ISUZU

GHANDHARA INDUSTRIES LIMITED
A Bibojee Group Company

Annual Report 2015

CONTENTS

VISION / MISSION STATEMENT	02
COMPANY INFORMATION	03
NOTICE OF MEETING	04
DIRECTORS' REPORT	06
KEY OPERATING AND FINANCIAL DATA	10
PATTERN OF SHAREHOLDING	14
STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE	16
REVIEW REPORT TO THE MEMBERS	18
AUDITORS' REPORT TO THE MEMBERS	19
BALANCE SHEET	20
PROFIT AND LOSS ACCOUNT	21
CASH FLOW STATEMENT	22
STATEMENT OF CHANGES IN EQUITY	23
NOTES TO THE FINANCIAL STATEMENTS	24
PROXY FORM	

VISION

To acquire market leadership and contribute to the society by providing high quality and environment friendly Isuzu Vehicles in Pakistan market.

MISSION

- To assist the society in 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 & 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 environments for optimum productivity, job satisfaction, career development and well being of employees.

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Raza Kuli Khan Khattak	Chairman
Mr. Ahmad Kuli Khan Khattak	Chief Executive
Lt. Gen. (R) Ali Kuli Khan Khattak	Director
Dr. Parvez Hassan	Director
Mr. Jamil Ahmed Shah	Director
Ch. Sher Muhammad	Director
Mr. Shahid Kamal Khan	Independent Director

COMPANY SECRETARY & CHIEF FINANCIAL OFFICER

Mr. Iftikhar A. Khan

AUDITORS

Hameed Chaudhri & Co.
Chartered Accountants

AUDIT COMMITTEE

Lt. Gen. (R) Ali Kuli Khan Khattak	Chairman
Mr. Jamil Ahmed Shah	Member
Ch. Sher Muhammad	Member
Mr. Shahid Kamal Khan	Member
Mr. Safar Ali	Secretary

BOARD HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Jamil Ahmed Shah	Chairman
Mr. Ahmad Kuli Khan Khattak	Member
Ch. Sher Muhammed	Member
Mr. Muhammad Ali Tahir	Secretary

LEGAL ADVISORS

Syed Iqbal Ahmad and Co. Advocates
S. Abid Shirazi & Co.
Hassan & Hassan (Advocates)

BANKERS

National Bank of Pakistan
Al-Baraka Bank (Pakistan) Limited
The Bank of Khyber
Faysal Bank Limited

REGISTERED OFFICE

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

SHARE REGISTRAR

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

Notice of 52^{nd} Annual General Meeting

Notice is hereby given that the 52^{nd} Annual General Meeting of the shareholders of GHANDHARA INDUSTRIES LIMITED will be held at 02:00 P.M on Thursday, 22^{nd} October, 2015 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 Extraordinary General Meeting of the company held on April10, 2015.

2. To receive, consider and adopt the Annual Audited Accounts of the Company for the year ended June 30, 2015, together with Directors' and Auditors' report thereon.

3. To consider and approve the payment of final Cash Dividend. The Board of Directors has recommended payment of final Cash Dividend of Rs.4.5/- per share (45%) for the year ended 30th June, 2015.

4. To appoint Auditors for the financial year ending June 30, 2016 and to fix their remuneration. The retiring Auditors M/s. Hameed Chaudhri & Company, Chartered Accountants, being eligible have offered themselves for re-appointment.

5. Any other business with the permission of the Chair.

Special Business

To amend Article 75 of the Articles of Association of the Company to enhance the Directors' meeting fee from Rs. 10,000/- to Rs. 25,000/- and pass the following special resolution:-

"Resolved that Directors' meeting fee be and is hereby enhanced from Rs. 10,000/- to Rs. 25,000/-.

"Further resolved that Article 75 of the Articles of Association of the Company be and is hereby amended to substitute the figure 'Rs. 10,000/- ' by the figure 'Rs. 25,000/-'."

A statement U/S 160 (1) (b) of the Companies Ordinance, 1984 is annexed.

By order of the Board

Karachi
September 29, 2015

Iftikhar Ahmed Khan
Company Secretary

Notes:

(a) The Share Transfer books of the Company shall remain closed from October 15, 2015 to October 22, 2015 (both days inclusive).

(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.

Notice of 52nd Annual General Meeting

(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 are requested to send the same at the earliest to enable the Company to comply with relevant laws. Failure to provide the same would constrain the Company to withhold dispatch of dividend warrants.

(e) As directed by SECP vide Circular No. 18 of 2012 dated August 18, 2012, we have already given opportunity to shareholders to authorize the Company to directly credit in his/their bank account with cash dividend, if any, declared by the Company in future. If you still wish that the cash dividend, if declared by the Company be directly credited into your bank account, instead of issuing a dividend warrant, please provide the relevant details.

(f) Shareholders are informed that Income Tax Ordinance 2001, as amended by Finance Act, 2015, has prescribed 17.5% withholding tax on dividend payment to non-filers while filers of income tax returns will be liable to withholding tax @12.5%. 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

(g) 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., 3rd Floor, Karachi Chambers, Hasrat Mohani Road, Karachi.

(h) In pursuance of the directions given by the SECP vide SRO 787 (1)/ 2014 dated 8 September 2014, those shareholders who desire to receive Annual Financial Statements in future through email instead of receiving the same by Post are advised to give their formal consent along with their valid email address on a standard request from which is available at the Company's website i.e. www.gil.com.pk and send the said form duly filled in and signed along with copy of his/her CNIC/Passport to the Company's Share Registrar.

Statement U/S 160 (1) (b) of the Companies Ordinance, 1984

The Board of Directors in their meeting held on 16th September, 2015 proposed to enhance Directors' Meeting Fee from Rs. 10,000/- to Rs. 25,000/-. The meeting fee was last revised on 31st October, 2007.

It is therefore proposed to amend Article 75 of the Articles of Association of the Company to substitute the figure "Rs. 10,000/- " by the figure "Rs. 25,000/-"

Shareholders' approval is being sought to give effect to the proposed change, and it is proposed to pass the following Special Resolution:

"Resolved that Directors' Meeting Fee be and is hereby enhanced from Rs. 10,000/- to Rs. 25,000/-."

"Further, resolved that Article 75 of the Articles of Association of the Company be amended to substitute the figure 'Rs. 10,000/- 'by 'Rs. 25,000/-'."

DIRECTORS' REPORT

The directors of your company take pleasure in presenting the 52nd annual report & the Company's audited financial statements for the year ended June 30, 2015.

ECONOMY AND MARKET

Improving economic environment driven by the Government's efforts in the form of lower interest rate environment, reduced inflation rate of 4.8% (July-April 2014-15) coupled with better law and order situation resulted in increased GDP of 4.24% in 2015 as compared to 4.03% in 2014. Automobile Industry has also played its part by showing tremendous growth during the FY 2015 which is in line with the positive macroeconomic indicators of the country.

The overall growth in auto industry for commercial vehicles was 44% while your company achieved a growth of 57% which is a remarkable performance.

FINANCIAL PERFORMANCE

The financial results are summarized below:

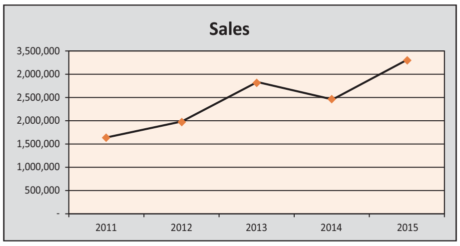
	2015	2014
	(Rupees in '000')	
Profit from operation	**494,131**	192,864
Finance cost	**(167,115)**	(177,052)
Profitbefore tax	**327,016**	15,812
Taxation	**(103,226)**	8,256
Profitafter tax	**223,790**	24,068
Earningsper share	**10.50**	1.13

The company has made historical net profit of PKR 223.7 million against net profit of PKR24 million of the preceding year.Earnings per share also increased to PKR 10.50 from PKR 1.13 as that of last year.

OPERATING RESULTS

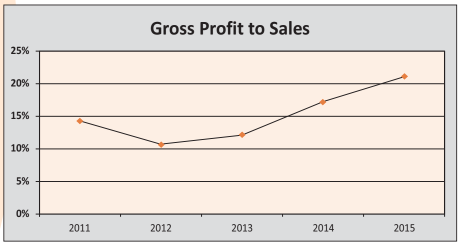
Sales

Your company achieved PKR 3.2billion sales revenue which is 34% higher than last year. During the year your company also launched two new models along with an increase in market share from20% to 22%.

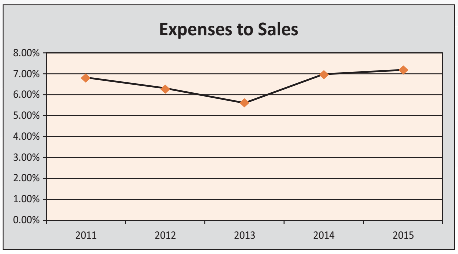


Gross profit

The Gross profit of your company enhanced from 12% to 21%.The growth in GP is achieved through both volume growth and better product mix. This coupled with depreciating Japanese Yen, reduced steel prices, better negotiation with local vendors, vigilant management and efficient monitoring of the factors of production.



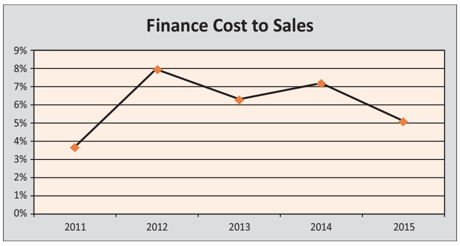
Distribution and administrative Expenses



Robust marketing activities against existing and launch of new models, together with higher sales commission, and inflationary impact increased the distribution and administrative expenses.However due to better planning the impact of increase was restricted as a percentage of sales.

Finance costs

Efficient monitoring and timely decisions reduced gearing ratio to 12% from 75%.The management was mindful of the fact that finance cost had to be curtailed to deliver optimum benefit to the company. Achieving this target was a challenge, since increased production and sales activity developed pressure for higher borrowing needs.



However due to better financial management, the company was successful in decreasing the finance cost as compared to last year and 2% as a percentage of sales.

Dividend

In the light of the financial position of the Company the Board of Directors has proposed a final cash dividend of PKR 4.5/- per share for the year ended June 30, 2015 in its meeting held on September16, 2015.

This shall be subject to the approval of the shareholders in their meeting scheduled on October 22nd, 2015.

Auditor's report to the members

The position in respect of paragraph (e) of the Auditors' report is clarified as under:

In the light of the legal opinion obtained by the management of the company coupled with a constitutional petition sub-judiced before SindhHigh Court, the Board is of the view that it is not liable to accrue and pay for Workers Profit Participation Fund as detailed in note # 23.3.1 to the financial statements.

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. The Board acknowledges its responsibility in respect of the corporate and financial reporting framework and thus states that:

"The financial statements 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 Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
- 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, 2015 is Rs.Nil.

Audit Committee

The committee consists of four members; all are non-executive including the chairman of the committee. The terms of reference of this committee have been determined in accordance with guidelines provided in the listing regulations. The committee held four meetings during the year.

Board Human Resource& Remuneration Committee

The committee consists of three members; majority thereof including the chairman of the committee is non-executive. The terms of reference of this Committee have been determined in accordance with guidelines provided in the listing regulations.

Board meetings

The Board of Directors is comprised of one executive director, five non-executive directors and one independent director elected during the year, through EOGM dated April 10th, 2015. The board acknowledges the valuable contribution made by the outgoing directors and welcome the new directors.

During the year under review five Board meetings were held. Attendance at the Board meetings was as below:

Name of Director	No. of Meetings attended				
Mr. Raza Kuli Khan Khattak	✓	✓	✓	✓	✗
Mr. Ahmad Kuli Khan Khattak	✓	✓	✓	✓	✓
Lt. Gen. (R) Ali Kuli Khan Khattak	✓	✓	✓	✓	✓
Mr. Muhammad Imran Malik**	NA	NA	NA	✗	✗
Dr. Pervez Hassan	✗	✗	✗	✓	✓
Mr. Jamil Ahmed Shah*	✓	NA	✓	✓	✓
Ch. Sher Muhammad	✗	✗	✓	✓	✓
Mr. Mushtaq Ahmed Khan***	✗	✗	✗	NA	NA
Mr. Muhammad Zia*	NA	✓	NA	NA	NA

*During the year, Mr. Muhammad Zia was appointed as alternate director in the absence of Mr. Jamil Ahmed Shah.

** During the year Mr. Imran Malik was elected as director. However, subsequent to the year-end, he has resign and casual vacancy was filled through the appointment of Mr. Shahid Kamal Khan.

***Mr. Mushtaq Ahmed Khan retired after successful completion of his term.

Auditors

Present auditors, Messrs Hameed Chaudhri & Co, Chartered Accountants, have retired. Being eligible, they 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, 2016 to the shareholders for approval.

Pattern of shareholding

The pattern of shareholding as on 30th June 2015 & additional information thereabout required under Code of Corporate Governance are annexed.

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.

Future outlook

The Government's efforts for the construction of new roads and highways together with the signing of 'China Pakistan Economic Corridor (CPEC)' between Pakistan and China will pave the way for new opportunities for auto industry especially heavy trucks and buses, accordingly auto industry is expected to keep its growing trend.

Your company has well established plans and has already acquired sufficient future orders to capitalize on the aforementioned opportunities. Further the management expects that the current marketing strategies coupled with newly introduced models will also reap fruit in the upcoming periods.

Acknowledgement

The board would like to take the opportunity to thank the shareholders, valued suppliers, customers, dealers and bankers for the co-operation and support. The Board is pleased to record its appreciation for the continued diligence and devotion of the employees. The Board would also like to thank the Company's principal 'Isuzu Motors Limited' and trading house 'Marubeni Corporation' for their support and assistance.

By order of the Board

Karachi
Dated: September 16, 2015

Ahmad Kuli Khan Khattak
Chief Executive

FINANCIAL PERFORMANCE

		2015	2014	2013	2012	2011	2010
Financial Performance-Profitability							
Gross profit margin	%	20.95	12.19	17.23	12.01	10.68	14.22
EBITDA margin to sales	%	15.74	7.82	13.69	7.09	5.81	11.72
Pre tax margin	%	9.93	0.64	6.51	(2.20)	0.48	5.65
Net profit margin	%	6.79	0.92	4.54	(1.58)	0.47	6.50
Return on equity-before tax	%	14.54	0.78	9.18	(2.60)	0.47	8.07
Return on equity-after tax	%	9.93	1.12	6.40	(1.87)	0.47	9.28
Operating Performance / Liquidity							
Total assets turnover	Times	0.98	0.66	0.68	0.56	0.49	0.74
Fixed assets turnover	Times	1.86	1.47	1.65	1.36	1.11	1.41
Debtors turnover	Times	25.00	9.59	13.07	12.69	12.64	22.20
Debtors turnover	Days	15	38	28	29	29	16
Inventory turnover	Times	3.12	1.80	2.04	2.14	2.08	3.30
Inventory turnover	Days	117	203	179	171	176	111
Creditors turnover	Times	14.11	9.82	15.37	11.44	10.14	21.26
Creditors turnover	Days	26	37	24	32	36	17
Operating cycle	Days	106	204	183	168	169	110
Current ratio		1.56	1.16	1.12	1.05	1.08	1.13
Quick / acid test ratio		0.95	0.52	0.47	0.54	0.66	0.48
Capital Structure Analyses							
Breakup value / share	Rs	105.58	94.83	93.67	76.78	78.24	77.87
Earning per share (pre tax)	Rs	15.35	0.74	8.60	(2.03)	0.37	5.54
Earning per share (after tax)	Rs	10.50	1.13	6.00	(1.46)	0.36	6.36

SUMMARY OF BALANCE SHEET

	2015	2014	2013	2012	2011	2010
			(Rupees in '000')			
Summary of Balance Sheet						
Share capital	**213,044**	213,044	213,044	213,044	213,044	213,044
Reserves	**365,002**	133,989	103,933	(27,772)	(2,250)	(15,558)
Shareholder's fund / equity	**2,249,388**	2,020,212	1,995,571	1,635,720	1,666,804	1,659,060
Deferred liabilities	**30,545**	24,866	21,819	14,774	13,715	29,302
Property, plant & equipment	**1,674,230**	1,678,603	1,703,088	1,447,944	1,465,156	1,476,350
Long term assets	**5,831**	4,783	7,344	6,186	8,122	7,755
Net current assets / Working capital	**568,524**	261,336	258,384	86,836	135,216	139,917
Summary of Profit & Loss						
Net sales	**3,293,329**	2,466,127	2,812,958	1,968,409	1,631,208	2,086,520
Gross profit	**689,924**	300,696	484,624	236,420	174,180	296,792
Operating profit	**494,131**	192,864	359,061	113,025	67,048	175,707
Profit before tax	**327,016**	15,812	183,166	(43,263)	7,847	117,928
Profit after tax	**223,790**	24,068	127,736	(31,085)	7,745	135,563
EBITDA	**518,222**	222,299	385,138	139,469	94,763	193,966
Summary of Cash Flows						
Net cash flow from operating activities	**1,002,282**	141,723	(401,667)	(582,793)	(110,497)	319,801
Net cash flow from investing activities	**12,428**	(2,472)	(11,426)	(9,389)	(12,697)	4,940
Net cash flow from financing activities	**(9,835)**	(10,452)	(8,396)	(6,737)	(17,643)	(13,328)
Changes in cash & cash equivalents	**980,018**	128,799	(421,489)	(598,919)	(140,838)	311,413
Cash & cash equivalents - Year end	**65,430**	(1,045,448)	(1,174,247)	(752,758)	(153,839)	(13,000)

HORIZONTAL ANALYSIS

Rupees '000

Balance Sheet	2015 Rs.	15 Vs 14 %	2014 Rs.	14 Vs 13 %	2013 Rs.	13 Vs 12 %	2012 Rs.	12 Vs 11 %	2011 Rs.	11 Vs 10 %	2010 Rs.	10 Vs 09 %
					------ Re-stated	------	------	------	------	------		
Assets												
Non-Current Assets												
Property, plant & equipment	1,674,230	(0.26)	1,678,603	(1.44)	1,703,088	17.62	1,447,944	(1.17)	1,465,156	(0.76)	1,476,350	44.88
Intangible assets	45	(87.13)	346	(46.52)	647	(31.85)	949	(24.11)	1,251	183.03	442	100.00
Investment properties	89,395	(0.28)	89,645	(0.28)	89,895	(0.28)	90,145	(0.28)	90,395	(0.29)	90,654	(0.29)
Long term Investment	1,400	-	1,400	-	1,400	0.04	1,400	(0.04)	1,400	-	1,400	-
Long term loans	1,109	74.38	636	(51.49)	1,311	34.84	972	(29.65)	1,382	115.94	640	144.27
Long term deposits	3,322	20.93	2,747	(40.71)	4,633	21.47	3,814	(28.57)	5,340	(6.57)	5,715	36.66
Deferred taxation	-	(100.00)	18,304	-	-	(100.00)	32,049	27,254.06	117	-	-	-
	1,769,501	(1.24)	1,791,681	(0.52)	1,800,974	14.18	1,577,273	0.78	1,565,041	(0.65)	1,575,201	41.18
Current Assets												
Stores and spares parts	2,009	8.04	1,859	(18.64)	2,285	33.31	1,714	(60.09)	4,294	(26.87)	5,872	39,046.67
Stock-in-trade	612,623	(41.98)	1,055,872	(22.12)	1,355,715	45.95	928,892	34.29	691,703	(2.81)	711,728	90.38
Trade debts	42,653	(80.68)	220,786	(24.76)	293,428	114.28	136,939	(21.02)	173,375	104.52	84,771	(17.86)
Loans and advances	255,449	21.91	209,547	(15.22)	247,162	(35.85)	385,279	463.26	68,402	216.29	21,626	36.16
Trade deposits and prepayments	301,657	61.23	187,098	26.80	147,548	(11.20)	166,166	(75.30)	672,658	1,283.42	48,623	(22.34)
Other receivables	16,292	59.84	10,193	315.36	2,454	96.95	1,246	(88.36)	10,704	277.16	2,838	-
Sales tax refundable/adjustable and taxation - payment less provision	211,533	0.68	210,107	(14.75)	246,465	19.86	205,626	23.65	166,290	(28.21)	231,649	1.69
Cash and bank balances	135,710	292.26	34,597	(14.13)	40,289	(55.83)	91,218	857.84	9,523	(93.64)	149,688	595.90
	1,577,926	(18.24)	1,930,059	(17.35)	2,335,346	21.82	1,917,080	6.69	1,796,949	42.98	1,256,795	55.60
	3,347,427	(10.06)	3,721,740	(10.02)	4,136,320	18.37	3,494,353	3.94	3,361,990	18.71	2,831,997	47.24
Equity And Liabilities												
Share Capital And Reserves												
Share capital	213,044	-	213,044	-	213,044	-	213,044	-	213,044	-	213,044	-
Unappropriated profit / (accumulated loss)	365,002	172.41	133,989	28.92	103,933	(474.24)	(27,772)	1,134.07	(2,250)	(85.53)	(15,558)	(87.97)
Surplus on revaluation of fixed assets	1,671,341	(0.11)	1,673,179.0	(0.32)	1,678,594	15.73	1,450,448	(0.38)	1,456,011	(0.38)	1,461,574	36.19
	2,249,387	11.34	2,020,212	1.23	1,995,571	22.00	1,635,720	(1.86)	1,666,804	0.47	1,659,060	43.40
Non-Current Liabilities												
Liabilities against assets subject to finance lease	10,584	33.32	7,939.00	(47.43)	15,102	10.93	13,614	(31.03)	19,738	(26.23)	26,757	991.23
Deferred liabilities	30,545	22.84	24,866.00	13.96	21,819	47.68	14,774	7.72	13,715	10.00	12,468	254.41
Deferred taxation	47,509	100.00	-	(100.00)	26,865	100.00	-	-	-	-	16,834	29.48
	88,638	170.20	32,805	(48.57)	63,786	124.70	28,388	(15.14)	33,453	(40.33)	56,059	195.50
Current Liabilities												
Trade and other payables	783,464	42.32	550,511	(33.08)	822,680	(12.83)	943,781	(35.41)	1,461,200	59.66	915,182	130.66
Current maturity of liabilities against assets subject to finance lease	3,837	(49.86)	7,652	2.22	7,486	32.04	5,670	(9.78)	6,284	(26.57)	8,558	40.20
Accrued mark up	20,961	(31.31)	30,515	(5.41)	32,261	(12.37)	36,817	19.20	30,887	1.44	30,450	77.92
Short term borrowings	201,140	(81.38)	1,080,045	(11.07)	1,214,536	43.91	843,976	416.63	163,362	0.41	162,688	(50.33)
	1,009,402	(39.51)	1,668,723	(19.66)	2,076,963	13.48	1,830,244	10.14	1,661,733	48.78	1,116,878	49.41
	3,347,427	(10.06)	3,721,740	(10.02)	4,136,320	18.37	3,494,353	3.94	3,361,990	18.71	2,831,997	47.24

	2015 Rs.	15 Vs 14 %	2014 Rs.	14 Vs 13 %	2013 Rs.	13 Vs 12 %	2012 Rs.	12 Vs 11 %	2011 Rs.	11 Vs 10 %	2010 Rs.	10 Vs 09 %
Net sales	3,293,329	33.54	2,466,127	(12.33)	2,812,958	42.91	1,968,409	20.67	1,631,208	(21.82)	2,086,520	58.81
Cost of sales	2,603,405	20.23	2,165,431	(7.00)	2,328,334	34.43	1,731,989	18.87	1,457,028	(18.59)	1,789,728	51.09
Gross profit	689,924	129.44	300,696	(37.95)	484,624	104.98	236,420	35.73	174,180	(41.31)	296,792	129.53
Distribution expenses	166,310	58	105,267	24.55	84,518	13.34	74,570	31.18	56,844	(20.46)	71,469	47.07
Administrative expenses	69,707	5	66,116	(9.49)	73,046	47.39	49,559	(8.59)	54,214	30.08	41,677	21.73
Other operating expenses	13,546	320	3,227	(77.96)	14,641	670.98	1,899	40.10	1,355	(87.77)	11,079	(90.62)
Other operating income	53,770	(19)	66,778	43.17	46,642	1,671.44	2,633	(50.14)	5,281	68.17	3,140	(78.60)
Profit / (loss) from operations	**494,131**	156	192,864	(46.29)	359,061	217.68	113,025	68.57	67,048	(61.84)	175,707	(408.69)
Finance cost	167,115	(6)	177,052	0.66	175,895	12.55	156,288	163.99	59,201	2.46	57,779	(30.81)
Profit / (loss) before taxation	327,016	1,968	15,812	(91.37)	183,166	(523.38)	(43,263)	(651.35)	7,847	(93.35)	117,928	(183.98)
Taxation	(103,226)	1,150.31	8,256	(114.89)	(55,430)	355.15	(12,178)	(12,087.91)	102	(100.58)	(17,635)	499.42
Profit / (loss) after taxation	223,790	829.82	24,068	(81.16)	127,736	(510.93)	(31,085)	(501.35)	7,745	(94.29)	135,563	(198.60)

VERTICAL ANALYSIS

Rupees '000

Balance Sheet	2015 Rs.	2015 %	2014 Rs.	2014 %	2013 Rs.	2013 %	2012 Rs.	2012 %	2011 Rs.	2011 %	2010 Rs.	2010 %
					------------------------------	Re-stated	------------------------------					
Assets												
Non-Current Assets												
Property, plant & equipment	1,674,230	50.02	1,678,603	45.10	1,703,088	41.17	1,447,944	41.44	1,465,156	43.58	1,476,350	52.13
Intangible assets	45	0.00	346	0.01	647	0.02	949	0.03	1,251	0.04	442	0.02
Investment properties	89,395	2.67	89,645	2.41	89,895	2.17	90,145	2.58	90,395	2.69	90,654	3.20
Long term Investment	1,400	0.04	1,400	0.04	1,400	0.03	1,400	0.04	1,400	0.04	1,400	0.05
Long term loans	1,109	0.03	636	0.02	1,311	0.03	972	0.03	1,382	0.04	640	0.02
Long term deposits	3,322	0.10	2,747	0.07	4,633	0.11	3,814	0.11	5,340	0.16	5,715	0.20
Deferred taxation	-	-	18,304	0.49	-	-	32,049	0.92	117	0.00	-	-
	1,769,501	52.86	1,791,681	48.14	1,800,974	43.54	1,577,273	45.14	1,565,041	46.55	1,575,201	45.08
Current Assets												
Stores and spares parts	2,009	0.06	1,859	0.05	2,285	0.06	1,714	0.05	4,294	0.13	5,872	0.21
Stock-in-trade	612,623	18.30	1,055,872	28.37	1,355,715	32.78	928,892	26.58	691,703	20.57	711,728	25.13
Trade debts	42,653	1.27	220,786	5.93	293,428	7.09	136,939	3.92	173,375	5.16	84,771	2.99
Loans and advances	255,449	7.63	209,547	5.63	247,162	5.98	385,279	11.03	68,402	2.03	21,626	0.76
Trade deposits and prepayments	301,657	9.01	187,098	5.03	147,548	3.57	166,166	4.76	672,658	20.01	48,623	1.72
Other receivables	16,292	0.49	10,193	0.27	2,454	0.06	1,246	0.04	10,704	0.32	2,838	0.10
Sales tax refundable/adjustable and taxation - payment less provision	211,533	6.32	210,107	5.65	246,465	5.96	205,626	5.88	166,290	4.95	231,649	8.18
Cash and bank balances	135,710	4.05	34,597	0.93	40,289	0.97	91,218	2.61	9,523	0.28	149,688	5.29
	1,577,926	47.14	1,930,059	51.86	2,335,346	56.46	1,917,080	54.86	1,796,949	53.45	1,256,795	44.38
	3,347,427	100.00	3,721,740	100.00	4,136,320	100.00	3,494,353	100.00	3,361,990	100.00	2,831,997	100.00
Equity And Liabilities												
Share Capital And Reserves												
Share capital	213,044	6.36	213,044	5.72	213,044	5.15	213,044	6.10	213,044	6.34	213,044	7.52
Unappropriated profit / (accumulated loss)	365,002	10.90	133,989	3.60	103,933	2.51	(27,772)	(0.79)	(2,250)	(0.07)	(15,558)	(0.55)
Surplus on revaluation of fixed assets	1,671,341	49.93	1,673,179	44.96	1,678,594	40.58	1,450,448	41.51	1,456,011	43.31	1,461,574	51.61
	2,249,387	67.20	2,020,212	54.28	1,995,571	48.25	1,635,720	46.81	1,666,804	49.58	1,659,060	58.58
Non-Current Liabilities												
Liabilities against assets subject to finance lease	10,584	0.32	7,939	98.24	15,102	0.37	13,614	0.39	19,738	0.59	26,757	0.94
Deferred liabilities	30,545	0.91	24,866	0.67	21,819	0.53	14,774	0.42	13,715	0.41	12,468	0.44
Deferred taxation	47,509	1.42	-	-	26,865	0.65	-	-	-	-	16,834	0.59
	88,638	2.65	32,805	0.88	63,786	1.54	28,388	0.81	33,453	1.00	56,059	1.98
Current Liabilities												
Trade and other payables	783,464	23.40	550,511	14.79	822,680	19.89	943,781	27.01	1,461,200	43.46	915,182	32.32
Current maturity of liabilities against assets subject to finance lease	3,837	0.11	7,652	0.21	7,486	0.18	5,670	0.16	6,284	0.19	8,558	0.30
Accrued mark up	20,961	0.63	30,515	0.82	32,261	0.78	36,817	1.05	30,887	0.92	30,450	1.08
Short term borrowings	201,140	6.01	1,080,045	29.02	1,214,536	29.36	843,976	24.15	163,362	4.86	162,688	5.74
	1,009,402	30.15	1,668,723	44.84	2,076,963	50.21	1,830,244	52.38	1,661,733	49.43	1,116,878	39.44
	3,347,427	100.00	3,721,740	100.00	4,136,320	100.00	3,494,353	100.00	3,361,990	100.00	2,831,997	100.00

	2015 Rs.	2015 %	2014 Rs.	2014 %	2013 Rs.	2013 %	2012 Rs.	2012 %	2011 Rs.	2011 %	2010 Rs.	2010 %
Net sales	3,293,329	100.00	2,466,127	100.00	2,812,958	100.00	1,968,409	100.00	1,631,208	44.88	2,086,520	100.00
Cost of sales	2,603,405	79.05	2,165,431	87.81	2,328,334	82.77	1,731,989	87.81	1,457,028	39.26	1,789,728	85.78
Gross profit	689,924	20.95	300,696	12.19	484,624	17.23	236,420	12.19	174,180	5.62	296,792	14.22
Distribution expenses	166,310	5.05	105,267	4.27	84,518	3.00	74,570	4.27	56,844	1.71	71,469	3.43
Administrative expenses	69,707	2.12	66,116	2.68	73,046	2.60	49,559	2.68	54,214	1.65	41,677	2.00
Other operating expenses	13,546	0.41	3,227	0.13	14,641	0.52	1,899	0.13	1,355	0.06	11,079	0.53
Other operating income	53,770	1.63	66,778	2.71	46,642	1.66	2,633	2.71	5,281	0.08	3,140	0.15
Profit / (loss) from operations	494,131	15.00	192,864	7.82	359,061	12.76	113,025	7.82	67,048	2.27	175,707	8.42
Finance cost	167,115	5.07	177,052	7.18	175,895	6.25	156,288	7.18	59,201	1.83	57,779	2.77
Profit / (loss) before taxation	327,016	9.93	15,812	0.64	183,166	6.51	(43,263)	0.64	7,847	0.44	117,928	5.65
Taxation	(103,226)	(3.13)	8,256	0.33	(55,430)	(1.97)	(12,178)	(0.33)	102	(0.11)	(17,635)	(0.85)
Profit / (loss) after taxation	223,790	6.80	24,068	0.98	127,736	80.81	(31,085)	(1.58)	7,745	0.47	135,564	6.50

PATTERN OF SHAREHOLDING
AS AT JUNE 30, 2015

Number of Shareholders	Shareholding From	Shareholding To	Number of Shares Held	Percentage
3,455	1	100	62,638	0.29
647	101	500	202,687	0.95
236	501	1,000	205,776	0.97
277	1,001	5,000	656,274	3.08
51	5,001	10,000	404,340	1.90
10	10,001	15,000	123,243	0.58
12	15,001	20,000	220,315	1.03
11	20,001	25,000	259,109	1.22
2	25,001	30,000	57,000	0.27
2	30,001	35,000	65,624	0.31
4	35,001	40,000	156,000	0.73
3	45,001	50,000	145,000	0.68
1	50,001	55,000	51,500	0.24
1	60,001	65,000	64,500	0.30
1	65,001	70,000	65,500	0.31
1	70,001	75,000	74,000	0.35
1	100,001	105,000	100,700	0.47
1	105,001	110,000	105,000	0.49
1	130,001	135,000	134,500	0.63
1	155,001	160,000	158,577	0.74
1	185,001	190,000	186,500	0.88
1	215,001	220,000	219,000	1.03
1	450,001	455,000	455,650	2.14
1	555,001	560,000	556,500	2.61
1	695,001	700,000	697,500	3.27
1	1,180,001	1,185,000	1,184,148	5.56
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	4,715,001	4,715,000	4,710,518	22.11
1	6,085,001	6,090,000	6,085,155	28.56
4,728			**21,304,422**	**100.00**

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

Shareholders Category	Number of Shareholders	Number of Share Held	Percentage of Holding
Director's, CEO, Their Spouse and Minor Children	7	26,937	0.13
Associated Companies, Undertakings and Related Parties	7	14,815,821	69.54
NIT & ICP	2	162,891	0.76
Banks, NBFCs, DFIs, Takaful and Pension Funds	19	1,668,500	7.83
Investments Companies	2	428	0.00
Insurance Companies	3	219,600	1.03
Joint Stock Companies	8	40,603	0.19
Other Companies, Corporate Bodies, Trust etc	22	280,179	1.32
General Public (Local)	4,658	4,089,463	19.20
	4,728	**21,304,422**	**100.00**

PATTERN OF SHAREHOLDING
AS AT JUNE 30, 2015

SR #	CATEGORIES OF SHAREHOLDERS		SHARES HELD	Percentage
1	Director's, CEO, their spouse and minor children			
	Mr. Raza Kuli Khan Khattak	(Chairman)	10,000	0.047
	Mr. Ahmad Kuli Khan Khattak	(Chief Executive)	12,000	0.056
	Lt. Gen. (Retd.) Ali Kuli Khan Khattak	(Director)	9	0.000
	Dr. Pervez Hassan	(Director)	4	0.000
	Mr. Jamil Ahmed Shah	(Director)	400	0.002
	Mr. Ch. Sher Muhammad	(Director)	2,024	0.010
	Mr. Muhammad Imran Malik	(Director)	2,500	0.012
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		5,166,168	24.249
	The Universal Insurance Company Limited		1,184,148	5.558
3	**NIT & ICP**			
	Investment Corporation of Pakistan		4,314	0.020
	CDC- Trustee National Investment (Unit) Trust		158,577	0.744
4	**Banks, NBFCs, DFIs, Takaful and Pension Funds**		1,668,500	7.832
5	**Investments Companies**		428	0.002
6	**Insurance Companies**		219,600	1.031
7	**Joint Stock Companies**		40,603	0.191
8	**Other Companies, Corporate Bodies, Trust etc**		280,179	1.315
9	**General Public (Local)**		4,089,463	19.195
			21,304,422	100.00
10	**Shareholders Holding 05.00% Or More**			
	Bibojee Services (Pvt) Limited		8,343,397	39.163
	The Universal Insurance Co. Limited		1,184,148	5.558
	Ghandhara Nissan Limited		5,166,168	24.249
	Essar Asset Management		1,638,926	7.693
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.**		-	-

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

FOR THE YEAR ENDED JUNE 30, 2015

This statement is being presented to comply with the Code of Corporate Governance (the CCG) contained in the Regulation No. 5.19 of the Rule Book of Karachi Stock Exchange Limited and Regulation No. 35 of Chapter XI of the listing regulations of Lahore Stock Exchange Limited and Islamabad Stock Exchange Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the CCG in the following manner:

1. The company encourages representation of independent non-executive directors and directors representing minority interests on its board of directors. At present the board includes:

Category	**Names**
Executive Director (1)	Mr. Ahmad Kuli Khan Khattak
Non Executive Directors (5)	Mr. Raza Kuli Khan Khattak
	Lt. Gen. (Retd.) Ali Kuli Khan Khattak
	Dr. Pervez Hassan
	Mr. Jamil Ahmed Shah
	Ch. Sher Muhammad
Independent Director (1)	Mr. Shahid Kamal Khan

The independent directors meet the criteria of independence under clause I (b) of the CCG.

2 None of the Directors is serving on the Board of more than seven listed companies.

3 All the resident directors of the Company are registered as tax payers and none of them has defaulted in payment of any loan to a banking company, a Development Finance Institution (DFI) or a Non-Banking Finance Institution (NBFI) or, being a member of stock exchange, has been declared as a defaulter by that stock exchange.

4 A casual vacancy occurring on the Board was duly filled by the directors within the prescribed time.

5 The Company has prepared a code of conduct and have ensured that appropriate steps have been taken to disseminate it throughout the Company along with the supporting policies and procedures.

6 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.

7 All powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non executive directors have been taken by the Board/Shareholders.

8 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 and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9 The Company arranges orientation course for its directors as and when needed to apprise them of their duties and responsibilities. However, out of seven, sixdirectors of the Company have more than 14 years of education and 15 years of experience on the board of directors of listed companies,

therefore six directors of the Company are exempt from the training requirement due to their experience as per Regulation No. 5.19.7 of the Rule Book of Karachi Stock Exchange Limited.

10 The Board has approved appointment of Chief Financial Officer (CFO), Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment.

11 The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.

12 The financial statements of the Company were duly endorsed by the CEO and the CFO before approval of the Board.

13 The Directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.

14 The Company has complied with all the corporate and financial reporting requirements of the CCG.

15 The Board has formed an Audit Committee. It comprises of four members, and all of them are non-executive directors, including one independent director.

16 The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the CCG. The terms of reference of the Committee have been formed and advised to the Committee for compliance.

17 The Board has formed Human Resource and Remuneration Committee. It comprises of three members of whom two are non-executive directors including the Chairman of the Committee and one executive director.

18 The Board has set up an effective Internal Audit Function which is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company.

19 The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review Programme of the Institute of Chartered Accountants of Pakistan (ICAP), 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.

20 The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

21 The 'Closed Period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of Company's securities, was determined and intimated to directors, employees and stock exchanges.

22 Material/price sensitive information has been disseminated among all market participants at once through stock exchanges.

23 We confirm that all other material principles enshrined in the CCG have been complied with.

For and on behalf of the Board of Directors

Karachi
September 16, 2015

Ahmad Kuli Khan Khattak
Chief Executive

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of **Ghandhara Industries Limited** (the Company) for the year ended June 30, 2015 to comply with the Code contained in regulation No.5.19 of the Rule Book of Karachi Stock Exchange Limited and regulation No.35 of Chapter XI of the Listing Regulations of the Lahore Stock Exchange Limited and Islamabad Stock Exchange Limited where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. 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 Code.

As a part of our audit of 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 Code 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 of its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. 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 any procedures to determine 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 best practices contained in the Code as applicable to the Company for the year ended June 30, 2015.

KARACHI; September 16, 2015

HAMEED CHAUDHRI & CO.,
CHARTERED ACCOUNTANTS
Engagement Partner: Muhammad Ali

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of Ghandhara Industries Limited as at June 30, 2015 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended 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 our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conduct our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

(a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;

(b) in our opinion:

   (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;

   (ii) the expenditure incurred during the year was for the purpose of the Company's business; and

   (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

(c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, 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, 2015 and of the profit, its cash flows and changes in equity for the year then ended;

(d) in our opinion, no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980); and

(e) without qualifying our opinion, we draw attention to notes 23.3.1 and 26.1(iii) to the financial statements. The Company has written back in the financial statements for the year ended June 30, 2007 provision for workers' profit participation fund (WPPF) amounting Rs.7,722 thousand for the year ended June 30, 2006 based on a legal opinion and in a view of petition pending adjudication in the Sindh High Court on this matter. Further, during current year, based on another legal opinion, the Company has also written back outstanding balance of Rs.33,102 thousand which relates to the provisions of WPPF and accrued interest thereon for eight financial years from June 30, 2007 to June 30, 2014. Provision for the current financial year ended June 30, 2015 amounting Rs.15,031 thousand has also not been incorporated in these financial statements based on that legal opinion.

Upon the final outcome of pending adjudication, if it is established that the provisions of the Company's Profit (Workers' Participation) Act, 1968 are applicable to the Company, provisions aggregating Rs.55,855 thousand including any penalties may become payable.

HAMEED CHAUDHRI & CO.,
CHARTERED ACCOUNTANTS
Engagement Partner: Muhammad Ali

KARACHI; September 16, 2015

BALANCE SHEET
AS AT JUNE 30, 2015

	Note	2015	2014
		(Rupees in '000')	
ASSETS			
Non current assets			
Property, plant and equipment	5	**1,674,230**	1,678,603
Intangible assets	6	**45**	346
Investment property	7	**89,395**	89,645
Long term investment	8	**1,400**	1,400
Long term loans	9	**1,109**	636
Long term deposits	10	**3,322**	2,747
Deferred taxation	22	**-**	18,304
		1,769,501	1,791,681
Current assets			
Stores and spares parts	11	**2,009**	1,859
Stock-in-trade	12	**612,623**	1,055,872
Trade debts	13	**42,653**	220,786
Loans and advances	14	**255,449**	209,547
Trade deposits and prepayments	15	**301,657**	187,098
Other receivables	16	**16,292**	10,193
Sales tax refundable / adjustable		**3,211**	74,388
Taxation - payments less provision		**208,322**	135,719
Cash and bank balances	17	**135,710**	34,597
		1,577,926	1,930,059
Total assets		**3,347,427**	3,721,740
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	18	**213,044**	213,044
Unappropriated profit		**365,002**	133,989
		578,046	347,033
Surplus on revaluation of fixed assets	19	**1,671,341**	1,673,179
Non current liabilities			
Liabilities against assets subject to finance lease	20	**10,584**	7,939
Deferred liabilities	21	**30,545**	24,866
Deferred taxation	22	**47,509**	-
		88,638	32,805
Current liabilities			
Trade and other payables	23	**783,464**	550,511
Accrued mark-up / interest	24	**20,961**	30,515
Short term borrowings	25	**201,140**	1,080,045
Current maturity of liabilities against assets subject to finance lease	20	**3,837**	7,652
		1,009,402	1,668,723
		1,098,040	1,701,528
Contingencies and commitments	26		
Total equity and liabilities		**3,347,427**	3,721,740

The annexed notes from 1 to 47 form an integral part of these financial statements.

Ahmad Kuli Khan Khattak
Chief Executive

Jamil Ahmed Shah
Director

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2015

	Note	2015	2014
		(Rupees in '000')	
Sales	27	**3,293,329**	2,466,127
Cost of sales	28	**(2,603,405)**	(2,165,431)
Gross profit		**689,924**	300,696
Distribution cost	29	**(166,310)**	(105,267)
Administrative expenses	30	**(69,707)**	(66,116)
Other expenses	31	**(13,546)**	(3,227)
Other income	32	**53,770**	66,778
Profit from operations		**494,131**	192,864
Finance cost	33	**(167,115)**	(177,052)
Profit before taxation		**327,016**	15,812
Taxation	34	**(103,226)**	8,256
Profit after taxation		**223,790**	24,068
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Loss on re-measurement of staff retirement benefit obligation		**(474)**	(2,149)
Impact of deferred tax		**156**	709
		(318)	(1,440)
Total comprehensive income		**223,472**	22,628
		.... (Rupees)	
Earnings per share - basic and diluted	35	**10.50**	1.13

The annexed notes from 1 to 47 form an integral part of these financial statements.

Ahmad Kuli Khan Khattak
Chief Executive

Jamil Ahmed Shah
Director

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2015

	Note	2015	2014
		(Rupees in '000')	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	36	**1,286,239**	377,530
Gratuity paid		**(3,961)**	(6,536)
Finance cost paid		**(174,792)**	(176,362)
Income tax paid		**(104,157)**	(55,470)
Long term loans - net		**(473)**	675
Long term deposits - net		**(575)**	1,886
Net cash generated from operating activities		**1,002,281**	141,723
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		**(16,098)**	(3,380)
Sale proceeds from disposal of operating fixed assets		**3,000**	286
Interest received		**670**	622
Net cash used in investing activities		**(12,428)**	(2,472)
CASH FLOWS FROM FINANCING ACTIVITIES			
Liabilities against assets subject to finance lease - net		**(9,835)**	(10,452)
Net increase in cash and cash equivalents		**980,018**	128,799
Cash and cash equivalents - at beginning of the year		**(1,045,448)**	(1,174,247)
Cash and cash equivalents - at end of the year	37	**(65,430)**	(1,045,448)

The annexed notes from 1 to 47 form an integral part of these financial statements.

Ahmad Kuli Khan Khattak
Chief Executive

Jamil Ahmed Shah
Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2015

	Share Capital	Unappropriated profit	Total
	--------------------	Rupees in '000'	--------------------
Balance as at July 1, 2013	213,044	103,933	316,977
Total comprehensive income for the year ended June 30, 2014			
Profit for the year	-	24,068	24,068
Other comprehensive loss	-	(1,440)	(1,440)
	-	22,628	22,628
Surplus on revaluation of fixed assets relaised during the year (net of deferred taxation) on account of incremental depreciation	-	7,428	7,428
Balance as at June 30, 2014	**213,044**	**133,989**	**347,033**
Total comprehensive income for the year ended June 30, 2015			
Profit for the year	-	223,790	223,790
Other comprehensive loss	-	(318)	(318)
	-	223,472	223,472
Surplus on revaluation of fixed assets relaised during the year (net of deferred taxation) on account of incremental depreciation	-	7,541	7,541
Balance as at June 30, 2015	**213,044**	**365,002**	**578,046**

The annexed notes from 1 to 47 form an integral part of these financial statements.

Ahmad Kuli Khan Khattak
Chief Executive

Jamil Ahmed Shah
Director

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

1. CORPORATE INFORMATION

Ghandhara Industries Limited (the Company) was incorporated on February 23, 1963. The Company's shares are quoted on Karachi, Lahore and Islamabad Stock Exchanges. The principal activity is the assembly, progressive manufacturing and sale of Isuzu trucks and buses. The registered office of the Company is at F-3, Hub Chowki Road, S.I.T.E, Karachi.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 have been followed.

2.2 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.

2.3 New and amended standards and interpretations

2.3.1 Standards, interpretations and amendments to published approved accounting standards that are effective but not relevant

Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on July 1, 2014 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these financial statements.

2.3.2 Standards, interpretations and amendments to existing standards that are not yet effective and have not been early adopted by the Company

The following are the new standards, amendments to existing approved accounting standards and new interpretations that will be effective for the periods beginning on or after July 1, 2015:

(a) IFRS 13 'Fair Value Measurement', (effective for annual periods beginning on or after January 1, 2015) aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs. This standard does not have any impact on the Company's financial statements.

(b) Annual improvements 2014 applicable for annual periods beginning on or after January 1, 2016. These amendments include changes from the 2012-2014 cycle of annual improvements project that affect four standards: IFRS 5, 'Non Current Assets Held for Sale and Discontinued Operations', IFRS 7 'Financial Instruments: Disclosures', IAS 19 'Employee Benefits', and IAS 34, 'Interim Financial Reporting'. These amendments do not have any material impact on the Company's financial statements.

(c) Amendments to IAS 38, 'Intangible Assets' and IAS 16, 'Property, Plant and Equipment' (effective for annual periods beginning on or after January 1, 2016). This amendment clarifies that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. This has also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. The presumption may only be rebutted in certain limited circumstances. These are where the intangible asset is expressed as a measure of revenue; or where it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated. These amendments do not have any 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.

3. BASIS OF MEASUREMENT

3.1 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.

3.2 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 4.1 and 4.2)

(ii) Stock-in-trade (note 4.6)

(iii) Provision for taxation (note 4.9)

(iv) Staff retirement benefit - gratuity (note 4.11)

(v) Provisions (note 4.18)

4. SIGNIFICANT ACCOUNTING POLICIES

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

4.1 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 installation and construction period are carried under capital work-in-progress. These are transferred to specific assets as and when assets are available for use.

Plant and machinery were revalued in 1995 by independent valuers and showed at revalued amount. The Company subsequently adopted cost model for plant and machinery and 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.

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 and loss account 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 5.1 to these financial statements and after taking into account 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 deletion.

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

Any surplus arising on revaluation of operating fixed assets is credited to the surplus on revaluation account. Revaluation is carried-out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from the fair value. To the extent of the incremental depreciation charged on the revalued assets, the related surplus on revaluation of operating fixed assets (net of deferred taxation) is transferred directly to reserves.

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 and loss account 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.

4.2 Intangible assets - computer softwares

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 softwares are charged to profit and loss account as and when incurred.

4.3 Investments

4.3.1 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.
Leasehold land and buildings are amortized / depreciated on straight line method at the rates stated in note 7.

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

4.3.2 Long term investment

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

4.4 Long term deposits

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

4.5 Stores and spare parts

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 and spares parts is determined based on management's estimate regarding their future usability.

4.6 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.

4.7 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.

4.8 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet 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.

4.9 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 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 this deductible temporary differences, unused tax losses and tax credits can be utilised.

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 and loss account, 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.

4.10 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 profit and loss account and is included under finance cost.

4.11 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 balance sheet 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, 2015 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 balance sheet 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.

4.12 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.

4.13 Revenue recognition

Revenue is measured at the fair value of consideration received or receivable, and represents amount receivable for goods supplied, stated net of discounts, returns and sales tax. Revenue from sales 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.

4.14 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.

4.15 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 and loss account.

4.16 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 and loss account 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.

4.17 Off-setting of financial assets and liabilities

Financial assets and liabilities are off-set and the net amount is reported in the financial statements only when there is a legally enforceable right to set-off the recognised amounts and the Company intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

4.18 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.

4.19 Warranty

The Company recognises the estimated liability to repair or replace products still under warranty at the reporting date to the extent of non-reimbursable portion from the principal.

4.20 Dividend and appropriation to reserves

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

4.21 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 and loss account. Reversal of impairment loss is restricted to the original cost of the asset.

4.22 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.

4.23 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.

5. PROPERTY, PLANT AND EQUIPMENT

	Note	2015	2014
		(Rupees in '000')	
Operating fixed assets	5.1	**1,674,230**	1,676,905
Capital work-in-progress		-	1,698
		1,674,230	1,678,603

5.1 Operating fixed assets

Particulars	OWNED										LEASED				
	Lease hold land	Building on leasehold land	Plant & machinery	Permanent tools	Furniture & fixtures	Motor vehicles	Trucks / lift trucks	Office machines & equipments	Computers	Jigs and special tools	Car	Truck	Lifters	Plant & machinery	Total
	---(Rupees in '000)---														
At July 1, 2013															
Cost / revaluation	1,419,750	230,319	56,519	5,312	5,471	43,764	3,122	14,205	7,667	39,026	19,442	6,000	13,000	1,905	1,865,502
Accumulated depreciation	-	-	48,194	3,904	2,061	36,908	3,122	9,189	3,854	36,918	5,281	4,300	9,717	382	163,830
Net book value	1,419,750	230,319	8,325	1,408	3,410	6,856	-	5,016	3,813	2,108	14,161	1,700	3,283	1,523	1,701,672
Year ended June 30, 2014															
Opening net book value	1,419,750	230,319	8,325	1,408	3,410	6,856	-	5,016	3,813	2,108	14,161	1,700	3,283	1,523	1,701,672
Additions	-	-	33	-	24	1,811	-	483	747	-	1,019	-	-	-	4,117
Disposals															
- cost	-	-	-	-	-	950	-	-	-	-	-	-	-	-	950
- accumulated depreciation	-	-	-	-	-	(950)	-	-	-	-	-	-	-	-	(950)
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge	-	11,380	1,172	286	286	3,331	-	1,433	1,045	2,108	3,852	1,200	2,600	191	28,884
Closing net book value	**1,419,750**	**218,939**	**7,186**	**1,122**	**3,148**	**5,336**	**-**	**4,066**	**3,515**	**-**	**11,328**	**500**	**683**	**1,332**	**1,676,905**
At June 30, 2014															
Cost / revaluation	1,419,750	230,319	56,552	5,312	5,495	44,625	3,122	14,688	8,414	39,026	20,461	6,000	13,000	1,905	1,868,669
Accumulated depreciation	-	11,380	49,366	4,190	2,347	39,289	3,122	10,622	4,899	39,026	9,133	5,500	12,317	573	191,764
Net book value	**1,419,750**	**218,939**	**7,186**	**1,122**	**3,148**	**5,336**	**-**	**4,066**	**3,515**	**-**	**11,328**	**500**	**683**	**1,332**	**1,676,905**
Year ended June 30, 2015															
Opening net book value	1,419,750	218,939	7,186	1,122	3,148	5,336	-	4,066	3,515	-	11,328	500	683	1,332	1,676,905
Additions	-	-	11,982	135	141	637	2,100	582	521	-	6,788	-	-	-	22,886
Disposals															
- cost	-	-	-	-	-	6,944	-	-	-	-	-	-	-	-	6,944
- accumulated depreciation	-	-	-	-	-	(4,923)	-	-	-	-	-	-	-	-	(4,923)
	-	-	-	-	-	2,021	-	-	-	-	-	-	-	-	2,021
Transfer from leased to owned															
- cost	-	-	-	-	-	3,141	19,000	-	-	-	(3,141)	(6,000)	(13,000)	-	-
- accumulated depreciation	-	-	-	-	-	2,859	19,000	-	-	-	(2,859)	(6,000)	(13,000)	-	-
	-	-	-	-	-	282	-	-	-	-	(282)	-	-	-	-
Depreciation charge	-	11,516	1,444	289	290	2,227	245	1,270	1,118	-	3,767	500	683	191	23,540
Closing net book value	**1,419,750**	**207,423**	**17,724**	**968**	**2,999**	**2,007**	**1,855**	**3,378**	**2,918**	**-**	**14,067**	**-**	**-**	**1,141**	**1,674,230**
At June 30, 2015															
Cost / revaluation	1,419,750	230,319	68,534	5,447	5,636	41,459	24,222	15,270	8,935	39,026	24,108	-	-	1,905	1,884,611
Accumulated depreciation	-	22,896	50,810	4,479	2,637	39,452	22,367	11,892	6,017	39,026	10,041	-	-	764	210,381
Net book value	**1,419,750**	**207,423**	**17,724**	**968**	**2,999**	**2,007**	**1,855**	**3,378**	**2,918**	**-**	**14,067**	**-**	**-**	**1,141**	**1,674,230**
Annual rates of depreciation	**-**	**5%**	**10%**	**12.50%**	**6.25%**	**20%**	**20%**	**12.50%**	**20%**	**33%**	**20%**	**20%**	**20%**	**10%**	

	Note	2015	2014
		(Rupees in '000')	

5.2 Depreciation charge has been allocated as follows:

	Note	2015	2014
Cost of goods manufactured	28.1	**14,717**	18,634
Distribution cost	29	**5,230**	5,815
Administrative expenses	30	**3,593**	4,435
		23,540	28,884

5.3 Leasehold land and buildings on leasehold land of the Company had previously been revalued in June 2010 by K.G. Traders (Private) Limited (PBA approved asset valuers and stocks inspectors). This revaluation exercise resulted in net surplus of Rs.437,276 thousand. Leasehold land and buildings on leasehold land of the Company were again revalued in June 2013 by Sadruddin Associates (Private) Limited (PBA approved valuers) on the basis of present market value and depreciated market value. The latest revaluation exercise resulted in a net surplus of Rs.259,447 thousand. Out of the revaluation surplus resulting from all the revaluations carried-out to date, an amount of Rs.1,622,462 thousand (2014: Rs.1,633,604 thousand) remains un-depreciated as at June 30, 2015.

5.4 Had the operating fixed assets been recognised under the cost model, the carrying amount of building on leasehold land would have been Rs.4,710 thousand (2014: Rs.4,949 thousand).

5.5 The detail of operating fixed assets disposed-off is as follows:

Assets Description	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of buyers:
	———--- Rupees in '000 -———						
Motor Vehicles							
Isuzu truck	3,800	2,343	1,457	2,438	981	Negotiation	The General Tyre and Rubber Company of Pakistan Ltd. - an Associated Company
Nissan Sunny	565	151	414	-	(414)	Company policy	Mr. Bashir Ahmed - Ex-employee
Nissan Sunny	1,185	1,185	-	254	254	Company policy	Mr. Iftikhar Ahmed Khan - Key management person
Motorcycle	42	28	14	42	28	Insurance claim	The Universal Insurance Company Limited - an Associated Company
Suzuki Alto	667	634	33	133	100	Company policy	Mr. Salman Gogan - Ex-employee
Suzuki Alto	685	582	103	133	30	Company policy	Mr. Faisal Anas - Employee
June 30, 2015	**6,944**	**4,923**	**2,021**	**3,000**	**979**		
June 30, 2014	950	950	-	286	286		

6. INTANGIBLE ASSETS

These represent computer software licenses.

	Note	2015	2014
		(Rupees in '000')	
Cost			
At June 30,		**1,508**	1,508
Accumulated amortization			
At beginning of the year		**1,162**	861
Add: charge for the year	6.1	**301**	301
At end of the year		**1,463**	1,162
Net book value		**45**	346
Annual rate of amortization		**20%**	20%

6.1 Amortization charge has been allocated as follows:

	Note	2015	2014
Cost of goods manufactured	28.1	**211**	211
Administrative expenses	30	**90**	90
		301	301

7. INVESTMENT PROPERTY

	Lease hold land	Building on Leasehold land	Total
		(Rupees in '000')	
At July 1, 2013			
Cost	97,392	416	97,808
Accumulated amortization / depreciation	7,530	383	7,913
Net book value	**89,862**	**33**	**89,895**
Year ended June 30, 2014			
Opening net book value	89,862	33	89,895
Amortization / depreciation charge	243	7	250
Closing net book value	**89,619**	**26**	**89,645**
At June 30, 2014			
Cost	97,392	416	97,808
Accumulated amortization / depreciation	7,773	390	8,163
Net book value	**89,619**	**26**	**89,645**
Year ended June 30, 2015			
Opening net book value	89,619	26	89,645
Amortization / depreciation charge	243	7	250
Closing net book value	**89,376**	**19**	**89,395**
At June 30, 2015			
Cost	97,392	416	97,808
Accumulated amortization / depreciation	8,016	397	8,413
Net book value	**89,376**	**19**	**89,395**
Amortization / depreciation rate - Annual	**0.25%**	**2.5%**	

7.1 Amortization / depreciation charge for the year has been grouped under administrative expenses (note 30).

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

8. LONG TERM INVESTMENT - at cost

	2015	2014
	(Rupees in '000')	
Subsidiary Company - Un-quoted		
Marghzar Industries (Private) Limited		
140,000 (2014: 140,000) fully paid ordinary shares of Rs.10 each. Equity held: 70% (2014: 70%)	**1,400**	1,400

The Company has been granted an exemption under section 237(8) of the Companies Ordinance, 1984; hence provisions of sub-section 1 to 7 of section 237 of the Companies Ordinance, 1984 does not apply for the financial year ended June 30, 2015 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.

9. LONG TERM LOANS - Secured, considered good

	Note	2015	2014
		(Rupees in '000')	
Loans due from:			
- Executives	9.1 & 9.2	1,813	2,590
- Other employees	9.1	1,629	803
		3,442	3,393
Less: instalments recoverable within next twelve months:			
- Executives		1,552	2,175
- Other employees		781	582
	14	2,333	2,757
		1,109	636

9.1 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.

9.2 Reconciliation of carrying amounts of loans to executives:

	Note	2015	2014
		(Rupees in '000')	
Balance at beginning of the year		**2,590**	3,376
Add: disbursement		**428**	-
		3,018	3,376
Less: recovered during the year		**1,205**	786
Balance at end of the year		**1,813**	2,590

9.3 Maximum aggregate amount of loans due from executives at the end of any month during the year was Rs.2,590 thousand (2014: Rs.3,376 thousand).

		2015	2014
		(Rupees in '000')	
10.	**LONG TERM DEPOSITS - Considered good**		
	Deposit held with / for:		
	Leasing companies	**1,694**	1,564
	Utilities	**808**	808
	Others	**820**	375
		3,322	2,747

		Note	2014	2013
			(Rupees in '000')	
11.	**STORES AND SPARE PARTS**			
	Stores		2,009	1,859
	Spare parts		-	6,316
			2,009	8,175
	Less: provision for obsolescence	12.1	-	6,316
			2,009	1,859
12.	**STOCK-IN-TRADE**			
	Raw materials and components			
	- In hand		297,923	648,294
	Less: provision for obsolescence	12.1	-	20,150
			297,923	628,144
	- In transit		65,911	11,278
			363,834	639,422
	Work-in-process		33,875	48,127
	Finished goods including components		154,649	293,621
	Trading stocks		60,265	89,634
	Less: provision for obsolescence	12.1	-	14,932
			60,265	74,702
			612,623	1,055,872

		Stores & spares		Stock-in-trade	
		2015	2014	2015	2014
		--------------- Rupees in '000 ---------------			
12.1	**Provision for obsolete stock**				
	Balance at beginning of the year	**6,316**	6,316	**35,082**	35,082
	Less: written-off against provision	**6,316**	-	**35,082**	-
	Balance at end of the year	-	6,316	-	35,082

12.2 Stock-in-trade includes stock of Rs.363,049 thousand (2014: Rs.715,552 thousand) held with third parties out of which stock of Rs.333,931 thousand (2014: Rs.647,371 thousand) is held with Ghandhara Nissan Limited (an Associated Company) for further processing into parts and trucks to be supplied to the Company.

	Note	2015	2014
		(Rupees in '000')	
13. TRADE DEBTS - Unsecured, considered good			
Government and semi-government agencies		**36,417**	212,831
Others	13.1	**6,236**	7,955
		42,653	220,786

13.1 Includes amount Rs.300 thousand (2014: Rs.Nil) due from Ghandhara DF (Private) Limited (an Associated Company).

	Associated Company		Others	
	2015	2014	2015	2014
	-------------- Rupees in '000 --------------			
13.2 The ageing of trade debts at reporting date is as follows:				
Upto 30 days	**300**	-	**21,086**	2,672
31 - 180 days	**-**	-	**10,191**	3,389
Over 180 days	**-**	-	**11,076**	214,725
	300	-	**42,353**	220,786

	Note	2015	2014
		(Rupees in '000')	
14. LOANS AND ADVANCES - Unsecured			
Considered good			
Current portion of long term loans to employees	9	**2,333**	2,757
Advances due from:			
- executives	14.1	**2,529**	3,344
- others employees	14.1	**55**	104
- suppliers and contractors	14.2	**248,198**	203,342
		250,782	206,790
Considered doubtful			
Government and semi-government agencies		**1,175**	1,175
Less: provision for doubtful advances		**1,175**	1,175
		-	-
Letters of credit		**2,334**	-
		255,449	209,547

14.1 These advances are given to employees to meet business expenses and are settled when expenses are incurred.

14.2 Includes Rs.Nil (2014: Rs.526 thousand) advanced to The General Tyre and Rubber Company of Pakistan Limited (an Associated Company) for purchase of tyres.

	2015	2014
	(Rupees in '000')	
15. TRADE DEPOSITS AND PREPAYMENTS		
Tender deposits	43,534	64,122
Deposits held with leasing companies	717	2,223
Margins against bank guarantees	176,666	71,336
Less: provision for doubtful margin deposit	330	330
	176,336	71,006
Margin against letters of credit	77,635	47,036
Prepayments	3,435	2,711
	301,657	187,098

16. OTHER RECEIVABLES - Unsecured

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

	Note	2015	2014
		(Rupees in '000')	
17. CASH AND BANK BALANCES			
Cash in hand		564	1,133
Cash with banks on:			
- current accounts		83,590	32,349
- saving accounts	17.1	53,751	3,305
- foreign currency accounts	17.2	38	43
		137,379	35,697
Less: provision for a doubtful bank account	17.3	2,233	2,233
		135,710	34,597

17.1 Saving accounts carry mark-up ranging from 3% to 6.5%(2014: 6.50%) per annum.

17.2 Foreign currency accounts include Japanese Yen (JPY) 31,559 equivalent to Rs.26 thousand and US Dollars 126 equivalent to Rs.12 thousand (2014: JPY 31,559 equivalent to Rs.31 thousand and US Dollars 126 equivalent to Rs.12 thousand).

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

	2015	2014
	(Rupees in '000')	
18. SHARE CAPITAL		
18.1 Authorized capital		
50,000,000 (2014: 50,000,000) ordinary shares of Rs.10 each	500,000	500,000

2015	2014		2015	2014
(No. of shares)			(Rupees in '000')	
17,650,862	17,650,862	Issued, subscribed and paid-up capital Ordinary shares of Rs.10 each fully paid in cash	**176,509**	176,509
358,206	358,206	Ordinary shares of Rs.10 each issued for consideration other than cash	**3,582**	3,582
3,295,354	3,295,354	Ordinary shares of Rs.10 each issued as fully paid bonus shares	**32,953**	32,953
21,304,422	21,304,422		**213,044**	213,044

18.3 At June 30, 2015 and June 30, 2014 Bibojee Services (Private) Limited, the ultimate Holding Company, held 8,343,397 (2014: 8,343,397) ordinary shares of Rs.10 each.

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

	2015	2014
	No. of Shares	
Ghandhara Nissan Limited	**5,166,168**	5,166,168
The Universal Insurance Company Limited	**1,184,148**	1,184,148
The General Tyre and Rubber Company of Pakistan Limited	**100,700**	100,700
Bibojee Investments (Private) Limited	**21,408**	21,408
	6,472,424	6,472,424

19. SURPLUS ON REVALUATION OF FIXED ASSETS

	2015	2014
	(Rupees in '000')	
Balance at the beginning of the year	**1,739,626**	1,750,881
Less: transferred to unappropriated profit on account of incremental depreciation for the year	**11,255**	11,255
	1,728,371	1,739,626
Less: related deferred tax of:		
- opening balance	**66,447**	72,287
- incremental depreciation for the year	**(3,714)**	(3,827)
- effect of change in tax rate	**(5,703)**	(2,013)
- closing balance	**57,030**	66,447
Balance at the end of the year	**1,671,341**	1,673,179

20. 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:

	2015			2014		
	Minimum lease payments	Finance cost	Present value of minimum lease payments	Minimum lease payments	Finance cost	Present value of minimum lease payments
	---------------------------- R u p e e s in 000			------------------------------		
Not later than one year	5,629	1,792	3,837	9,118	1,466	7,652
Later than one year but not later than five years	12,893	2,309	10,584	9,565	1,626	7,939
Total minimum lease payments	18,522	4,101	14,421	18,683	3,092	15,591

20.1 The Company has acquired motor vehicles and machinery under finance lease arrangements from leasing companies. 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 10.97% to 17.35% (2014: 12.03% to 17.56%) per annum. At the end of the lease term, the ownership of the assets shall be transferred to the Company against security deposits paid.

	Note	2015	2014
		(Rupees in '000')	
21. DEFERRED LIABILITIES			
Gain on sale and lease back of fixed assets	21.1	-	41
Staff retirement benefit - gratuity	21.2	**30,545**	24,825
		30,545	24,866

21.1 Gain on sale and lease back of fixed assets

	2015	2014
Balance at beginning of the year	**41**	142
Less: amortization for the year	**41**	101
Balance at end of the year	-	41

The Company entered into sale and leaseback transactions during the financial year ended June 30, 2010 which resulted in finance leases. The excess of sale proceeds over the net book value of motor vehicles under sale and leaseback arrangements were recognised as deferred income and amortized over the period of the lease term.

21.2 Staff retirement benefit - gratuity

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

	2015	2014
21.2.1 Movement in the account of liability	(Rupees in '000')	
Liability at beginning of the year	**24,825**	21,677
Charge for the year	**9,207**	7,535
Re-measurement recognised in other comprehensive income	**474**	2,149
Payments during the year	**(3,961)**	(6,536)
Liability at end of the year	**30,545**	24,825
21.2.2 Movement in the present value of defined benefit obligation		
Net liability at beginning of the year	**24,825**	21,677
Current service cost	**6,180**	5,694
Interest cost	**3,027**	1,841
Re-measurement	**474**	2,149
Benefits paid	**(3,961)**	(6,536)
Net liability at end of the year	**30,545**	24,825
21.2.3 Charge for the year		
Current service cost	**6,180**	5,694
Interest cost	**3,027**	1,841
	9,207	7,535
21.2.4 Re-measurement recognised in other comprehensive income		
Actuarial gain arising from change in demographic assumptions	-	(36)
Experience loss	**474**	2,185
	474	2,149

	2015	2014
21.2.5 Actuarial assumptions used	-- % per annum --	
Discount rate	**9.00%**	13.25%
Expected rate of increase in future salaries	**8.00%**	12.25%
Mortality rates (for death in service)	**SLIC 2001-2005**	SLIC 2001-2005

21.2.6 Sensitivity analysis for actuarial assumptions

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

	Change in assum-ption	Increase in assumption	Decrease in assumption
Discount rate	1.00%	27,582	34,072
Increase in future salaries	1.00%	34,072	27,531

The sensitivity analysis are 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 balance sheet.

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

21.2.7 Based on actuary's advice, the expected charge for the year ending June 30, 2016 amounts to Rs.8,947 thousand.

21.2.8 The weighted average duration of the scheme is 11 years.

21.2.9 Historical information

	2015	2014	2013	2012	2011
			Rupees in 000		
Present value of defined benefit obligation	30,545	24,825	21,677	14,597	11,109
Experience adjustment	474	2,149	2,349	486	(1,313)

21.2.10 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		
As at June 30, 2015	2,449	969	6,074	135,432	144,924

22. DEFERRED TAXATION - Net

	2015	2014
	(Rupees in '000')	
This is composed of following:		
- accelerated tax depreciation allowance	**833**	2,502
- surplus on revaluation of fixed assets	**57,030**	66,447
- liabilities against assets subject to finance lease	**236**	(577)
- gain on sale and lease back of fixed assets	-	(14)
- provision for gratuity	**(9,469)**	(8,192)
- provision for obsolescence of inventories	-	(13,661)
- provision for bad / doubtful debts and receivables	**(1,121)**	(1,234)
- minimum tax recoverable against normal tax charge in future years	-	(42,318)
- unused tax losses	-	(21,257)
	47,509	(18,304)

23. TRADE AND OTHER PAYABLES

	Note	2015	2014
		(Rupees in '000')	
Creditors		**141,607**	128,313
Accrued liabilities		**20,974**	20,162
Advances from customers	23.1	**546,782**	206,906
Advance against sale of investment in immovable property		**5,000**	5,000
Custom duty payable		**-**	36,895
Payable to trustees' provident fund		**178**	178
Royalty payable - related party		**4,394**	2,715
Retention money		**20**	20
Unclaimed dividends		**6,913**	6,913
Withholding tax		**6,460**	4,062
Due to related parties	23.2	**40,531**	98,754
Due to the Subsidiary Company		**2,321**	2,310
Workers' profit participation fund	23.3	**-**	33,102
Worker welfare fund	23.4	**6,997**	323
Others		**1,287**	4,858
		783,464	550,511

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

	Note	2015	2014
		(Rupees in '000')	
23.2 Due to related parties			
Ghandhara Nissan Limited		**34,713**	91,117
The Universal Insurance Company Limited		**-**	1,569
Gammon Pakistan Limited		**-**	250
Waqf-e-Kuli Khan		**5,818**	5,818
		40,531	98,754
23.3 Workers' Profit Participation Fund			
Balance at beginning of the year		**33,102**	30,229
Add: allocation for the year		**-**	849
Add: interest on funds utilised in the Company's business		**-**	2,024
Less: amount written back	23.3.1	**33,102**	-
Balance at end of the year		**-**	33,102

23.3.1 The Company has obtained a legal opinion in connection with the establishment of workers' profit participation fund (the Fund) under the Companies Profits (Workers Participation) Act, 1968 (the Act) and its intension to disburse workers' profit participation fund amount amongst the workers employed by an independent contractor. The opinion states that in the absence of essential entity i.e. workmen category employed by the Company neither the Fund can be established & constituted nor the Company is liable to pay 5% amount to a non-existent Fund. Consequently, the Act becomes unenforceable and ineffective.

Regarding the query of depositing the entire 5% profit amount with the Government treasury - Workers Welfare Fund (WWF) established under section 3 of the Workers Welfare Fund Ordinance, 1971; legal opinion states that deposit of the amount in the WWF arises only after the units have been so allocated. Consequently, the Company is neither liable to appropriate 5% profit amount in the balance sheet nor liable to pay the said amount to non-existent Fund / or in vacuum.

The Company based on this legal advice has written back outstanding balance of workers' profit participation fund aggregating Rs.33,102 thousand which relates to eight financial years from June 30, 2007 to June 30, 2014. Further, provision for current year charge amounting Rs.15,031 thousand has also not been made on the basis of the legal advice.

		Note	2015	2014
23.4	**Workers' Welfare Fund**		(Rupees in '000')	
	Balance at beginning of the year		**323**	3,738
	Add: charge for the year	31	**6,674**	323
	Less: adjusted / payment made		-	(3,738)
	Balance at end of the year		**6,997**	323
24.	**ACCRUED MARK-UP / INTEREST**			
	Mark-up / interest accrued on:			
	- Short term borrowings - secured		**16,447**	26,001
	- Long term loans - unsecured		**4,514**	4,514
			20,961	30,515
25.	**SHORT TERM BORROWINGS - Secured**			
	Running finance	25.1	-	148,932
	Finance against imported merchandise	25.2	**34,169**	282,585
	Istisna	25.3	**34,800**	462,384
	Murabaha	25.3	**132,171**	186,144
			201,140	1,080,045

25.1 The Company has facility for short-term running finance amounting Rs.170 million (2014: Rs.170 million) from a bank. Mark-up is based on 3 months KIBOR plus 2% per annum (2014: 3 months KIBOR plus 2% per annum) payable on quarterly basis. The facility is primarily secured against first pari passu charge by way of hypothecation over stocks and book debts aggregating Rs.227 million (2014: Rs.227 million). This facility is collateralized against equitable mortgage over land and buildings for an amount of Rs.189 million (2014: Rs.189 million). The facility has one year validity on roll over basis and is due for renewal on November 30, 2015.

25.2 The Company has arranged facilities aggregating Rs.1,150 million (2014: Rs.900 million) for opening of letters of credit from banks. These facilities are secured against cash margin and consignment of import documents in bank's favor. Finance against import merchandise (FIM) / import murabaha aggregating Rs.850 million (2014: Rs.500 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 of 3 months KIBOR plus 2% per annum (2014: 3 months KIBOR plus 2% per annum). Profit on import Murabaha is payable on 120 days basis at the rate of matching KIBOR plus 3.25% per annum. LC facility of Rs 700 million (with sublimit of Rs 500 million) is valid for one year on roll over basis and is due for renewal on November 30, 2015 while rest of the facilities are on one time basis and are sub-limits of murabaha facility (note 25.3), export refinance pre-shipment facility (note 25.4), bank guarantee facility (note 25.5).

25.3 The Istisna facility of Rs 498 million (2014: Rs.498 million) with a tenor of 365 days and murabaha facility of Rs.250 million (2014: Rs.250 million) are available from a Bank. Profit on both facilities ranges from KIBOR (matching) plus 3.25% to 3.50% (2014: matching KIBOR plus 2.50% to 3.50%) and is payable along with the repayment of principal. These facilities are secured against first pari passu hypothecation charge on current assets of Rs 1,000 million and personal guarantees of directors. The facilities shall be available till December 31, 2015.

25.4 The Company has an export refinance pre-shipment facility (with sublimit of export refinance post shipment facility) of Rs.100 million (2014: Rs.100 million). Primary security against this facility is first pari passu charge by way of hypothecation over stocks and book debts of Rs.134 million (2014: Rs.134 million) while collateral against the same is equitable mortgage of Rs.100 million (2014: Rs.100 million). The facility is priced at SBP export re-finance rate plus 1% per annum. Tenor of individual tranche is 180 days on rollover basis. This finance facility is available upto November 30, 2015. Further, a one-off LC facility of Rs.100 million is also available as sub-limit of this facility.

25.5 The Company has foreign / inland bills discounting facility of Rs.150 million (2014: 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, 2015.

25.6 The facility for bank guarantees of Rs.900 million (2014: Rs.900 million) is also available form a bank. This facility is secured against cash margin and equitable mortgage over immovable assets of the Company to an extent of Rs.900 million. The facility has one year validity on roll over basis and is due for renewal on November 30, 2015. Further, a one-off LC facility of Rs.100 million is also available as sub-limit of this facility.

26. CONTINGENCIES AND COMMITMENTS

26.1 Contingencies

(i) Suit against the Company by the supplier for the recovery of Rs.25,867 thousand (2014: Rs.25,867 thousand) 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.4,896 thousand (2014: Rs.4,896 thousand). 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 matter is still pending decision before the Tribunal. No provision has been made in these financial statements as the management believes that it will have a favourable decision.

(iii) The Company had obtained legal advice in connection with the establishment of Worker's Participation Fund (the Fund) under the Companies Profits (Workers' Participation) Act, 1968 (the Act). The legal advisor is of the view that since, during the year ended June 30, 2006, the Company did not employ any person who falls under the definition of worker as defined in the Act of 1968, it was not legally or factually possible to constitute the Fund as required by section 3 of the Act. As a consequence, the Company was not required to make contributions to the Fund established pursuant to Workers' Welfare Fund Ordinance 1971. The Company based on legal advice had written back in the financial statements for the year ended June 30, 2007 the contribution of Rs.7,722 thousand of worker's participation fund provided during the year June 30, 2006.

Further, during current year, based on another legal opinion the Company has also written back outstanding balance of Rs.33,102 thousand which relates to the contribution of workers' profit participation fund and accrued interest thereon of eight financial years from June 30, 2007 to June 30, 2014 (refer content of note 23.3.1). Provision for current year charge amounting Rs.15,031 thousand has also not been made in these financial statements on the basis of that legal advice.

Furthermore, the question whether a company to which the Act of 1968 and its scheme applies but which does not employ any worker is nevertheless obliged to establish and pay contributions into the fund under the act and thereafter transfer the same to the fund established under the Workers' Welfare Fund Ordinance, 1971 is sub-judice before Sindh High Court as the Supreme Court of Pakistan accepted the petition of another company and remanded the case to the Sindh High Court for fresh decision.

If it is established that the above provisions of the Act are applicable to the Company, provisions in respect of ten financial years from June 30, 2006 to June 30, 2015 aggregating Rs.55,855 thousand including any penalties may become payable.

(iv) The Assistant Collector Refund Group V has disallowed adjustment of Rs.28.91 million against output tax. The Company has filed appeal before Sales Tax Appellate Tribunal against the order passed by the Collector Appeals, whereby he had maintained the order of the Assistant Collector Refund. No provision is made in these financial statements as the hearing of the above referred appeal which is pending adjudication for want of the constitution of bench of Sales Tax Appellate Tribunal.

		Note	2015	2014
			(Rupees in '000')	
26.2	**Commitments**			
	Bank guarantees		**1,144,655**	781,659
	Letters of credit		**809,877**	435,644
27.	**SALES - Net**			
	Manufactured goods			
	Gross sales			
	- local		**3,782,659**	2,784,827
	- export		**2,385**	61,931
			3,785,044	2,846,758
	Less: sales tax		**549,617**	403,788
			3,235,427	2,442,970
	Trading goods			
	Gross sales - local		**68,903**	27,537
	Less: sales tax		**11,001**	4,380
			57,902	23,157
			3,293,329	2,466,127

28. COST OF SALES

	Note	2015	2014
		(Rupees in '000')	
Manufactured goods			
Stocks at beginning of year		**293,621**	425,594
Cost of goods manufactured	28.1	**2,417,733**	2,012,158
		2,711,354	2,437,752
Stocks at end of year		**(154,649)**	(293,621)
		2,556,705	2,144,131
Trading goods			
Stocks at beginning of year		**74,702**	37,981
Purchases		**32,263**	58,021
		106,965	96,002
Stocks at end of year		**(60,265)**	(74,702)
		46,700	21,300
		2,603,405	2,165,431

28.1 Cost of goods manufactured

	Note	2015	2014
Raw materials and components consumed	28.2	**2,184,646**	1,702,193
Stores and spares consumed		**5,531**	4,875
Salaries, wages and other benefits	28.3	**82,824**	74,283
Fuel and power		**14,655**	15,700
Rent, rates and taxes		**388**	12
Insurance		**3,694**	3,330
Research and development		**477**	1,740
Repair and maintenance		**3,173**	1,193
Travelling and entertainment		**4,197**	2,567
Vehicle running and maintenance		**844**	947
Printing, stationery and office supplies		**354**	137
Communication		**140**	191
Royalty expense		**8,306**	7,505
Outside assembly charges		**75,400**	100,220
Depreciation	5.2	**14,717**	18,634
Amortization of intangible assets	6.1	**211**	211
Freight and handling		**3,844**	3,997
Other expenses		**80**	576
		2,403,481	1,938,311
Work-in-process adjustment		**14,252**	73,847
		2,417,733	2,012,158

28.2 Raw materials and components consumed

		2015	2014
Stocks at beginning of year		**639,422**	770,166
Add : purchases including duties, taxes and other charges		**1,909,058**	1,571,449
		2,548,480	2,341,615
Stocks at end of year		**(363,834)**	(639,422)
		2,184,646	1,702,193

28.3 Salaries, wages and other benefits include Rs.3,290 thousand (2014: Rs.2,679 thousand) in respect of staff retirement benefit - gratuity.

29. DISTRIBUTION COST

	Note	2015	2014
		(Rupees in '000')	
Salaries and benefits	29.1	**41,079**	31,772
Commission		**62,111**	28,775
Rent, rates and taxes		**2,953**	2,110
Insurance		**1,670**	1,390
Repair and maintenance		**854**	9
Utilities		**198**	135
Travelling and entertainment		**7,193**	7,491
Vehicle running and maintenance		**1,208**	1,674
Printing, stationery and office supplies		**2,029**	1,066
Communication		**873**	813
After sale services and warranty		**6,060**	3,409
Advertisement		**3,720**	9,426
Legal and professional charges		**683**	126
Late delivery charges		**18,253**	1,618
Depreciation	5.2	**5,230**	5,815
Freight forwarding and handling		**10,559**	8,548
Other expenses		**1,637**	1,090
		166,310	105,267

29.1 Salaries and benefits include Rs.2,932 thousand (2014: Rs.2,196 thousand) in respect of staff retirement benefit - gratuity.

30. ADMINISTRATIVE EXPENSES

	Note	2015	2014
		(Rupees in '000')	
Salaries and benefits	30.1	**34,207**	29,235
Staff training and ancillary cost		**656**	330
Rent, rates and taxes		**2,808**	4,438
Insurance		**1,843**	2,680
Repair and maintenance		**942**	544
Utilities		**438**	1,008
Travelling and entertainment		**11,549**	10,669
Vehicle running and maintenance		**1,136**	2,227
Printing, stationery and office supplies		**1,767**	619
Communication		**770**	859
Legal and professional charges		**4,040**	2,834
Fee and subscriptions		**978**	872
Depreciation	5.2	**3,593**	4,435
Amortization of intangible assets	6.1	**90**	90
Amortization / depreciation of investment property	7.1	**250**	250
Security expenses		**4,264**	3,832
Other expenses		**376**	1,194
		69,707	66,116

30.1 Salaries and benefits include Rs.2,985 thousand (2014: Rs.2,660 thousand) in respect of staff retirement benefit - gratuity.

	Note	2015	2014
		(Rupees in '000')	
31. OTHER EXPENSES			
Auditors' remuneration			
- audit fee		600	500
- out of pocket expenses		25	15
		625	515
Workers' profits participation fund		-	849
Workers' welfare fund	23.4	6,674	323
Donation and charities	31.1	2,919	1,540
Exchange loss - net		1,630	-
Advance for computer software written-off		1,698	-
		13,546	3,227

31.1 None of the directors or their spouses had any interest in the donees.

	Note	2014	2013
		(Rupees in '000')	
32. OTHER INCOME			
Income from financial assets			
Profit on saving accounts		670	622
Exchange gain - net		-	94
Income from other than financial assets			
Gain on sales of operating fixed assets	5.5	979	286
Commission		16,878	63,725
Amortization of gain on sale and lease back of fixed assets	21.1	41	101
Workers' Profit Participation Fund written back	23.3.1	33,102	-
Rental income		2,100	1,950
		53,770	66,778
33. FINANCE COST			
Mark-up / interest on:			
- lease finances		1,877	2,436
- finance against imported merchandise		33,920	56,218
- istisna / running finances / export refinance		118,337	104,351
- loan from Subsidiary Company		342	337
Interest on workers' profits participation fund		-	2,024
Bank charges and others		12,639	11,686
		167,115	177,052
34. TAXATION			
Current			
- for the year	34.1	89,052	33,703
- for prior year		(14,768)	488
- adjustment of recoupable minimum tax		(42,730)	-
		31,554	34,191
Deferred			
- origination and reversal of temporary differences		72,106	(42,992)
- impact of change in tax rate		(434)	545
		71,672	(42,447)
		103,226	(8,256)

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

	June 30, 2015
	(Rupees in '000')
Profit before taxation	**327,016**
Tax at the applicable rate of 33%	**107,915**
Tax effect of items, which are not deductible for tax purposes and are taken to profit and loss account	**13,814**
Tax effect of items, which are deductible for tax purposes but are not taken to profit and loss account	**(28,348)**
Effect of tax credits	**(42,730)**
Tax effect of income subject of final tax regime	**(4,329)**
Charge of prior years' tax provision	**(14,768)**
Deferred taxation	**71,672**
	103,226

34.2 No numeric tax rate reconciliation for the preceding year is given in the financial statements as provision made during the preceding year mainly represents minimum tax due under section 113 and final tax deducted under sections 154 and 233 the Income Tax Ordinance, 2001.

34.3 Section 5A of the Income Tax Ordinance, 2001 imposes tax at the rate of ten percept on every public company other than a scheduled bank or modaraba, that derives profits for a tax year but does not distribute cash dividend within six months of the end of said tax year or distribute dividends to such an extent that its reserves, after such distribution, are in excess of 100% of its paid up capital. However, this tax on undistributed reserves is not applicable to a public company which distributes profit equal to either 40% of its after tax profits or 50% of its issued, subscribed and paid up capital, whichever is less, within six months of the end of the tax year.

The Board of Directors in their meeting held on September 16, 2015 has distributed sufficient cash dividend for the year ended June 30, 2015 (refer note 45) which complies with the above stated requirements. Accordingly, no provision for tax on undistributed reserves has been recognised in these financial statements for the year ended June 30, 2015.

35. EARNINGS PER SHARE
- basic and diluted

Net profit for the year	**223,790**	24,068
	--- Number of shares ---	
Weighted average ordinary shares outstanding during the year	**21,304,422**	21,304,422
	-------- Rupees --------	
Basic earnings per share	**10.50**	1.13

35.1 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.

36. CASH GENERATED FROM OPERATIONS

	Note	2015	2014
		(Rupees in '000')	
Profit before taxation			
Adjustment for non cash charges and other items:			
Depreciation / amortization on:			
- property, plant and equipment		23,540	28,884
- intangible assets		301	301
- investment property		250	250
Gain on sale of operating fixed assets		(979)	(286)
Amortization of gain on sale and lease back of fixed asset		(41)	(101)
Exchange loss / (gain) - net		1,630	(94)
Finance cost		167,115	177,052
Profit on saving account		(670)	(622)
Advance against computer software written-off		1,698	-
Worker's profit participation fund written back		(33,102)	-
Provision for gratuity		9,207	7,535
		495,965	228,731
Working capital changes - net	36.1	790,274	148,799
		1,286,239	377,530

36.1 Working capital changes

	Note	2015	2014
		(Rupees in '000')	
(Increase) / decrease in current assets			
Stores and spare parts		(150)	426
Stock-in-trade		443,249	299,843
Trade debts		178,133	72,642
Loans and advances		(45,902)	37,615
Trade deposits and prepayments		(114,559)	(39,550)
Other receivables		(7,729)	(5,024)
Sales tax refundable / adjustable		71,177	57,637
		524,219	423,589
Decrease / (increase) in trade and other payables		266,055	(274,790)
		790,274	148,799

37. CASH AND CASH EQUIVALENTS

	Note	2015	2014
Cash and bank balances	17	135,710	34,597
Short term borrowings	25	(201,140)	(1,080,045)
		(65,430)	(1,045,448)

39. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Directors		Executive	
	2015	2014	**2015**	2014	**2015**	2014
			(Rupees in '000')			
Managerial remuneration, bonus and allowances	-	-	-	-	**68,881**	52,181
Retirement benefit	-	-	-	-	**4,582**	3,986
Others	-	-	-	-	**2,989**	3,984
	-	-	-	-	**76,452**	60,151
Number of persons	-	-	-	-	**60**	56

38.1 Some executives are provided with free use of car maintained by the Company in accordance with their term of employment.

38.2 Aggregate amount charged in the financial statements for meeting fee to Directors was Rs.420 thousand (2014: Rs.300 thousand).

39. 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 transaction	2015	2014
		(Rupees in '000')	
(i) Subsidiary Company			
Marghzar Industries (Private) Limited	Financial charges	342	337
	Reimbursement of expenses	330	-
(ii) Associated Companies / Undertaking			
The General Tyre and Rubber Company of Pakistan Limited	Purchase of tyres	109,421	50,567
(Common Directorship)	Rental income	2,100	1,950
	Sale of fixed assets	2,438	-
	Sale services rendered	38	-
	Sale of truck	1,975	-
Ghandhara Nissan Limited (Common Directorship)	Assembly charges	88,218	117,257
	Sales - fabrication	6,700	1,452
	Purchase of fixed assets	-	566
	Sale of truck	2,250	-
	Re-imbursement of expenses	180	-
The Universal Insurance Company Limited (Common Directorship)	Insurance premium	-	1,693
Rehman Cotton Mills Limited (Common Directorship)	Rent paid	1,800	1,500
	Purchase of fixed assets	9,000	-
Gammon Pakistan Limited (Common Directorship)	Rent paid	1,500	1,250
Ghandhara DF (Private) Limited (Common Directorship)	Sales - fabrication	300	-
Hasan & Hasan Advocates (Common Directorship)	Retainership fee	120	120
	Legal and professional fee	1,010	-
(iii) Technology suppliers			
Isuzu Motors Limited - Japan	Commission income	16,878	63,725
	Royalty accrued	8,306	7,505
	Re-imbursement of expenses	-	3,490
	Warranty claims received	270	418
(iv) Key management personnel	Remuneration, bonus and other benefits	21,771	19,621
	Retirement benefit paid	552	-

40. 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.

41. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

41.1 Financial assets and liabilities by category and their respective maturities

	Interest / Mark-up bearing			Non interest / Mark-up bearing			Total
	Maturity up to 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	-	-	-	2,333	1,109	3,442	3,442
Deposits	-	-	-	298,222	3,322	301,544	301,544
Trade debts	-	-	-	42,653	-	42,653	42,653
Other receivables	-	-	-	16,292	-	16,292	16,292
Cash and bank balances	53,751	-	53,751	81,959	-	81,959	135,710
June 30, 2015	**53,751**	**-**	**53,751**	**441,459**	**5,831**	**447,290**	**501,041**
June 30, 2014	3,305	-	3,305	446,700	4,783	451,483	454,788
Financial liabilities as per balance sheet							
At amortised cost							
Trade and other payables	-	-	-	218,225	-	218,225	218,225
Accrued mark-up / interest	-	-	-	20,961	-	20,961	20,961
Short term borrowings	201,140	-	201,140	-	-	-	201,140
Liabilities against assets subject to finance lease	3,837	10,584	14,421	-	-	-	14,421
June 30, 2015	**204,977**	**10,584**	**215,561**	**239,186**	**-**	**239,186**	**454,747**
June 30, 2014	1,087,697	7,939	1,095,636	292,023	-	292,023	1,387,659
On Balance Sheet Gap							
June 30, 2015	**(151,226)**	**(10,584)**	**(161,810)**	**202,273**	**5,831**	**208,104**	**46,294**
June 30, 2014	(1,084,392)	(7,939)	(1,092,331)	154,677	4,783	159,460	(932,871)
Off Balance Sheet							
Letters of credit							809,877
Letters of guarantee							1,144,655
						June 30, 2015	**1,954,532**
						June 30, 2014	1,217,303

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

41.2 Financial risk factors

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency 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.499,077 thousand (2014: Rs.452,255 thousand).

Trade debts mainly represent receivables from government and semi-government agencies and are therefore not materially exposed to credit risk.

Deposits mainly include margin against letters of credit and bank guarantees and like bank balances, these represent low credit risk as they are 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 top maintain flexibility in funding by keeping committed credit lines open.

The maturity profile of the Company's liabilities based on contractual maturities is disclosed in note 41.1 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, 2015, receivables and payables exposed to foreign currency risk are Rs.16,330 thousand (2014: Rs.7,521 thousand) and Rs.4,394 thousand (2014: Rs.3,367 thousand) respectively.

At June 30, 2015 if Pak Rupee had weakened / strengthened by 2% against Japanese Yen with all other variables held constant, profit before tax for the year would have been lower / higher by Rs.294 thousand (2014: Rs.117 thousand), mainly as a result of foreign exchange loss / gain on translation of Japanese Yen denominated financial assets and liabilities.

At June 30, 2015 if Pak Rupee had weakened / strengthened by 4% against US Dollar with all other variables held constant, profit before tax for the year would have been lower / higher by Rs.0.5 thousand (2014: Rs.0.5 thousand), mainly as a result of foreign exchange loss / gain on translation of US Dollar 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, 2015, the Company's interest bearing financial liabilities of Rs.215,561 thousand (2014: Rs.1,095,636 thousand) 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.2,156 thousand (2014: Rs.12,168 thousand).

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.

41.3 Price risk

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

41.4 Fair values of financial assets and liabilities

The carrying value of all financial assets and liabilities reflects in the financial statements approximate their fair value.

42. CAPITAL RISK MANAGEMENT

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

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debts.

The Company monitors capital on the basis of the gearing ratio. Net debt is calculated as total borrowings (lease finance and short term borrowings as shown in the balance sheet) less cash and bank balances. Total equity includes all capital and reserves of the Company that are managed as capital. Total capital is calculated as equity as shown in the balance sheet plus net debt.

	2015	2014
	(Rupees in '000')	
Total borrowings	**215,561**	1,095,636
Cash and bank balances	**(135,710)**	(34,597)
Net debt	**79,851**	1,061,039
Total equity	**578,046**	347,033
Total capital	**657,897**	1,408,072
Gearing ratio	**12%**	75%

43. 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, 2015 are located in Pakistan.

(b) 99.93% (2014: 97.49%) of the Company's sales relate to customers in Pakistan.

(c) The Company does not have any customer having sale of ten percent or more during the year ended June 30, 2015.

	2015	2014
44. NUMBER OF EMPLOYEES		
Number of employees at June 30,		
- Permanent	116	123
- Contractual	334	222
Average number of employees during the year		
- Permanent	118	129
- Contractual	222	227

45. NON-ADJUSTING EVENT AFTER BALANCE SHEET DATE

The Board of Directors of the Company in their meeting held on September 16, 2015 have proposed final cash dividend of Rs. 4.5 per share, amounting to Rs. 95,870 thousand, for the year ended June 30, 2015. The proposed dividend will be approved in the forthcoming annual general meeting to be held on October 22, 2015.

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, 2016.

46. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on September 16, 2015 by the Board of Directors of the Company.

47. CORRESPONDING FIGURES

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

Ahmad Kuli Khan Khattak
Chief Executive

Jamil Ahmed Shah
Director

DIVIDEND MANDATE FORM

To:

Name of Member :________________________
Folio #: ____________________________
Address: ___________________________
____

Dear Shareholder(s)

Subject: **DIVIDEND MANDATE FORM**

It is to inform you that Under Section 250 of the Companies Ordinance, 1984 a shareholder may, direct the Company to pay dividend through his/her/its bank account.

In pursuance of the directions given by the Securities and Exchange Commission of Pakistan Vide Circular # 18 of 2012 dated June 05, 2012 an opportunity is hereby given to authorize the Company to directly credit shareholders bank account with cash dividend, if any, declared by the Company in future.

(Please note that this Dividend Mandate is Optional and not Compulsory, in case you do not wish your dividend to be directly credited into your bank account then the same shall be paid to you through the dividend warrants.)

Do you wish the cash dividend declared by the Company, if any, is directly credit in your bank account, instead of issuance of dividend warrants. (✔) Please tick any of the following boxes:

YES NO

If yes then please provide the following information:

Transferee Detail	
Title of Bank Account	
Bank Account Number	
Bank's Name	
Branch Name and Address	
Cell Number of Transferee	
Landline Number of Transferee, if any	

It is stated that the above-mentioned information is correct, that I will intimate the changes in the above mentioned information to the Company and the concerned Share Registrar as soon as these occur. In case of shareholders having CDC investors/Sub-Accounts, the duly filled Forms should be submitted to CDC Customers service or the respective Participants.

Signature of the member /shareholder

Date :________________

ELECTRONIC TRANSMISSION CONSENT FORM

The Securities and Exchange Commission of Pakistan through SRO 787(1)/ 2014 of 08 September 2014 allowed the Company to circulate its annual balance sheet and profit & loss accounts, auditor' report and directors' report etc. (Audited Financial Statements) along with the Company's Notice of Annual General Meeting to its shareholders through email. Those shareholders who wish to receive the Company's Annual Report through email are requested to complete the requisite form below.

CDC shareholders are requested to submit their Electronic Transmission Consent Form along with their CNIC directly to their broker (participant)/ CDC; while shareholders having physical shares are to send the forms and a copy of their CNIC to the Company's Registrar, Hameed Majeed Associates (Pvt.) Ltd, 4th Floor,HasratMohani Road,Karachi.

Electronic Transmission Consent Form

Pursuant to the directions given by the Securities and Exchange Commission of Pakistan through its S.R.O. 787(1)/ 2014 of 8 September 2014, I, Mr./ Ms. ______________________________ S/o., D/o., W/o ______________________________ hereby consent to have Ghandhara Industries Limited's Audited Financial Statements and Notice of Annual General Meeting delivered to me via email on my email address provided below:

Name of Member / Shareholder	
Folio / CDC Account Number	
CNIC	
Email Address	

It is stated that the above mentioned information is true and correct and that I shall notify the Company and its Share Registrar in writing of any change in my email address or withdrawal of my consent to email delivery of the Company's Audited Financial Statements and Notice of Annual General Meeting.

____
Signature of the member /shareholder

Date :______________

PROXY FORM

I/We____of ____

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 52nd Annual General Meeting of the Company to be held on Thursday, 22nd October, 2015 at 02:00 P.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 Computerised 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
_______________ Computerised National Identity Card Number or Passport Number of Witness	_______________ Computerised National Identity Card Number or Passport Number of Witness

____
Proxy's Signature

____
Proxy's CNIC Number or Passport Number

____
Proxy's Signature

____
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 authorised 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 alongwith 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 Computerised 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 Computerised 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.

GHANDHARA INDUSTRIES LIMITED
F-3, Hub Chauki Road, S.I.T.E.,
Post Box No. 2706, Karachi - 75730