

ISUZU

**CONDENSED INTERIM
FINANCIAL INFORMATION**
for the Half Year Ended
December 31, 2013
(Un-Audited)



GHANDHARA INDUSTRIES LIMITED
A Bibojee Group Company



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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
Mr. Mushtaq Ahmed Khan, FCA	Director
Dr. Parvez Hassan	Director
Mr. Jamil Ahmed Shah	Director
Ch. Sher Muhammad	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. Mushtaq Ahmed Khan, FCA	Member
Mr. Jamil Ahmed Shah	Member

**BOARD HUMAN RESOURCE &
REMUNERATION COMMITTEE**

Mr. Jamil Ahmed Shah	Chairman
Mr. Ahmad Kuli Khan Khattak	Member
Ch. Sher Muhammed	Member

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.
5th Floor, Karachi Chambers,
Hasrat Mohani Road, Karachi.





DIRECTORS' REVIEW

The directors of your company take pleasure in presenting the unaudited accounts for the half year ended on December 31, 2013. The accompanying financial statements received a limited review from the statutory auditors as required under the Code of Corporate Governance.

Financial results

During the period, total sales of the Company have fallen as compared to the same period of the last year, this is mainly due to the fact that a large sales contract of Pak Army was underway then. The results for the quarter and half year are as follows:

	Quarter ended December 31		Half year ended December 31	
	2013	2012	2013	2012
Sales (Rs '000)	443,322	845,099	1,091,348	1,211,002
Gross profit (Rs '000)	41,688	156,977	129,879	208,566
(Loss)/ profit from operations (Rs '000)	9,581	111,629	54,164	148,644
(Loss)/ profit before tax (Rs '000)	(36,496)	65,678	(33,214)	64,234
(Loss)/ profit after tax (Rs '000)	(31,621)	38,810	(29,899)	40,144
(Loss)/ earnings per share (Rs)	(1.48)	1.82	(1.40)	1.88

Due to lower sales volume and higher inflationary pressures, gross profit margin remained low, this along with high finance cost lead to losses for the half year.

Future outlook

The management of your company is working hard to get more sales orders and the current response thereto suggests attainment of better sales volume and profitability margins.

By order of the Board

Karachi:
February 26, 2014

AHMAD KULI KHAN KHATTAK
Chief Executive



AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of Gandhara Industries Limited as at December 31, 2013 and the related condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof for the half year then ended (here-in-after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

The figures of the condensed interim profit and loss account for the quarters ended December 31, 2013 and 2012 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2013.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the half year ended December 31, 2013 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Emphasis of Matter

Without qualifying our opinion, we draw attention to note 8.1.1 of this interim financial information, the Company has written back in the financial statements for the year ended June 30, 2007 provision for Workers' Profit Participation Fund 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.

If it is established that the provisions of the Company's Profits (Workers' Participation) Act, 1968 are applicable to the Company, provision in respect of year ended June 30, 2006 amounting to Rs.7.722 million including any penalties may become payable.

HAMEED CHAUDHRI & CO., CHARTERED ACCOUNTANTS

Engagement Partner: Osman Hameed Chaudhri
Karachi; February 26, 2014



CONDENSED INTERIM BALANCE SHEET

AS AT DECEMBER 31, 2013

	Note	Un-audited December 31, 2013	Audited June 30, 2013
ASSETS			
Non-Current Assets			
Property, plant and equipment	5	1,691,165	1,703,088
Intangible assets		498	647
Investment property		89,769	89,895
Long term investment		1,400	1,400
Long term loans		980	1,311
Long term deposits		4,935	4,633
		<u>1,788,747</u>	<u>1,800,974</u>
Current Assets			
Stores and spare parts		1,102	2,285
Stock-in-trade	6	1,211,980	1,355,715
Trade debts	7	329,747	293,428
Loans and advances		275,666	247,162
Trade deposits and prepayments		110,028	147,548
Other receivables		5,300	2,454
Sales tax refundable / adjustable		124,543	132,025
Taxation - payments less provision		126,061	114,440
Cash and bank balances		21,339	40,289
		<u>2,205,766</u>	<u>2,335,346</u>
Total Assets		<u>3,994,513</u>	<u>4,136,320</u>
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorised capital			
50,000,000 (June 30, 2013: 50,000,000) ordinary shares of Rs.10 each		<u>500,000</u>	<u>500,000</u>
Issued, subscribed and paid-up capital			
21,304,422 (June 30, 2013: 21,304,422) ordinary shares of Rs.10 each		213,044	213,044
Unappropriated profit		77,748	103,933
		<u>290,792</u>	<u>316,977</u>
Surplus on Revaluation of Fixed Assets		<u>1,674,880</u>	<u>1,678,594</u>
Liabilities			
Non-current Liabilities			
Liabilities against assets subject to finance lease		10,058	15,102
Deferred liabilities		20,436	21,819
Deferred taxation		11,809	26,865
		<u>42,303</u>	<u>63,786</u>
Current Liabilities			
Trade and other payables		640,086	822,680
Accrued mark-up / interest		58,470	32,261
Short term borrowings		1,278,554	1,214,536
Current maturity of liabilities against assets subject to finance lease		9,428	7,486
		<u>1,986,538</u>	<u>2,076,963</u>
		<u>2,028,841</u>	<u>2,140,749</u>
Contingencies and Commitments	8	-	-
Total Equity and Liabilities		<u>3,994,513</u>	<u>4,136,320</u>

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

Chief Executive Officer

Director



CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2013

	Note	Quarter ended		Half year ended	
		December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
(Rupees '000)					
Sales - net		443,322	845,099	1,091,348	1,211,002
Cost of sales	9	(401,634)	(688,122)	(961,469)	(1,002,436)
Gross profit		41,688	156,977	129,879	208,566
Distribution cost		(25,098)	(22,482)	(42,280)	(35,120)
Administrative expenses		(17,658)	(13,768)	(35,646)	(29,358)
Other expenses		2,644	(5,163)	(6,156)	(5,365)
Other income		8,005	(3,935)	8,367	9,921
Profit from operations		9,581	111,629	54,164	148,644
Finance cost		(46,077)	(45,951)	(87,378)	(84,410)
(Loss) / profit before taxation		(36,496)	65,678	(33,214)	64,234
Taxation		4,875	(26,868)	3,315	(24,090)
(Loss) / profit after taxation		(31,621)	38,810	(29,899)	40,144
Other comprehensive income		-	-	-	-
Total comprehensive (loss) / income		(31,621)	38,810	(29,899)	40,144
(Rupees)					
Basic and diluted (loss) / earnings per share		(1.48)	1.82	(1.40)	1.88

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

Chief Executive Officer

Director



**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2013**

	Note	Half year ended	
		December 31, 2013	December 31, 2012
(Rupees '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	10	11,911	(569,904)
Gratuity paid		(5,263)	(1,514)
Finance cost paid		(59,843)	(76,415)
Income tax paid		(23,362)	(16,981)
Long term loans - net		331	136
Long term deposits - net		(302)	132
Net cash used in operating activities		<u>(76,528)</u>	<u>(664,546)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(1,674)	(7,741)
Sale proceeds on disposal of operating fixed assets		286	389
Interest received		397	307
Net cash used in investing activities		(991)	(7,045)
NET CASH USED IN FINANCING ACTIVITIES			
Liabilities against assets subject to finance lease - net		(5,449)	(2,915)
Net decrease in cash and cash equivalents		<u>(82,968)</u>	<u>(674,506)</u>
Cash and cash equivalents - at beginning of the period		<u>(1,174,247)</u>	<u>(752,758)</u>
Cash and cash equivalents - at end of the period	11	<u><u>(1,257,215)</u></u>	<u><u>(1,427,264)</u></u>

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

Chief Executive Officer

Director



CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2013

	Issued subscribed and paid-up capital	(Accumulated loss) / Unappropriated profit	Total
(Rupees '000)			
Balance as at July 1, 2012 - as previously reported	213,044	(27,772)	185,272
Effect of change in accounting policy due to application of IAS 19 (Revised) - note 3.2.1 (net of tax)	-	(44)	(44)
Balance as at July 1, 2012 - as restated	213,044	(27,816)	185,228
Profit for the half year ended December 31, 2012	-	40,144	40,144
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	40,144	40,144
Surplus on revaluation of fixed assets realised during the period (net of deferred taxation) on account of incremental depreciation	-	2,782	2,782
Balance as at December 31, 2012 - as restated	213,044	15,110	228,154
Balance as at July 1, 2013 - as previously reported	213,044	105,527	318,571
Effect of change in accounting policy due to application of IAS 19 (Revised) - note 3.2.1 (net of tax)	-	(1,594)	(1,594)
Balance as at July 1, 2013 - as restated	213,044	103,933	316,977
Loss for the half year ended December 31, 2013	-	(29,899)	(29,899)
Other comprehensive income	-	-	-
Total comprehensive loss for the period	-	(29,899)	(29,899)
Surplus on revaluation of fixed assets realised during the period (net of deferred taxation) on account of incremental depreciation	-	3,714	3,714
Balance as at December 31, 2013	213,044	77,748	290,792

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

Chief Executive Officer

Director



NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2012

1. CORPORATE INFORMATION

Gandhara 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 of the Company is assembly and progressive manufacturing of Isuzu trucks and buses.

Bibojee Services (Private) Limited, the ultimate Holding Company, held 8,343,397 (June 30, 2013: 8,343,397) ordinary shares of Rs.10 each as at December 31, 2013.

2. BASIS OF PREPARATION

This condensed interim financial information is un-audited and is being submitted to the members in accordance with section 245 of the Companies Ordinance, 1984. It has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. The figures for the half year ended December 31, 2013 have, however, been subjected to limited scope review by the auditors as required by the Code of Corporate Governance. This condensed interim financial information does not include all the information required for annual financial statements and therefore, should be read in conjunction with the audited annual financial statements for the year ended June 30, 2013.

3. ACCOUNTING POLICIES

3.1 The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of preceding audited annual published financial statements of the Company for the year ended June 30, 2013 except for the adoption of a new accounting policy as detailed in note 3.2.1.

3.2 Initial application of standards, amendments or an interpretation to existing standards

The following amendments to existing standards have been published that are applicable to the Company's financial statements covering annual periods, beginning on or after the following dates.

3.2.1 Amendments to published standards effective in current year

Certain standards, amendments and an interpretation to accounting standards are effective for accounting period beginning on July 1, 2013 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore not detailed in this condensed interim financial information except for IAS 19 - 'Employee Benefits' (revised in June 2011) as detailed below.

IAS 19 (Revised) requires past service cost to be recognised immediately in the profit or loss and replaces the interest cost on the defined benefit obligation and the expected return on plan assets with a net interest cost based on the net defined benefit asset or liability and the discount rate, measured at beginning of the year. Further, a new term "re-measurements" has been introduced which is made up of actuarial gains and losses, the difference between actual investment returns and the return implied by the net interest cost. The revised standard eliminates the corridor approach and requires to recognise all re-measurement gain or loss / actuarial gain or loss in the other comprehensive income immediately as they occur.

The Company has applied IAS 19 retrospectively in accordance with the transitional provisions as set out in this standard and consequently the earliest period presented in condensed interim balance sheet and condensed interim statement of changes in equity has been restated. The impacts of retrospective application are as follows:



	Accumulated loss) / unappro- priated profit	Deferred liabilities	Deferred taxation
	(Rupees '000)		
Balance as at June 30, 2012 - as previously reported	(27,772)	14,774	(32,049)
Restatement - recognition of re-measurement loss	(44)	66	(22)
Balance as at June 30, 2012 - as restated	(27,816)	14,840	(32,071)
Balance as at June 30, 2013 - as previously reported	105,527	19,404	27,686
Restatement - recognition of re-measurement loss			
- For the year 2012	(44)	66	(22)
- For the year 2013	(1,550)	2,349	(799)
Balance as at June 30, 2013 - as restated	103,933	21,819	26,865

The Company follows a consistent practice to conduct actuarial valuations annually at the year end. Hence, the impact on this and comparative condensed interim profit and loss account are not quantifiable and are also considered immaterial.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. However, actual results may differ from these estimates.

In preparing this condensed interim financial information, the significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the audited annual financial statements for the year ended June 30, 2013.

5. PROPERTY, PLANT AND EQUIPMENT

	Note	Un-audited December 31, 2013	Audited June 30, 2013
		(Rupees '000)	
Operating fixed assets	5.1	1,689,467	1,701,672
Capital work-in-progress		1,698	1,416
		1,691,165	1,703,088



	Note	Un-audited December 31, 2013	Audited June 30, 2013
(Rupees '000)			
5.1 Operating fixed assets			
Net book value at beginning of the period / year		1,701,672	1,447,944
Additions during the period / year	5.2	2,411	20,732
Disposals costing Rs.950 thousand (June 30, 2013: Rs.5,707 thousand) - at net book value		-	(925)
Revaluation of leasehold land and buildings on leasehold land		-	259,447
Depreciation charge for the period / year		(14,616)	(25,526)
Net book value at end of the period / year		<u>1,689,467</u>	<u>1,701,672</u>
5.2 Additions during the period / year:			
Owned			
- Plant and machinery		33	4,640
- Furniture and fixtures		24	138
- Motor vehicles		566	3,122
- Office machines & equipment		483	362
- Computers		286	3,335
Leased			
- Cars		1,019	9,135
		<u>2,411</u>	<u>20,732</u>
6. STOCK-IN-TRADE			
Raw materials & components:			
In hand		732,435	657,807
Less: provision for slow moving raw materials		20,150	20,150
		<u>712,285</u>	<u>637,657</u>
In transit		20,952	132,509
		<u>733,237</u>	<u>770,166</u>
Work-in-process		45,997	121,974
Finished goods including components		370,435	425,594
Trading stocks		77,243	52,913
Less: provision for slow moving stocks		14,932	14,932
		<u>62,311</u>	<u>37,981</u>
		<u>1,211,980</u>	<u>1,355,715</u>
7. TRADE DEBTS - Unsecured and considered good			
Government and semi-government agencies		213,145	230,852
Others		116,602	62,576
		<u>329,747</u>	<u>293,428</u>
8. CONTINGENCIES AND COMMITMENTS			
8.1 Contingencies			
8.1.1			
The Company had obtained legal advice in connection with the establishment of Worker's Profit 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 amount of contribution of worker's participation fund provided during the year June 30, 2006.

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 the 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 in accordance with its order.

If it is established that the above provisions of the Act are applicable to the Company, provision in respect of year ended June 30, 2006 amounting to Rs.7.722 million including any penalties may become payable.

8.1.2 There has been no significant change in status of contingencies as disclosed in note 25.1 of the audited annual financial statements of the Company for the year ended June 30, 2013.

	Note	Un-audited December 31, 2013	Audited June 30, 2013
(Rupees '000)			
8.2 Commitments			
Bank guarantees		610,268	930,757
Letters of credit		151,061	212,450
Capital expenditure		5,968	5,878

9. COST OF SALES

(Un-audited)					
		Quarter ended		Half year ended	
Note	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012	
(Rupees '000)					
	393,530	472,665	463,575	232,785	
Stocks at beginning of the period					
Cost of goods manufactured	427,168	790,641	902,818	1,343,807	9.1
Trading goods - purchases	13,682	1,316	27,822	2,344	
	440,850	791,957	930,640	1,346,151	
	834,380	1,264,622	1,394,215	1,578,936	
Stocks at end of the period	432,746	576,500	432,746	576,500	
	401,634	688,122	961,469	1,002,436	



	(Un-audited)			
	Quarter ended		Half year ended	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
	(Rupees '000)			
9.1 Cost of goods manufactured				
Work in process at beginning of the period	43,379	157,561	121,974	151,332
Raw materials and components consumed	338,474	625,937	703,177	1,114,234
Direct labour and factory overheads	91,312	111,404	123,664	182,502
	429,786	737,341	826,841	1,296,736
	473,165	894,902	948,815	1,448,068
Work in process at end of the period	45,997	104,261	45,997	104,261
	427,168	790,641	902,818	1,343,807

10. CASH USED IN OPERATIONS

	Note	(Un-audited)	
		Half year ended	
		December 31, 2013	December 31, 2012
		(Rupees '000)	
(Loss) / profit before taxation		(33,214)	64,234
Adjustment for non cash and other items:			
Depreciation / amortization on:			
- property, plant and equipment		14,616	12,413
- intangible assets		149	150
- investment property		126	126
Provision for gratuity		3,932	3,134
Gain on disposal of operating fixed assets		(286)	(125)
Amortization of gain on sale and lease back of fixed assets		(50)	(51)
Interest income		(397)	(307)
Finance cost		87,378	84,410
		72,254	163,984
Working capital changes	10.1	(60,343)	(733,888)
		11,911	(569,904)
10.1 Working capital changes			
Decrease / (increase) in current assets:			
Stores and spare parts		1,183	(562)
Stock-in-trade		143,735	(689,324)
Trade debts		(36,319)	(382,727)
Loans and advances		(28,504)	142,597
Trade deposits and prepayments		37,520	43,890
Other receivables		(2,846)	(1,618)
Sales tax refundable / adjustable		7,482	20,413
		122,251	(867,331)
(Decrease) / increase in trade and other payables		(182,594)	133,443
		(60,343)	(733,888)



(Un-audited)
Half year ended
December 31, 2013 December 31, 2012
(Rupees '000)

11. CASH AND CASH EQUIVALENTS

Cash and bank balances	21,339	40,289
Short term borrowings	<u>(1,278,554)</u>	<u>(1,214,536)</u>
	<u>(1,257,215)</u>	<u>(1,174,247)</u>

12. TRANSACTIONS WITH RELATED PARTIES

12.1 Significant transactions with related parties are as follows:

		(Un-audited) Half year ended	
Name of related party and nature of relationship	Nature of transaction	December 31, 2013	December 31, 2012
		(Rupees '000)	
(a) Holding Company Ltd. Bibojee Services (Pvt.)	Sale of trucks	-	36,400
(b) Subsidiary Company Marghzar Industries (Pvt.) Ltd.	Financial charges	167	162
(c) Associated Companies The General Tyre and Rubber Co. of Pakistan Ltd. (Common Directorship)	Purchase of tyres	22,187	18,189
	Rental income	1,500	-
Gandhara Nissan Ltd. (Common Directorship)	Assembly charges	63,250	122,844
	Sales - fabrication	1,452	1,320
	Purchase of parts	-	1
	Sale of parts	-	359
	Purchase of fixed assets	566	-
Universal Insurance Co. Ltd. (Common Directorship)	Insurance premium	1,693	6,465
Rehman Cotton Mills Ltd. (Common Directorship)	Rent accrued	600	600
Gammon Pakistan Ltd. (Common Directorship)	Rent paid	750	750
Hasan & Hasan Advocates (Common Directorship)	Retainership fee	60	60
(d) Technology supplier Isuzu Motors Ltd. - Japan	Parts purchased	-	192,442
	Commission earned	6,134	9,439
	Royalty accrued	1,865	-
	Reimbursement of expenses	3,499	-
	Warranty claims received	418	-
(e) Other Key management personnel	Remuneration and other benefits	10,180	9,040



	Un-audited December 31, 2013	Audited June 30, 2013
	(Rupees '000)	
12.2 Period / year end balances are as follows:		
Receivables from related parties		
Long term investment	1,400	1,400
Long term loans	280	325
Loans and advances	480	2,980
Other receivables	2,977	-
Payable to related parties		
Trade and other payables	103,996	174,478

13. FINANCIAL RISK MANAGEMENT

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

The condensed interim financial information does not include all financial risk management information and disclosures required in the audited annual financial statements and should be read in conjunction with the Company's audited annual financial statement for the year ended June 30, 2013.

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

14. OPERATING SEGMENTS

This condensed interim financial information has been prepared on the basis of a single reportable segment.

All non-current assets of the Company at December 31, 2013 are located in Pakistan. Revenues from external customers attributed to foreign countries in aggregate are not material.

The Company has earned revenue from two (December 31, 2012: one) customer amounting to Rs.556.473 million (December 31, 2012: Rs.697.869 million) during the current period which constituted 50.99% (December 31, 2012: 57.63%).

15. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on February 26, 2014 by the Board of Directors of the Company.

16. CORRESPONDING FIGURES

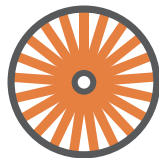
In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim balance sheet and condensed interim statement of changes in equity have been compared with the balances of audited annual financial statements of preceding financial year, whereas, the condensed interim profit and loss account and condensed interim cash flow statement have been compared with the balances of comparable period of immediately preceding financial year.

Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purpose of comparison. For the purpose of implementation of IAS 19 - 'Employee Benefits', certain corresponding figures have been restated in condensed interim balance sheet and condensed interim statement of changes in equity to reflect the retrospective changes required under the standard, as summarised in note 3.2.1.

Chief Executive Officer

Director

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CORPORATE