limited (Common Directorship)	Sales of parts	5	-
Bibojee Investments (Private) Limited (Common Directorship)	Dividend paid	321	214
Janana De Malucho Textile Mills Limited (Common Directorship)	Re-imbursement of expenses	1,639	-
(iv) Key management personnel	Remuneration, bonus and other benefits	192,998	38,016
	Retirement benefit paid	1,175	-

42. PRODUCTION CAPACITY

The production capacity of the plant cannot be determined as this depends upon the mix of various product assembly of trucks, buses and fabrication of commercial bodies.

The Company has outsourced the assembly of trucks and buses to Ghandhara Nissan Limited (an Associated Company) therefore figures for the actual production for the current year has not been given.

Notes to the Financial Statements

For the year ended June 30, 2018

43. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

43.1 Financial assets and liabilities by category and their respective maturities

	Interest / mark-up bearing			Non Interest / mark-up bearing			Total
	Maturity upto one year	Maturity after one year	Sub-total	Maturity up to one year	Maturity after one year	Sub-total	
	Rupees in '000						
Financial assets as per balance sheet							
Investments - at cost							
Long term investment	-	-	-	-	1,400	1,400	1,400
Loans and receivables							
Loans and advances	-	-	-	3,330	4,305	7,635	7,635
Deposits	-	-	-	716,680	11,537	728,217	728,217
Trade debts	-	-	-	95,230	-	95,230	95,230
Other receivables	-	-	-	741	-	741	741
Cash and bank balances	115,639	-	115,639	381,622	-	381,622	497,261
June 30, 2018	115,639	-	115,639	1,197,603	17,242	1,214,845	1,330,484
June 30, 2017	505,430	-	505,430	1,489,076	16,824	1,505,900	2,011,330

Financial liabilities as per balance sheet

At amortised cost

Trade and other payables	-	-	-	927,223	-	927,223	927,223
Accrued mark-up / Interest	-	-	-	48,309	-	48,309	48,309
Short term borrowings	3,631,851	3,631,851	3,631,851	-	-	-	3,631,851
Liabilities against assets subject to finance lease	8,224	8,224	42,750	-	-	-	42,750
June 30, 2018	3,640,075	3,640,075	3,674,601	975,532	-	975,532	4,650,133
June 30, 2017	810,302	810,302	829,865	855,631	-	855,631	1,685,496

On Balance Sheet Gap

June 30, 2018	(3,524,436)	(3,524,436)	(3,558,962)	222,071	222,071	239,313	(3,319,649)
June 30, 2017	(304,872)	(304,872)	(324,435)	633,445	633,445	650,269	325,834

Off Balance Sheet

Letters of credit							2,555,539
Letters of guarantee							3,498,474
June 30, 2018							6,054,013
June 30, 2017							5,556,562

The effective interest / mark-up rates for the monetary financial assets and liabilities are mentioned in respective notes to the financial statements.

Notes to the Financial Statements

For the year ended June 30, 2018

43.2 Financial risk factors

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including foreign exchange risk and interest / mark-up rate risk). The Company's overall risk management program focuses on having cost effective funding as well as manage financial risk to minimize earnings volatility and provide maximum return to shareholders.

(a) Credit risk

Credit risk represents the accounting loss that would be recognised if counterparts failed to perform as contracted. Credit risk mainly arises from loans & advances, deposits, trade debts, other receivables and bank balances. The financial assets exposed to credit risk aggregate to Rs.1,327.46 million (2017: Rs.2,008.95 million).

The Company believe that it is not materially exposed to credit risk as; (i) trade debts mainly represent receivables from government, semi-government agencies and dealers, (ii) deposits mainly include margin against letters of credit and bank guarantees held with banks having good credit ratings and (iii) balances placed with banks having good credit ratings assigned by credit rating agencies.

The Company attempts to control credit risk by monitoring credit exposure, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligation as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and bank balances and availability of funding through an adequate amount of committed credit facilities. The Company aims to maintain flexibility in funding by keeping committed credit lines open.

The maturity profile of the Company's liabilities based on maturities is disclosed in note 43.1 of these financial statements.

(c) Market risk

Foreign exchange risk

Foreign exchange risk arises mainly when receivables and payables exist due to transactions based on currencies other than Pak Rupee. At June 30, 2018, receivables and payables exposed to foreign exchange risk are Rs.23.19 million (2017: Rs.16.21 million) and Rs.0.032 million (2017: Rs.0.032 million) respectively. The liability and receivable are denominated in Japanese Yen.

At June 30, 2018 if Pak Rupee had weakened / strengthened by 15% against Japanese Yen with all other variables held constant, profit before tax for the year would have been lower / higher by Rs.3.46 million (2017: Rs.2.58 million), mainly as a result of foreign exchange loss / gain on translation of Japanese Yen denominated financial assets and liabilities.

The sensitivity of foreign exchange rate looks at the outstanding foreign exchange balances of the Company as at the reporting date. The volatility percentage for movement in foreign exchange rates has been used due to the fact that historically (5 years) rate has moved on average basis by the mentioned percentage per annum.

Interest / mark-up rate risk

Interest / mark-up rate risk is the risk that the value of a financial instrument will fluctuate due to changes in the market interest / mark-up rates. At June 30, 2018, the Company's interest bearing financial liabilities of Rs.3,674.70 million (2017: Rs.829.87 million) represent the short term borrowings at floating rate to manage the working capital requirements of the Company and obligation under assets subject to finance lease. These liabilities are re-priced at a maximum period of six months. The effective mark-up rates for financial assets and liabilities are mentioned in respective notes to the financial statements.

Had the interest rates varied by 100 basis points with all the other variables held constant, profit before tax for the year would have been approximately higher / lower by Rs.36.75 million (2017: Rs.8.3 million).

Notes to the Financial Statements

For the year ended June 30, 2018

The sensitivity of 100 basis points movement in the interest rates has been used as historically (five years) floating interest rates have moved by an average of 100 basis per annum.

43.3 Price risk

The Company is not exposed to any price risk as it does not hold any investments exposed to price risk.

43.4 Fair values of financial assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Company is going concern and there is no intention or requirement to curtail materially the scale of its operation or to undertake a transaction on adverse terms.

The estimated fair value of all financial assets and liabilities is considered not significantly different from book values as the items are either short-term in nature or periodically repriced.

International Financial Reporting Standard 13, 'Financial Instruments : Disclosure' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities [Level 1].
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) [Level 2].
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) [Level 3].

Currently there are no financial assets or financial liabilities which are measured at their fair value in the statement of financial position.

44. CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders and / or issue new shares. There was no change to the Company's approach to capital management during the year.

45. OPERATING SEGMENTS

These financial statements have been prepared on the basis of a single reportable segment.

- (a) All non-current assets of the Company at June 30, 2018 are located in Pakistan.
- (b) Export sales are made to Republic of Mauritius. Result of the Company's revenue from external customers in Pakistan is Rs.16,761.76 million (2017: Rs.10,740.63 million) and total revenue from external customers from other countries is Rs.10.62 million (2017: Rs.Nil).
- (c) The Company's customer base is diverse with no single customer accounting for more than 10% of net revenue as at June 30, 2018.

Notes to the Financial Statements

For the year ended June 30, 2018

46. NUMBER OF EMPLOYEES

Number of employees at June 30,

- Permanent
- Contractual

Average number of employees during the year

- Permanent
- Contractual

	Factory		Others	
	2018	2017	2018	2017
	44	41	119	105
	500	540	75	59
	44	39	113	103
	470	499	68	52

47. SHAHRIAH SCREENING DISCLOSURE

	2018		2017	
	Convent-ional	Shariah Compliant	Convent-ional	Shariah Compliant
	Rupees in '000			
Bank balances	208,173	289,699	689,811	116,578
Accrued mark-up	28,079	20,230	13,417	10,867
Short term borrowings	2,078,183	1,553,868	144,479	647,907
Revenue	-	16,772,383	-	10,740,631
Other income				
a) Profit on saving accounts and term deposit receipts				
Others including exchange gain on actual currency	432	2,240	2,269	1,611
d) Others including exchange gain on actual currency	-	152,124	-	18,247
Mark-up / interest expense	121,262	73,359	136,231	66,230

48. CORRESPONDING FIGURES

The corresponding figures have been rearranged and reclassified, wherever considered necessary, to comply with the requirements of the Companies Act, 2017 and for the purposes of comparison and better presentation. Following major reclassification have been made:

	Reclassified to component	Reclassified to component	2017 —(Rupees in '000)—
Trade and other payable (Unclaimed dividend)	Unclaimed dividend (Disclosed on the face of statement of financial position)		14,092
Trade and other payable (Unclaimed dividend)	Unpaid dividend (Disclosed on the face of statement of financial position)		24,604
Trade and other payable (Accrued liabilities)	Compensated absences		6,073

Notes to the Financial Statements

For the year ended June 30, 2018

49. NON-ADJUSTING EVENT AFTER REPORTING DATE

The Board of Directors of the Company in their meeting held on September 19, 2018 have proposed final cash dividend of Rs.15.6 (2017: Rs.15.0) per share, amounting to Rs. 332.35 million (2017: Rs.319.57 million) and bonus issue of 21.304 million shares (2017: Nil) at the rate of one share for each one share held amounting to Rs 213.044 million (2017: Nil) for the year ended June 30, 2018. The proposed dividend and issue of bonus shares will be approved in the forthcoming annual general meeting to be held on October 23, 2018.

These financial statements do not reflect the proposed dividend, which will be accounted for in the statement of changes in equity as appropriation from unappropriated profit in year ending June 30, 2019.

50. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on September 19, 2018 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



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Electronic Dividend Mandate Form

In accordance with the provisions of section 242 of the Companies Act, 2017, dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders.

Shareholders are requested to send the attached Form duly filled and signed, along with attested copy of their CNIC to the Company's Share Registrar, M/s. Hameed Majeed Associates (Pvt.) Limited, 4th Floor, Karchi Chamber, Hasrat Mohani Road, Karachi. CDC shareholders are requested to submit their Dividend Mandate Form and attested copy of CNIC directly to their broker (participant)/CDC.

I hereby communicate to receive my future dividends directly in my Bank account as detailed below:

Name of shareholder : _____

Folio Number/CDC Account No. : _____ of Ghandhara Industries Limited

Contact number of shareholder : _____

Title of Account : _____

IBAN (*) : _____

Name of Bank : _____

Bank branch : _____

Mailing Address of Branch : _____

CNIC No. (attach attested copy) : _____

NTN (in case of corporate entity) : _____

It is stated that the above particulars given by me are correct and to the best of my knowledge; I shall keep the Company informed in case of any changes in the said particulars in future.

 Shareholder's Signature

 Date

NOTES:

- * Please provide complete IBAN (International Bank Account Number), after checking with your concerned Bank branch to enable electronic credit directly into your bank account.

Proxy Form

I/We _____
being a Shareholder of Ghandhara Industries Limited and holding _____ Ordinary Shares as per
Register Folio No _____ or CDC Participant's I.D. No. _____ A/c No. _____ hereby appoint
Mr / Mrs _____ of _____ or failing him/her
Mr / Mrs _____ of _____ as my/our Proxy in
my/our absence to attend and vote for me/us and on my/our behalf at the 55th Annual General Meeting of the
Company to be held on Tuesday, 23rd October, 2018 at 11:30 A.M and any adjournment thereof.

Affix Revenue Stamp(s) of Rupees five
Executant's Signature on Revenue Stamp(s)
(Signature should agree with the Specimen Signature registered with the Company).

Executant's Computerized National identity Card Number (CNIC or Passport Number)

First Witness Signature _____	Second Witness Signature _____
Name in Block letters and Address _____	Name in Block letters and Address _____
Computerized National Identity Card Number or Passport Number of Witness _____	Computerized National Identity Card Number or Passport Number of Witness _____

Proxy's Signature _____

Proxy's Signature _____

Proxy's CNIC Number or Passport Number _____

Proxy's CNIC Number or Passport Number _____

NOTES:

1. A shareholder entitled to attend and vote at the Annual General Meeting of the Company may appoint any person as his/her proxy to attend and vote instead of him/her. The proxy shall have the right to attend, speak and vote in place of the shareholder appointing him/her at the meeting.
2. The instrument appointing a proxy should be signed by the Shareholder or by his/her Attorney, duly authorized in writing and person appointed proxy. In case of corporate entity, the Board of Directors resolution/power of attorney with specimen signature shall be submitted along with proxy form to the company.
3. The Proxy Form duly completed, must be deposited at the Company's Registered Office at F-3, Hub Chauki Road S.I.T.E, Karachi not less than 48 hours before the time of holding the meeting.
4. Shareholders whose holdings are in the Central Depository System (CDS) and their proxies both, should attach with this form, attested copies of their Computerized National Identity Card or (attested copies of first four pages of their passport). To facilitate identification at the AGM, the proxy should bring his/her original Computerized National Identity Card or passport. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced at the time of the meeting.

پراکسی فارم

میں / ہم

ساکن

بحیثیت ممبر (ز) گندھارا انڈسٹریز لمیٹڈ اور حق ملکیت رکھتے ہوئے

عمومی شیئرز جس کا اندراج رجسٹر فوئیو نمبر اور سینٹرل ڈیپازٹری کمپنی اکاؤنٹ نمبر کو اپنی جانب سے

نامزد کرتا ہوں

ساکن

اور ان کے نام جانے پر کسی / مسما

ساکن بطور پراکسی مقرر کرنا / کرتے ہیں تاکہ وہ میری / ہماری طرف سے کمپنی کے 55 ویں سالانہ عام اجلاس بمقام رجسٹرڈ آفس بتاریخ 23 اکتوبر

2018 بوقت دن 11:30 بجے منعقد ہو رہا ہے، اس میں یا اس کے کسی ہتھی شدہ اجلاس میں شرکت کرے اور ووٹ ڈالے۔

5 روپے کے ریونیو ٹکٹ لگائیں

ریونیو ٹکٹ پر پھیل کٹندہ کے دستخط

(یہ دستخط کمپنی میں رجسٹر شدہ دستخط جیسے ہونے چاہئیں)

تعمیل کٹندہ کا کمپیوٹر انڈر قومی شناختی کارڈ نمبر یا پاسپورٹ نمبر

پہلے گواہ کے دستخط	دوسرے گواہ کے دستخط
نام اور پتہ	نام اور پتہ
گواہ کا کمپیوٹر انڈر قومی شناختی کارڈ نمبر یا پاسپورٹ نمبر	گواہ کا کمپیوٹر انڈر قومی شناختی کارڈ نمبر یا پاسپورٹ نمبر

تعمیل کٹندہ کے دستخط

تعمیل کٹندہ کے دستخط

تعمیل کٹندہ کا کمپیوٹر انڈر قومی شناختی کارڈ نمبر یا پاسپورٹ نمبر

تعمیل کٹندہ کا کمپیوٹر انڈر قومی شناختی کارڈ نمبر یا پاسپورٹ نمبر

نوٹس:

1. کمپنی کی سالانہ جنرل میٹنگ میں شرکت کرنے اور ووٹ دینے کا اہل کسی بھی فرد کو اپنا نائب نامزد کر سکتا ہے تاکہ وہ اس کی غیر موجودگی میں شرکت کرے اور ووٹ ڈالے۔ نائب کو اختیار حاصل ہے کہ وہ شیئرز ہولڈر کے بدلے میٹنگ میں شرکت کرے، بولے اور ووٹ دے۔
2. نائب کی نامزدگی کی درخواست پر شیئرز ہولڈر یا اس مرد / عورت کے اٹارنی کے دستخط ہونے چاہئیں جس پر اس فرد نے کٹندہ نامزد کرنے والے کا لکھا ہوا اجازت نامہ ہو۔ کسی اجتماعی ادارے کی صورت میں کمپنی کو بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی بمعدہ دستخط کٹندہ کی کے فارم کے ساتھ جمع کروائے جائیں گے۔
3. اس کٹندہ کی فارم کو پوری طرح مکمل اور دستخط شدہ ہونا چاہیے اور میٹنگ منعقد ہونے کے بعد 48 گھنٹوں سے کم نہ ہونے والی مدت میں کمپنی کے رجسٹرڈ آفس F-3، جب چوکی روڈ، سائٹ میں جمع کیا جانا چاہیے۔
4. ایسے شیئرز ہولڈرز جن کی ہولڈنگز سینٹرل ڈیپازٹری سسٹم میں ہو اور ان کے دونوں کٹندہ گان اس فارم کے ساتھ تصدیق شدہ کمپیوٹر انڈر قومی شناختی کارڈ (پاسپورٹ کے پہلے چار صفحات کی تصدیق شدہ نقول) منسلک ہونی چاہئیں۔ سالانہ جنرل میٹنگ میں ان کی شناخت کے لیے کٹندہ فرد کو اپنے ساتھ اصل کمپیوٹر انڈر قومی شناختی کارڈ یا پاسپورٹ لانا ضروری ہے۔ کسی اجتماعی ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی بمعدہ دستخط کٹندہ پیش کی جانی چاہیے۔



Ghandhara Industries Limited

Add: F-3, Hub Chauki Road, S.I.T.E., Karachi - 75730, Pakistan.