

**GHANDHARA INDUSTRIES LIMITED**  
**BALANCE SHEET (UN-AUDITED)**  
**AS AT SEPTEMBER, 30, 2006**

	<u>SEPT. 30,</u> <u>2006</u>	<u>JUNE 30,</u> <u>2006</u>
	(Rupees'000)	
<b>ASSETS</b>		
<b>NON CURRENT ASSETS</b>		
Property, Plant & Equipment	1,025,316	1,033,099
Investment Properties	91,627	91,691
Long Term Investment	1,400	1,400
Long Term Deposit	736	736
	<u>1,119,079</u>	<u>1,126,926</u>
<b>CURRENT ASSETS</b>		
Stores, spares and tools	9	-
Stock - in - trade	531,879	695,713
Trade debts	127,373	4,389
Loans, advances	35,876	19,482
Deposits & prepayments	110,375	92,260
Other receivables	37,966	21,731
Cash and bank balances	7,312	262,436
	<u>850,790</u>	<u>1,096,011</u>
	<u>1,969,869</u>	<u>2,222,937</u>
<b>Represented by:</b>		
Capital and Reserves		
Issued, subscribed and paid - up capital	213,044	65,553
Reserve	43,200	43,200
Accumulated loss	(80,847)	(126,103)
	<u>175,397</u>	<u>(17,350)</u>
Right Shares Subscription	-	61,629
Surplus on revaluation of Property, Plant, and Equipment and Investment Properties	<u>1,083,140</u>	<u>1,083,570</u>
	<u>1,258,537</u>	<u>1,127,849</u>
<b>NON CURRENT LIABILITIES</b>		
Deffered Liabilities	20,756	21,440
<b>CURRENT LIABILITIES</b>		
Trade and other payable	470,507	701,941
Accrued mark up/Interest	7,273	12,813
Short-term loan/running finances	149,068	318,934
Provision for taxation	63,728	39,960
	<u>690,576</u>	<u>1,073,648</u>
	<u>1,969,869</u>	<u>2,222,937</u>

**Director**

**Chief Executive**

**GHANDHARA INDUSTRIES LIMITED**  
**PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE QUARTER ENDED SEPT.30,2006**

	<b>Sept.30 2006</b>	<b>Sept.30 2005</b>
	<b>(Rs.'000)</b>	<b>(Rs.'000)</b>
Sales		
Manufactured goods	533,664	326,877
Trading stock	544	191
	534,208	327,068
Cost of sales		
Manufactured goods	448,548	282,094
Trading stock	454	134
	449,002	282,228
Gross profit	85,206	44,840
Distribution cost	3,006	1,167
Administration expenses	11,994	3,252
Operating profit	70,206	40,421
Other operating expenses		
Finance cost	5,261	1,928
	64,945	38,493
Other operating income	2,966	3,004
Profit before taxation	67,911	41,497
Provision for taxation		
Current	23,769	1,666
Deferred	(684)	(295)
	23,085	1,371
Profit after taxation	44,826	40,126
EARNING PER SHARE RUPEES	2.10	6.12

**Director**

**Chief Executive**

**GHANDHARA INDUSTRIES LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2006**

(Rs.'000)

	<b>SEPT. 30, 2006</b>	<b>JUNE, 2006</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
PROFIT/ (LOSS) BEFORE TAXATION	67,911	558,225
ADJUSTMENT FOR NON CASH CHARGES & OTHER ITEMS		
DEPRECIATION	8,194	16,009
LIABILITY WAIVED BY FOREIGN COMPANY		(22,777)
GAIN ON SETTLEMENT OF BANK LIABILITIES	-	(380,034)
WORKER PROFIT PARTICIPANT FUND		7,723
WORKER WELFARE FUND		2,150
PROVISION FOR LEAVE ENCASHMENT		446
INTEREST EXPENSE	4,833	21,021
INTEREST INCOME	(461)	(714)
	<u>80,477</u>	<u>202,049</u>
<b>WORKING CAPITAL CHANGES</b>		
(INCREASE)/DECREASE IN CURRENT ASSETS		
STORES & SPARES	(9)	175
STOCK IN TRADE	163,834	(325,171)
TRADE DEBTS	(122,984)	28,835
LOANS AND ADVANCES	(1,991)	(3,153)
DEPOSITS AND PREPAYMENTS	(18,115)	(57,015)
OTHER RECEIVABLES	(16,235)	(21,698)
	<u>4,500</u>	<u>(378,027)</u>
INCREASE/(DECREASE) IN CURRENT LIABILITIES		
CREDITORS, ACCRUED & OTHER LIABILITIES	(231,436)	311,331
<b>WORKING CAPITAL CHANGES</b>	<u>(226,936)</u>	<u>(66,696)</u>
CASH GENERATED FROM OPERATION (NOTE A)	(146,459)	135,353
INTEREST PAID	(10,373)	(5,685)
TAXES PAID	(14,748)	(12,923)
	<u>(171,580)</u>	<u>116,745</u>
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>		
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
PURCHASE OF FIXED ASSETS	-	(900)
LONG TERM DEPOSITS		(113)
INTEREST RECEIVED	461	714
NET CASH INFLOW FROM INVESTING ACTIVITIES	461	(299)
CASH INFLOW/(OUTFLOW) BEFORE FINANCING ACTIVITIES	<u>(171,119)</u>	<u>116,446</u>
<b>FINANCING ACTIVITIES</b>		
RIGHT SHARES SUBSCRIPTION	85,861	2,990
DIVIDEND PAID	-	(811)
	<u>85,861</u>	<u>2,179</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT	<u>(85,258)</u>	<u>118,625</u>
CASH & CASH EQUIVALENTS AT THE BEGING	(56,498)	(175,123)
CASH & CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>(141,756)</u>	<u>(56,498)</u>

Director

Chief Executive

**GHANDHARA INDUSTRIES LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2006**

	Capital Reserves			Revenue Reserve	Accumulated Loss	TOTAL
	Share Capital	Tax Holiday Reserve	Fixed Assets Replacement Reserve			
----- Rupees in thousand -----						
Balance as at 1 July 2005	65,553	5,500	10,000	25,300	2,400	(645,275) (536,522)
Profit for the year	-	-	-	-	-	520,732 520,732
Interim dividend paid 5%						(3,278) (3,278)
Transferred from surplus on revaluation of Fixed Assets on account of incremental depreciation for the year						1,718 1,718
<b>Balance as at 30 June 2006</b>	<b>65,553</b>	<b>5,500</b>	<b>10,000</b>	<b>25,300</b>	<b>2,400</b>	<b>(126,103) (17,350)</b>
Balance as at 1 July 2006	65,553	5,500	10,000	25,300	2,400	(126,103) (17,350)
Profit for the quarter	-	-	-	-	-	44,826 44,826
Right Shares Issued and subscribed	147,491					147,491
Transferred from surplus on revaluation of Fixed Assets on account of incremental depreciation for the year						430 430
<b>Balance as at 30 September 2005</b>	<b>213,044</b>	<b>5,500</b>	<b>10,000</b>	<b>25,300</b>	<b>2,400</b>	<b>(80,847) 175,397</b>

Director

Chief Executive

## NOTES TO THE FINANCIAL STATEMENT FOR THE THREE MONTHS ENDED 30TH SEPTEMBER 2006

- 1 Ghandhara Industries Limited was incorporated on 23 February 1963. the companys' shares are listed on Karachi and Lahore Stock Exchanges. The principal activity of the company is assembly and progressive manufacturing of Isuzu trucks and buses.
- 2 These accounts are un-audited and are being submitted to shareholders, in accordance with SRD 764(1) 2001, dated November 5,2001 issued by the Securities and Exchange Commission of Pakistan.
- 3 Previous years' figures have been rearranged, wherever necessary , for the purpose of comparison. In order to comply with the requirements of International Accounting Standard 34, Balance Sheet has been compared with the figures of the immediately preceding financial year and profit and loss account has been compared with figures of the preceding corresponding period.
- 4 The accounting policies and methods of computation adopted for the the preparation of the financial statement for the three months ended 30 September 2006 are the same as those applied in the preparation of the annual audited financial statements for the year ended 30 June 2006.

	<b>Sep-06</b>	<b>Sep-05</b>
<b>5 Transaction with associated companies</b>		
(a) Purchases made from associated undertaking	12,103	7,444
Assembly charges	13,500	4,880
Insurance charged by associated undertaking	819	990
(b) Financial Charges for subsidiary	49	49
(c) Technology Suppliers		
CKD Purchased	206,931	289,489
Running royalty	1,801	1,806
<b>6 Contigencies and Commitments</b>		
(a) Guarantees		
Issued by Bank	138,132	26,835
(b) Commitments		
Confirmed Letter of Credit	274,687	140,848

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Director

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Chief Executive